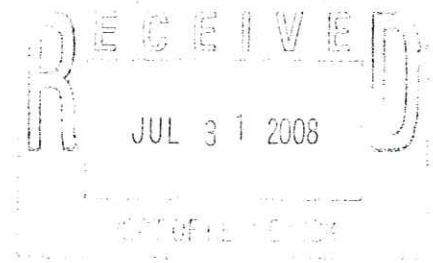


ATTACHMENT D



July 30, 2008

Port of Kennewick
Attn: Tim Arntzen
101 Clover Island Drive
Kennewick, WA 99336

Dear Mr. Arntzen:

On behalf of Kennewick City Council, please consider this an invitation for the Board of Commissioners of the Port of Kennewick to join Kennewick City Council members in a joint workshop session to discuss the future of the Vista Airport. As you are aware, I provided an update to our City Council members at workshop on July 22, 2008 regarding the efforts by City staff, consultants and a citizens task force to characterize the highest and best use of the airport properties. I have sent with this letter a complete copy of the staff report provided to City Council members for the July 22 workshop. City Council members agreed with the staff recommendation to invite the Port of Kennewick to a workshop for further discussion.

We are flexible regarding the time and format for this workshop should you wish to take us up on this invite. If you wish to discuss potential logistics further, please call me at 585-4238.

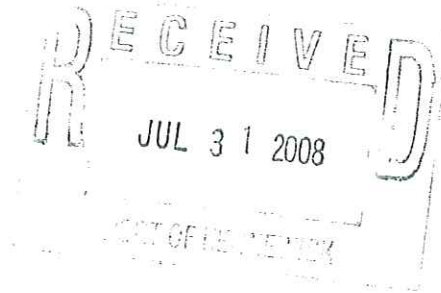
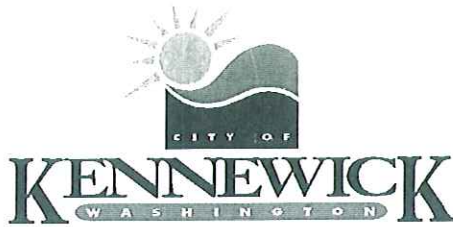
Thank you for consideration of the City's request.

Sincerely,

A handwritten signature in cursive that reads "Bob Hammond/tw".

Bob Hammond
Kennewick City Manager

cc: City Council
Vista Airport Task Force Members



MEMORANDUM

To: Kennewick City Council
From: Bob Hammond, City Manager *BobH*
Date: July 22, 2008
Regarding: Vista Airport

Purpose

This is intended to summarize the work done in the past six months by City of Kennewick (City) staff to address the highest and best use of the Vista Airport property owned by the Port of Kennewick (Port). I also provide my thoughts on the work products and options for City Council to consider regarding what to do with this information.

Background

In August 2003, one of my first actions as City Manager was to read into the record, during a Port of Kennewick public meeting, the City's position related to the future of Vista Airport. (See Attachment A to this memo.) The message conveyed through this testimony was that the City desired an economic study be commissioned that would answer some of the economic unknowns regarding airport closure.

In October 2005, I sent to Port Executive Director, Tim Arntzen, a letter that commented on the update the Port published for the Vista Field Master Plan (Attachment B). It asked, among other things, what value the current airport provided to the community.

At a City workshop on November 13, 2007, Council provided general direction for City staff to commission an economic impact study related to highest and best use of the airport properties. I indicated that I would make use of a Task Force and attempt to solicit members that represented diverse interests and opinions. Task Force members are:

- Carl Cadwell, Cadwell Industries and airport user
- Marjy Leggett, citizen pilot and airport advocate
- Kevin Ferguson, Kennewick Assistant City Manager
- Manuel Chavallo, Developer
- Scott Revell, District Planner for Kennewick Irrigation District
- Jim Bauer, citizen
- Steve Young, Kennewick Planning Commissioner and ex Kennewick PFD Board Member

City Staff and Task Force Activities

Task Force Members first participated in a Value Mapping exercise facilitated by Dana Engineering (final report – Attachment C). Through this effort, ranked criteria were established for use in evaluating future uses of airport property and, more importantly, the Task Force Members were able to clearly and succinctly characterize their vision for the future of this area.

With that preliminary information in mind, City staff chose Belt Collins Northwest (Consultant) from its Professional Services Roster as the best qualified to provide consultant services and City Council approved a consulting agreement on April 1, 2008. The Consultant has been working for the past few weeks and their final report has now been received (Attachment D). City staff and Task Force members have provided input, considered and in many cases included within the final report by the Consultant.

In addition to providing input to the Consultant, Task Force members have prepared some of their own work products:

- Attachment E – memo by Carl Cadwell addressing the Consultant report;
- Attachment F - presentation prepared by Carl Cadwell and Marjy Leggett regarding their vision of a future enhanced airport, and
- Attachment G – presentation prepared by Kevin Ferguson, Scott Revell and Steve Young representing some alternatives to redevelopment of the airport properties assuming closure of the airport.

City Staff Comments Regarding Consultant Report

The Consultant did satisfactorily complete all areas of the scope of our agreement. However, assumptions regarding development patterns had to be made in order to calculate impacts and those assumptions represent only one set of views. With that said, following is a list of items noted in the Consultant report, as well as other issues that City staff believe are important for City Council to consider.

- Accepting Alternative A (leave as-is) should be highly discouraged because of the lost potential to either airport users directly or the greater community. More to point, this is prime property with great potential, regardless of the choice regarding future airport or not.
- From the sole perspective of current economics, the Consultant analysis supports closure of the airport and redevelopment in a mixed use theme (Alternative B). The redevelopment pattern chosen by the Consultant includes an aquatic center and a 4 story hotel. It introduces structured parking and also includes town houses, condominiums and some single family residences, along with commercial retail and a Cinema. Professional office space and a small amount of light industrial space are proposed in a logical clustering pattern that appears to be consistent with the City's historical vision for the surrounding area. Within the parameters for projected growth / demographics / industry standards, etc., the Consultant has calculated that the regional economy will support redevelopment of this property over the next twenty years (absorption).
- What Alternative B leaves unanswered is how to create new primary industry in our City that can sustain the economy in a future without \$1.5 billion plus annually of federal cleanup dollars. In other words, should we use up valuable lands that could leverage new primary industry to continue our historical development patterns heavy on commercial retail and service industries?
- Alternative C should also be discouraged because, while it clearly improves on the aviation niche that the existing airport users have come to enjoy, it represents very little improvement that can be leveraged for benefit of the greater general community.
- Alternative D continues to be intriguing in regards to possibilities for creating new primary industry. However, given the limited scope of the agreement we had with the Consultant (namely staying within the existing geographical footprint for all alternatives), it did not compete well from a current economics basis.
- The various visions that have been brought forward by Task Force members should be carefully considered by City Council members. Those that espouse an enhanced airport through Alternative D see much more potential for impacting the regional economy and

sustaining a high quality of life than depicted in the Consultant's report. It would take a determined stance to choose to pursue such a vision and it probably wouldn't provide much of an early economic return. It could, however, help address the longer term regional economic transition that will occur with sunset of Hanford cleanup. Other Task Force members have strong opinions regarding alternatives for redevelopment under the Alternative B scenario, e.g. increasing the light industrial / manufacturing components.

- Safety has not been addressed in the report, at least beyond some light reference. In discussions with the Consultant, there is nothing unusually alarming about either the existing airfield operations or those represented with the enhanced airport alternatives. With that said, it is of importance and, to note the obvious, any future accident involving person or property damage would elicit criticism of elected officials. Nothing will change that short of a decision to close airport operations.
- Referring to investment figures in the Consultant's report, public monies will be necessary regardless of the ultimate decision of the airport's future. We, as City staff, have attempted to clearly delineate between the authorities of the City and those of other entities including the Port of Kennewick as we've proceeded with our work. The City has no legal obligation or authority to make a decision regarding the future of the airport. Having said that, City Council members should expect Port officials to ask for assistance, both politically and financially, as they deliberate on their decisions regarding the airport's future. Historically, the City has worked in partnership with the Port on many projects in order to identify and then implement a common vision. Infrastructure funding has been one of the important tools that the City has brought to the table regarding those partnerships.

City Staff Recommendation

The following are options for City Council action related to this matter:

- Do nothing. (*Comment: All of the work performed is now public record and accessible for anyone who has interest. Doing nothing further will simply treat this as information available for others to use as they wish.*)
- Transmit this information without official comment or any specific request to the Port of Kennewick.
- Use this work as the basis of establishing a policy opinion and convey that to the Port of Kennewick in terms of a specific request regarding the future of Vista Airport.
- Commission additional consultant work to further characterize one or more of these alternatives.
- Conduct public meeting(s) to gauge community support for the respective alternatives in the Consultant report. (*Comment: Task Force members could be involved. The Consultant could also be asked to provide additional scope to help with these meetings.*)
- Invite the Port of Kennewick officials and/or the Task Force members to join City Council members and staff in a workshop session to discuss the matter and attempt to develop an action plan for moving forward.
- All or a combination of the above options.

The staff recommendation is to transmit this information to the Port of Kennewick and request that they join in a workshop with City Council and staff to further discuss the airport alternatives. Participation in some fashion by the Task Force members is also recommended. Since such a meeting would be of great interest to many in the community and might "pack the house", it is also recommended that this workshop be facilitated.