

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

AUGUST 12, 2008

MEETING MINUTES

CALL TO ORDER

Due to Commission President Linda Boomer's delayed arrival, Commission Vice President David Hanson called the Regular Commission meeting to order at 2:00 p.m., in the Commission Chambers of Port of Kennewick located at 350 Clover Island Drive, Suite 200 in Kennewick, Washington.

The following were present:

Board Members: Linda Boomer, President (*arrived at 2:40pm*)
David Hanson, Vice President
Gene Wagner, Secretary

Staff Members: Tim Arntzen, Executive Director
Dan Cryer, Director of Operations & Airport Manager
Tammy Fine, Director of Finance & Auditor
Larry Peterson, Director of Planning & Development
Tana Bader Inghima, Director of Governmental Relations & Marketing
Mary Fitch, Marina Manager & Accounting Specialist
Craig Walker, Port Counsel

PLEDGE OF ALLEGIANCE

Commissioner Hanson led the Pledge of Allegiance.

CONSENT AGENDA

The consent agenda consisted of the following:

- ***Regular Commission Meeting Minutes of July 8, 2008***
- ***Warrant Register Dated July 23, 2008***
Airport Operations Fund Voucher Nos. 40736-40741 totaling \$2,477.76
Construction Fund Voucher Nos. 2395-2399 totaling \$10,876.53
Expense Fund Voucher Nos. 28016-258054 totaling \$49,722.47
- ***Payroll Roster Dated July 31, 2008***
Expense Fund Voucher Nos. 28055-28071 totaling \$28,521.34
- ***Warrant Register Dated August 13, 2008***
Airport Operations Fund Voucher Nos. 40742-40755 totaling \$3,497.28
Construction Fund Voucher Nos. 2400-2409 totaling \$621,790.18
Expense Fund Voucher Nos. 28072-28125 totaling \$50,176.64
- ***Resolution 2008-35 Approving Purchase of Mobile Home at Willows Trailer Park***
- ***Resolution 2008-36 Approving Fuel Agreement with Connell Oil***
- ***❖ Commissioner Gene Wagner moved approval of the consent agenda as presented. Commissioner Hanson seconded and the motion was unanimously carried.***

PUBLIC COMMENTS

Mr. Kishore Verada proposed purchasing additional property at Spaulding Business Park to expand his business project and create additional parking. It was decided Mr. Verada would work with Port staff regarding the details of the proposal.

PRESENTATION BY NORTHWEST RIVERPARTNERS

Ms. Karen Miller with Benton Public Utility District and Debbie Bone-Harris with Franklin Public Utility District gave a PowerPoint presentation regarding Northwest RiverPartners which is comprised of a partnership of farmers, electric utilities and both large and small businesses in the Pacific Northwest. The organization's main objective is to help protect the salmon with green dams and help keep transportation open. Northwest RiverPartners also promotes good stewardship and cost efficient salmon restoration programs. Twenty to thirty percent (20-30%) of what is billed to utility consumers is used for salmon restoration. Northwest RiverPartners is conducting an informational forum October 10, 2008 7:30 a.m. to 11:30 a.m. at Three Rivers Convention Center, Kennewick, Washington. Information regarding this forum can be viewed at www.nwriverpartners.org.

NEW BUSINESS

➤ ***Resolution 2008-37 Approving Land Sale to Vista Field Industrial Park II, LLC in Vista Field Industrial Park***

Director of Planning and Development Larry Peterson stated Vista Field Industrial Park II [Thomas M. O'Brien] has offered to purchase 3.32 acres which is equal to 144,710 square feet located in the Vista Field Industrial Park for \$375,000. The purchase price equates to \$2.77 per square foot for the property fronting on McKinley Street and \$2.15 per sq. ft. for the landlocked portion located north of Paradise Bottled Water. The purchase proposal also includes the Port accepting responsibility for improvements of an access easement adjacent to Paradise Bottle Water. This current Port obligation for easement improvement is estimated to be \$25,000, which effectively brings the interior parcel price to \$2.75 per sq. ft. The purchaser plans to build a minimum of 40,000 square feet of office/warehouse space. Mr. Peterson stated the prices are generally consistent with recent sales activity in the area and recommended approval of the resolution.

❖ ***Commissioner Hanson moved approval of Resolution 2008-37 approving a land sale to Vista Field Industrial Park II, LLC and authorizing the Executive Director to execute the contract. Commissioner Wagner seconded and the motion carried unanimously.***

➤ ***Resolution 2008-38 Authorizing Economic Development Assistance to City of Benton City***
Executive Director Tim Arntzen stated the Port Commission has long recognized the importance of City of Benton City to the overall economic stability of the Port District. He stated staff members of the two government entities have been working together over the years to formulate an economic development strategy that meets community objectives.

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The Commission established a budget of \$20,000 for 2008 with said funding to be utilized for economic development activities within Benton City. Benton City staff, at the request of Mayor Lloyd Carnahan, has identified projects and has asked the Port for its funding allocation. Mr. Arntzen stated staff has reviewed the Benton City request and finds it in appropriate form and recommended approval of the resolution.

- ❖ *Commissioner Wagner moved approval of Resolution 2008-38 approving economic development assistance in the amount of \$20,000 to various Benton City projects, and authorizing the Executive Director to execute the contract. Commissioner Hanson seconded and the motion carried unanimously.*

REPORTS, COMMENTS AND DISCUSSION ITEMS

➤ ***Benton County Piert Road Extension Project Update***

Director of Governmental Relations and Marketing Tana Bader Inglima addressed the Commissioners stating she had attended the July 28, 2008 Benton County Commission meeting where the Port's letter supporting alternatives four and six of the Piert Road Extension project was discussed. During the meeting County staff was asked to look into the option of forming a County Road Improvement District which would have property owners within the boundary area pay for the realignment through a Local Improvement District (LID). The suggestion was not very well received but property owners were willing to help support the County in pursuing both grants and federal funding for the project. Ms. Bader Inglima stated the County Commissioners and staff appeared to favor alternative six which the Port also prefers as it protects Greenbrier Rail Services LLC (formerly Gunderson Rail) and also provides for future rail-loop development for the Columbia Ethanol Plant. She explained the County Commissioners had not made a final decision and would revisit the item at the September 15, 2008 meeting. Ms. Bader Inglima will keep the Commission informed of any decision made by the County.

➤ ***Clover Island Update***

Clover Island Inn Concert Series: Mr. Arntzen stated The Kingsman concert is scheduled for Saturday, August 16, 2008 and Pablo Cruise is scheduled for Friday, September 12, 2008 at Clover Island Inn.

Clover Island Marina Committee: Marina Manager Mary Fitch informed the Commission that she and Director of Operations Dan Cryer plan to form a Marina Advisory Committee which will allow open communication between marina tenants and Port staff regarding any potential marina issues that may arise.

Clover Island Marina Project Close-out Procedures: Mr. Peterson informed the Commission of minor items remaining regarding the Clover Island Marina Reconstruction project. Once those items have been resolved, the project will be presented to the Commission for acceptance and closure.

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Clover Island Yacht Club Building Update: Mr. Peterson stated the application for the Clover Island Yacht Club building was submitted to City of Kennewick some time ago. The City has since forwarded the permit to the State of Washington for approval but the permit application was returned to the City due to the lack of proper signatures from City officials. Mr. Peterson explained the application will be resubmitted but will be delayed due to the oversight. He stated the thirty-day comment period will begin once the application is deemed as appropriate and complete by the State of Washington.

➤ ***Columbia Drive Update***

Fred Durfee Land Acquisition Closing Update: Mr. Peterson advised the feasibility period will expire soon regarding the Fred Durfee property acquisition. He explained the Phase I and II Environmental report was complete and no environmental issues were noted. Mr. Peterson recommended the moving forward with the land acquisition.

❖ ***Commissioner Wagner moved to waive the feasibility contingency and proceed to closing. Commissioner Hanson seconded and the motion carried unanimously.***

➤ ***Letter of Recommendation for Ben Tuttle of Tuttle Aviation***

Mr. Cryer explained former fixed base operator Ben Tuttle had requested a letter of recommendation from the Port. The Commission was supportive of the letter and asked the Mr. Arntzen proceed with the document for Mr. Tuttle.

➤ ***Confederated Tribes of the Umatilla Indian Reservation Salmon Walk Participation***

Ms. Bader Inglima stated she will have a Port of Kennewick information booth at the 13th Annual Salmon Walk scheduled for Saturday, August 23, 2008. She explained the event brings more than 1,000 school children and their parents out to learn about watershed and salmon restoration and to learn more about surrounding communities. Ms. Bader Inglima will provide information about Clover Island Marina and the Clover Island Improvement Plan and Shoreline Restoration efforts.

➤ ***West Richland Update***

Ms. Bader Inglima attended the Benton County Planning Commission meeting and spoke in support of City of West Richland's application to expand the Urban Growth Area to include 747 additional acres which includes the Port's ninety-two acres. She explained inclusion of the Port's property within the City's Urban Growth Area would allow access to city services and would offer greater flexibility in promoting the property for commercial and light industrial development. Ms. Bader Inglima stated it would also provide an opportunity to develop crushing, production and support services very close to the Red Mountain AVA while keeping the limited and highly prized AVA land available for growing grapes. She explained Benton County staff recommended the Planning Commission deny the expansion request due to the City's already sizable Urban Growth Area. The topic will be revisited

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during the August 19, 2008 Benton County Planning Commission meeting at which Ms. Bader Inglima will be in attendance.

➤ **Meeting Reports**

- Mr. Peterson attended a shoreline restoration meeting.
- Mr. Arntzen attended the Washington Public Ports Association Executive Directors Seminar, a Tri-Cities Visitor and Convention Bureau Board meeting and gave a presentation to the Port of Camas-Washougal Commission regarding Port of Kennewick's recent activities and projects.
- Director of Finance Tammy Fine attended the Washington Public Ports Association Facilities and Engineering Seminar.
- Mr. Cryer also attended the Washington Public Ports Association Facilities and Engineering Seminar.
- Ms. Bader Inglima attended a TRIDEC meeting and a Rivershore Enhancement Council meeting. She also presented the Port's grant application to the Recreation and Conservation Office (RCO) committee in Olympia and assisted Mr. Arntzen with the presentation to the Commission of Port of Camas.

➤ **Non-scheduled Items**

- Mr. Arntzen mentioned that the Port received a thank you letter from the Gilbert family for assisting the night of the tragic boating accident that took life of Hubby's Pizza founder and Clover Island Yacht Club member Ed Gilbert.
- Mr. Arntzen stated the *Tri-City Herald* recently ran a story featuring Tri-City Digital Photography Club formed in November 2007. A photograph of Clover Island Marina was included in the article.
- Mr. Arntzen informed the Commission he had signed a Memorandum of Agreement pertaining to the 2008 Waterfront Center Study, which was under his Delegation of Authority. He explained Cities of Kennewick, Pasco and Richland along with Ports of Benton and Pasco were also participating with the study.
- Mr. Cryer advised the Commission a rail spur that serves Ash Grove Cement had to be closed for repair. He utilized the Small Works Roster and the repair was completed by Tri-City Olympia Rail.
- Mrs. Bader-Inglima stated Mr. Arntzen gave a PowerPoint presentation to the Port of Camas-Washougal Commission meeting regarding Port of Kennewick recent activities

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and projects. She stated many positive comments were received regarding the projects the Port has undergone.

EXECUTIVE SESSION

Real Estate Matters RCW 42.30.110 (i)

Commissioner Boomer called for a five-minute recess at 3:03 p.m., after which there would be an Executive Session to discuss real estate matters. Mr. Arntzen anticipated Executive Session to last approximately twenty minutes with no action expected.

Ms. Fine exited the Commission Chambers at 3:28 p.m. to announce Executive Session would be extended approximately one hour.

ADJOURNMENT

Regular Session was reconvened and with no further business to bring before the Board, the meeting was adjourned at 4:22 p.m.

APPROVED:

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

Linda Boomer, President

David Hanson, Vice President

Gene Wagner, Secretary