



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

OCTOBER 8, 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 (By speakerphone for Executive Session only)

## PLEDGE OF ALLEGIANCE

Commission Wagner led the Pledge of Allegiance.

Mr. Barnes stated agenda items may be placed on the Regular Commission Meeting Agenda after the agenda is closed and the notice is published if a Commissioner or the Executive Director explains the necessity and receives a majority vote of the Commission at a public meeting. Mr. Barnes further stated he received notification this morning of two Executive Session items that need to be addressed during today's meeting.

**MOTION:** *Commissioner Barnes moved approval to add the following Executive Session items: Personnel, per RCW 42.30.110(1)(g) and Real Estate, per RCW 42.30.110(1)(c) to the Agenda; and items "VII. A and B" (Clerk's note: Columbia Drive / Wine Village Update and Vista Field) be moved up so that they follow item "VI. A" (Clerk's note: New Business); Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

## PUBLIC COMMENTS

No comments were made.

## CONSENT AGENDA

The consent agenda consisted of the following:

**A. Approval of Direct Deposit and Warrants Dated September 13, 2013**

Direct Deposit totaling \$22,680.78 and Expense Fund Voucher Numbers 34771 through 34774 totaling \$4,528.35; for a grand total of \$27,209.13.

**B. Approval of Warrant Registers Dated September 25, 2013**

Expense Fund Voucher Numbers 34775 through 34821 totaling \$89,172.36.



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

OCTOBER 8, 2013 MINUTES

Construction Fund Voucher Number 3467 through 3475 totaling \$46,770.67.

**C. Approval of Direct Deposit and Warrants Dated September 30, 2013**

Direct Deposit totaling \$27,339.07 and Expense Fund Voucher Numbers 34822 through 34826 totaling \$13,935.25; for a grand total of \$41,274.32.

**D. Approval of Warrant Registers Dated October 9, 2013**

Expense Fund Voucher Numbers 34827 through 34859 totaling \$51,637.75.

Construction Fund Voucher Number 3476 through 3477 totaling \$91,377.59.

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

## PRESENTATION

**A. Willows Property LDS "Day of Service," Larry Garrett**

Mr. Garrett explained on the 10<sup>th</sup> anniversary of 9/11, the "Day of Service" was initiated to bring the community together; about 1,000 hours of community service has been donated each year. Mr. Garrett stated approximately 330 people from his group were involved throughout the community. The 40 volunteers at The Willows removed a recycled 184.2 tons of concrete. Several people volunteered their equipment including Pratt Construction. He expressed his appreciation for the opportunity and shared the service gives us pride in our community.

Mr. Barnes assisted with the project and requested staff draft a letter to show our appreciation; the letter was read into the record. (EXHIBIT A)

**MOTION:** *Commissioner Barnes moved approval of the letter of appreciation for the LDS "Day of Service"; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

## NEW BUSINESS

**A. City of Kennewick Columbia Drive Loan Support Letter**

Ms. Bader Inglima stated the City of Kennewick identified a loan through the Department of Ecology. As a result of the joint meeting and discussions on partnering with the planning for Columbia drive, they have identified the possibility of constructing a parking lot and the completion of the pathway along the Columbia Gardens, Willows and Cable Greens area on Columbia Drive. The city requested the port provide a letter to the Department of Ecology indicating the partnership that we have on Columbia Drive with the City of Kennewick. The Commission is in consensus to send the letter.

## REPORTS, COMMENTS AND DISCUSSION ITEMS

**A. Columbia Drive / Wine Village Update**

Mr. Arntzen shared the port had a joint meeting with the City of Kennewick City Council on October 1, 2013 to discuss the Columbia Gardens project. Although staff has been discussing the project for quite some time, it was the first time for the elected officials to hear about the project in detail. Mr. Arntzen was impressed with the large turnout of people at the meeting (70+) and commented that new people were at the meeting who were genuinely interested to see the two jurisdictions work together. Over the last 20 years, four Columbia Drive plans have been





# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

OCTOBER 8, 2013 MINUTES

---

developed. He feels the citizens would like to see one of the plans put into effect. The Port will work with City to formalize an Inter-Local Agreement between the jurisdictions.

Mr. Peterson stated the project involves the port's 16 acres of the 28 acres on Columbia Drive. The port will invest \$1.3 million to develop the properties. The enhancements include renovating a building to process wine effluent and the construction of a new building for wine-related business. The city would invest \$1.3 million for sidewalks, streetscape improvements, extension of the pathway along Duffy's Pond and a wine effluent treatment system, along with a joint use parking lot to serve the trailhead and new buildings.

Mr. Novakovich shared that Tom Moak and others in the audience worked on the UDAT plan in 2002. He feels the October 1, 2013 meeting and what will happen is monumental to the waterfront development in Kennewick and the Tri-Cities.

Mr. Arntzen reiterated the Commissioners directed staff at the October 1, 2013 meeting to draft an Inter-Local Agreement (ILA). He plans to present the draft to the Commissioners for their approval at the October 22, 2013 meeting.

Mr. Novakovich commended Mr. Arntzen and the staff and working on this project. Mr. Arntzen commented he met with a private business owner who is excited about the development and is considering his involvement.

Mr. Peterson stated one of the key events that allowed the port to move forward was the acquisition in January 2013 of The Chieftain Motel and Apartments. This acquisition tied the properties together. Mr. Novakovich reiterated that the port is willing to work with interested parties, but we will not use condemnation or eminent domain.

Mr. Arntzen stated the cost of the project was also discussed at the joint meeting. The port has almost \$2 million each year to spend on capital projects. It is a number that the port is comfortable with and does not mandate a tax increase. Mr. Arntzen stated he is a taxpayer in the port district and his levy rate has decreased. This is not something that the taxpayers will be burdened with as it is included in the existing rate structure. Mr. Barnes commented the port is in excellent financial condition, has reserve funds, and is in an excellent position to go ahead with this project as it will not negatively impact the progress at Vista Field or the West Richland racetrack.

Mr. Arntzen stated the West Richland property and Vista Field property is in the planning stages. It takes a while for the planning process to be complete and feels the construction phase is at least a year away. The Columbia Gardens construction will begin in 2014. The Urban Growth Boundary issue is still being worked through in West Richland. Mr. Barnes mentioned that Granville Island in British Columbia is an example of what Columbia Gardens could be. It has a farmer's market, restaurants, wineries, brew pubs, and also has a concrete batch plant in the middle of the area.



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

OCTOBER 8, 2013 MINUTES

---

## ***B. Vista Field***

### ***1. Washington State Department of Transportation (WSDOT) Grant Repayment Agreement***

Over the years WSDOT has provided approximately \$239,000 in grant funding for projects at Vista Field. The grant documents state if the airport should close, the funding would need to be reimbursed. Mr. Arntzen has negotiated with WSDOT to pay the \$239,000 to WSDOT over two years and WSDOT has agreed to waive interest. Mr. Arntzen stated WSDOT could have insisted the airport stay open; however, their view is not to override local decisions and they have waived any and all rights to the airport upon successful repayment of the grant funding.

### ***2. Agreement with Pacific Cataract and Laser Institute (PCLI)***

Mr. Arntzen reported an agreement has been reached with PCLI. The agreement is approximately \$83,000; \$78,000 for the prepayment of the through the fence agreement, plus \$5,000 for administrative/legal fees. Mr. Arntzen has nothing but positive things to say about PCLI. They understand the realities of life and were very understanding about the situation. Mr. Novakovich stated this agreement was signed in October and a check is ready to release October 9, 2013.

Mr. Barnes stated the Commission approved a list of items a couple months ago to close Vista Field, and Mr. Arntzen is doing a great job completing the tasks.

### ***3. Federal Aviation Administration (FAA) Written Notice of Permanent Closure***

Although it was not funded by the FAA, procedurally, it was necessary to provide a 90-day written notice of the permanent closure of the airport. The notification letter was sent to the FAA on September 23, 2013. This provides the FAA with a period of time to adjust maps and website information, and identify the airport as closed effective December 31, 2013.

### ***1. Dr. Carl Cadwell's Request to Extend the Closure of Vista Field***

Dr. Cadwell sent a letter dated August 27, 2013 and requested the airport remain open until June 30, 2014 as he had not had time to obtain hangar space, and that his airplane takes on water when parked outside. Mr. Arntzen contacted aviation experts from DPZ and Century West Aviation to provide information that could assist with a response to Dr. Cadwell. In addition, Ms. Hanchette researched local hangar availability, and found an available hangar with a roll-in service. Century West Aviation examined the possibility of tying down the plane outside. They discovered an after-market blanket cover would keep the water out of the plane when parked outside. Mr. Arntzen commented when flying an aircraft to conduct business, pilots typically park the plane outside. Mr. Arntzen shared that he responded to Dr. Cadwell that the Port is not willing to extend the closure date. The Commission supports this response.

### ***2. Citizen's Advisory Committee Discussion***

Mr. Peterson stated there has been discussion about an advisory committee, or group of interested stakeholders, related to the Vista Field planning effort that the Port Commission would direct in 2014. Staff has put together a list of various entities that may be involved in





# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

OCTOBER 8, 2013 MINUTES

the process. The draft list will be presented to the Commission for consideration at the October 22, 2013 meeting.

Mr. Peterson stated he, Michael Mehaffy and Jason Hogue of the Young Professionals of Tri-Cities attended the City of Kennewick's Planning Commission meeting October 7, 2013 to provide an update on the status of Vista Field. The Commission recommended the City Council approve the comprehensive plan amendment.

**C. Commissioner Meetings (formal and informal meetings with groups or individuals)**  
Commissioners reported on their respective committee meetings.

**D. Non-Scheduled Items**

1. Mr. Novakovich stated a portion of an editorial endorsement written by the Tri-City Herald speaks tremendous volumes about the Port of Kennewick. Mr. Novakovich did not read the entire article as it would not be appropriate; however, he read the following portion:

Few entities have a greater effect on the future of the Mid-Columbia than the Port of Kennewick. Ports are always drivers of economic development, but the Port of Kennewick is poised to shape some large portions in the heart of the city as it redevelops Vista Field, the Columbia Drive corridor and waterfront and the former Tri-City Raceway property near Red Mountain.

2. Mr. Novakovich thanked Mr. Arntzen for putting together an amazing professional staff that accomplishes great work. He directed Mr. Arntzen to stay focused on Columbia Drive.
3. The Port's fall newsletter was distributed today in the Tri-City Herald and will also be distributed in the Journal of Business and Senior Times.
4. Ms. Bader Inglima shared photographs of artists painting at Clover Island. The art teacher said the improvements to the island have made it a beautiful place and it has become a muse to the arts community.
5. Mr. Peterson received an email from Benton REA with regard to the Kennedy sub-station. Benton REA is requesting 900 square feet of space to install a gang switch. The switch will provide greater reliability to the race track site and provide cost effective services. It would reduce the process of switching power from 5 hours to 15 minutes. The Commission is in consensus for Mr. Arntzen to send a letter approving the transaction.
6. A Special Joint Meeting with City of West Richland will be scheduled to discuss the research from the San Luis Obispo trip.
7. A trip was booked the City of West Richland and Port of Kennewick to travel to Seattle to meet with a group called FutureWise, which appealed the urban growth package last time. There were some discussions with legal counsel from FutureWise related to how this package application would be different. We are hoping that we can find some common ground with FutureWise, and hopefully they will be neutral or support the City's application this year.



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

OCTOBER 8, 2013 MINUTES

---

## PUBLIC COMMENTS

No public comments were made.

Mr. Novakovich anticipates the Executive Session to last approximately 30 minutes for *Real Estate, per RCW 42.30.110(1)(c); and Personnel, per RCW 42.30.110(1)(g)* with possible 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 3:13 p.m. until approximately 3:20 p.m.

Mr. Novakovich reconvened the meeting into Executive Session at 3:20 p.m.

## EXECUTIVE SESSION

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

**B. *Personnel, per RCW 42.30.110(1)(g)***

Ms. Scott exited the chambers at 3:50 p.m. to extend the Executive Session 10 minutes.

The regular meeting reconvened at 4:00 p.m.

The Commission and staff discussed real estate policy matters. Mr. Barnes stated a concern he has is being able to communicate effectively with prospective parties. He would like a way to assess on a preliminary basis, the merits of a proposed project. Perhaps the Port should consider developing standards where a proposal could be reviewed by the port according to standards to determine if the proposed project would make it to a higher level for further consideration. A project that has a critical flaw or omission would prevent it from being a feasible project to be pursued by the port. Mr. Barnes inquired if standards should be developed with minimal criteria, with the purpose to sift out or eliminate projects that do not meet minimum standards. Or, if the port wants to maintain maximum flexibility by not setting standards and evaluate each project individually and rely on staff's determinations.

Mr. Novakovich is concerned that a set of standards may be developed that tie the port into having to say yes to something that does not fit into our plans. He would be more in favor of reviewing each project on a case-by-case basis and evaluating it based on our knowledge and the knowledge that staff can bring to the table. Mr. Novakovich suggested the Commission address this issue after the new year.

Mr. Arntzen stated the Port does not have a standards policy at this time. The port does have a Real Estate Policy for the purchase of property. He suggested a basic framework for a development proposal could be drafted. The Commission directed Mr. Arntzen to research this issue when time allows; it is not a high priority item. The Commission prefers Mr. Arntzen to focus on the Inter-Local Agreement with City of Kennewick.

Mr. Peterson pointed out when the marina project was out to bid, a requirement was to identify five other marina-related projects they had constructed. Some of our projects had a previous experience requirement, while others did not.

Mr. Arntzen requested Cal Coie share his experience as a contractor: Mr. Coie replied that contractors





# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

OCTOBER 8, 2013 MINUTES

---

are required to be pre-qualified for Washington State Contracts, but that is not always the case with cities. He pointed out that the low bidder is not always the best bidder. He shared when he began his business 30 years ago; he had a lot of experience, but not as a company. He suggested using a company with good bonding.

The Commission feels staff should take the time needed, when available, to research the options.

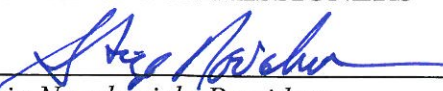
## ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:17 p.m.

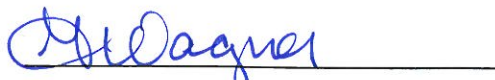
**APPROVED:**

**PORT of KENNEWICK**

**BOARD of COMMISSIONERS**

  
Skip Novakovich, President

  
Don Barnes, Vice President

  
Gene Wagner, Secretary



# PORT of KENNEWICK

COMMISSIONERS | DON BARNES | GENE WAGNER | SKIP NOVAKOVICH

October 8, 2013

President Kenneth Call  
Kennewick East Stake  
The Church of Jesus Christ of Latter-day Saints  
3509 S Tacoma  
Kennewick, Washington 99337

Dear President Call:

On behalf of the Port of Kennewick, we express our most sincere appreciation to you and the Kennewick East Stake members of The Church of Jesus Christ of Latter-day Saints. We truly appreciate your volunteers' efforts in cleaning up the port's Willows property during the LDS "Day of Service" event.

We especially want to recognize and thank Larry Garrett and Larry Zunker for their work in recruiting, organizing, and scheduling the volunteers; and for arranging the necessary equipment, tools, assignments, and oversight to ensure a successful outcome.

Your group removed and recycled *184.2 tons* of broken concrete rubble. That's a tremendous undertaking and very hard work; and it is greatly appreciated. Your volunteers saved taxpayers' thousands of dollars in demolition and labor costs, and it was another step in preparing that neighborhood for future redevelopment as a waterfront destination.

Again, thank you for the generous contribution of your members' time, talents, and energies. Your organization's involvement with the Port of Kennewick is helping us improve our region's quality of life.

Sincerely,

Skip Novakovich  
Commission President

Don Barnes  
Commission Vice President

Gene Wagner  
Commission Secretary