



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

APRIL 22, 2014 MINUTES

CALL TO ORDER

Commission President Don Barnes called the Commission meeting to order at 2:02 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
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Jim Wade led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

COMMISSIONER COMMENTS

No comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

A. *Approval of Direct Deposit and Warrants Dated April 17, 2014*

Direct Deposit and Epayment totaling \$29,440.99 and Expense Fund Voucher Numbers 35543 and 35544 totaling \$1,546.85; for a grand total of \$30,987.84

B. *Approval of Warrant Register Dated April 23, 2014*

Expense Fund Voucher Numbers 35545 through 35592 for a grand total of \$110,426.31.

C. *Approval of Commission Meeting Minutes dated April 8, 2014*

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Novakovich moved for approval of the Consent Agenda, as presented; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.



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REPORTS COMMENTS AND DISCUSSION ITEMS

A. *Comprehensive Scheme*

Mr. Peterson reviewed the 2011 Port of Kennewick Comprehensive Scheme. The Comprehensive Scheme highlights the port's economic mission and is a guide for the port's properties and investments for a five to ten year period of time. Per the direction of the Commission, staff has been following the Comprehensive Scheme since November 2011. Since the adoption of the Comprehensive Scheme, several items have been completed. Mr. Peterson explained that the Comprehensive Scheme should be reviewed every three to five years to keep the public informed of port's projects. However, as major conditions change, there will need to be amendments made regarding Vista Field, Columbia Drive and Clover Island.

Mr. Peterson explained that the Commission has previously made the decision to amend the Comprehensive Scheme related to Vista Field, and will now need to adopt those changes. Before there are substantial expenditures for Columbia Drive, staff will need to make several changes to the Comprehensive Scheme language as well. In regards to West Richland, there are several factors out of the port's control; however, once the decision on the Urban Growth Boundary Application (UGA) has been made, the port will be able to move forward, per the direction of the Comprehensive Scheme.

Mr. Arntzen suggested the Commission set up an informal workshop regarding the West Richland property to discuss development efforts and possible scenarios and responses for the port. Staff would invite Mayor Gerry, appropriate West Richland staff and elected officials, and other pertinent port partners.

Mr. Novakovich believes Mr. Arntzen's idea regarding the workshop would be beneficial to the port and our partners. Mr. Novakovich inquired if a public hearing would need to be held if the Comprehensive Scheme was amended.

Mr. Peterson confirmed a public hearing would be needed for any amendments to the Comprehensive Scheme and staff would need to place legal advertisements in the Tri-City Herald at least two weeks prior to any amendments.

Mr. Moak would like to see the progress the port has made reflected in the Comprehensive Scheme. Mr. Moak stated he was unable to find the Comprehensive Scheme on the port website and suggested it be more accessible.

Mr. Arntzen suggested addressing the Comprehensive Scheme changes that currently need to be fixed and then revise the document to make it user-friendly. Staff will make the Comprehensive Scheme more visible on the website.

Ms. Bader Inglima is currently making changes to the website and will add a new option for documents.

Mr. Moak does not believe discussing West Richland scenarios is prudent until the UGA has been approved.



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Mr. Arntzen requested direction from the Commission regarding West Richland and inquired if staff should wait until the UGA has been approved to discuss any commitments or expectations regarding capital investments.

Mr. Barnes expressed that there are numerous variables at play and feels it would be appropriate to discuss different options regarding West Richland.

Mr. Novakovich stated it would be appropriate to discuss various strategies regarding West Richland and have potential plans in place, to know what resources the port has available.

Mr. Barnes believes a workshop would be beneficial for both parties. The port needs to make plans, prioritize, sequence and stage port projects. We do not want to put undue strain on our personnel or financial resources.

Mr. Peterson inquired the Commission's desired outcome for the Vista Field property. One scenario is that the port nets approximately \$14,000,000 from selling the land "as is" to a private developer or the second scenario would be to build the best city center that yields \$5,000,000 in the port's bank account. As staff and DPZ draw up plans for Vista Field, staff would like guidance on what the planners can allot for amenities, such as green space, parks and water features.

Mr. Novakovich indicated he has made several presentations on Vista Field and he believes the port has made a moral and ethical decision to create a city center. Mr. Novakovich expressed that selling the land and banking the money is not the right thing to do and believes the port is the only entity that can succeed with a project of this magnitude. Mr. Novakovich stated the port is committed and made a commitment to the community, and there are expectations to follow through with creating a center that does not exist now.

Mr. Barnes concurs with Mr. Novakovich's statement. If we wanted to maximize the profit of the port with the least amount of risk, the port would sell the property. However, that is not the right thing to do for the port or the community. Mr. Barnes stated the port should create a new urban downtown center for our community. The port should not look at the financial return on the property, but look at the end result, a city center.

Mr. Moak stated the port should be cognizant of what the project will cost. The port could spend money on Vista Field and not have funds left for other projects. Mr. Moak believes there should be a fiscal balance. Mr. Moak agrees with Mr. Novakovich and Mr. Barnes in terms of creating a city center, but would like to see some fiscal understanding of what the market will bear.

Mr. Novakovich indicated that the EIS plan the port adopted stated the airport was purchased for \$100,000.00; however, once it is developed, it would create half a billion dollars in investments and would net the port approximately \$3,000,000, with no new tax to the community. Those are the parameters the port should be working with. Mr. Novakovich believes we should not start off limiting the plans, but shooting for the moon.



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Mr. Novakovich agreed with Mr. Moak's comments about including completed projects in the Comprehensive Scheme at some point. When the public views the updated Comprehensive Scheme, there will be a better view of what developments the port has made. However, Mr. Novakovich stated this is not an immediate need and does not want to tax port resources.

Mr. Arntzen appreciates the Commission comments and will work with Mr. Peterson on the Comprehensive Scheme and will come back with suggestions. Mr. Arntzen would like the opportunity to rewrite the Comprehensive Scheme at a later date.

B. Clover Island

1. Ms. Hanchette updated the Commission on several small works projects coming up:
 - Enhancing the marina gates
 - New marina security camera system
 - Clover Island Yacht Club retaining wall and columns next to dock
 - Clover Island Yacht Club shed
2. Ms. Hanchette also reported two events are scheduled on the island:
 - Combat Veteran's Motorcycle Association is holding their state meeting May 16-18, 2014.
 - American Bass Tournament will hold a small bass tournament on June 19, 2014, with approximately thirty boats.
3. Ms. Bader Inglima reported that the Sternwheeler, out of Portland, Oregon, is currently docked at Clover Island Inn and is offering brunch and dinner cruises and Snake River Locks cruises. Ms. Bader Inglima advised the Commission that she will be meeting with Josephine Eckert, from Senator Murray's staff and discussing the 1135 Project and Clover Island improvements.

C. Vista Field

Mr. Peterson shared pictures from the San Antonio/Austin, Texas trip with Mr. Barnes and Mr. Arntzen.

Mr. Arntzen reported that the trip was very educational and stated his surprise with the length of time it took to master plan Mueller Field. Mr. Arntzen believes it was very smart to include the public at various stages in the master planning process. Mr. Arntzen explained that it would be prudent for the Commission to put a process in place that will be self sustaining and consistent with the Commission's vision for the future of Vista Field.

Mr. Arntzen complimented Ms. Bader Inglima, acting executive director, and staff for keeping the port running in his absence. He also thanked Ms. Scott for taking care of all the travel arrangements.

Mr. Barnes explained that the master developer allowed for downturns in the economy, which was very realistic and was built into the agreement. He expressed his appreciation for the DPZ team and how they structured the trip around relevant and pertinent places for the port to see and kept



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everyone moving. Mr. Barnes also thanked Ms. Scott for setting up all the Texas travel arrangements.

Ms. Hanchette reported that the Vista Field clean-up is almost complete. The runways lights, taxi markers, blue reflectors and the tie down cables are gone and the area should be released as a clean site shortly.

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

Commissioners reported on their respective committee meetings.

E. Non-Scheduled Items

1. Mr. Moak stated for the record, in accordance with RCW 42.23, he has no conflict of interests with the Port of Kennewick.
2. Mr. Moak reported that the Benton Franklin Transit Board will be hiring a new manager soon and believes it would be a good opportunity for the executive director to meet with the new transit manager.
3. Mr. Arntzen reported on his meeting with Ms. Mosley, Kennewick City Manager and the new Public Works Director, Carey Roe. Mr. Arntzen is excited to work with Mr. Roe and believes he will be a great partner to the port. The Kennewick Public Works department will be very instrumental with the Columbia Gardens Wine Effluent Treatment Facility and the Vista Field projects.
4. Mr. Arntzen explained that Jim Darling has completed a preliminary draft for the "Alignment for Success" project. He stated that once he has a final draft, he will share with the Commission, and bring back Mr. Darling to discuss and share his findings with the Board.
5. Ms. Fine stated that the financial statements are near completion and she will be working with the Port of Edmonds Chief Financial Officer for reviewing and auditing purposes. This is above and beyond what the port is required to do by the State Auditor. Mr. Arntzen applauded Ms. Fine for her thorough work and innovative idea. Mr. Barnes expressed this is an excellent, mutually beneficial exercise and it will help both ports.
6. Ms. Hanchette attended the Benton City Chamber of Commerce luncheon and updated the Commission on the Eastern Washington University recommendations. The basic recommendation is for Benton City to follow the National Mainstreet Program profile and focus on several key ideas, such as economic restructuring, design and recruitment and retention.

PUBLIC COMMENTS

Cal Coie, 705 South Oklahoma Street, Kennewick. Mr. Coie stated each spring the State Parks Department holds two instructional training classes for sheriff deputies on Clover Island. Classes are a week long and bring about fifty students and instructors to Clover Island and they stay at the Clover Island Inn.



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Jim Wade, 1813 South Rainier Place, Kennewick. Mr. Wade believes that the port may be attempting too many projects and will need to decide which projects are most important.

Steve Mallory, 5822 West Yellowstone Avenue, Kennewick. Mr. Mallory believes there are Benton Franklin Transit studies the port can utilize for Columbia Gardens. The transit previously looked at adding another transit center near the current Dutch Brothers location on Columbia Drive, and the access routes would work very well for Columbia Gardens and Downtown Kennewick.

No further comments were made.

COMMISSIONER COMMENTS

Mr. Barnes shares Mr. Wade's concern regarding the port's projects. He believes the port will need to make sure there are adequate resources and that projects are staged and sequenced.

No further comments were made.

Mr. Barnes anticipates the Executive Session will last approximately 40 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 4:05 p.m., for approximately 5 minutes.

Mr. Barnes reconvened the meeting into Executive Session at 4:11 p.m. for 40 minutes.

EXECUTIVE SESSION, if necessary

A. Potential Litigation, per RCW 42.30.110(1)(i)

Ms. Fine exited the chambers at 4:51 p.m. to extend the Executive Session 20 minutes.

Mr. Arntzen exited the chambers at 5:11 p.m. to extend the Executive Session 10 minutes.

After verifying the public was not waiting, the regular meeting reconvened at 5:17 p.m. with no action taken.



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ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 5:17 p.m.

APPROVED:

PORT of KENNEWICK BOARD of COMMISSIONERS

A blue ink signature of Don Barnes, written in a cursive style.

Don Barnes, President

A blue ink signature of Skip Novakovich, written in a cursive style.

Skip Novakovich, Vice President

A black ink signature of Thomas Moak, written in a cursive style.

Thomas Moak, Secretary