



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MARCH 22, 2011 MINUTES

CALL TO ORDER

Commission President Skip Novakovich 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: Skip Novakovich, President
David Hanson, Vice-President
Gene Wagner, 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

City of Kennewick Planning Commissioner Ed Frost led the Pledge of Allegiance.

Mr. Novakovich stated one agenda item, "Appointment of Vista Field Design Review Committee," has been added to the agenda. Mr. Arntzen received a proposal yesterday from a developer that would like to discuss development of private aircraft hangars at Vista Field. The Master Plan calls for a Design Review Committee, and if the committee is approved today, it could save a two-week time period. The Commission agreed by consensus to add the item to the agenda.

PUBLIC COMMENTS

Mr. Novakovich requested anyone wishing to address the Commission speak from the podium and state their name and address for the record.

Ed Frost, 609 W. Albany Avenue, Kennewick, wishes to publicly congratulate Commissioner Novakovich on winning the 2011 Tri-Citizen of the Year Award. He feels it is well-deserved and believes some of the recognition has to do with his leadership and participation at the Port.

Don Clayhold, 3100 Everett Place, Kennewick, would like to comment on the agenda item just added and approved. He suggests someone with construction experience be appointed to the committee. Mr. Novakovich stated according to the Master Plan, one Port Commissioner, one City Councilperson, and an architect will form the committee. Mr. Arntzen stated the Commissioner and Councilperson will utilize the Professional Services Roster to select the architect. Mr. Arntzen suggests selecting an architect in Kennewick because Vista Field is in Kennewick and the City of Kennewick is heavily involved in the project. He commented Chris Herath, of Herath & Associates in Spokane, helped with the design guidelines and recommends selecting a different architect with a



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MARCH 22, 2011

fresh look. The Design Review Committee is a safety valve. The Port Planner will do the majority of the work and will interpret the rules approved by the Port Commission. It is possible the committee may not be called upon. A similar committee was used successfully in the Spaulding Business Park.

Mr. Novakovich stated at the last meeting, Don Clayhold commented about the Commission's Public Comments Policy. The Commission asked the Executive Director and legal counsel to investigate similar agency's procedures and report their findings.

Mr. Lowe stated the question posed to him was "Is it required to have comments on each item on the agenda under the open public meetings act?" The distinction is there are two different types of hearings: public hearings and public meetings. When a public hearing is held on an agenda item, the legal requirement is that public comments are received on that agenda item. It is not legally required to have a public comment on each agenda item. In an open public meeting, it is not required at all to have public comments. But, because public bodies are deliberative bodies, and almost always elected bodies, they provide for some portion on the agenda for public comment. Each agency varies in how they accommodate public comments, both for making sure the meeting lasts a reasonable amount of time and for conducting meetings in an orderly manner. Mr. Lowe stated that this Board has adopted a procedure allowing public comments on two portions of the agenda, which is unusual and is not common practice. Most agencies allow public comments once during the meeting. Port staff has reviewed other ports and similar sized agencies, and found they typically have one public comment period. Some agencies allow comments on agenda items only.

Mr. Arntzen stated he has been employed at the Port for nine years and that public comments have always been listed twice on the agenda. He also stated the Commission just ratified the public comments process last month. He feels the process has worked efficiently in the past and would be a little concerned if our meetings allowed public comment after each item. It could create an opportunity for meetings to run too long.

Mr. Novakovich reiterated the difference between public meetings and public hearings: public hearings require public comments to be heard, whereas public meetings do not. The Port's protocol goes above and beyond the requirements.

No further public comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

- A. Approval of Direct Deposits and Warrant Registers Dated March 15, 2011**
Direct Deposit totaling \$22,479.09 and Expense Fund Voucher Numbers 31698 through 31700 totaling \$3,458.35; for a grand total of \$25,937.44.
- B. Approval of Direct Deposit Dated March 15, 2011**
Direct Deposit in the amount of \$252.50
- C. Approval of Direct Deposits and Warrant Registers Dated March 23, 2011**
Expense Fund Voucher Numbers 31701 through 31745 totaling \$41,111.65. Construction Fund Voucher Numbers 3158 through 3161 totaling \$8,046.09.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MARCH 22, 2011

- D. Approval of Commission Meeting Minutes Dated February 22, 2011*
- E. Approval of Emergency Rail Repairs; Resolution 2011-06*
- F. Approval of West Causeway Shoreline Improvements Project Change Orders #2, 3, 4 & 7*
- G. Accepting the Metz Family Plaza Project completed by Mountain States Construction Company; Resolution 2011-07*

MOTION: *Commissioner Hanson moved approval of the consent agenda; Commissioner Wagner seconded, with one clarification. The minutes approved are for March 8, 2011, not February 22, 2011. With no further discussion motion carried unanimously. All in favor 3:0.*

REPORTS COMMENTS AND DISCUSSION ITEMS

A. *Clover Island Update*

1. West Causeway Improvements. Mr. Peterson shared pictures illustrating the progress of the project. The decking, irrigation lines and railing are in place. LED bollards will be installed in the deck. Almost 7,000 plantings of trees, bushes and grass will occur in the next few weeks. The Fish and Wildlife Service and the Confederated Tribes suggested some of the plantings. The project will be complete in mid-April 2011. Mr. Novakovich complimented Mr. Peterson on the project.
2. West Causeway Improvements Dedication Event May 12, 2011. Ms. Bader Inglima reported the event will be held May 12, 2011 at 3:30 p.m. Ms. Bader Inglima is working with all the partners involved in the project; the tribes, Corps of Engineers, Fish and Wildlife Service, Recreation and Conservation Office, and the City of Kennewick through the Community Development Block Grant funds. We are looking for opportunities to include all partners in the event. The Umatilla Tribe will send their Board of Trustees Chairman, as well as another Board Member, and are likely to do a blessing ceremony. They may also bring some of their school children to do some drumming and singing. Save the date notifications will be sent out.

B. *Columbia Drive*

Duffy's Pond Cleanup Project. Ms. Bader Inglima reported she is working with the Corps of Engineers and the City of Kennewick to clean up Duffy's Pond. ShareFest is an annual event that utilizes volunteers for painting and clean-up projects around town. Ms. Bader Inglima spoke to the Corps of Engineers about a year and a half ago about getting the tires and debris out of the pond. They saw an opportunity to tap into ShareFest volunteers. ShareFest is Saturday, March 26th from 9:30 a.m. – 3:30 p.m.. The media has been invited to come see the clean-up in action. Mayor Steve Young, Mayor Pro Tem Sharon Brown, and our Commission will be working at Duffy's Pond. In advance of the clean-up event, the Corps of Engineers removed seven vehicle hulls from the pond. This project shows a new partnership with the Corps and City. Ms. Bader Inglima thanked the City of Kennewick for coordinating the project and Waste Management for donating a portable toilet.

C. *Vista Field*

1. State Grant Application; Resolution 2011-08. Ms. Fine has been working with Reisdell to apply for a Washington State Aviation grant for pavement improvements at Vista Field. The grant is for \$158,000, with the Port matching \$17,500; the minimum



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MARCH 22, 2011

requirement was \$5,000. WSDOT Aviation will give greater consideration with a higher match. Applications for the first round of 2011-2013 grant funds will be accepted during April and May of this year.

MOTION: Commissioner Hanson moved approval of Resolution 2011-08 referencing the grant application for Vista Field Airport; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.

2. Appointment of Vista Field Design Review Committee. Mr. Arntzen commented that City Councilman Don Britain confirmed he would accept an appointment if he were selected. Mr. Britain served on the Vista Field Advisory Board. By consensus Commission agreed to form a Vista Field Design Review Committee. Mr. Novakovich recommends Commissioner Wagner and Councilman Britain to the Vista Field Design Review Committee. Commissioner Wagner accepted the appointment. Mr. Arntzen will contact Councilman Britain. The two members of the committee will select the architect.

D. Spaulding Business Park

Mr. Peterson stated at the last meeting a quick update was provided on the Spaulding Business Park construction activities.

The County Assessor assesses the value of the property and improvements each year. Last year, the ARC of Tri-Cities was half complete and the Chaplaincy building had just started. There is \$2.9 million of land on the tax rolls and approximately \$9 million in assessed values for construction, for a total of \$11.9 million. The buildings will increase in value as they are completed. Mr. Peterson believes next year the values will be closer to \$17 - \$18 million. A building has been approved for a 14,000 square foot medical complex, which will also be included next year.

The Port has done fairly well with the land sales. We were able to acquire 2 ½ acres from WSDOT when the SR-240 project was completed. The fence line has now been moved at WSDOT's expense.

Ms. Fine stated the public sector amount listed on the books is about \$675,000. Mr. Novakovich stated this is an excellent example of how public/private partnerships work for economic development. It is also an excellent example of how the Port manages its assets for the benefit of its stakeholders, which are the taxpayers in the district.

Mr. Wagner stated when he first walked the ground at the Spaulding site it took a vivid imagination to see the potential for the property. This is a good example of working with our economic development partners.

Mr. Hanson asked if the "hotel" property sold. Mr. Peterson stated a medical building will be built on the property. He commented all the buildings in the business park are different, but are high-quality.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MARCH 22, 2011

Mr. Novakovich heard that Northwest CPA Group may move out of their building as they are going to add seven new CPA's and need the room to grow. He feels the businesses in Spaulding Business Park are succeeding.

E. 2011 Cost Savings

Ms. Fine reported that a joint effort from all staff members has saved the Port \$71,197 in 2011; and has saved \$204,921 since beginning cost savings monitoring in 2009.

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

Mr. Wagner attended the Three Rivers Community Roundtable on March 10th including the Governor's State of the State address; WPPA Port days in Olympia to meet with legislators on March 13th-15th; and attended the ARC of Tri-Cities fundraising dinner at Musser's hangar in Pasco on March 19th.

Mr. Hanson attended the Three Rivers Community Roundtable; the TRIDEC Executive Board meeting; Tri-Citian of the Year Award Banquet; TRIDEC luncheon; and the Chamber Board Meeting.

Mr. Novakovich met with Tony Benegas, West Richland City Councilman on March 9th; met with Ron Ospal and Chris Oliver from the Veteran's Association in Walla Walla regarding the Columbia Basin Veteran's Coalition on March 9th; attended the Three Rivers Community Roundtable on March 10th where the Governor reported on the State of the State's budget and how she is trying to reduce 21 agencies down to nine and combine them to reduce redundancy; had several meetings with various people regarding Columbia Basin Veteran's Coalition; attended the Tri-Citian of the Year Award Banquet, Columbia Basin Veteran's Coalition Board Meeting; spoke to the Rotary Club regarding the Port; attended the Historic Preservation Commission Meeting at City of Kennewick; interviewed with KVEW regarding the Veterans' transitional house; and participated in Mayor Pro Tem Brown's KONA radio program talking about the ports, along with Jim Toomey from the Port of Pasco; and attended the ARC of Tri-Cities fundraising event.

G. Non-Scheduled Items

1. Mr. Wagner and Mr. Arntzen congratulated Mr. Novakovich on winning the 2011 Tri-Citian of the Year Award.
2. Mr. Arntzen complimented Mr. Wagner on the "Off the Clock" article in the Tri-City Journal of Business.
3. Mr. Peterson received a call from a gentleman in Indiana who writes stories on inland lighthouses. He will be writing an article on the Clover Island Lighthouse. As a Coast Guard recognized Private Aid to Navigation (PATON) lighthouse, the lighthouse has more legitimacy. The article states the lighthouse will most likely lead to the transformation of the area as a focal point for redevelopment.
4. HAEFIC Grant for potentially upgrading the existing FBO building at Vista Field. We feel we can make reasonable claim to some of the funding to upgrade the existing FBO building. If an FBO operator were in the building, it could create 5-7 jobs. If the



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MARCH 22, 2011

Commission would like the grant pursued, another project will need to be slowed down due to staff's current workload and the vacant position. Prior commitments have been made with pressing deadlines. Ms. Bader Inglima would be able to pursue the grant in June. Mr. Novakovich stated BFCOG is having a meeting on Monday. Mr. Novakovich will talk with Art Tackett at BFGOC regarding the deadlines and grant funding limits and will report the information at next Commission Meeting. Mr. Novakovich inquired at what level of grant funding does it justify hiring someone to apply for the grant? We could hire it out, at possibly be several thousand, but we need to be cognizant of the Port's budget. Mr. Arntzen feels if there is a good chance of the Port receiving a significant amount of money, staff will make it work.

5. Newsletter. The Port is re-bidding the newsletter and three quotes for full-color newsletters were received ranging from \$12,000 - \$15,000; all three firms are high-caliber. This project falls under Mr. Arntzen's delegation of authority. He will award the contract to the lowest bid, which is PS Media, at just under \$12,000.
6. Mr. Arntzen attended the Tri-Ports Meeting for the Executive Directors for the Ports of Benton, Pasco and Kennewick. Redistricting was discussed. As the census comes in, we are required to review the population in the districts. Jim Toomey, from the Port of Pasco, has volunteered his experience and knowledge regarding redistricting. Mr. Lowe also has experience in redistricting. This could be an opportunity to clean-up precinct lines. The mandate is for the population to be similar in all three districts. It is usually timed so there is sufficient time for a new candidate to file. Ms. Fine stated the 180 day clock starts once we get the information from the State legislation department. Mr. Arntzen does not believe it would happen this election cycle. Mr. Toomey's advice is that the Commission set broad, overarching policies in regard to establishing districts. Staff will bring examples of guiding principles to the Commission.
7. Mr. Lowe is helping with an Agreement between the Port and the Clover Island Yacht Club (CIYC). When the building was constructed, some items were not included in the bid. Mr. Arntzen has had several meetings with the CIYC President. Mr. Arntzen will present a draft Agreement to the Commission. Mr. Arntzen feels the CIYC has quite a bit of presence and they have signed a long-term lease. While there will be some modest expense to Port, he feels this will enhance the property.
8. Mr. Arntzen thanked the staff and Commissioners for handling matters in his absence. Mr. Arntzen reported he had the opportunity to tour wineries and other tourism elements. The Commission commented they would like to see a presentation from his trip.

PUBLIC COMMENTS

Don Clayhold, 3100 South Everett Place, Kennewick. Mr. Clayhold asked if it is the intent to rehabilitate the FBO building and get an FBO operator in the building, and is that tied to the WSDOT grant application? Mr. Arntzen stated as a placeholder, the Vista Field Master Plan lists a number for renovating the existing FBO building. A grant opportunity of perhaps \$50,000 would be helpful for short to mid-term enhancements to the existing building. The Vista Field Advisory Board would like the old FBO to be demolished, but a new one would not be built for five years. Mr. Arntzen thinks the possibility of the Port making an incentive to the private sector to build an FBO should be explored. He believes there would be an interest from the private sector to build the



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MARCH 22, 2011

FBO.

Mr. Clayhold likes what he has heard and feels it is vital to have an FBO operator at Vista Field to be successful.

Mr. Arntzen met with Jackson Aviation before his vacation. They expressed an interest in expanding their business. Mr. Arntzen is working on a draft Request for Proposals (RFP) for a FBO Operator. He is using the original RFP and is enhancing the package to make it attractive to a small business.

Mr. Arntzen would like to send the draft FBO RFP to the public and the Commission for review. If the FBO operator receives the revenue from the airport and is responsible for taking care of all aspects of the airport, this will lighten the workload of Port staff, and make it beneficial for the FBO operator. Mr. Arntzen believes the community sees Vista Field as a fairly bright opportunity.

Mr. Clayhold agrees, but feels the process should not take too long. He also feels the Port should not delay getting an FBO operator. He was happy to see the editorial in Tri-City Herald. Mr. Arntzen stated the Tri-City Herald Editorial Board captured the essence of the March 8, 2010 meeting indicating the private sector should invest at the airport. Mr. Arntzen feels by July 4, 2011 there should be a noticeable change at Vista Field, including the construction of private hangars.

Larry Salsberry, representing CIYC, observed there have been a number of visitors at the lighthouse. He believes the Port's vision of the lighthouse becoming an attraction to the Tri-Cities is coming true. Mr. Novakovich commented the Clover Island Inn has six weddings scheduled in 2011.

Mr. Arntzen stated presently the Americans with Disability Act (ADA) prohibits public access to the top of the lighthouse. The Port would like to find a way to give occasional tours of the lighthouse with a chaperone. The Port Planner believes if the lighthouse is classified as an attraction, it may become exempt from the ADA act. Mr. Peterson will investigate further.

No further public comments were made.

Mr. Novakovich called for an Executive Session at 3:31 p.m. to last approximately 30 minutes, with no action expected.

Mr. Novakovich asked the public to notify Ms. Scott if they will return for the results of the Executive Session. The public will not return.

Mr. Novakovich recessed the meeting at 3:23 p.m. for approximately 5 minutes.

Reconvened into Executive Session: 3:31 p.m.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MARCH 22, 2011

EXECUTIVE SESSION

Real Estate Matters: RCW 42.30.110(1)(c)

Executive Session adjourned at 3:59 p.m. with no action taken. The regular meeting reconvened at 3:59 p.m.

ADJOURNMENT

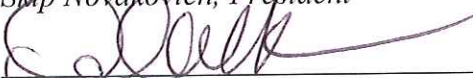
With no further business to bring before the Board; the meeting was adjourned at 4:00 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


David Hanson, Vice President


Gene Wagner, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2011-06

A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS AUTHORIZING EMERGENCY RAIL REPAIRS AT THE INTERSECTION OF COLUMBIA DRIVE AND BRUNEAU STREET

WHEREAS, in accordance with RCW 39.04.280, the Port of Kennewick (Port) is authorized to designate certain public works contracts as emergencies and, therefore, exempt from competitive bidding requirements; and

WHEREAS, on February 25, 2011, notification was received regarding a break in the rail at the intersection of Columbia Drive and Bruneau Street; which is owned and maintained by the Port, and which services among others, the Ashgrove Cement distribution facility; and

WHEREAS, the break in the rail represents an unforeseen circumstance, resulting in a material interruption of Ashgrove's business operations.

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners designates repair and/or replacement of the damaged sections of rail as an emergency public works project within the guidelines of RCW 39.04.280, and therefore exempt from competitive bidding requirements.

BE IT FURTHER RESOLVED APEX Contracting & Paving repaired the break in the rail and provided an invoice in the amount of \$15,974.25.

BE IT FURTHER RESOLVED that the Executive Director is authorized to pay the invoice from the 2011 Construction Fund to accomplish these emergency repairs.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 22nd day of March, 2011.

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


SKIP NOVAKOVICH, *President*


DAVID HANSON, *Vice President*


GENE WAGNER, *Secretary*

PORT OF KENNEWICK

RESOLUTION NO. 2011-07

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK ACCEPTING THE METZ FAMILY PLAZA PROJECT COMPLETED BY MOUNTAIN STATES CONSTRUCTION COMPANY

WHEREAS, upon notification by Mountain States Construction Company that the Metz Family Plaza project has been substantially completed in accordance with the plans and specifications prepared by Arculus Design & Technical Services and the Port of Kennewick; and

WHEREAS, Arculus Design & Technical Services, the City of Kennewick and the Port of Kennewick staff have inspected the work and certified that it has been completed in accordance with the plans and specifications.

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby accepts the work of Mountain States Construction Company as being substantially completed in accordance with the contract documents.

BE IT FURTHER RESOLVED that upon completion of all required documentation for the project, the Executive Director is authorized to proceed with the necessary requirements to finalize the project account.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 22nd day of March, 2011.

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

By:


SKIP NOVAKOVICH, President

By:


DAVID HANSON, Vice President

By:


GENE WAGNER, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2011-08

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING AN APPLICATION TO THE WSDOT AIRPORT AID GRANT PROGRAM FOR VISTA FIELD PAVEMENT IMPROVEMENTS

WHEREAS, the Washington State Department of Transportation supervises the Airport Aid Grant Program, pursuant to RCW 47.68, which is designed to aid publicly owned airports with capital improvements such as pavement management, safety, maintenance, security and planning; and

WHEREAS, this grant program offers as much as \$250,000 in any single grant, subject to a 5% match requirement by the airport sponsor; and

WHEREAS, the Port of Kennewick (Port) qualifies as an eligible airport sponsor pursuant to RCW 47.68.090 and may apply for WSDOT Airport Aid grant funds; and

WHEREAS, this is a competitive grant program that rewards applicants who are willing to exceed the minimum 5% match requirement; and

WHEREAS, the Port's 2011 Vista Field Master Plan Update calls for seal coating taxiways/aprons and crack sealing the pavement; and

WHEREAS, submission of the grant application requires Commission approval by resolution.

NOW, THEREFORE; BE IT RESOLVED that the Port of Kennewick Board of Commissioners hereby authorizes Port staff to apply for WSDOT Airport Aid grant funds of up to \$140,500 for pavement improvements at Vista Field and agrees to commit 11% matching funds by apportioning up to \$17,500 from the Construction Fund.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 22nd day of March, 2011.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

By: 
SKIP NOVAKOVICH, President

By: 
DAVID HANSON, Vice President

By: 
GENE WAGNER, Secretary