

AGENDA

***Port of Kennewick
Regular Commission Business Meeting
Port of Kennewick Commission Chambers
350 Clover Island Drive, Suite 200, Kennewick, Washington***

Tuesday, September 10, 2013
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IV. CONSENT AGENDA**
 - A. Approval of Direct Deposit and Warrants Dated August 30, 2013
 - B. Approval of Warrant Registers Dated September 11, 2013
 - C. Approval of Commission Meeting Minutes Dated June 25, 2013
 - D. Approval of Commission Meeting Minutes Dated August 13, 2013
 - E. Accepting the Boating Facilities Program Grant and Approving a Project to Enhance and Improve Clover Island; Resolution 2013-20
- V. PRESENTATION**
 - A. Three Rivers Convention Center Expansion, Corey Pearson Executive Director
- VI. NEW BUSINESS**
 - A. Approval to Support the Tri-Cities Visitor and Convention Bureau's 2013 Tourism Strategic Plan; Resolution 2013-21
 - B. Sale of Oak Street Industrial Area Property; Resolution 2013-22
- VII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. September 24, 2013 Commission Meeting
 - B. City of Richland Real Estate
 - C. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - D. Non-Scheduled Items
- VIII. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IX. EXECUTIVE SESSION, if necessary** *(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)*
 - A. Real Estate, per RCW 42.30.110(1)(c)
 - B. Potential Litigation, per RCW 42.30.110(1)(i)
 - C. Personnel, per RCW 42.30.110(1)(g)
- X. ADJOURNMENT**

PLEASE SILENCE CELL PHONES



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

JUNE 25, 2013 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
Don Barnes, Vice-President
Gene Wagner, 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

PLEDGE OF ALLEGIANCE

Ken Silliman led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

A. *Approval of Direct Deposit and Warrants Dated June 14, 2013*

Direct Deposit totaling \$20,611.41 and Expense Fund Voucher Numbers 34463 through 34466 totaling \$3,978.35; for a grand total of \$24,589.76.

B. *Approval of Warrant Registers Dated June 26, 2013*

Expense Fund Voucher Numbers 34467 through 34492, 34494 through 34495, and 34497 through 34517 totaling \$70,761.75.

Construction Fund Voucher Number 3431 through 3435 totaling \$40,240.98.

C. *Approval of Special Commission Meeting Minutes Dated April 17, 2013*

D. *Approval of Emergency Road Repair at Railroad Milepost 12.66; Resolution 2013-17*

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



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

JUNE 25, 2013 MINUTES

NEW BUSINESS

A. Vista Field Closure and Redevelopment; Resolution 2013-16

Mr. Arntzen stated on April 17, 2013 the Port Commission approved Resolution 2013-10 which amended the Port's Comprehensive Scheme of Harbor Improvements to adopt Vista Field Airport Alternative Two, "Redevelopment" as identified in the Final Environmental Impact Statement (FEIS). Mr. Arntzen requested the Commission provide additional direction to the Executive Director to assist in implementing the Resolution.

Mr. Arntzen reviewed the following items listed in the Resolution 2013-16:

1. Purchase the Shannon hangar on the terms of the lease currently in effect;
2. Create a conceptual site plan identifying major arterials;
3. After closure, commence deconstruction of runway/taxiways; recycle and stockpile asphalt grindings for future construction;
4. Allow fuel in tanks to diminish, refrain from replenishing; refrain from renewing Connell Oil fuel contract upon expiration; deconstruct tanks and fueling facilities and establish remediation plan;
5. Refrain from plowing snow/ice and instead issue NOTAMs as appropriate;
6. Rent vacant corporate hangar(s) for non-aviation uses consistent with redevelopment planning;
7. Negotiate all contractual claims in good faith in an effort to resolve and ensure consistency with legal and economic impact analyses;
8. Negotiate repayment of applicable Washington State Department of Transportation aviation grants;
9. Deconstruct the FBO building and ready site for redevelopment;
10. After closure, commence the deconstruction of the Vista Hangars;
11. Identify and retain or find appropriate use for historic objects as discussed in the EIS and as feasible;
12. Provide maintenance and repair only in furtherance of life, health, and/or safety issues;
13. Establish a litigation fund to defend against legal action related to airport closure; and
14. Formulate, with input from the public and jurisdictional partners, a redevelopment plan for the premises.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

JUNE 25, 2013 MINUTES

15. Closure date of Vista Field Airport

Among other elements of the proposed closure plan, staff recommends the establishment of a contingency litigation fund of \$500,000 which would be used in the event a third party elects to bring legal action against the Port related to airport closure. However, it should be noted that legal research conducted by the Port finds limited Port liability related to airport closure. And, any party suing the Port must fund its own cause of action which would likely be substantial.

Mr. Barnes would like to ensure the Port communicates with the FAA, as they publish charts and need accurate information. Mr. Novakovich agreed.

Marjy Leggett, 4019 Horizon Drive, Pasco. Ms. Leggett feels it is very important to keep a detailed record of closure costs during the deconstruction process.

Vic Epperly, 8930 West Canyon Place, Kennewick. Mr. Epperly commends the Commission for stepping forward and establishing a closure plan. He suggests the Commission consider all the issues with existing leases and state grant funds when determining a specific closure date and time. He feels there is also a need to establish an access plan to the land beyond the runways and airport. He suggested the hangers could be taken down and transferred to other airports or used other uses.

Leo Bowman, 230 Silverwood Court, Richland. Mr. Bowman suggested as immediate impacts are identified in the airport area that notifications are sent to those in proximity to the area.

Kathy White, 1118 W. 22nd Avenue, Kennewick. Ms. White is representing Historical Preservation Commission in the City of Kennewick. Ms. White stated the Commission would like to be involved in the Advisory Committee. She stated they would like to make sure that Item #11, "Identify and retain or find appropriate use for historic objects as discussed in the EIS and as feasible;" is not an optional item. World War II is a very important part of our history and we are losing veterans every day. The research will be quite extensive. She is hopeful the Commission will meet in July to select a member to serve on the advisory committee.

Mike White, 1118 W 22nd Avenue, Kennewick. Mr. White stated as he understands it, there isn't a current redevelopment plan, there is a suggested plan by DPZ, with regard to Item #6, "Rent vacant corporate hangar(s) for non-aviation uses consistent with redevelopment planning." He is not sure how the Port can lease something without a plan.

MOTION: *Commissioner Barnes moved approval of Resolution 2013-16 which provide additional direction to the Port Executive Director related to the closure and redevelopment of the Vista Field Airport. Additionally the Executive Director is hereby directed to perform all other acts as he may deem necessary or appropriate to implement the purpose and intent of this Resolution; Commissioner Wagner seconded.*

Commissioner Discussion:



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

JUNE 25, 2013 MINUTES

Commission Barnes stated that Ms. Leggett's point is well taken. He stated there are items on the list where the Commission can make a preliminary estimate of costs; however, that does not mean the Port would incur this cost. A preliminary number may be adjusted. He suggested the Port may add a \$500,000 litigation fund. The Commission addressed the following items and associated figures:

- #1 Shannon Hangar. The Port will get an appraisal and begin negotiations*
- #3 Deconstruction of Runway / Recycling Asphalt . Mr. Barnes feels this needs to be accomplished in a couple of steps. First, paint red X's on the runway to notify pilots that the runway is closed. Some pilots do not check the NOTAM's or with the FAA; Mr. Barnes would hate to see them fly with intentions to land. Second, the deconstruction could take place when it is necessary, prior to the development.*
- #4 Fuel Tanks. Could involve environmental work and may cost \$30,000.*
- #8. WSDOT Aviation Grants. Approximately \$240,000*
- #9 & 10 Deconstruction of the FBO and the Hangars. Approximately \$65,000-70,000 for each hangar*
- #13 Litigation. It is the Port's intent to treat each user at the airport in a fair, uniform and consistent manner. The Port hopes to reach an agreement with each tenant without litigation. Mr. Barnes stated in the past the Port approached difficult situations with mediation as a way to reach an agreement short of litigation. He feels this method worked well.*

Mr. Novakovich feels the Port owes it to the community and the public to close the airport. He has full confidence in staff to handle this situation. He believes the runway should be taken out when it is economically feasible and it does not create any kind of hazards for anyone. He does not want it to be possible to reverse the decision and one way to do that is to make sure the runway is gone. Mr. Novakovich inquired if the t-hangars were condemned.

Mr. Peterson stated most of the t-hangars have structural and electrical deficiencies. One hangar has a wall that is falling in. It is not practical to relocate the hangars. The old FBO building is highly visible and by taking it down as soon as possible we show good faith to the public of our intent to close the airport.

AMENDED MOTION: *Commissioner Barnes moved to amend the Motion by adding Communicate appropriately with FAA; specify \$500,000 for Item #13; and add date of 12/31/2013 as closure date; Commissioner Wagner seconded the amended motion. With no further discussion motion carried unanimously. All in favor 3:0.*

PRESENTATION

A. Historic Downtown Kennewick Partnership (HDKP), Tim Dalton

Ms. Bader Inglima introduced Mr. Dalton; he acknowledged three past presidents of the Historic Downtown Kennewick Partnership: Ken Silliman 1991, Skip Novakovich 1998-2003 and Mark Blotz 2008-2010.

Mr. Dalton shared a PowerPoint reviewing the Historical Downtown Kennewick Partnership mission and vision for downtown; and shared a few pictures from his trip to the Main Street Conference in New Orleans.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

JUNE 25, 2013 MINUTES

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Clover Island

Mr. Arntzen and a few staff members toured the marina docks to see what needs to be addressed. A letter will be written to the tenants that reminds them of all the things we as a community would like to see on our docks, just a friendly reminder to have everyone spruce up their area – we will monitor the docks to ensure the rules are followed.

B. Misc. Administrative Items

Mr. Arntzen shared:

1. Revised Commission Meeting Comment Procedure. Mr. Arntzen stated a few years ago not many people attended the meetings; now could extend to a two or three hour meeting, or maybe longer. Mr. Arntzen suggested no changes, but feels the President could allow comments on other items that appear to be of interest.
2. Joint Jurisdiction Meetings. In the past the Port has had joint meetings with West Richland, Richland and City of Kennewick; in the future we could include Benton City, the Tribes or Benton County – we could consider having additional meetings as time permits.
3. Remote Meeting Locations. The Port has had a meeting at Hedges, we can move around the jurisdiction and hold Commission Meetings as appropriate.
4. Trial Evening Meetings. Mr. Arntzen ponders what the participation would be at evening meetings. Mr. Moak and Mr. Arntzen wondered if the meeting did not include Vista Field if it would have been as well attended; suggested trying a couple to judge the success.
5. Refreshing of Port Website. Ms. Bader Inglima shared the Port will be refreshing the information that is listed on the website, as well as adding fact sheets. A lot of the content is historical – work with our IT company to archive older information and make it more user friendly.

Mr. Novakovich is not sure how well evening meetings will work. Mr. Wagner stated the Port has held evening meetings for hot topics. He feels we would have some participation. Mr. Barnes feels evening meetings are worth exploring and definitely should consider them for a large items.

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

Commissioners reported on their respective meetings and presentations.

D. Non-Scheduled Items

1. Mr. Novakovich received a notice about the WPPA Trade and Economic Development Conference in August.
2. Ms. Bader Inglima working on summer newsletter – it will be distributed in July.
3. Ms. Luke is updating the rules for the marina and getting the marina tenants input on possible revisions.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

JUNE 25, 2013 MINUTES

4. Mr. Peterson shared Sawyer Brown concert will be held at Clover Island Inn on July 14, 2013. The Port will be expanding the overflow parking lot in the Willows. This will also help since the City and or Corps have installed No Parking signs on top of the levee.
5. Mr. Arntzen shared the Pacific Northwest Waterways Association (PNWA) is looking at navigation issues on the lower Snake River – from time to time there is discussion of removing dams, or dredging on lower Snake River. The association is gearing up for a dredging issue and there could be an opportunity for the Port to provide assistance in the amount of \$5,000 to go towards an economic study related to dredging (primarily in Clarkton and Lewiston) it's an issue that may not touch our Port directly, but it is of importance to us and in essence we could be one of the first Ports to step up. His recommendation is to get the contractual language in place prior to the financial assistance. Mr. Novakovich inquired if we did that and cooperate with the Corps – would there be any benefit? Mr. Arntzen feels those issues should be kept separate. The Commission would like to see more information. Mr. Arntzen will request PNWA/IPNG to prepare a document for Ms. Fine's review. It would be good to be an early supporter and would help rally others to support the cause.
6. Hunter Abel, an attorney, works with Deborah Juarez who is a member of the Blackfeet Tribe. We have hired Ms. Juarez to assist us with working with our Tribe partners and will be lead counsel she also has a unique prospective based on her background as being a full blooded tribal member. Mr. Abel is willing to come at no expense to the Port to meet and visit with partners and Commissioners. We don't necessarily need lawyers with our relationship with the tribes but what we need are people who know economic development opportunities between tribe and local governments. Ms. Juarez has done many projects with governmental agencies and the tribes. There is an understanding that there are a lot of benefits to the Quad Cities partnering with the tribes.

PUBLIC COMMENTS

No public comments were made.

Mr. Novakovich anticipates the Executive Session to last approximately 45 minutes for Real Estate, per RCW 42.30.110(1)(c) and Potential Litigation, per RCW 42.30.110(1)(i), with no action anticipated. Mr. Novakovich asked the public to notify Port staff if they will return after the executive session.

Mr. Barnes will recuse himself on the potential litigation issue due to a potential conflict of interest.

Mr. Novakovich recessed the meeting at 3:29 p.m. until 3:40 p.m.

Mr. Novakovich reconvened the meeting into Executive Session at 3:40 p.m.

EXECUTIVE SESSION

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

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

Ms. Fine exited the chambers at 4:25 p.m. to extend the Executive Session approximately 15 minutes.

Ms. Fine exited the chambers at 4:40 p.m. to extend the Executive Session approximately 5 minutes.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

JUNE 25, 2013 MINUTES

The regular meeting reconvened at 4:45 p.m. with no action taken.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:47 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Skip Novakovich, President

Don Barnes, Vice President

Gene Wagner, Secretary

PORT OF KENNEWICK

Resolution No. 2013-16

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK PROVIDING DIRECTION RELATED TO THE VISTA FIELD AIRPORT

WHEREAS, on April 17, 2013 the Port Commission approved Resolution 2013-10 which amended the Port's Comprehensive Scheme of Development to adopt Vista Field Airport Alternative Two, "Redevelopment" as identified in the FEIS; and

WHEREAS, the Port Commission desires to provide additional direction to the Executive Director to assist him in implementing the Resolution; and

WHEREAS, the additional direction is in the best interest of the public.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick establishes the following policy direction related to the closure and redevelopment of the Vista Field Airport:

The airport shall permanently cease operations effective 5:00 pm, December 31, 2013.

Furthermore, the Board of Commissioners of the Port of Kennewick hereby instructs the Executive Director to take all other action he deems necessary to implement the purpose and intent of this Resolution, including but not limited to the following actions:

1. Purchase the Shannon hangar on the terms of the lease currently in effect;
2. Create a conceptual site plan identifying major arterials;
3. After closure, commence deconstruction of runway/taxiways; recycle and stockpile asphalt grindings for future construction;
4. Allow fuel in tanks to diminish, refrain from replenishing; refrain from renewing Connell Oil fuel contract upon expiration; deconstruct tanks and fueling facilities and establish remediation plan;
5. Refrain from plowing snow/ice and instead issue NOTAMs as appropriate;
6. Rent vacant corporate hangar(s) for non-aviation uses consistent with redevelopment planning;
7. Negotiate all contractual claims in good faith in an effort to resolve and ensure consistency with legal and economic impact analyses;
8. Negotiate repayment of applicable Washington State Department of Transportation aviation grants;


9. Deconstruct the FBO building and ready site for redevelopment;
10. After closure, commence the deconstruction of the Vista Hangars;
11. Identify and retain or find appropriate use for historic objects as discussed in the EIS and as feasible;
12. Provide maintenance and repair only in furtherance of life, health, and/or safety issues;
13. Establish a litigation fund not to exceed \$500,000 to defend against legal action related to airport closure; and
14. Formulate, with input from the public and jurisdictional partners, a redevelopment plan for the premises.
15. Communicate with the FAA to ensure all proper requirements for closure are met.

ADOPTED by the Board of Commissioners of Port of Kennewick on 25th day of June 2013.

PORT OF KENNEWICK
BOARD OF COMMISSIONERS

By: 
SKIP NOVAKOVICH, *President*

By: 
DON BARNES, *Vice President*

By: 
GENE WAGNER, *Secretary*

PORT OF KENNEWICK

RESOLUTION No. 2013-17

A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS AUTHORIZING AN EMERGENCY ROAD REPAIR AT RAILROAD MILEPOST 12.66 (S. Gum and SR-397)

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, the Washington Utilities and Transportation Commission issued a Railroad Crossing Inspection Defect Notice that must be corrected at railroad milepost 12.66; which is owned and maintained by the Port, and is part of S. Gum and SR-397 highway; and

WHEREAS, the road repair represents an unforeseen circumstance, and in order to mitigate further road surface deterioration or potential damage to property the repair must be repaired.

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

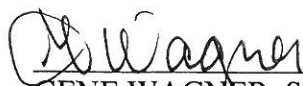
BE IT FURTHER RESOLVED the repairs are estimated at \$3,000.00.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 25th day of June, 2013.

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


SKIP NOVAKOVICH, President


DON BARNES, Vice-President


GENE WAGNER, Secretary



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

AUGUST 13, 2013 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
Don Barnes, Vice-President
Gene Wagner, 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

PLEDGE OF ALLEGIANCE

Jason Houge led the Pledge of Allegiance.

PUBLIC COMMENTS

Ferdouse Oneza of Oneza & Associates reported that Phase I of the Tri-Cities Raceway Analysis which indicates how important that location is for the local economy is complete; she would be glad to see the project implemented.

No further comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

- A. *Approval of Warrant Dated July 24, 2013***
Expense Fund Voucher Number 34620 in the amount of \$2,348.58.
- B. *Approval of Direct Deposit and Warrants Dated July 31, 2013***
Direct Deposit totaling \$26,967.17 and Expense Fund Voucher Numbers 34621 through 34625 totaling \$14,474.97; for a grand total of \$41,442.14.
- C. *Approval of Warrant Registers Dated August 14, 2013***
Expense Fund Voucher Numbers 34626 through 34676, totaling \$83,726.85.
Construction Fund Voucher Number 3446 through 3456 totaling \$457,303.32.
- D. *Approval of Commission Meeting Minutes Dated April 9, 2013***
- E. *Approval of Commission Meeting Minutes Dated April 23, 2013***
- F. *Approval of Commission Meeting Minutes Dated July 23, 2013***
- G. *Approval to Surplus Property; Resolution 2013-18***



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

AUGUST 13, 2013 MINUTES

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

PRESENTATION

A. Jason Houge, Young Professionals Tri-Cities Charrette

Mr. Houge stated the Young Professionals of Tri-Cities (YPTC) is a networking group that is designed to connect and engage young professionals in the local community. Currently there are 650+ YPTC members.

The YPTC conducted a charrette on June 26, 2013 to discuss development visions for Vista Field. Mr. Houge presented a PowerPoint illustrating the main ideas for mixed-use development -- the work, live and play concept. Basically, they do not want duplication of anything already in the Tri-Cities, as they don't want to take away from existing business. YPTC feels there is a great opportunity to do something in a central location that could change the face of the area by creating a district that is unique and viable. YPTC does not want big box stores, anything with a bad stigma, or things that could give the area a negative connotation. Three design alternatives were discussed.

Mr. Novakovich and Mr. Barnes attended different portions of the charrette and found the process to be outstanding. The Commission would like to see YPTC stay involved in the project throughout the process.

Mr. Arntzen was impressed with the quality of ideas in the report. He feels the YPTC is a good cross section of our community and the tax payers are saying dream big; do not bring us something that's average or mundane.

NEW BUSINESS

A. International Economic Development Council (IEDC) Membership

Ms. Fine stated the membership fee for IEDC is \$345. Some of the benefits of membership is a 30-50% discount for conference rates; classes on business retention and expansion, strategic planning, market attraction, financing, small business development and many other courses; free access to newsletters and other resources; and similar to Municipal Research and Services Center (MSRC), they also provide a research and information service.

The Annual Conference is in Philadelphia this year; it is the world's largest gathering of economic developers. Ms. Fine feels the Port should be involved in this organization for the many benefits and opportunities it could provide. The Port's Economic Development Enterprise (EDE) joined the IEDC recently. Port Commissioners and staff could use the funding budgeted for training and education in the EDE for travel to the conferences. The Commission is in consensus that the Port should plan to travel to future conferences. Mr. Arntzen suggested inviting jurisdictional partners to some IEDC conferences.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

AUGUST 13, 2013 MINUTES

B. Community Development Strategy (CEDS) Project Prioritization Process; Resolution 2013-19

Ms. Bader Inglima stated CEDS Applications must be submitted by August 23, 2013 to the Benton Franklin Council of Governments (BFCOG). The applications will be reviewed by BFCOG prior to September 3, 2013, and the Port would make a presentation on September 12, 2013. The CEDS committee reviews, ranks and prioritizes projects for the region. Having a project rank high on that CEDS priority list demonstrates not only regional support for the project, but indicates the region has ranked it as a priority for economic development administration grants, or other state, local, federal grants.

Ms. Bader Inglima stated the Port's willows wine village project, a project for developing a wine incubator on Columbia Drive, ranked fairly high in 2012. The Commission is in consensus to resubmit the wine project again.

MOTION: Commissioner Barnes moved approval of Resolution 2013-19, authorizing the staff to submit a Wine Village Development Building Profile to be included in the annual report in the Conference of Economic Development Strategy for 2013, with a port match of approximately \$1,016,483 to construct said building should a source of grant funding be secured, and has further authorized port staff to pursue federal and state funding as available through this project; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Benton PUD Discussion

Mr. Barnes and Mr. Arntzen attended a Benton PUD Commission Meeting approximately two weeks ago. The City of Kennewick and Port of Kennewick were invited to make a presentation. Mr. Barnes presented the Port's priorities which included Columbia Drive, Clover Island, redevelopment of Vista Field, and the Oak Street Development Buildings; which provided an excellent opportunity to thank the Benton PUD for grant funds for energy efficient lights.

The meeting also provided the chance to exchange ideas and outline available resources for the projects. Mr. Barnes stated the Benton PUD's budget is approximately \$120 million and the City's biannual budget is approximately \$280 million and Port's annual budget is approximately \$4.5 million.

The Columbia Drive discussion centered on the potential or possible relocation of some of the power lines, which may be moved underground. The PUD is interested in working with the Port on this project.

Mr. Arntzen stated a committee will be created to study the possibility of relocating the power lines underground. Upon completion of the study the committee will report back to their elected officials. Mr. Arntzen suggested no timelines be put on the committee as there are many current projects being undertaken.

B. Confederated Tribes of the Umatilla Indian Reservation (CTUIR) Salmon Walk

Ms. Bader Inglima reported the CTUIR holds an annual educational, family-fun event at the



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

AUGUST 13, 2013 MINUTES

Tamastlikt Cultural Institute on the Umatilla Indian Reservation. This will be the sixth year that Port of Kennewick has participated in the event by setting up and staffing a booth with information on the Port's shoreline enhancement and economic development activities related to Clover Island and the adjacent Columbia Drive/Duffy's Pond neighborhood. This is a great way to communicate with the CTUIR about the projects the Port is working on, and to get feedback and input from their members. Ms. Bader Inglima stated she met several of their Department of Natural Resources staff at the first Salmon Walk she attended. The staff was instrumental in helping with letters of support for the West Causeway shoreline project.

Last year they invited Port of Kennewick to set up under their main tent area, instead of having our own separate booth tent and table. And this year, the CTUIR mentioned the Port of Kennewick in the article in their CUJ newspaper about the event. This demonstrates our continued partnership and the building of a trust relationship with one of our important governmental partners.

The event will be held Saturday, August 24, 2013, from 7:00 a.m. through 2:00 p.m., and includes a 10K race; a 5k race; and a 3-mile family fun-run or cycle event.

C. *West Richland UGA*

The City of West Richland will submit an application to Benton County to modify their urban growth boundary. The deadline for that is due later this year. The City has had to go forth and do an inventory of their buildable lands to get an idea of what their capacity might be. How much land does West Richland really have to develop, is the question they need to answer before additional land can be considered to be added to their city's urban growth boundary.

Nicole Stickney, West Richland's planning and economic development manager, summed up the Port's 92 acre racetrack site as industrially-zoned property that is not in agriculture production, that has been historically used for industrial activity. This is a selling point to the state and environmental agencies that watch over urban growth boundary issues statewide. It is important to the Port of Kennewick to include the land in the city's urban growth boundary so that necessary utilities, which happen to be right next to the property line, can be extended and developed on the site so it can be developed as an urban industrial location, rather than industrial property with well and septic tank standards.

Ms. Swain explained the City of West Richland is extremely unique. They have almost enough land to put all of Kennewick inside West Richland. The state likes you to fill up the space you have before expanding. Ms. Swain stated the city has enough land that it could develop it over 100 years; however, it is locked up because just two property owners own three-quarters of the undeveloped land.

Ms. Swain stated West Richland has very little resources and few daytime jobs. Ninety percent of the people that have a job leave during the day and spend their money elsewhere. The city is trying to help reduce the cost to taxpayers and build a job base and an economy that is nestled at the foot of Red Mountain.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

AUGUST 13, 2013 MINUTES

Ms. Swain invited the Port to attend the UGA workshop at 5:30 next Tuesday, August 20, 2013. Mr. Arntzen feels the information prepared by Ferdouse Oneza could be used to assist with the UGA process.

D. Miscellaneous Administrative Matters

Ms. Fine suggested the following items could be included in the 2014 Work Plan because it will take staffing hours to implement:

1. Policy Manual Update – Bidding, Small Works projects, Annual Ethics training
2. Records Archiving – paperless system; work with State Archivist to go through records for archives
3. Architect & Engineering Contract Template – standardizing contracts
4. Routine Maintenance Projects
5. Updating general ledger codes and working with the State Auditor's Office to update BARS Coding. Ports have not updated the BARS coding for many years; whereas cities and counties update annually. The updates will develop better budgeting and accounting codes and will also help with ROI analysis.

Also, Ms. Fine will provide an ethics training at a future meeting.

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

Commissioners reported on their respective meetings.

F. Non-Scheduled Items

1. Mr. Barnes requested an update regarding Vista Field. Mr. Arntzen has had continued discussions with Washington State Department of Transportation (WSDOT) Aviation regarding the repayment of grants. Ms. Luke submitted a draft grant repayment agreement to WSDOT for their review. WSDOT has agreed not to charge interest on the repayment of the grant funding. Mr. Peterson has been working with DPZ on the next phase of planning and preplanning work. Mr. Arntzen began dialogue with Dr. Dennis Shannon regarding a purchase price for his hangar. Mr. Arntzen requested Chamberlain and Associates assist with the appraisal. Mr. Arntzen also met with Mr. Vic Epperly recently regarding a redevelopment lead which may help with the redevelopment of Vista Field. Mr. Mehaffy suggested the Port should review Austin, Texas as they had an airport close and it is in the process of being redeveloped. Another example may be Stapleton Field in Denver. Ms. Hanchette reported she has been monitoring the fuel tanks and fuel consumption at Vista Field and feels there is enough fuel for now. The Port did not renew the lease with Connell Oil; however, they are willing to come and do another small fill if needed. Mr. Peterson will represent the Port at the City of Kennewick meeting next Wednesday for the Comp Plan Amendment. This is the first public hearing the City will hold on the matter.
2. Mr. Novakovich requested the Commissioners begin thinking about the projects and/or committees they would like to lead next year.
3. Mr. Arntzen shared that he was approached by three businesses about Columbia Drive. One is a current business wanting to know if there a chance for him to upgrade in his location and how would he fit in to the proposed development. Mr. Arntzen believes this is a positive sign.
4. Mr. Arntzen met with Glenn Marshall from Kennewick General Hospital (KGH). KGH received a private proposal to bring some ancillary medical facilities to the area. Mr. Marshall felt this would be for the private sector to pursue and referred him to Mr. Arntzen.
5. Mr. Arntzen met with Dave Tovey, Executive Director for the CTUIR and Chairman Minthorn.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

AUGUST 13, 2013 MINUTES

6. The Benton Franklin Fair & Rodeo will hold a Fun Run on the island August 17, 2013.

PUBLIC COMMENTS

Jim Wade, 1813 S. Rainier Place, Kennewick. Mr. Wade commented the Young Professionals had great ideas and dreams, and it would be nice to see it enacted. Mr. Wade stated with the federal government being \$16-17 trillion in debt and the state government being \$2 billion in debt, he does not understand where grant funding is derived. He feels the taxpayers, especially senior citizens, are being taxed too much. With regards to the meeting with Kennewick General Hospital, he stated Kadlec has an unbelievable amount of services. The difference between the hospitals is that KGH is public, whereas Kadlec is private.

No further public comments were made.

Mr. Novakovich anticipates the Executive Session to last approximately 60 minutes for Real Estate, per RCW 42.30.110(1)(c); with no action anticipated. Mr. Novakovich asked the public to notify Port staff if they will return after the executive session.

Mr. Novakovich recessed the meeting at 3:25 p.m., for approximately 10 minutes.

Mr. Novakovich reconvened the meeting into Executive Session at 3:37 p.m..

EXECUTIVE SESSION

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

The regular meeting reconvened at 4:19 p.m. with no action taken.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:20 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Skip Novakovich, President

Don Barnes, Vice President

Gene Wagner, Secretary

PORT OF KENNEWICK

RESOLUTION 2013-18

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK AUTHORIZING THE PORT EXECUTIVE DIRECTOR
TO SELL AND CONVEY SURPLUS PROPERTY***

WHEREAS, the Board of Commissioners of the Port of Kennewick met this 13th day of August, 2013, 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, that 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; and

NOW, THEREFORE, BE IT RESOLVED by the Port of Kennewick Commissioners to authorize the Port Executive Director to surplus Port property no longer needed for Port purposes which has a value of \$10,000 or less as attached in "Exhibit A"; and

ADOPTED by the Board of Commissioners of Port of Kennewick this 13th day of August 2013.

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

By: 
SKIP NOVAKOVICH, *President*

By: 
DON BARNES, *Vice President*

By: 
GENE WAGNER, *Secretary*

RESOLUTION 2013-18
"EXHIBIT A"

Asset	Disposition	Property Description	Date In Service	Cost
8	Broken	Dremel Engraver	3/25/03	20.53
9	Broken	Craftsman toolbox	5/2/03	135.22
25	Broken	Wheelbarrow	3/23/04	43.28
30	Broken	Bosch Rotary Drill	5/25/04	248.01
44	Broken	Paper Shredder	2/9/09	300.00
92	Broken	Olympus Camera	5/23/07	249.49
94	Broken	Makita Grinder	3/26/09	115.26
106	Broken	HP 8500 Plus Printer	7/7/11	292.40
130	Broken	Husky 6021 P Lawnmower	6/6/12	207.89
131	Broken	Husky 6021 P Lawnmower	6/6/12	207.89
132	Broken	Husky 6021 P Lawnmower	6/6/12	207.89
133	Broken	Husky 6021 P Lawnmower	6/6/12	207.89
149	Obsolete	DB1 & 2 Remodel Vacuum Breakers	11/15/89	2088.75
159	Obsolete	DB1 & 2 Remodel Exhaust System	5/15/90	384.34
162	Obsolete	Dumpsters	7/15/90	795.56
163	Obsolete	Dumpsters	7/15/90	795.56
166	Broken	Hazardous Waste Receptacle	10/15/90	12,062.30
169	Broken	DB1 & 2 Remodel Overhead Door	12/15/90	2,147.14
330	Obsolete	Mas90 Accounting Software	7/22/97	3,708.53
335	Broken	DB1 & 2 Remodel Evaporation Cooler	8/31/97	3,933.36
364	Obsolete	DB1 & 2 Remodel Rollup Door	3/10/98	939.60
420	Obsolete	VFDF 1 Remodel – Light Fixtures	8/11/98	418.09
457	Obsolete	VFDF 1 Remodel – Sign	9/29/98	156.60
500	Broken	DB1 & 2 Remodel Water Heater	12/29/98	4,133.16
522	Obsolete	DB1 & 2 Remodel 3 metal doors	3/16/99	3,993.68
706	Broken	Gateway 700XPC Computer	4/30/02	1,852.09
785	Obsolete	Pedestal Desk	3/1/04	1,085.75
787	Broken	Dell Computer	5/11/04	2,036.47
789	Obsolete	AutoCAD Software	12/14/04	4,147.38
899	Broken	Air conditioner	6/30/06	2,049.04
913	Broken	HP Office Jet 7400 printer	12/31/06	487.34
1043	Broken	HP Office Jet 6500 AIO	10/30/09	154.10
1046	Broken	HP Office Jet Printer	12/31/09	314.06
1053	Broken	HP 2010 Mini Notebook	2/1/10	379.04

PORT OF KENNEWICK
RESOLUTION No. 2013-19

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK
AUTHORIZING APPLICATION FOR A PROJECT TO BE LISTED IN THE ANNUAL REPORT
OF THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) FOR 2013,
AND TO SEEK FUNDING FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION
(EDA) AND/OR OTHER FEDERAL OR STATE SOURCES.***

WHEREAS, the Benton Franklin Economic Development District is in the process of preparing the Annual Report of Comprehensive Economic Development Strategy (CEDS) for 2013; which includes a section describing and prioritizing local and regional projects seeking funding from the U.S. Economic Development Administration (EDA); and

WHEREAS, CEDS priority projects may also be considered for funding from other federal or state sources and the EDA and U.S. Department of Agriculture (USDA) require a review of project proposals for their agency; and

WHEREAS, the Port's Work Plan already calls for the port to: focus on waterfront development/redevelopment; provide additional development building space throughout the port district; realize and support economic development opportunities with the wine and tourism industry; begin A&E work on the Wine Village; and leverage partnerships and grant opportunities; and

WHEREAS, the Annual Report of the Comprehensive Economic Development Strategy for 2013 is a critical step in prioritizing projects for potential future funding; and

WHEREAS, submission of grant applications requires Commission approval by resolution and the CEDS process requires a formal document indicating commitment of the matching funds;

NOW, THEREFORE; BE IT RESOLVED that the Port of Kennewick Board of Commissioners does hereby approve Resolution 2013-19, authorizing staff to submit a wine village development building profile to be included in the Annual Report of the Comprehensive Economic Development Strategy (CEDS) for 2013; which commits a Port match of approximately \$1,016,483 to construct such building should a source of grant funding be secured; and does further authorize port staff to pursue federal/state funding sources as available for this project.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 13th day of August, 2013.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

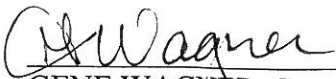
By:


SKIP NOVAKOVICH, *President*

By:


DON BARNES, *Vice President*

By:


GENE WAGNER, *Secretary*

PORT OF KENNEWICK

RESOLUTION No. 2013-20

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
THE PORT OF KENNEWICK AUTHORIZING STAFF TO
ACCEPT THE BOATING FACILITIES PROGRAM GRANT AND UNDERTAKE
A PROJECT TO ENHANCE AND IMPROVE CLOVER ISLAND***

WHEREAS, our organization applied for, and received notice that it was awarded a Recreation and Conservation Office (RCO) Boating Facilities Program (BFP) grant for Clover Island; and

WHEREAS, the port will use the BFP grant and additional port funding to help revitalize Clover Island; increase activity for existing businesses; improve the safety and enjoyment of island users; enhance in-city recreational opportunities; and improve access to, and use of, the Columbia River as a community resource; and

WHEREAS, this project will construct a restroom at the Clover Island Boat Launch; adding a catch basin; paved and striped parking, landscaping, ADA compliant sidewalks, scenic overlook, benches, bollards, lighting, drinking fountain, trash cans, and educational signage to the boat launch area; and install port-approved artwork on Clover Island as part of the overall project, and

WHEREAS, our organization considers it in the best public interest to complete the improvements described above; and

WHEREAS, we are aware that the project includes the installation of previously authorized artworks as part of the overall Clover Island improvement project to reduce construction costs, take advantage of on-site efficiencies, and save taxpayer funding; and

WHEREAS, we are aware that the state grant will be paid on a reimbursement basis; which means we may only request payment after eligible and allowable costs have already been paid and remitted to our vendors.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director of the Port of Kennewick is authorized to accept the Washington State Boating Facilities Program grant and to make restroom, recreation, and artwork improvements to Clover Island.

BE IT FURTHER RESOLVED that this resolution shall be effective immediately upon passage and signature by the Port of Kennewick Commissioners.

ADOPTED by the Port of Kennewick Board of Commissioners this 10th day of September, 2013 located at Clover Island in Kennewick.

PORT OF KENNEWICK
BOARD OF COMMISSIONERS

By: _____
Skip Novakovich, President

By: _____
Don Barnes, Vice President

By: _____
Gene Wagner, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2013-21

**A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS
SUPPORTING THE TRI-CITIES VISITOR AND CONVENTION BUREAU'S
2013 STRATEGIC PLAN**

WHEREAS, the mission of the Tri-Cities Visitor and Convention Bureau is to promote, market and sell the region as a preferred destination to visitors; and

WHEREAS, the Tri-Cities Visitor and Convention Bureau worked with their board members, community leaders, and city officials to develop the 2013 Tourism Strategic Plan, which outlines specific goals and objectives; and

WHEREAS, the Tri-Cities Visitor and Convention Bureau identified “shoreline” as a “top priority” Critical Planning Issue; and

WHEREAS, the Tri-Cities Visitor and Convention Bureau’s Product Development Goals include pursuing initiatives which encourage development, enhancement, and advocacy of projects which support rivershore enhancement, wine industry expansion, improved quality-of-life, diversification of regional attractions, tourism marketing, promotion of the region, and working cooperatively with regional governments; and

WHEREAS, the Port of Kennewick Board of Commissioners has reviewed the Tri-Cities Visitor & Convention Bureau’s 2013 Tourism Strategic Plan and determined it aligns with Port of Kennewick goals and objectives; especially as it relates to Port efforts to redevelop, revitalize, enhance, and diversify the local economy; particularly the wine industry and rivershore enhancement.

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners does hereby endorse and support the Tri-Cities Visitor and Convention Bureau’s 2013 Tourism Strategic Plan.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of September, 2013.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

SKIP NOVAKOVICH, *President*

DON BARNES, *Vice President*

GENE WAGNER, *Secretary*



AGENDA REPORT

TO: Port Commission

FROM: Larry Peterson, Director of Planning & Development

MEETING DATE: September 10, 2013

AGENDA ITEM: Resolution 2013-22 Oak Street Industrial Area Land Sale

- I. REFERENCE(S):** Resolution 2013-22, Site Map & Map of improvements; attached.
- II. FISCAL IMPACT:** \$97,100.00 capital income to the Port;
\$9,272.76 annual operating income loss;
- III. DISCUSSION:** The Julie Luke has offered to purchase 2.2 acres, which is equal to 97,100 square feet located at the Oak Street Industrial for \$97,100.00. The purchase price equates to \$1.00 per square foot which is 158% of the value established by the Benton County Assessor's office and is generally consistent with sales activity in the area. This property is graphically depicted on Exhibit "A-1".

Roth Distribution Co. Inc. initiated a land lease with the Port in September 1977 and proceeded to construct the existing 21,820 sq. ft. building on the site in 1978. The Roth family has had the building for sale for 3+ years and now has a buyer (Julie Luke) for the building conditioned upon purchasing the land too. The proposed land sale would be contingent upon Julie Luke purchasing the building improvements from Roth Distributing, thereby assuring if the sale is closed both land and improvements would become bundled. Utilization of the sale proceeds for acquisition of improvement of properties or buildings within the Oak Street Industrial area would be consistent with the Comprehensive Scheme of Development. While providing \$97,100 of capital income the sale would result in the loss of approximately \$9,272.76 of annual operating income, which negatively impacts the operating income gap.

Considering certain site conditions on the property and the proximity to existing Port buildings requirements to pave a large percentage of the site and install landscaping along the frontage are included in the proposed land sale. Provisions of the sale include placing \$.25 per sq. ft. of the land sale proceeds into an escrow account to be released to the purchaser if these improvements occur to the Port's satisfaction within 6 months of closing. If the purchaser or their assigns fail to make the improvements within 6 months of closing the escrow funds are released to the Port and after 18 months from closing the Port has the option to repurchase the property for the sale price of \$97,100. A map and list of the proposed site improvements is attached to this report.

VI. ACTION REQUESTED OF COMMISSION:

Motion: I move approval of Resolution 2013-22 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Julie Luke and to take all other action necessary to close this transaction.

PORT OF KENNEWICK

RESOLUTION No. 2013-22

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

WHEREAS, Julie Luke (Purchaser), has offered to purchase 2.2 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 \$97,100.00; 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 approves Resolution 2013-22 authorizing the Port's Executive Director to execute a Purchase and Sale Agreement with Julie Luke in the sum of \$97,100.00 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 10th day of September, 2013.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: _____
SKIP NOVAKOVICH, President

By: _____
DON BARNES, Vice President

By: _____
GENE WAGNER, Secretary

Ag
Engineering

Roth Warehouse Site



E. 7TH AVE.

SITE

2.2 Acres

E. 10TH AVE.

SR-397