



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JANUARY 11, 2011 MINUTES

## CALL TO ORDER

Commission President Gene Wagner called the Commission meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

## The following were present:

**Board Members:** Gene Wagner, President  
Skip Novakovich, Vice-President  
David Hanson, Secretary

**Staff Members:** Tim Arntzen, Executive Director  
Tana Bader Inglima, Director of Governmental Relations & Marketing  
Larry Peterson, Director of Planning & Development  
Tammy Fine, Director of Finance/Auditor  
Teresa Hancock, Real Estate Analyst & Project Specialist  
Bridgette Scott, Secretary/Special Projects  
Steve M. Lowe, Acting Port Counsel

## PLEDGE OF ALLEGIANCE

Bridgette Scott, led the Pledge of Allegiance.

## PUBLIC COMMENT

Kathy White, 1118 W. 22<sup>nd</sup> Avenue in Kennewick. Ms. White invited everyone to attend the Kennewick School District building dedication, located at 1000 4<sup>th</sup> Avenue. The building will have a large board room that can be reserved for meetings.

No further public comments were made.

## CONSENT AGENDA

The consent agenda consisted of the following:

- A. Approval of Warrant Registers Dated December 29, 2010**  
Expense Fund Voucher Numbers 31411 through 31440 totaling \$34,439.58.
- B. Approval of Direct Deposits and Warrant Registers Dated December 30, 2010**  
Direct Deposit totaling \$22,188.24 and Expense Fund Voucher Numbers 31407 through 31410 totaling \$8,563.37; for a grand total of \$30,751.61.
- C. Approval of Warrant Registers Dated January 12, 2011**  
Expense Fund Voucher Numbers 31441 through 31494 totaling \$170,186.88.  
Construction Fund Voucher Numbers 3127 through 3137 totaling \$172,719.71.
- D. Approval of Commission Meeting Minutes Dated November 23, 2010**
- E. Approval of Commission Meeting Minutes Dated December 14, 2010**
- F. Surplus Assets; Resolution 2011-01**
- G. 2013 Air Race Classic; Resolution 2011-02**



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JANUARY 11, 2011

## ***H. Approval of West Causeway Shoreline Improvements Project Change Order #1 (\$10,000)***

***MOTION:*** Commissioner Novakovich moved approval of the consent agenda; Commissioner Hanson seconded. With no further discussion motion carried unanimously. All in favor 3:0.

Mr. Hanson commented it will be nice to have the Air Race Classic in the area. Ms. Marjy Leggett stated the contract has been signed and the deposit was made. The race is officially confirmed and they are now in the fundraising process. Ms. Leggett will provide additional information as the event draws near.

Mr. Arntzen introduced Steve Lowe. Mr. Lowe will be sitting in as acting Port Counsel. The Board welcomed Mr. Lowe.

Mr. Arntzen informed the Board that Dan Cryer tendered his resignation yesterday.

## **PRESENTATION**

### ***2010 Friend of the Port***

Mr. Arntzen stated the Port began presenting this award a couple of years ago to members of the community that contributed their time, talent and energies to benefit the Port. This year the recipient spearheaded the citizen's involvement in meetings regarding Vista Field. Mr. Arntzen presented the 2010 Friend of the Port award to Marjy Leggett.

## **NEW BUSINESS**

### ***A. Election of 2010 Officers***

Commissioner Wagner introduced the following slate of officers for the 2011 year:  
Commissioner Skip Novakovich, President  
Commissioner David Hanson, Vice President  
Commissioner Gene Wagner, Secretary

***MOTION:*** Commissioner Hanson moved approval of the following slate of officers for Port of Kennewick Board of Commissions, for 2011, effective this 11th day of January 2011, Commissioner Gene Wagner, Secretary; Commissioner David Hanson, Vice President; and Commissioner Skip Novakovich, President. Commissioner Novakovich seconded, with no further discussion motion carried unanimously. All in favor 3:0.

## **REPORTS COMMENTS AND DISCUSSION ITEMS**

### ***A. Draft Commission Protocol***

Mr. Arntzen will create a protocol document that will outline the roles of the Commission, staff, and contract employees. It will also address a variety of items, such as: agenda items, complaint procedures, and the method of establishing committees to serve at the pleasure of the Port, such as the Vista Field Advisory Board. It is time for a comprehensive policy. Mr. Arntzen will provide a draft of the document to the Commission for review. The public will be welcome to make comments on draft when it is available.





# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JANUARY 11, 2011

## **B. *Clover Island Update***

1. West Causeway Improvements. Mr. Peterson presented before and after pictures of the project. The shoreline has been filled in and 15-20 feet of shoreline has been regained. Tree trunks from the Blue Bridge project will be placed at and below the water line to enable the salmon and fish to swim and spawn in the area. The deadline for the water work to be completed is February 28, 2011.
2. Clover Island Professional Building. Mr. Peterson stated the building has been completed for two years and has been vacant for almost 18 months. The Port has marketed the property to local realtors, on the Port website, in the Spokane Business Journal and in a nation-wide website. Initially the Port offered the building at \$25 square foot. A recent market analysis identified 100,000 square feet of vacant office space in the Tri-Cities. The private sector is now willing to take \$10-\$11 per square foot and is granting up to \$10,000 for tenant improvements. The recent appraisal of the Professional Building suggests the Port offer \$13-\$14 per square foot if leased to separate entities, or \$11-\$12 per square foot if leased to one entity. Mr. Peterson strongly suggests bringing the lease rate down, due to the substantial amount of buildings currently available. Mr. Peterson requests approval to begin marketing the property at \$12 per square foot for the entire space, or \$14 per square foot for separate leases. Ms. Hancock stated the Poland & Sons building has been available for two years. Mr. Poland commented he would be willing to take \$10 per square foot in addition to tenant improvements. Lowering the rates would be a temporary short-term solution. The rate would be adjusted as the market turns around. Ms. Hancock stated a typical lease is three years. Mr. Novakovich feels the rate should be lowered to try to lease the space. The Board is in consensus to begin negotiations at \$12 per square foot for the entire space, or \$14 per square foot for separate leases, with a three-year term.

## **C. *Metz Family Plaza.***

Ms. Bader Inglima presented a slide show for the Metz Family Plaza and artwork dedication event. There was a good turnout, all three broadcast television stations and a couple radio stations attended the event. The Rotarians were pleased with the exposure they received and the finished product. The artist and financial contributors were present. Ms. Bader Inglima thanked the Commission for their investment in the project. She received many positive comments on the shade structure and feels the hotel will be able to utilize the plaza. The Benton Franklin Fair and Rodeo Association and Alzheimer's association have already reserved the plaza for their events. The island is becoming a place that the public wants to spend time.

## **D. *Vista Field***

1. Master Plan Final Draft. Mr. Arntzen stated Mr. Cryer was working with JUB Engineers on the Master Plan. Mr. Arntzen discussed the strategy and timelines with Chuck Larson to keep the project moving forward:

Mr. Ed Frost contacted the Port to request the 2010 calculations preformed to determine airport usage be included in the new master plan. Mr. Frost suggested the impacts of





# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JANUARY 11, 2011

economics by airport users onto the airport and community be considered. Mr. Arntzen will provide the information to JUB.

When the master plan is completed, the Port will be approached with the prospect of building T hangars. Mr. Arntzen believes a policy should be created for hangar leases. This will help the Port respond to private sector. The lease policy should include an appraisal of the property value, standard ground lease terms, a buy-out clause in the event the airport closes, and standard contract language. Mr. Arntzen suggested the Commission may want to consider offering a discount lease rate to offset the cost of building a hangar that will meet our design standards. If the Port asks them to build to our standards, the discount rate could help offset the cost to the private sector.

The final draft master plan will be presented to the VFAB for their review and revision. The State of Washington, Department of Transportation, would like to review the document as well.

Mr. Peterson commented Mr. Frost questioned how the airport usage was determined. It is difficult to establish the correct figure without a tower. How do we get the best number that we feel confident with? Mr. Novakovich stated it would be best for the Master Plan to be as accurate as possible. He feels the reduced lease rates for building to our design standards will create incentives for the private sector and could help them defray costs.

Mr. Hanson asked if legislation was passed last year allowing the Port to reduce rent and fees for property surrounding airports. Mr. Arntzen will investigate. If a proposal is received that makes economic sense it would be reviewed by the Port Auditor. Mr. Arntzen feels it makes good economic sense to encourage the private sector to build to the standards and invest private funding in the airport.

Mr. Wagner asked if the Port has received any interest from the private sector about investing at the airport. Mr. Arntzen said three serious requests have been received. Mr. Arntzen asked if the Commission would like to staff to obtain a more accurate account of operations at the airport. The Board gave approval for Mr. Arntzen to contact John White to discuss various methods to collect accurate data.

2. Return of Investment (ROI)/ Market and Economic Analysis. As the airport master plan nears finalization, Ms. Fine identified a need for a ROI analysis and Market and Economic Analysis. She stated that plans are great tools to implement a project, but if sufficient funding is not available, or if the project is not feasible, it makes it hard for staff and the Commission to implement the plans. A Request for Proposal (RFP) is being developed for conducting ROI's and Market and Economic Analysis. Ms. Fine will be working with a company to develop the RFP. Several major projects will be included in the ROI, such as Vista Field, the Clover Island properties, and the Columbia Drive properties. The ROI's will state whether or not a project is good for the Port, and if not, will identify how it can be made more viable. Mr. Fine stated the projects will be



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JANUARY 11, 2011

done in separate components, with the airport project being addressed first. Ms. Fine estimates the ROI analysis could take 90 days to complete once a company is selected.

## **E. 2008-2009 Audit**

Ms. Fine stated the State Auditors are currently working on the 2008 and 2009 audit year. An entrance conference will be scheduled. Ms. Fine stated staff is doing an excellent job following policy and procedures. Mr. Hanson asked the main focus of the audit. Ms. Fine believes they will be reviewing financial statements and expenses. The process could take 5-6 weeks to complete.

## **F. Cancellation of January 25, 2011 Regular Business Meeting**

Mr. Arntzen reminded the Commission and public that the January 25, 2011 meeting is cancelled due to participation at the Wine Symposium and Tradeshow in California. Mr. Arntzen commented that CorkWest, a Port tenant, was found at a previous Wine Symposium event.

## **G. Non-Scheduled Items**

1. Washington Public Ports Association Legislative Port Day is March 14, 2011 and the Tri-Cities Legislative Day is February 17 and 18, 2011 in Olympia. Ms. Bader Inglima will attend on behalf of staff. Mr. Novakovich proposed Mr. Wagner attend both events on behalf of the Commission. Mr. Hanson may be in Olympia and might attend if available.
2. Mr. Lowe thanked the Commission for the opportunity to work with the Port. His experience has been at County and State levels. He would look forward to working with a positive entity.
3. 2011 Commission Organization. Mr. Wagner would like to discuss the appointments as he does not feel they are equally balanced. Mr. Arntzen will meet individually with the Commissioners to address their concerns and will adjust the committee appointments.
4. Small Business Awards will be held May 5, 2011. Anyone is welcome to nominate a small business for the award. It is a wonderful opportunity for the nominees to participate in a competition about their business.
5. Bay Area trip. Mr. Arntzen shared his appreciation of the direct flight service to San Francisco; it took 1 hour 37 minutes from Pasco. Mr. Arntzen stated the purpose of the trip was to meet with Gary Black, owner of an architectural firm and a Professor for the University of Berkeley. Mr. Black designed a building that is energy neutral and invited the Port to the Bay Area to show his designs that the Port could use in our district. Mr. Arntzen and Mr. Novakovich toured the revitalized town of Napa, which was bypassed by Napa Valley. Mr. Arntzen and Mr. Novakovich shared a Power Point presentation with pictures of revitalization efforts, boardwalks, a riverboat, signage, artwork, wineries designed by Gary Black, and a wine incubator. They feel the trip was very successful and that the information received is beneficial to the Port.

## **PUBLIC COMMENTS**

Mr. Mike White, 1118 W. 22<sup>nd</sup> Avenue, Kennewick. Mr. White feels it is important to expeditiously appoint a new airport manager to handle the issue of getting the airport fully





# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JANUARY 11, 2011

functional again. He was also surprised to hear Mr. Arntzen say "...if the airport closes..." It is his understanding that the airport will remain open and asked why the statement was made. Mr. Novakovich replied that this Commission did vote to keep the airport open, but there is the possibility a future Commission may vote to close it. Mr. Novakovich does not believe this will happen, however, when a developer builds they want assurance that if something happens to the airport, they would not be building on something that would automatically go away, it is a precautionary measure. Mr. White mentioned a possibility of counting airport operations by acoustic means. He will investigate additional methods as well. Mr. Arntzen asked Mr. White if he could enlist him as a citizen participant with regard to airport operations. Mr. Arntzen reiterated his intent for the statement of "...if the airport closes..." He wanted to be clear that he feels that if we do not include the language in the lease, the private sector would insist such a clause be included. Staff is operating under the directive issued by the Port Commission on March 8, 2010 to keep the airport open and move forward.

Ms. Carol Moser, 2662 Eastwood Avenue, Richland, within the port district. Ms. Moser came to the meeting to hear about the Master Plan for Vista Field. Ms. Moser mentioned she will give a briefing to House and Senate on the Washington Transportation Plan 2030, and offered to give the presentation to the Port Commission. The plan will guide transportation policy for the next 20 years. The current system is aging, and it needs to be preserved and maintained. The Plan includes a section on aviation. Ms. Moser was involved in the long-term air transportation plan. Ms. Moser gave a copy of the Transportation Plan to the Commission for review. The Plan was created by 23 people representing different interests across the State with regard to economic development, environment and business. As a result, the plan is stronger, is more useful and has more emphasis on the integration of the whole system.

No further public comments were made.

## ADJOURNMENT

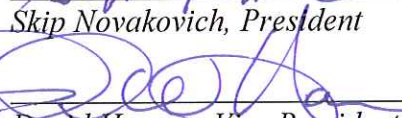
With no further business to bring before the Board; the meeting was adjourned at 3:27 p.m.


**APPROVED:**

**PORT of KENNEWICK**

**BOARD of COMMISSIONERS**

  
Skip Novakovich, President

  
David Hanson, Vice President

  
Gene Wagner, Secretary

***PORT OF KENNEWICK***

**RESOLUTION NO. 2011-01**

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
PORT OF KENNEWICK AUTHORIZING THE PORT EXECUTIVE  
DIRECTOR TO SELL AND CONVEY SURPLUS PROPERTY  
WITH LESS THAN \$10,000 VALUE***

**WHEREAS**, the Board of Commissioners for the Port of Kennewick met this 11th day of January, 2011, with a quorum of the Commissioners being present; and

**WHEREAS**, from time to time it is necessary to surplus items no longer needed for Port District purposes; and

**WHEREAS**, RCW 53.08.090 provides that the Port Commissioners may authorize the Port Executive Director to sell and convey property of less than \$10,000 in value; and

**WHEREAS**, prior to each such disposition of Port property, the Port Executive Director is directed to present to the Commission an itemized list of the property and to make written certification that the listed property is no longer needed for Port District purposes.

**NOW, THEREFORE, BE IT RESOLVED** the Port of Kennewick Commissioners authorize the Port Executive Director to surplus Port property no longer needed for Port purposes which has a value of \$10,000 or less.

**BE IT FURTHER RESOLVED** that this resolution shall be in force for one calendar year and shall expire on January 11, 2012.

**ADOPTED** by the Board of Commissioners for the Port of Kennewick this 11th day of January, 2011.

***PORT OF KENNEWICK  
BOARD OF COMMISSIONERS***

By: \_\_\_\_\_

*Skip Novakovich*  
SKIP NOVAKOVICH

By: \_\_\_\_\_

*David Hanson*  
DAVID HANSON

By: \_\_\_\_\_

*Gene Wagner*  
GENE WAGNER

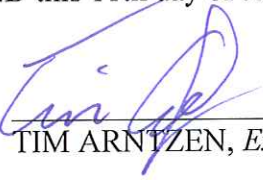
**RESOLUTION NO. 2011-01**

Page 2

I, **Tim Arntzen**, hereby certify that the following itemized list of property is no longer needed for Port purposes.

**DATED** this 11th day of January 2011.

By:

  
TIM ARNTZEN, *Executive Director*

Asset	Disposition	Property Description	Service	Cost
268	Broken	HP LJ4V Printer - Mary's Old Printer	3/15/95	\$ 2,166.78
415	Broken	Desk w/overhead shelving - Larry's Old Desk	7/28/98	\$ 2,763.36
N/A	Expired	Alligent Air Ticket : Tim's ticket was not able to use ticket due to joint meeting scheduled after ticket was purchased. Alligent would not refund and credit it. 10 months later we still could not	2/01/10	\$ 300.45
133	Broken/Obsolete	6 Tables, 40 Chairs-DB2	8/15/88	\$ 1,175.56



***PORT OF KENNEWICK***

**RESOLUTION NO. 2011-02**

***A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF PORT OF KENNEWICK SUPPORTING THE  
2013 AIR RACE CLASSIC  
AT VISTA FIELD AIRPORT IN KENNEWICK***

**WHEREAS**, the Air Race Classic is a long-established, and well-recognized national event which has been highlighting the talent of women pilots for the past 33 years; and

**WHEREAS**, the 2013 Air Race Classic will bring dozens of planes and hundreds of visitors into Kennewick and the surrounding community, creating important economic benefit through direct visitor spending, as well as sales and lodging taxes; and

**WHEREAS**, the 2013 Air Race Classic will garner significant national attention, through publicity and advertising, and create positive impressions of Kennewick and the Tri-Cities Community; and

**WHEREAS**, the Air Race Classic meets the defined purpose of the Vista Field Airport and the surrounding Vista Entertainment District and will improve commerce flow in and through the Vista Field area;

**WHEREAS**, the 2013 Air Race Classic will further identify the Vista Field Airport as a business and commercial destination through increased name recognition; and will encourage further development and investment within the Port's Vista Field Industrial Park.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the Port of Kennewick Board of Commissioners hereby adopts this resolution supporting the 2013 Air Race Classic at Vista Field Airport.

**ADOPTED** by the Board of Commissioners for the Port of Kennewick this 11th day of January, 2011.

***PORT OF KENNEWICK  
BOARD OF COMMISSIONERS***

  
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SKIP NOVAKOVICH

  
\_\_\_\_\_  
DAVID HANSON

  
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GENE WAGNER