



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DECEMBER 10, 2013 MINUTES

CALL TO ORDER

Commission President Skip Novakovich called the Commission meeting to order at 2:00 p.m. at Clover Island Inn, located at 435 Clover Island Drive, 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

Gene Wagner led the Pledge of Allegiance.

PUBLIC COMMENTS

Ed Frost, 609 West Albany Avenue, Kennewick. Mr. Frost thanked Commissioner Wagner for his leadership, hard work, insistence and enthusiasm he brought to the port. Mr. Frost feels he has done a wonderful job!

Nicole Stickney, Planning and Economic Manager, City of West Richland, joined by Mayor-Elect Brent Gerry, provided an update on the urban growth area (UGA) expansion proposal application. It was submitted to Benton County prior to deadline and the initial application stage has passed. West Richland is requesting to expand the UGA to include the port's 93-acre Tri-City Raceway property. The property is currently zoned as industrial in Benton County. They believe the expansion will benefit the community.

CONSENT AGENDA

The consent agenda consisted of the following:

A. Approval of Direct Deposit and Warrants Dated November 27, 2013

Direct Deposit totaling \$36,279.14 and Expense Fund Voucher Numbers 35035 through 35039 totaling \$14,294.69; for a grand total of \$50,573.83.

B. Approval of Warrant Registers Dated December 11, 2013

Expense Fund Voucher Numbers 35040 through 35083 totaling \$48,853.36.

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



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PRESENTATIONS

A. 2013 Friend of the Port

The Friend of the Port award is an annual award that recognizes someone who is very special to the Port district; this year two people are being recognized. Commissioner Novakovich presented the plaque to Mike Hall and Bill Jaquish in recognition of their advocacy for urban renewal and contributions to Clover Island's vitality, through Ice Harbor Brewing Company's culinary diversity, outstanding service and showcase of local history.

B. Clover Island Inn

Ms. Bader-Inglima commented she has reported several times recently, that the island and the investment that the port made in helping transform this waterfront is now becoming a muse for artists. Amber Martin, Director of Sales and Marketing, Clover Island Inn, stated they hosted a trade show, "Perfecting the Art of Tourism," in which they had a painting commissioned of the area with the lighthouse in the background. Clover Island Inn is very grateful of what the port has done to revitalize and update the island. They had a postcard created of the painting and feel it will be a useful marketing tool.

NEW BUSINESS

A. Luster Glaze America Inc. Lease Agreement; Resolution 2013-31

Ms. Hanchette stated Luster Glaze is a current port tenant on Columbia Drive that would like to move to the Oak Street Industrial Park with a three-year escalating lease. The lease will increase by approximately \$1,000 per month.

MOTION: Commissioner Barnes moved for approval of Resolution 2013-31 approving a new three-year lease with Luster Glaze America, Inc. and authorizing the Executive Director to execute the contract; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.

B. Finley Industrial Park Land Sale; Resolution 2013-32

Ms. Hanchette reported that Ron and Lisa Tennis have leased 5.8 acres from the port since March 2000 in the Finley Industrial Park. As part of the port's Comprehensive Scheme development, the property was deemed surplus and has been marketed to the tenants for a potential sale. Ms. Hanchette inquired if the Commission will accept an escrow deposit of \$2,500.00; port policy states \$5,000.00 is required.

MOTION: Commissioner Barnes moved for approval of Resolution 2013-32 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Ron and Lisa Tennis, and to take all other action necessary to close this transaction; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.

Commissioner Novakovich stated both transactions are a nice way to end the year and commended Ms. Hanchette.



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REPORTS, COMMENTS AND DISCUSSION ITEMS

A. 2014 Commission Organization Representation

Mr. Arntzen presented the final draft of the 2014 Commission Organization Representation list for consideration and review. (EXHIBIT A)

MOTION: *Commissioner Barnes moved for approval of the 2014 Commission Organization Representation Schedule, as recorded by Ms. Scott, to include the appointment to the West Richland Economic Development Committee; Commissioner Novakovich seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

The Commission would like to discuss the 2014 Commission Organization Representation Schedule in January.

B. Vista Field Update

Ms. Hanchette explained since the last commission meeting, the fuel tanks have dipped down to the minimum levels and have not been replenished. The card reader has been bagged up and fuel is no longer available. A notice was issued to the pilots that fuel would no longer be available at Vista Field. There are currently three tenants remaining.

Mr. Petersen commented staff is putting together implementation steps for the closure of Vista Field that includes the deactivation of the access cards, closure of the T-hangars, and placing signage on the fence for pilots and the public. Formal notification was sent to the FAA in September, as a ninety day notice is required. Staff is adhering to the procedures and protocol of the FAA even though it is not an FAA airport.

Mr. Barnes stated that the closing of the airport has been very publicized and would like to make a concerted effort with the remaining tenants that December 31, 2013 is the real closure date. Ms. Luke has worked closely with Ms. Hanchette and has sent several regular mail, certified and returned receipt notices to the tenants. The port has proof the notices have been received.

Mr. Novakovich thanked staff for their work on this project. He appreciates staff following through on everything and making sure all the i's were dotted and t's were crossed throughout the process.

C. 2013 Budget Amendments-Cost Allocation Methodology

Ms. Fine reminded the Commission that she will be applying the new cost allocation methodology to the 2013 annual financials and there will be budget amendments for the 2013 time period due to this change. Under the governmental accounting standards board, the closure of an operating asset (Vista Field) needs to be coded as a special item and ongoing decommissioning process. There will be some realigning of the 2013 budget to match our 2013 financials by moving the categories, according to the accepted accounting principles. At this time, we do not need to ask for a budget amendment to increase the budget amount, as we are currently over our revenues by four percent, which is approximately \$196,000.00.

Mr. Novakovich thanked Ms. Fine for her hard work.



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Mr. Barnes stated it is great news that we received another clean audit. The port should be commended for being good stewards of the taxpayer resources, as it is only at 79% of budgeted expenditures; this is great news!

D. Holiday Office Hours

The port office will be closed on Christmas Eve at noon.

E. Cancellation of December 24, 2013 Commission Meeting

The port office will be closed on Christmas Eve at noon.

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

Commissioners reported on their respective committee meetings.

G. Non-Scheduled Items

1. Ms. Bader-Inglima learned there are some federal resources the port may be able to utilize while attending the Grants Training Workshop Conference.
2. Mr. Peterson spoke with Rich Parker of Pacific Cataract Laser Institute about what the closure of Vista Field means to their business. PCLI has found ways to function without interruption when the airport closes.
3. Mr. Arntzen informed the Commission that Ms. Hanchette has been working with Ms. Luke on preparing a standard lease for commercial properties.

OATH OF OFFICE

Ms. Scott administered the Oath of Office to Don Barnes, District One Commissioner and Thomas Moak, District Two Commissioner.

PRESENTATION

A. Commissioner Wagner Service Award

Mr. Arntzen stated that Commissioner Wagner has been with the Port for twelve years, and if you ever needed any help in the community, Commissioner Wagner was the “go-to-guy.” He has been here for the lighthouse, Spaulding Business Park, the Columbia Drive redevelopment, and the racetrack property in West Richland. If a project was going to affect people, he wanted to know how and wanted to make sure that it affected people in a positive way.

Commissioner Novakovich said he first met Commissioner Wagner when Commissioner Wagner was running for Commissioner in 2001, and he introduced him at a Historic Downtown Kennewick Partnership meeting. His first impression was that Commissioner Wagner is a true gentleman. Commissioner Wagner was with the port when two historic meetings with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) were held; which resulted in the Memorandum of Understanding with the CTUIR. He supported the Interlocal Agreement with the City of Kennewick to help foster economic development at Southridge and recently, helped get the new Interlocal Agreement signed with the City of Kennewick to develop the Columbia Drive waterfront. Commissioner Wagner’s fingerprints are on a long list of items: Clover Island, artwork, business, waterfront activities, the Willows Trailer Park, Columbia



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Gardens, Vista Field, and the West Richland racetrack property. Commissioner Wagner has left a wonderful legacy for the community.

Commissioner Novakovich read a proclamation proclaiming December 10, 2013 as "Gene Wagner Day" and encouraged the citizens and employees of the port to recognize the service of Commissioner Gene Wagner in promoting jobs, improving infrastructure, and enhancing the quality of life for visitors and residents of the Port of Kennewick District.

Commissioner Barnes stated it has been a great pleasure to work alongside Commissioner Wagner for the past two years. He is a man of honesty and integrity, with the best of intentions for our community.

PUBLIC COMMENTS

Ruth Swain, 300 Columbia Point Drive, Richland. Ms. Swain stated she has known Gene Wagner for many years and when she joined the City of West Richland, she had the honor to begin working with the Port of Kennewick. Commissioner Wagner has been very welcoming of her and West Richland.

Brent Gerry, 5401 Kalakaua Court, West Richland. Mr. Gerry met Gene Wagner in 1977. Mr. Wagner has mentored him through the years and has taught him many lessons. When Mr. Gerry decided to run for this elected-official position, he spoke with Mr. Wagner. Mr. Wagner was very informative and shared the positives and negatives of running. The one item he made sure was understood is when elected by the people, we are the stewards of the citizen's money. It is very important to think of our citizens and the people we represent first. Mr. Gerry thanked Mr. Wagner for his inspiration, mentorship and friendship.

Ed Frost, 609 West Albany Avenue, Kennewick. Mr. Frost would like the Commission to reconsider the process for public input at board meetings. He stated they are currently at the start and end of the meeting; the problem with that is there is not a fair chance for the public to provide meaningful input that may be informative and helpful in making decisions. He requests the Commission reconsider this process and allow the public to provide input on each agenda item.

Thomas Moak, 418 West Kennewick Avenue, Kennewick. Mr. Moak shared that he toured Pacific Cataract Laser Institute today and that Rich Parker and the staff are very excited about the opportunities for Vista Field and for their customers. The opportunities to interface and to work with the employees of these various businesses that surround the airport is a unique opportunity.

No further public comments were made.



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ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 3:26 p.m.

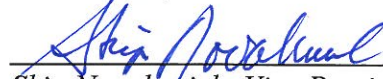
APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS



Don Barnes, President



Skip Novakovich, Vice President



Thomas Moak, Secretary



PORT of KENNEWICK 2014 COMMISSION ORGANIZATION REPRESENTATION

| NAME | MEETING SCHEDULE | MEETING TIME | MEETING PLACE | CURRENT COMMISSIONER REPRESENTING POK | COMMENTS |
|--|--------------------|--------------|---|--|---|
| Benton-Franklin Council of Governments Board of Directors | 3rd Friday | Noon | Sandberg Event Center | Commissioner Skip Novakovich | Alternate: Commissioner Don Barnes |
| Benton-Franklin Council of Governments Policy Advisory Committee (PAC) | Second Thursday | 7:00 AM | Cousins | Commissioner Skip Novakovich | Alternate: Commissioner Thomas Moak |
| Benton-Franklin Council of Governments Local Good Roads & Transportation Association | 3rd Wednesday | 5:30 PM | TBA | Commissioner Thomas Moak | Alternate: Commissioner Don Barnes Meets Feb, April, June, Aug, Oct, Dec. Locations TBA |
| Confederated Tribes of the Umatilla Indian Reservation (CTUIR) | As Called | | | Commissioner Skip Novakovich | Alternate: Commissioner Thomas Moak |
| Port of Kennewick Policy Representative | As Called | | | Commissioner Thomas Moak | |
| Port of Pasco Commissioner's Citizens Committee (Tri-Cities Airport) | As Called | | Port of Pasco | Commissioner Don Barnes | Alternate: Commissioner Thomas Moak Meetings are announced via email |
| State Good Road & Transportation Association | Periodic Meetings | | | Commissioner Thomas Moak | Alternate: Commissioner Don Barnes Meetings are announced via email |
| Tri-City Regional Chamber | 3rd Wednesday | 7:00 AM | Bechtel Board Room | Commissioner Don Barnes | Alternate: Commissioner Thomas Moak |
| Tri-Cities Visitor & Convention Bureau (Full Board Meeting) | 4th Tuesday | 7:30 AM | Tri-Cities Business & Visitor Center Bechtel Board Room | Commissioner Don Barnes | Alternate: Commissioner Thomas Moak |
| TRIDEC Board of Directors Meeting | 4th Thursday | 4:00 PM | Tri-Cities Regional Business Convention Center | Commissioner Don Barnes | Alternate: Commissioner Skip Novakovich |
| TRIDEC Executive Board Meeting | 2nd Thursday | 4:00 PM | TRIDEC Office | Port of Kennewick Commissioner Don Barnes | Tri-Ports Executive Board Rep (Rotates Annually) 2014 - Port of Kennewick - Alternate Skip Novakovich 2015 - Port of Benton 2016 - Port of Pasco |
| Trios Health, City of Kennewick and Port of Kennewick | Quarterly Meetings | 5:30 PM | Trios Health's Administration Conference Room | Commissioner Thomas Moak | Alternate: Commissioner Don Barnes Jan, April, August & November |



PORT of KENNEWICK
2014 COMMISSION ORGANIZATION REPRESENTATION

| NAME | MEETING SCHEDULE | MEETING TIME | MEETING PLACE | CURRENT COMMISSIONER REPRESENTING POK | COMMENTS |
|--|------------------|--------------|---------------------------|---------------------------------------|------------------------------------|
| West Richland Area Chamber of Commerce | 1st Wednesday | Noon | The Sandberg Event Center | Commissioner Skip Novakovich | Alternate: Commissioner Don Barnes |
| West Richland Economic Development Committee | As Called | | | Commissioner Skip Novakovich | Alternate: Commissioner Don Barnes |
| WPPA Board of Trustees | As Called | | | Commissioner Skip Novakovich | Alternate: Tim Arnizen |
| WPPA Economic Development Committee | As Called | | | Commissioner Thomas Moak | Alternate: Tim Arnizen |
| WPPA Legislative Committee | As Called | | | Commissioner Skip Novakovich | Alternate: Tim Arnizen |
| WPPA Marina Committee | As Called | | | Commissioner Don Barnes | Alternate: Tim Arnizen |

PORT OF KENNEWICK

Resolution No. 2013-31

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A LEASE AGREEMENT WITH LUSTER GLAZE AMERICA INC.

WHEREAS, the Port of Kennewick (Port) is authorized to enter into certain leases upon such terms as the Port Commission deems proper; and

WHEREAS, a new three (3) year lease with Luster Glaze America Inc effective March 1, 2014, has been negotiated by Port staff; and

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

WHEREAS, after consideration of the attached lease agreement, the Port Commission has determined that the lease is proper.


NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves a new three (3) year lease with Luster Glaze America Inc as presented and authorizes the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

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

**PORT of KENNEWICK
BOARD of COMMISSIONERS**


SKIP NOVAKOVICH, President


DON BARNES, Vice President


GENE WAGNER, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2013-32

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF
KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH RON
TENNIS AND LISA TENNIS***

WHEREAS, Ron and Lisa Tennis (Purchaser), has offered to purchase 5.8 acres and improvements at 236406 E. Lechelt Road, Kennewick, WA 99336 within the area known as the Finley Industrial Park from the Port of Kennewick (Seller) for the of sum of \$105,000.00; 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.

WHEREAS, the Port Commission accepts the sum of \$2,500.00 as earnest money from Purchaser; an amount less than the \$5,000.00 requirement indicated in the Real Property Sales Policy adopted through Resolution No. 2008-28 and agrees to pay all closing costs in lieu of necessary roof repairs.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves Resolution 2013-32 authorizing the Port's Executive Director to execute a Purchase and Sale Agreement with Ron and Lisa Tennis in the sum of \$105,000.00 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.

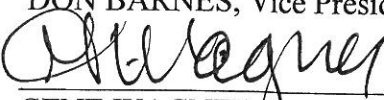
BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port's needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

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

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: 
SKIP NOVAKOVICH, President

By: 
DON BARNES, Vice President

By: 
GENE WAGNER, Secretary