



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MAY 13, 2014 MINUTES

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## CALL TO ORDER

Commission President Don Barnes 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:** Don Barnes, President  
Skip Novakovich, Vice-President  
Thomas Moak, Secretary

**Staff Members:** 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  
Lisa Schumacher, Special Projects Coordinator

## PLEDGE OF ALLEGIANCE

Mr. Barnes led the Pledge of Allegiance.

## PUBLIC COMMENT

Russ Connole, City of West Richland Community Development Director, 17320 East Gallatica Court, Green Acres, Washington. Mr. Connole expressed the City of West Richland's interest in maintaining their great working relationship with the port. Mr. Connole extended an invitation to the Commission to attend the Economic Development meeting with interested staff at the Board's convenience. Mr. Connole expressed his desire to be educated on past port projects as it relates to West Richland to gain a better understanding of what opportunities are available. Mr. Connole asked the Board to be referred to the proper staff person, to coordinate a joint meeting. Mr. Connole thanked the Board for their time.

## COMMISSIONER COMMENTS

Mr. Barnes stated Mr. Connole should contact Mr. Arntzen or Ms. Scott regarding the meeting.

Mr. Novakovich expressed his appreciation for the invitation and looks forward to the meeting. The port and the City of West Richland can accomplish good things, as we have in the past.

No further comments were made.

## CONSENT AGENDA

The consent agenda consisted of the following:

### ***A. Approval of Direct Deposit and Warrants Dated May 2, 2014***

Direct Deposits and Epayments totaling \$49,089.94 and Expense Fund Voucher Numbers 35593 and 35594 totaling \$1,546.85; for a grand total of \$50,636.79



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**B. Approval of Warrant Register Dated May 14, 2014**

Expense Fund Voucher Numbers 35595 through 35671 for a grand total of \$343,841.54.

**C. Approval of Commission Meeting Minutes dated April 22, 2014**

**PUBLIC COMMENT**

No comments were made.

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

**REPORTS COMMENTS AND DISCUSSION ITEMS**

**A. Vista Field Redevelopment Advisory Committee**

Mr. Peterson reported that he will be bringing forth a series of policy questions for the Commission to consider, regarding the redevelopment of Vista Field as they arise through the master planning process.

At the April 22, 2014 meeting the Commission indicated their desire to focus more on the end result of building an urban city center, versus solely a return to the bank account.

The question today revolves around the Commission's desire to have a formal board/committee to serve as advisors, to help in the master planning process. The port has used this process in the past, most recently in 2010, for the Vista Field Advisory Board. If the Commission would like to go forward with an advisory board, Mr. Peterson suggests using a similar format as we did in 2010, with a specific goal outlined for the committee. Mr. Peterson inquired if the Board could entertain answering question #1 today:

**#1) Does the Port Commission desire to sanction a Vista Field Redevelopment Advisory Committee (VFRAC) to provide input and guidance as the Port proceeds through the Vista Field Redevelopment master planning process?**

At this time, questions two through four can be answered today or at a later date, if the Commission desires. Mr. Peterson created a draft list of names and agencies for the Commission to review as an example for the advisory board, all which have expressed interest in the redevelopment of Vista Field.

There would be staff time involved, such as setting up board meetings and taking minutes. However, due to the public nature of this project and the potential community outreach, it would be effective to create a board that will be advocates for Vista Field and potentially help the Commission with questions they may have.

Mr. Barnes indicated there are advantages and drawbacks to creating a citizens advisory committee. Roger Brooks, who is currently working on the branding study for the Tri-Cities, indicated that committees greater than 13 people, face challenges in completing tasks. However, if you try to limit the number of the committee to 13, it may eliminate some meaningful input. If the committee is larger than 13, it may face challenges, and become cumbersome.





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Mr. Novakovich stated he is in favor of creating an advisory board, and would be in favor of no more than 13 people. When the Bridge to Bridge committee was created, there were 13 people on the committee, however, 35 to 40 people were invited to the meetings and were able to participate and make comments; but only the core 13 made the recommendations. Mr. Novakovich believes other stakeholders could be included, on an invitational basis, to participate. The need for transparency, public input, and community involvement, is very important, as we move forward with the Vista Field project.

Mr. Moak believes the idea of an advisory board was envisioned throughout the process by DPZ and there is most likely an expectation from the public. Mr. Moak believes the issue is much broader than the Commission and the Port of Kennewick. Mr. Moak expressed this is a regional issue and a committee to help advise the Commission would be good. Mr. Moak believes a committee of this nature should entertain vision, testimony and discussion with the public. Mr. Moak is in favor of an advisory committee that will do the work and believes 13 is a good number.

Mr. Barnes asked Mr. Peterson to go through the implementation process of an advisory committee and how they will work with DPZ during the Charrette process.

Mr. Peterson believes monthly committee meetings would be sufficient and the goal of the committee would be to help craft the message to the public and be used as a sounding board for the Commission. The advisory committee would help provide a variety of perspectives to DPZ and the Commission prior to the Charrette. As we move forward, we hope to gain the pulse of community and the regional economy.

Ms. Bader-Inglima stated that she has been involved with large citizens groups and smaller steering committees. The steering committee becomes ambassadors for the project and take the message back to their constituents.

## **#2) Should a Port Commissioner be appointed to the VFRAC and serve as the committee chairman as was the case with the 2010 VFAB?**

Mr. Novakovich believes in an effort to maintain transparency, a Port Commissioner should not chair the advisory committee. He would like to see a strong community leader chair the committee. He stated the Commissioners could attend the meetings as long as only one attends at a time.

Mr. Barnes indicated that if the number of the board should be limited to 13, there should be an equal opportunity for the public to provide input and be accessible to everyone.

Mr. Novakovich stated if the core committee could schedule smaller community meetings, with organizations and constituents, this would create another level of community involvement.

Mr. Moak agrees with Mr. Novakovich, that a Port Commissioner should not chair the advisory



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committee, but a well respected member of the community that has leadership abilities. If there was a Commissioner on the advisory committee, it should be as a participant only, not as a voting member. Mr. Moak would rather the advisory committee be a citizen's advisory committee, who can report back to the Board.

Mr. Barnes asked Mr. Peterson how the advisory committee and the Charrette process would interact. If the public offered input at the advisory committee meeting, would that same information be available to DPZ at the Charrette?

Mr. Peterson appreciates the discussion and reiterated that the Commission is in favor of creating a citizen's advisory committee, headed by a strong individual. The advisory committee would report back to DPZ in an effort to coordinate public opinion, prior to the Charrette. Mr. Peterson stated that the advisory committee would garner as much public input throughout this process as possible.

### **#3) How many members should be on the committee: 7, 17, 47?**

Mr. Barnes stated the Commission consensus, to create a citizen's advisory committee, headed by a strong individual, to be determined, with approximately 13 members.

Mr. Peterson requested that the Commission consider the draft list of names and agencies for who they wish to sit on the advisory committee by the May 27, 2014 Commission Meeting. Mr. Peterson explained the Commission would then pass a resolution formally creating an advisory committee at the June 10, 2014 meeting. Mr. Peterson suggested that City of Kennewick and the Kennewick Irrigation District be included as they are adjacent property owners.

Ms. Bader-Inglima stated that Mr. Arntzen received a phone call recently from Mr. Epperly, who indicated he would like to be involved in the Vista Field Redevelopment. There are numerous people who have reached out to staff and want to be involved and engaged in the process.

Mr. Barnes emphasized that every citizen who is not part of the advisory committee will have an opportunity to be heard.

Mr. Novakovich stated the Commission should separately review the list, make any additions necessary, and submit two lists for staff to compile and be ready for review by the May 27, 2014 Commission Meeting. Mr. Barnes agreed.

Mr. Moak believes we should look at what agencies should be on the advisory committee. Mr. Moak would like to see visionaries on the committee who bring added value to the project. Mr. Moak explained he did not necessarily want to see agencies on the committee with the sole purpose to sell property. He believes individuals should apply to be on the advisory committee and state why they want to be involved in the redevelopment of Vista Field. Mr. Moak would like to see fewer agencies represented and more of the public that represents the Tri-Cities, ones who have a vision for the area. Mr. Moak agrees we should prioritize the agencies the Commission would like to see on the advisory committee.





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Mr. Novakovich offered that each Commissioner provide staff with two lists, and leave three citizen at-large positions open. Mr. Moak suggested that citizen's should apply for the committee, staff could advertise and set up an application due date. Mr. Novakovich does not believe we should extend the process due to the timeline.

Mr. Peterson explained that there might be duplications on each list, and staff could pare down the list, per the Commission and extend invitations. Mr. Peterson expressed his desire to have Kennewick Irrigation District's (KID) inclusion on the committee, due to their public involvement and they own the majority of land northeast of the convention center. KID is not aggressively selling their property and he believes with the port's master planning effort, the value of the property will increase.

Mr. Novakovich stated that he chaired the 2010 Vista Field Advisory Board and that KID was a member as well. It was very beneficial to have them on the board and they believed in the overall good of the community. Mr. Novakovich feels it would be advantageous to have KID on the advisory committee.

Mr. Moak stated he appreciates Mr. Peterson's comments and opinion.

Mr. Barnes reiterated that there will be a select number of people on the advisory committee, but emphasized, citizens that are not seated on the committee should not feel that their input is less or diminished. The advisory committee should not be elite, or select, but a committee to assist and help the Commission. Mr. Barnes stressed that the port values the community's opinions and their input is crucial.

Mr. Peterson thanked the board for their thorough discussion.

Mr. Novakovich suggested that when the document is written on the advisory committee, to add a clause stating that members should hold small groups sessions throughout the community.

Mr. Barnes confirmed that the Commission is in consensus of creating a Vista Field redevelopment advisory committee, which will not be chaired by a Commissioner. A chair will be determined at a later date, and the number of members will range between 13 and 17. Each Commissioner will provide staff with two lists, compiled of agencies, organizations and individuals.

Mr. Peterson stressed that the master planning effort will be a two to three year process and encouraged the Commission to choose a broad spectrum of individuals.

**#4) Which organizations or individuals should be appointed to this committee?**

Question number four will be answered at a later date.

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

Commissioners reported on their respective committee meetings.



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## **C. Non-Scheduled Items**

Mr. Barnes reported that he has seen several, open public spaces and amenities lately and believes the reason those spaces work is because of the region's climate. He believes it is important for the port to look at areas that have climates similar to ours. Mr. Barnes will be visiting Rapid City, South Dakota this summer and they have created an upgraded, central plaza that works in the cold weather region.

Mr. Novakovich applauded Ms. Fine on the annual financial report; she did an amazing job compiling the information.

Ms. Scott reported that the Commission has been invited to participate in the Benton City Chamber of Commerce July 4, 2014 breakfast and flag raising ceremony.

Ms. Scott stated the Port of Pasco sent a letter of appreciation for the port's support and has obtained the FAA grant for the airport expansion.

Ms. Scott inquired if the Commission would like to move forward and schedule joint meetings with jurisdictional partners. The Commission is in consensus to schedule joint meetings.

Ms. Bader-Inglima reminded the Commission that the Port of Kennewick spring newsletter was inserted in the *Tri-City Herald* today and will appear in the June *Journal of Business* publication.

Mr. Peterson reported that the Kennewick Planning Commission recommended the rezoning of Vista Field from "Public Facility" to "Commercial/Regional" zoning and will go before the Kennewick City Council on June 3, 2014. This sets the foundation for the master planning for Vista Field redevelopment.

## **PUBLIC COMMENTS**

Russ Connole, 17320 East Gallatica Court, Green Acres, Washington. Mr. Connole commented on the Vista Field advisory committee and offered a few suggestions for the Commission pertaining to the redevelopment. In his 20 years experience, he found it is important for the Commission and DPZ to clearly define the goals for the group, creating a clear purpose for the advisory committee. Mr. Connole suggested that a committee, by default, refers to something more formal; however, an informal group, which is more citizen driven, can be more successful. Mr. Connole explained the name of the group should reflect the vision of Vista Field: Vista Field Redevelopment Vision Group. Mr. Connole believes that formality is restricting and once that is out of the way, it will become an informal discussion group, and more can be accomplished.

No further comments were made.

## **COMMISSIONER COMMENTS**

Mr. Moak believes Mr. Connole points out an important piece of the puzzle; it is not about who is on the committee, but what they are going to do and how it will be implemented. Mr. Moak appreciated Mr. Connole's comments. No further comments were made.





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Ms. Luke indicated that the "Real Estate Acquisition or Site Selection" Executive Session is not necessary. Mr. Barnes anticipates the Executive Session will last approximately 40 minutes for Potential Litigation, per RCW 42.30.110(1)(i), with possible action anticipated. Mr. Barnes asked the public to notify Port staff if they will return after the executive session.

Mr. Barnes recessed Regular Commission Meeting at 3:08 p.m.

Mr. Barnes reconvened the meeting into Executive Session at 3:09 p.m. for approximately 40 minutes.

## EXECUTIVE SESSION, if necessary

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

*B. Real Estate Acquisition or Site Selection, per RCW 42.30.110(1)(b)*

Mr. Barnes adjourned Executive Session 3:49 p.m.

After verifying the public was not waiting, the Regular Board meeting reconvened at 3:49 p.m. with action taken.

**MOTION:** *Commissioner Moak moved for approval of the mediation settlement with Dr. Shannon as drafted by staff and counsel, and direct staff to proceed with the finalization of all documents, based upon the premise that has been provided to the Board. Commissioner Novakovich seconded the motion.*

### ***Discussion:***

**MOTION:** *Commissioner Novakovich amended the motion to include that all necessary documents include a title insurance policy and that no funds be transferred until all documents are signed and properly recorded by both parties. Commissioner Barnes seconded the amendment.*

### ***Discussion:***

Mr. Moak believes amending the motion would convolute the process and any issue of title insurance should be a staff matter and not an issue for the board to decide. Mr. Moak voted against the amendment and believes the original motion is clear and concise and reflects staff recommendation.

Mr. Novakovich indicated that staff needs clear instruction from the Commission, and they have asked for direction in the past. Mr. Novakovich believes it is proper for the Commission to give them instruction on what we would like to see, and based on discussion, the amendment clearly states what the Commission would like to see.

Mr. Barnes requested a point of clarification regarding the motion. The motion as proposed, is to approve the settlement with Dr. Shannon as proposed by staff and counsel. Did the proposed settlement include the process be handled through a professional real estate escrow company and include title insurance?



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Ms. Luke explained that the proposed settlement leaves title insurance at port's discretion. If the port does go forward with obtaining title insurance and there is an imperfection on the title, the port can terminate the agreement.

**MOTION:** *Commissioner Barnes moved to amend the proposed amendment and strike the language regarding payment funds be held in escrow until all documents are signed and properly recorded by both parties. Mr. Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

*Commissioner Barnes called for a vote on the proposed amendment on the main motion that the port will proceed with the settlement with Dr. Shannon and obtain title insurance. With no further discussion, motion carried. All in favor 2:1. Ayes: Commission Novakovich and Commissioner Barnes; Nay: Mr. Moak.*

*Commissioner Barnes reiterated the main motion; the port agrees to settle with Dr. Shannon, as proposed by Ms. Luke, with the proviso that the port obtains title insurance.*

***Discussion:***

Mr. Moak expressed that staff has tried to resolve the situation and although the lease documents were very clear about how the port should proceed and is thankful the port was able to go through mediation. Mr. Moak thanked Mr. Brain and staff for their hard work. Mr. Moak believes this is a fair settlement based on all factors and this will allow the port to move forward in the Vista Field redevelopment, and is in favor of the settlement.

*With no further discussion, the motion has been moved and seconded and amended, that the port settle with Dr. Shannon, for the record, in the amount of \$506,500. With no further discussion, the amended motion carried unanimously. All in favor 3:0.*

Mr. Barnes thanked Ms. Luke and Mr. Arntzen for their hard work. Mr. Barnes believes this is a fair settlement.





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## ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 3:59 p.m.

## APPROVED:

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BOARD of COMMISSIONERS



*Don Barnes, President*



*Skip Novakovich, Vice President*



*Thomas Moak, Secretary*