

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 23, 2008

MEETING MINUTES

CALL TO ORDER

Commission President Linda Boomer 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
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 Inglima, Director of Governmental Relations & Marketing
Teresa Hancock, Real Estate Analyst and Special Projects
Sherrie Bowers, Administrative Assistant/Records Manager
Craig Walker, Port Counsel

PLEDGE OF ALLEGIANCE

Commissioner Boomer led the Pledge of Allegiance.

PUBLIC COMMENTS

Executive Director Tim Arntzen reviewed the Port Commission-approved Public Comment Procedures.

Clover Island Inn General Manager Mark Blotz thanked the Port Commission and staff for supporting the Fourth Annual Clover Island Inn Concert Series which brought more than 2,500 people to Clover Island this past summer.

CONSENT AGENDA

The consent agenda consisted of the following:

- ***Regular Commission Meeting Minutes of September 9, 2008***
- ***Payroll Roster Dated September 15, 2008, 2008***
Expense Fund Voucher Nos. 28236-28248 totaling \$20,393.75
- ***Warrant Register Dated August 27, 2008***
Airport Operations Fund Voucher Nos. 40775-40779 totaling \$1,137.11
Construction Fund Voucher Nos. 2425-2429 totaling \$24,643.75
Expense Fund Voucher Nos. 28249-28279 \$20,182.14
- ***Resolution 2008-43 Authorizing Purchase of Mobile Home in Willows Trailer Court***

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 23, 2008

MEETING MINUTES

PAGE 2 OF 9

- *Resolution 2008-44 Authorizing Purchase of Mobile Home in Willows Trailer Court*
- *Resolution 2008-45 Approving Ti Sport Lease Addendum*
 - ❖ *Commissioner Gene Wagner moved approval of the consent agenda as presented. Commissioner David Hanson seconded and the motion was unanimously carried.*

NEW BUSINESS

➤ *Resolution 2008-46 Authorizing Public Discussion of Vista Field Alternatives*

Mr. Arntzen stated a recent *Tri-City Herald* article regarding Vista Field Airport by reporter Pratik Joshi was very well written and thanked Mr. Joshi.

Mr. Arntzen explained the Port Commission is considering two alternatives for Vista Field Airport explaining Alternative “B-2” was a closure option and Alternative “D-2” was an airport expansion option. Both alternatives are attached to Resolution 2008-46 which, if approved, would allow discussion of these two alternatives. He hoped for a final decision by the Commission regarding Vista Field Airport during the December 9, 2008 Regular Commission meeting.

Mr. Arntzen reminded the public the Port owns the land which was purchased from the City of Kennewick in 1991, stating there seemed to be some confusion as to who actually owns the property.

Mr. Arntzen stated the City could possibly close the airport by enforcing the City’s zoning designation for the area which does not currently allow airport use on the property.

Mr. Arntzen explained the Port has followed a deliberate process in determining the ultimate future of Vista Field Airport and has sought all relevant evidence related to the airport. He explained Port staff was still in the process of gathering information.

Mr. Arntzen explained City of Kennewick commissioned an economic study related to Vista Field Airport referred to as the Belt-Collins Study (the City study). He stated the purpose of the City study was to determine the highest and best use of the airport property. Mr. Arntzen reiterated the Port Commission had elected to refrain from making any decision regarding Vista Field Airport until the study had been completed.

Mr. Arntzen stated the Belt-Collins study has recommended that the Port close Vista Field Airport based on Alternative “B” of the City study. Because Alternative “B” presents several, major issues for the Port, such as not identifying a funding source for closure expenses, the Port Commission asked staff prepare a draft airport closure scenario which would benefit the Port and its taxpayers. Additionally, based on stakeholders’ requests, the Port Commission also directed staff to prepare an airport expansion option, consistent with Alternative “D” of the City study.

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 23, 2008

MEETING MINUTES

PAGE 3 OF 9

Mr. Arntzen stated he had drafted the requested documents and recommended approval of Resolution 2008-46 to which both alternatives were attached.

❖ *Commissioner Wagner moved approval of Resolution 2008-46, authorizing a public discussion of the Vista Field alternatives on the terms set forth herein. Commissioner Hanson seconded and the motion unanimously carried.*

Mr. Arntzen reviewed each alternative before the Commission for consideration.

Dr. Carl Cadwell addressed the Commission presenting a PowerPoint showing his suggestions for Vista Field Airport which proposed a premier maintenance facility with private investors to fund the airport. He discussed the loss of businesses, should the airport close, and reminded the Port Commission that public ports are supposed to encourage business.

He read into the record a portion of the 1991 *Airport Contract* between the Port and the City and is as follows:

Paragraph 4. Development and Zoning

It is agreed between the parties that the continued operation of Vista Field and commercial and industrial activities compatible therewith is a vital concern to both parties. Both agree to seek and promote appropriate and necessary zoning, building, construction, platting and subdivision and other improvements so as to make the said Vista Field and its environs productive, harmonious and a social and economic asset for the community. The City and the Port agree that they will cooperate in assuring that future surrounding development is not detrimental to the safe operation of the airport, i.e., heights of structures and other objects and light and glare. It is agreed and understood that nothing in this contract shall be construed as affecting the sovereign or municipal powers of either party.

Dr. Cadwell felt this paragraph was a source of tension between the Port and the City.

Mike White of Kennewick felt the primary objective of the Port should be to maintain and develop transportation in our area and expected the Port Commission to vote to maintain Vista Field Airport.

Advanced Medical Isotopes Chief Financial Officer Bruce Jolliff stated the company had specifically chosen that location due to the proximity of Vista Field Airport.

Mr. John Dobson emphasized the Long-Term Air Transportation Study (LATS Study) is currently being compiled and did not understand the urgency of a decision by the Port. Mr.

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 23, 2008

MEETING MINUTES

PAGE 4 OF 9

Dobson stated several local individuals were involved with the LATS and felt those individuals should have been contacted by City and/or the Port for input for this issue. He stated the LATS Study would be completed in eight months and strongly urged the Commission to wait until that report was made public before making a decision regarding the future of Vista Field Airport.

Airport user Ms. Marjy Leggett stated, in addition to the economic benefit, the airport is considered a resource in case of a catastrophic event in our area and had verified that fact with Benton County Emergency Services. She stated a Benton County Mitigation Plan was developed several years ago and during a meeting in 2003 where Commissioner Boomer was in attendance as an employee of Port of Kennewick. Ms. Leggett quoted Commissioner Boomer as saying, *"Vista Field Airport is a critical facility, along with roads, hospitals and electrical power systems should an unforeseen or critical emergency occur."* Ms. Leggett was uncertain why the fact that Vista Field Airport was designated as a resource in case of catastrophic events had not been addressed or discussed by the City or the Port.

Mr. Arntzen stated there were several firms that conducted public surveys and would seek additional information if the Commission was interested.

In light of the current economic situation, and the Port's tight budget for 2009, Commissioner Hanson asked if the Port should consider Alternative "A" of the City study which is to do nothing at this time. He indicated he would like to have additional public comment before making a decision.

Mr. Arntzen addressed Commissioner Hanson's concerns stating Port staff had previously discussed with the Commission two budgets for 2009, one of which was developed as a recession budget. At the time of the discussion, it appeared unnecessary, but in light of recent economic downturns, approving the recession budget for 2009 may be beneficial to the Port. Regardless of which budget is approved for 2009, Mr. Arntzen stated the draft he will propose to the Commission would be a conservative budget.

Commissioner Boomer felt Alternative "B-2" or "D-2" may not come out exactly as written but felt approving Resolution 2008-46 may solicit additional public input. She felt Alternative "A" was what the Port had been doing and felt a decision needed to be made.

Commissioner Wagner felt the Port Commission was being pressured into making a decision and felt time should be given to review all available information before making a decision. However, he was not in favor of doing nothing as set forth in Alternative "A" of the City study.

Dr. Cadwell asked the Port to consider requesting zoning changes from the City before anything else is decided since the zoning issue needed to be addressed regardless of the Commission's decision.

Commission Boomer thanked Dr. Cadwell for his input.

➤ ***Resolution 2008-47 Approving Three-Year Lease Renewal with EST at Vista Field Development Facility Building "B"***

Director of Operations Dan Cryer stated Electronic Systems Technology, Inc. (EST) would like to exercise its option for a three-year lease renewal, effective October 1, 2008, at Vista Field Development Facility "B". He explained the new lease rates would be \$.43 per square foot first year; \$.45 the second year and \$.47 the third year, plus leasehold tax. He explained these increases were consistent with the Port's policy of accelerating rates over time toward market rates without creating undue hardship for tenants. Mr. Cryer stated other lease terms and conditions were virtually identical to the expiring lease and recommended approval of the resolution.

- ❖ ***Commissioner Hanson moved approval of Resolution 2008-47 approving a new three-year lease with Electronic Systems Technology, Inc. and authorizing the Executive Director to execute the contract. Commissioner Wagner seconded and the motion carried unanimously.***

REPORTS, COMMENTS AND DISCUSSION ITEMS

➤ ***Clover Island Update***

Clover Island Yacht Club Building Update: Director of Planning and Development Larry Peterson explained bids would be opened September 24, 2008 at 3:00 p.m. He stated forty-eight sets of plans had been distributed and expected very competitive bids for the nine-month project.

PND Summary of Invoices for Clover Island Marina: Mr. Peterson explained PND had exceeded the approved contract amount for the marina project. Although the amount is within Mr. Arntzen delegation of authority, Mr. Peterson wanted to keep the Commission informed of the issue.

➤ ***Vista Field Airport***

Staff Comments Regarding City of Kennewick's Belt-Collins Study: Mr. Arntzen reviewed Port staff comments regarding City of Kennewick's Belt-Collins study. He stated the City study was commissioned by the City and, although the Port had offered to help financially with the study, the City declined the offer. He stated one element of concern regarding the City's process was there was no general public input. The City contacted several businesses in the Vista Field area but held no public meetings. Although the City study referenced four alternatives, it focused primarily on Alternative "B", which dealt with the closure of Vista Field Airport. The City study recommended the Port build parks and single family residential dwellings on the property, which is prohibited for port districts. The City study did not include relocation costs for users or litigation and mitigation costs. Mr. Arntzen felt the Port could lose money by closing the facility while the City would capture approximately \$1 million in revenue. He added the City study implies there would be no assistance to users or tenants,

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 23, 2008

MEETING MINUTES

PAGE 6 OF 9

which is not a position the Port should take. Mr. Arntzen felt this may have been an oversight by the consultant.

Commissioner Boomer called for public comment.

Mr. Dobson stated members of the City's Airport Task Force had asked for copies of the spreadsheet used by the consultant for the City study but the requests were denied stating it was privileged information. Mr. Hammond finally agreed to submit a copy to Dr. Cadwell, but it has yet to be received. Mr. Dobson stated Belt Collins has no aviation background and felt the study was flawed.

Desert Aire resident Mr. Raymond Wells stated he had been a private pilot for twenty years. He recently watched a television documentary which stated the future of flying will be simplified and general aviation airports will see an increase in activity due to improved technology.

Airport user Mr. Daniel Washam also saw the program and felt a city of 100,000 should have an airport.

➤ ***Commissioner Appointment Process***

Mr. Arntzen explained Commissioners Hanson and Wagner will appoint a candidate to replace Commissioner Boomer and recommended Commissioner Boomer not participate in this or future discussions regarding the appointment process. He explained the candidate would take office at the first meeting in January 2009 and run for office November 2009. He suggested display advertisements be placed in the local news publications and felt the Port should run Public Service Announcements. He reviewed the Commissioner Appointment Application packet that has been compiled by staff detailing the process which will include interviews with interested candidates in open session of an upcoming Commission meeting. He stated material would be available upon Commission approval with a deadline October 6, 2008 at 5:00 p.m. The applications could be delivered to Commissioners Hanson and Wagner by October 8, 2008 with candidates possibly interviewed during the October 14, 2008 Regular Commission meeting and possible appointment during the October 28, 2008 Regular Commission meeting. Mr. Arntzen stated the appointee would be sworn in during the first Regular Commission meeting scheduled for January 13, 2009.

➤ ***Columbia Drive Development Strategy***

Mr. Arntzen stated there was misinformation being discussed regarding the Port's intentions with the Columbia Drive area. He stated the Port never advocated purchasing as much property as possible on Columbia Drive or building a large park, which is what has been rumored within the community. He asked if the Commission wanted him to do a display advertisement refuting the rumor. Commissioner Hanson stated he had been approached with questions regarding such rumors and suggested an article be written. After discussion it was decided include an article in the next Port newsletter.

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 23, 2008

MEETING MINUTES

PAGE 7 OF 9

➤ ***Insurance Renewal Discussion***

Mr. Cryer reminded the Commission the Port switched insurance companies to Enduris, formerly Washington Governmental Entity Pool. He stated the Port's insurance continues for a one full year with the increase in premiums associated with inflation. He reported there were increases in liability for all port districts based on recent port district claims, which would be absorbed by the Port in September 2009. He stated property insurance rates would remain the same with the only increase being rising replacement costs for Port-owned structures. He reported AIG Financial is being bailed out by the United States government but felt the Port need not be concerned with its association with AIG insurance companies. Although he expected future increases, he did not feel there was a need switch companies at this time.

➤ ***Commissioner Reports***

Commissioner Wagner attended the 109th Annual State Good Roads & Transportation meeting where members toured Infinia. He was very impressed with the company.

➤ ***Commissioner Calendar Review***

Administrative Assistant and Records Manager Sherrie Bowers reviewed upcoming meetings for the Commissioners which included a Tri-Cities Visitor & Convention Bureau Full Board meeting, September 25, 2008 at 7:30 a.m. at Red Lion - Kennewick and the Northwest RiverPartners VIP Reception, October 9, 2008 from 5:30 p.m. to 7:30 p.m. at Anthony's Event Center in Richland for Commissioner Boomer, the Washington Public Ports Association Environmental Seminar, September 25 and 26, 2008 in Bellingham and a TRIDEC Executive Board meeting, October 9, 2008 at 4:00 p.m. at the TRIDEC office for Commissioner Hanson and the West Richland Chamber of Commerce Luncheon scheduled for October 1, 2008 at 12:00 p.m. at the Sandberg Event Center in West Richland for Commissioner Wagner. She stated all three Commissioners were scheduled to attend the Special Commission meeting scheduled for Wednesday, October 1, 2008 at 9:30 a.m. in the Commission Chambers and the South Ridge Village Grand Opening, Wednesday, October 8, 2008 from 4:00 p.m. to 6:00 p.m. at the Intersection of SR-395 and Hildebrand Boulevard in Kennewick.

Commissioner Hanson stated he would be out of town October 9, 2008 and Mr. Arntzen would be attending the TRIDEC Executive Board meeting on his behalf.

Ms. Bowers asked that Commissioners notify her of any further revisions.

➤ ***Meeting Reports***

- Commissioner Boomer attended the Port of Portland Reception.
- Commissioner Hanson also attended the Port of Portland Reception.

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 23, 2008

MEETING MINUTES

PAGE 8 OF 9

- Commissioner Wagner was one of few officials selected to ride in a Chinook helicopter during the Bass Fishing Tournament and highly recommended doing so if given the opportunity.
- Mr. Arntzen attended the Urban Waterfront Revitalization Conference in Bremerton, the Pablo Cruise at Clover Island Inn, a Tri-Ports meeting, met with Dr. Cadwell, had meetings with staff regarding the budget and met with reporter Pratik Joshi of the *Tri-City Herald*.
- Mr. Peterson attended a Red Mountain AVA meeting and the Urban Waterfront Revitalization Conference in Bremerton.
- Mr. Cryer attended the Banner Breaking Ceremony for the Sacagawea Heritage Trail and, in an effort to encourage citizens of West Richland to beautify the city, helped pressure wash the West Richland Chamber of Commerce building.
- Ms. Bader Inglima attended a Rivershore Enhancement committee meeting and the Banner Breaking Ceremony for the Sacagawea Heritage Trail.

➤ *Non-scheduled Items*

- Mr. Arntzen requested vacations October 20-26, 2008 and December 1-7, 2008. The Commission authorized his request.
- Mr. Arntzen announced Ms. Bader Inglima had successfully completed the six-month probationary period with the Port and congratulated her. He added that she was a very valuable addition to the Port staff.
- Mr. Arntzen explained there are forty-six homes in Willows Trailer Court when the Port purchased the property last year. He announced thirty-two of those homes have been purchased by the Port with the remaining homes being either travel trailers or homes that were able to be relocated. He commended Real Estate Analyst Teresa Hancock for a fantastic job and appreciated her efforts in helping tenants find other homes.

Mr. Peterson added it had not even been a year since the Port purchased Willows Trailer Court and thanked Ms. Hancock. He felt she had exceeded expectations of staff and the individuals within the mobile home park and congratulated her for her success.

Commissioner Wagner stated this was just another way the Port staff was very successful and was proud to be associated with such a victorious group of hard-working individuals.

Port Counsel Craig Walker also commended Ms. Hancock and the rest of the Port staff stating they have done a remarkable job with transitioning the Willows Trailer Court tenants. Mr. Walker had expected several issues with this transition and had received only one

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 23, 2008

MEETING MINUTES

PAGE 9 OF 9

telephone call throughout the entire process. He agreed with Commissioner Wagner that this was an exceptional staff.

EXECUTIVE SESSION

Real Estate Matters RCW 42.30.110 (i)

Commissioner Boomer called for a five-minute recess at 3:45 p.m., after which there would be an Executive Session to discuss real estate matters. Mr. Arntzen anticipated Executive Session to last approximately thirty minutes with no action expected.

Ms. Fine exited the Commission Chambers at 4:20 p.m., to announce Executive Session would be extended approximately fifteen minutes.

ADJOURNMENT

Regular Session was reconvened at 4:30 p.m., and with no further business to bring before the Board, the meeting was adjourned at 4:30 p.m.

APPROVED:

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

Linda Boomer, President

David Hanson, Vice President

Gene Wagner, Secretary