



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MARCH 11, 2014 MINUTES

CALL TO ORDER

Commission President Don Barnes 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: Don Barnes, President
Skip Novakovich, Vice-President
Thomas Moak, Secretary

Staff Members: Tim Arntzen, Executive Director
Tana Bader Inglima, Director of Governmental Relations & Marketing
Tammy Fine, Director of Finance/Auditor
Amber Hanchette, Director of Real Estate & Operations
Larry Peterson, Director of Planning & Development
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel
Lisa Schumacher, Special Projects Coordinator

PLEDGE OF ALLEGIANCE

Brent Gerry, Mayor of West Richland, led the Pledge of Allegiance.

PUBLIC COMMENT

Jim Wade, 1813 South Rainier Place, Kennewick. Mr. Wade inquired about Resolution 2014-05, Sale of Industrial Land for \$3,800.00 for .9 acre. He is concerned the price may be too low.

Tom Floyd, 383 Frazier Drive, Pasco. Mr. Floyd requested the Commission consider developing the corporate hangars at 6600 West Deschutes be developed independently yet consistently with the future Vista Field master plan. Mr. Floyd has been working on creating a full service unique restaurant and Hangar C is the perfect location for the concept. Mr. and Mrs. Floyd have briefly spoken with port staff, but cannot move forward without the Commission's approval. Allowing the hangar to be developed now, would provide an important transition between the industrial and entertainment areas. The area is less than 1% of the entire project. Mr. Floyd is asking the Commission for the opportunity to further explore the possibility of this location.

Sheri Floyd, 383 Frazier Drive, Pasco. Mr. and Mrs. Floyd have been researching the market, building their brand, and are ready to finalize the location. They have witnessed the port's success with many quality projects. Their restaurant meets numerous areas listed in the pattern language for development. Mrs. Floyd understands the Commission needs to work with various agencies and the public with the redevelopment of Vista Field. After many hours of research, they are confident their business would fit in and be welcome, and the community would be excited.

No further comments were made.



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COMMISSIONER COMMENTS

Mr. Novakovich addressed Mr. Wade's concern about Resolution 2014-05. There was an error in the Resolution and it should read .09 of an acre.

Mr. Moak inquired if Mr. and Mrs. Floyd's proposal was brought to the Commission for consideration or if it is part of Mr. Petersen's presentation on timelines?

Mr. Arntzen envisioned that rather than discuss a specific business proposal regarding the corporate hangars, the Commission discuss the possibility of pulling the hangars out of the master planning process. However, if decision was made to develop the airport together, based on the master planning, it would foreclose any options for long term use of the hangars.

Mr. Barnes is concerned that everyone, across the board, is treated fairly and equally. If this is an opportunity, the port would need to open it up to competition. We have finite resources and we should evaluate and consider other ideas if they make sense. This is a high level policy item regarding planning that needs to be discussed further.

CONSENT AGENDA

The consent agenda consisted of the following:

A. Approval of Direct Deposit and Warrants Dated March 4, 2014

Direct Deposit totaling \$42,939.29 and Expense Fund Voucher Numbers 35375 through 35376 totaling \$1,546.85; for a grand total of \$44,486.14.

B. Approval of Warrant Registers Dated March 12, 2014

Expense Fund Voucher Numbers 35377 through 35402 and Numbers 35404 through 35422 for a grand total of \$46,014.12.

C. Approval of Warrant Register Dated March 12, 2014

Expense Fund Voucher Number 35403 for a grand total of \$1,967.40.

D. Approval of Special Commission Meeting Minutes dated October 1, 2013

E. Approval of Commission Meeting Minutes dated February 25, 2014

Mr. Barnes stated Consent Agenda items are a number of items taken collectively in one motion to be approved or disapproved. He further stated the Commission has the option to remove items from the Consent Agenda and inquired if any items need to be removed.

Mr. Novakovich would like to remove Item C and have the item approved separately because on April 12, 2011, he disclosed that Esprit, the company he and his wife owns, has a contract with PS Media to produce the Port's newsletter. Esprit does not get paid directly from the Port; they get paid from PS Media. Item C is the payment to PS Media and in the interest of any kind of perception that there could be a conflict, he would like to recuse himself from any action on this item.

MOTION: Commissioner Novakovich moved for removal of Item C of the Consent Agenda, for separate consideration; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

MOTION: Commissioner Novakovich moved for approval of the consent agenda, with exception of Item C; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.



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MOTION: *Commissioner Moak moved for approval of consent agenda Item C, for payment to PS Media; Commissioner Barnes seconded. Commissioner Novakovich recused himself. With no further discussion, motion carried. All in favor 2:0. 1 abstain*

NEW BUSINESS

A. Amendment of Port Commission Rules of Policy and Procedure to Permit Additional Public Comment; Resolution 2014-04

Mr. Arntzen reviewed Resolution 2014-04. The port currently allows more public comments than many of our jurisdictional partners. The goal is to provide an opportunity for meaningful comments from the public, while maintaining control of the meeting. The proposed resolution allows for public comment at any point a motion is made. Mr. Arntzen requested the Commission to discuss the resolution, and approve, or provide further direction or specifications to staff.

Mr. Moak is in favor of what works and if it is abused then the resolution would need to be amended. Mr. Moak also stated that he does not believe it should be an accumulative time, but per issue.

Mr. Barnes prefers to have comments linked to agenda items. Mr. Barnes believes it would be reasonable to allow three minutes per comment.

Mr. Novakovich stated public comments were abused in the past and he would like to see a time limit set on public comments.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2014-04, amendment of Port Commission Rules of Policy and Procedure to permit additional public comment for any item where a motion would be made and to increase the time limit from three minutes per speaker to five minutes per speaker, per meeting; Commissioner Barnes seconded. Discussion:*

Mr. Novakovich believes it is a very reasonable compromise.

Mr. Barnes is concerned about the time keeping accumulative limit and suggested two minutes per speaker, per item.

Mr. Novakovich agrees that would be acceptable.

MOTION: *Commissioner Barnes moved to amend the motion to change the time limit to two minutes per speaker, per item. Commissioner Novakovich seconded. With no further discussion; All in favor 3:0.*

MOTION: *Commissioner Novakovich moved for approval of Resolution 2014-04, as amended, limiting the amount of time to two minutes per speaker per item. Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

B. Oak Street Industrial Area Land Sale to Julie Luke; Resolution 2014-05

Mr. Peterson indicated there is an 8 ½ foot encroachment, adjacent to the Julie Luke property,



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which was not addressed in the previous sale.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2014-05, authorizing the Executive Director to execute all necessary documentation, associated with the land sale to Julie Luke and all other action necessary to close deal; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

Ms. Luke, Port Attorney, reminded the Commission with the Adoption of 2014-04, public comments are able to be made prior to a motion.

Commissioner Novakovich withdrew the motion, and Commissioner Moak withdrew the second.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2014-05, authorizing the Executive Director to execute all necessary documentation, associated with the land sale to Julie Luke and all other action necessary to close deal; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

PRESENTATION

A. Vista Field Redevelopment Tasks and Timelines

Mr. Peterson reviewed the Vista Field Redevelopment Tasks and Timelines (EXHIBIT A)

Mr. Novakovich was under the assumption that the Vista Field project would take a few years of planning, and inquired if the timeline is realistic. He indicated that it would be better to build in more time now, than trying to meet unrealistic deadlines. Mr. Novakovich would like to give more time to the project.

Mr. Peterson relayed that with other port projects, the staff would not be able to give a 100% to Vista Field. Mr. Peterson conveyed that most of the activity on the project would be at the beginning and the end, with the consulting team laying out their plan for an October 2014 Charret. After the Charret, if there are divergent comments, the consulting team may need more time.

Mr. Novakovich suggested the port use the October 2014 Charret as a fixed time frame and then consider the timeline a living document that has the ability to change.

Mr. Peterson would like to deliver the master plan, for the Commission to consider and public to comment on. The Commission can always modify the master plan based on the public comments.

Mr. Barnes expressed that the timeline is an excellent starting point and this is a very large project and not many entities have redeveloped an airport. To adopt a timeline on a project with so much uncertainty, we should be certain to maintain flexibility and adapt to encounter any challenges. This is not the only port project and we should have a timeline for Columbia Drive and the raceway project as well. Also, we should have an aggregate, port wide timeline, so we are able to



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have adequate resources to complete the projects. Once we move forward, staff and monetary resources should be planned, sequenced and staged out. The port needs to maintain flexibility and we do not want to lose momentum and credibility.

Mr. Moak expressed the need to establish a timeline and work towards that. There is a missing piece to the timeline with regards to communication and all of our jurisdictional partners, such as the City of Kennewick, Benton Franklin Transit, and Benton County, to name a few. Mr. Moak believes it does not need to be done this year, but we need to organize our resources to work on the project. October should be the fixed date, and then we should be able to reassess and make sure the project is proceeding forward.

Mr. Peterson relayed that he has created a composite for Columbia Drive timeline and tasks, and will present it at a future meeting.

Mr. Arntzen would like more clarification from the Commission to see what port projects they would like to emphasize. The Commission will eventually need to address which projects will be funded or unfunded. Mr. Arntzen will be working with Alignment for Success, to assist in determining which projects to fund or postpone. This list is a very good work plan for the port, and does not address daily management tasks.

Mr. Novakovich and Mr. Arntzen praised Mr. Peterson on the timeline.

Mr. Barnes expressed that the port's plate is full, with projects ready to go, such as the dock remodel. It is very important to focus our resources and staff time, and be disciplined to successfully complete all the port's projects.

REPORTS COMMENTS AND DISCUSSION ITEMS

A. West Richland Economic Development Committee

Mr. Arntzen, Mr. Petersen, and Mr. Novakovich met with Mayor Gerry, Ms. Stickney, Ms. Swain and Mr. Slade. The committee discussed several topics of interest, including the racetrack and the Urban Growth Area (UGA). Mr. Arntzen asked if Mayor Gerry would like to comment on his observations from the meeting.

Mayor Gerry thanked the Commission for the opportunity to speak today. Mayor Gerry has been part of the Economic Development Board ad hoc committee for a number of years. There have been numerous changes at the port and the city of West Richland and it is beneficial to take a look the raceway master planning, and the city's efforts to get the property into the UGA. Mayor Gerry understands the Commission's concerns to make commitments regarding the raceway property, without legal ground. He feels we should continue to move forward in a positive manner. Once the master plan is completed and the UGA is approved, Mayor Gerry requests the Commission to consider the master plan and vision because West Richland has a lot to offer.

Mr. Novakovich appreciated the opportunity to meet with the port's jurisdictional partners.



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Mr. Barnes is anxiously awaiting the outcome of the UGA modification. He believes this is a joint effort with the city and the port, and is excited to proceed in earnest with the raceway property.

Mr. Arntzen suggested the committee should come up with a joint recommendation to the commission, regarding the intervening time between now and when the UGA is approved.

Mayor Gerry stated it would be beneficial to have plans in place and get ready to go, contingent the on UGA.

B. Vista Field Interim Use

Mr. Peterson stated that the work plan identifies “holding” Vista Field until completion of the master plan. Mr. Peterson is asking for clarification and direction from the Commission on “holding.” With the zoning in place later this spring, there will be a variety of commercial uses for the corporate hangars and the Verizon property.

Mr. Moak is concerned about the road map work and not making decisions on individual buildings until we know what the road network will be. Mr. Moak believes the master plan process will take a few years, but does not want to commit a building if it will not be there later on.

Mr. Novakovich believes it would be tough to enter into a long term lease when we are unclear if the property will fit into the long term plan for Vista Field. A short term lease makes sense for the income, however, it would not make sense for any tenant improvements that could potentially be torn down.

Mr. Barnes shares the same concerns, and believes the port needs to be fair, uniform and consistent. A short term lease or use is acceptable, but Mr. Barnes does not feel the port should commit resources to significant tenant improvements

Mr. Peterson evaluated the code requirements for reuse and from a use stand point, there may be some modifications which would be low to no cost.

C. Commissioner Meetings (formal and informal meetings with groups or individuals)

Commissioners reported on their respective committee meetings.

D. Non-Scheduled Items

1. Ms. Scott reminded the Commissioners that their PDC statements are due April 15, 2014.
2. Mr. Arntzen contracted with Jim Darling, former Executive Director of Bellingham, for Alignment for Success. Mr. Darling will be reviewing our competing projects and speak with staff, commissioners and other members of our community, to help prioritize our projects.
3. Ms. Hanchette reported that the 50' boat that sunk in December has been removed from the marina.



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PUBLIC COMMENTS

Cal Coie, 705 S. Oklahoma, Kennewick. Mr. Coie believes Resolution 2014-04 regarding public comment was a good decision. Mr. Coie has great respect for Commissioner Novakovich and his concern for the meetings. Mr. Coie believes the Resolution is a nice compromise. Mr. Coie inquired if J.U.B. could be used to check property lines on Vista Field.

COMMISSIONER COMMENTS

No comments were made.

Mr. Barnes anticipates the Executive Session to last approximately 30 minutes for Potential Litigation, per RCW 42.30.110(1)(i), with no action anticipated. Mr. Barnes asked the public to notify Port staff if they will return after the executive session. Mr. Barnes recessed the meeting at 3:45 p.m. until 3:50 p.m.

Mr. Barnes reconvened the meeting into Executive Session at 3:53 p.m. for 30 minutes.

EXECUTIVE SESSION,

A. Real Estate (minimum price), per RCW 42.30.110(1)(c)

Ms. Fine exited chamber at 4:23 p.m. to extend the Executive session 10 minutes.

The regular meeting reconvened at 4:29 p.m. with no action taken.


ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:30 p.m.

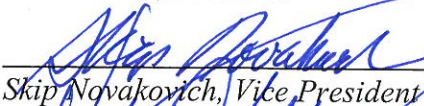
APPROVED:

PORT of KENNEWICK

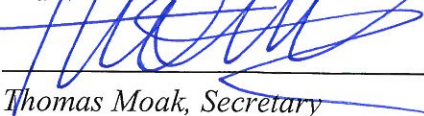
BOARD of COMMISSIONERS



Don Barnes, President



Skip Novakovich, Vice President



Thomas Moak, Secretary

PORT OF KENNEWICK

RESOLUTION 2014-04

A RESOLUTION OF THE BOARD OF COMMISSISONERS OF PORT OF KENNEWICK AMENDING THE PORT COMMISSION RULES OF POLICY AND PROCEDURE

WHEREAS, the Commission adopted Resolution 2011-05 approving the Port Commission Rules of Policy and Procedure (including public comments during Commission Meetings) on February 22, 2011; and

WHEREAS, the Commission received a public comment related to Port Commission Meetings specifically requesting that public comments may be received at all points during on the Commission Agenda; and

WHEREAS, the Commission has reviewed the request and finds that permitting additional public comment during Port Commission Meetings in a structured manner, would be in the best interest of the public.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby approves amending the Port Commission Rules of Policy and Procedure to permit additional public comment for any item where a motion will be made; and to decrease the time limit from three minutes per speaker to two minutes per speaker, per item.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of March, 2014.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

By:



DON BARNES, *President*

By:



SKIP NOVAKOVICH, *Vice President*

By:



THOMAS MOAK, *Secretary*

PORT OF KENNEWICK

RESOLUTION No. 2014-05

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF
KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT
WITH JULIE LUKE***

WHEREAS, Julie Luke (Purchaser), has offered to purchase .09 acres of the area graphically depicted on *Exhibit "A-1"* at the Oak Street Industrial Area, in Kennewick, Washington from the Port of Kennewick (Seller) for the of sum of \$3,800.00; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the Port's best interest; and

WHEREAS, the Port Commission finds that said property is surplus to the Port's needs and the proposed sale is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port's Executive Director to execute a Purchase and Sale Agreement with Julie Luke in the sum of \$3,800.00 and hereby authorizes the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port's needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 11th day of March, 2014.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**


By:


DON BARNES, *President*

By:


SKIP NOVAKOVICH, *Vice President*

By:


THOMAS MOAK, *Secretary*