



# SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 12, 2012 MINUTES

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## CALL TO ORDER

Commission President Skip Novakovich called the Commission meeting to order at 6:30 p.m. at the Kennewick School District, 1000 West 4th Avenue, 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  
Larry Peterson, Director of Planning  
Teresa Hancock, Real Estate & Special Projects Coordinator  
Bridgette Scott, Executive Assistant  
Kandy Yates, Receptionist  
Lucinda Luke, Port Counsel

## PLEDGE OF ALLEGIANCE

Jack Briggs led the Pledge of Allegiance.

## PUBLIC COMMENTS

Robert A. Johnson, 1911 Meadows Drive North, Richland. Mr. Johnson shared an illustration of the new medical building to be built in Spaulding Business Park. Mr. Johnson explained the structure and design of the building; it will be 26,000 square feet. Feasibility studies and financing have been investigated and secured. When completed, it will create many high paying jobs.

Kirk Williamson, 527 N. Reed, Kennewick. Mr. Williamson is in favor of the Vista Field Future Study. He stated his late father used to say, "When good people work pretty hard to make something happen, and it doesn't, it might just be that they are not trying to do the right thing." Mr. Williamson feels this represents Vista Field's history. As far back as 1970's, first the City and then the Port, have tried to turn the airport into a facility that would be an asset to the growing professional, retail and entertainment center for this area. Every effort has failed in one way or another up to, and including, the recent negotiations for a FBO. There have been lots of promises about millions of dollars of investment, just waiting for the green light. Most recently, about \$12 million in airport related housing and retail development; nothing has happened in the last two years since this idea first surfaced in a Badger Club Meeting. This makes Mr. Williamson wonder what makes that different from other plans and promises heard over the years. We, the voters and taxpayers of the tax district, and the Commissioners, need expert advice on the potential of Vista Field with and without an airport. The commitment the Commissioners make tonight is an essential first step in providing that guidance.



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Ed Keenan, 5504 W. 11<sup>th</sup> Avenue, Kennewick. Mr. Keenan commented there are two buildings at the airport, Pacific Cataract and Laser Institute (PCLI) and Cadwell Labs that have invested about \$6 million into their buildings near the airport; they want to use the airport; their investment is not pennies. Mr. Cadwell uses his airplane for business. Mr. Keenan stated, "To say that people have not done anything out there is plain outrageous."

Don Karger, 7107 W. 5<sup>th</sup> Place, Kennewick. Mr. Karger reviewed the 2011 projected capital improvement costs for the airport: first year \$1.9 million; second year \$8,000, with optional costs of \$145,000; fifth year \$579,000; it continues for a grand total of \$17,948,000 for improvements to Vista Field to take care of an airport that is not recognized by the FAA; that is for 20 tenants. Mr. Karger feels \$17 million for 20 tenants, granted there are people in the surrounding area, is too much. Right now the airport leases make \$38,000, but the expenses are \$73,000. Mr. Karger stated citizens of the city are paying for it, and receive no use out of it. If someone would want to buy the airport from the Port for the real actual cost, he does not believe anyone would object to it. Mr. Karger feels it is ridiculous to have the citizens foot the bill for 30-40 people to have an airport.

Tom Moak, 418 W. Kennewick Avenue, Kennewick. Mr. Moak stated the Port Commission is the one public entity that is charged with economic development. It is not a County or City obligation; it is required of port districts by legislation. Just as Mr. Johnson's presentation earlier, the Port's job is to create well-paying jobs. When we look at Vista Field, there is a big question mark about what is the best use of the property. When Mr. Moak was a public official, he would want to know the facts. As a public citizen, he feels Vista Field should be closed; but that is not based on facts. When he was a Kennewick City Councilman, there were not good numbers and it went to the State of Washington and the State did not have good numbers about what was really, truly happening out there. He does not believe the Port had good numbers on what was happening at Vista Field in order to make an educated public policy decision. Mr. Moak commends the Commission for considering the contract. Mr. Moak reviewed the consultants that applied for the contract and he feels they all bring a great range of experience in aviation as well as redevelopment. He believes these are the things that need to be asked by the Commission in order to make an educated decision. He stated it is really easy for people on the outside to be pro or con. The Commissioners have to weigh the answers and numbers. If they do not have them, the Commissioners will not be able to make the long-term decision whether to keep it or close it. It is a long-term decision and it needs to be weighed very carefully. He commented the study is pricey, but necessary in order to get the data and right answers and to make the best decision for the people of the Port of Kennewick. Mr. Moak commended the Commission.

Richard Parker, 3131 W. Hood Avenue, Kennewick. Mr. Parker is the manager for Pacific Cataract and Laser Institute (PCLI). Mr. Parker shared that PCLI is spending \$4 million on the building and \$1 million for equipment in the building. In the last five months, he has hired ten new employees; none of which knew there was an airport in Kennewick. PCLI has been in the community for 22 years, and hopes to be forever. They hope the airport will remain. Personally, Mr. Parker has been in the area for two years. As an outsider, he is not aware of all that has been done to promote the airport, but he has not seen much. He commented when visiting a city, the city has to have a few things for you to visit: a gas station and hotels. If we do not have gas stations for jets, then people are not going to go there. If you do not have hotels for their planes, they are not going to stay. Mr.





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Parker grew up in Tacoma. Tacoma used to have the “Tacoma Industrial” airport. It was sold in the late 1970’s or early 1980’s, and now they wish they had it back. Everyone who wants to fly into Tacoma has to fly into SeaTac, and then drive a half an hour in good traffic or an hour in bad traffic to get to Tacoma. Once an airport is sold, it cannot be recovered. Mr. Parker feels the Commission is considering this fact. However, Mr. Parker also understands the burden of finances, and everything is expensive at the present time. But there is an opportunity out there to utilize something like this. He also understands that all other opportunities may have been exhausted. Mr. Parker stated our economy is in a down swing right now so the opportunities really are not going to be out there. People are not willing to put up \$4 million for a new facility like PCLI is doing, but PCLI is growing. There are very few facilities like PCLI that are growing, but it seems the medical field is one of them. PCLI is building partially because now is a good time to help stimulate the economy and keep it going. The money will be put back into the community to stimulate growth. Currently, PCLI is landing their jets between two and four times per day, Monday – Thursday. PCLI requested a landing pad and plan to start parking one or two planes/jets. Mr. Parker stated PCLI is definitely here to stay and they would like to see the airport improved and be able to utilize it more than they do now.

Jose Chavallo, 5927 W. Quinault, Kennewick. Mr. Chavallo is in favor of doing the study and is also a developer. He loves Vista Field and is building there frequently. He has property on both ends of the airport. Mr. Chavallo is glad to see another developer build a building at the airport. Mr. Chavallo inquired if the ten employees of PCLI fly into the airport. Mr. Chavallo stated it takes 10 minutes to get to the Pasco Airport and 15 minutes to the Richland Airport.

Kathy White, 1118 W. 22<sup>nd</sup> Avenue, Kennewick. Ms. White stated considering the future of Vista Field, she wishes the Commission would look at the long-term, not necessarily the short-term. When Ms. White was a public official with the Kennewick School Board, she talked to Tri-Tech Skills Center, next to Vista Field, about having an aviation program. Ms. White stated in the next ten years, about 144,000 commercial airline pilots will retire. The airline industry is always looking for good workers. Ms. White commented Tri-Tech was very interested in possibly having the program and possibly also with the education, there might be funds available to help build a classroom on-site. The conversations have not gone further and the Board has not been solid standing behind the airport. Ms. White is not sure if this study is necessary because she has seen studies done before; however, she will leave it up to the Commission’s good judgment to do what is best. Ms. White requested the Commission think long-term, as the aviation industry is one of the things in the future, more and more people are going to need it.

Bill McKay, 3516 W. 46<sup>th</sup> Avenue, Kennewick. Mr. McKay commented there are a lot of pilots that retire from the Armed Services that would like to have the commercial airlines jobs. He would much rather have a retired serviceman as a pilot verses someone from a Kennewick aviation school. Mr. McKay does not think the school will ever get off the ground, and if it does, it will be government subsidized. Mr. McKay feels this is basically a financial decision. As a taxpayer, he gets tired of subsidizing government. For 20-30 people that can move and go 10-15 minutes away, he does not see this as a viable solution when the land is in the middle of a major growth area in Kennewick. He is personally not in favor of the study because it has been studied to death. He suggested looking at the finances to figure it out.





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No further comments were made.

## CONSENT AGENDA

Mr. Novakovich commented Consent Agenda items are a number of items taken collectively in one motion to be approved or disapproved.

The consent agenda consisted of the following:

**A. Approval of Direct Deposit and Warrants Dated August 31, 2012**

Direct Deposit totaling \$26,470.72 and Expense Fund Voucher Numbers 33517 through 33521 totaling \$11,810.40; for a grand total of \$38,281.12.

**B. Approval of Warrant Registers Dated September 12, 2012**

Expense Fund Voucher Numbers 33522 through 33554 totaling \$53,382.40.  
Construction Fund Voucher Numbers 3326 through 3332 totaling \$34,598.50.

**C. Approval of Commission Meeting Minutes Dated July 10, 2012**

**D. Approval of Commission Meeting Minutes Dated August 14, 2012**

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

## PRESENTATION

### ***Clover Island Yacht Club***

Mr. Peterson introduced Steve Sigler, Clover Island Yacht Club (CIYC) Commodore. Mr. Sigler shared a few slides explaining the history of the CIYC, the improvements made to the CIYC building, and examples of what the new covered moorage and slips will look like.

## REPORTS COMMENTS AND DISCUSSION ITEMS

### **A. Vista Field**

**1. Approval of Consultant Agreement for the Vista Field Airport Future Alternatives Study; Resolution 2012-43**

Mr. Peterson stated on July 10, 2012, the Commission requested Port staff to advertise a Request for Qualifications (RFQ) for firms to analyze the Vista Field issue. The RFQ was publicized on the Port's website and in the Seattle Daily Journal of Business. Five consultants submitted proposals. A selection committee was appointed consisting of a citizen and pilot representative, and representatives from Benton County and the cities of Benton City, Kennewick, Richland and West Richland. As the meeting was drawing near, the City of Kennewick withdrew their representative. Port staff reviewed the proposals to determine if they are responsive to the RFQ and selected the three consultants that appeared most qualified to complete the study. After the selection committee interviewed the consultants, the committee reached a consensus to recommend Duany Plater-Zyberk & Company LLC (DPZ) to the Commission as the firm best qualified to address the issue or questions the Port Commission sought to resolve. Mr. Peterson stated the Scope of Work is consistent with the RFQ. Mr. Arntzen thanked the committee for spending a full day on the process. Mr. Arntzen feels all five proposals were very good, and that any one of the three firms interviewed could perform the process. He feels it is important that the process had



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the chance to work the way it did, and that it would be almost impossible for the Port Commission to pass up the committee's recommendation. Mr. Arntzen stated DPZ is a world-class firm; they have worked for Disney World, built cities, and have done a little bit of everything. He feels the committee gave a very good recommendation to the Commission.

Mr. Novakovich read a portion of the proposal, but will rely on the committee itself which consisted of wonderful members. All five of the Port's jurisdictional partners were invited to participate, as the Port believes partnerships are important, since the future of Vista Field will affect all of them. Mr. Novakovich was very disappointed to learn a few days before the interviews that the City of Kennewick decided not to allow Councilman Hubbard to participate, even though they had appointed him. Mr. Novakovich does not know what the reason was, but he is extremely disappointed in the City of Kennewick for taking that action. Mr. Novakovich shared the following quotes from the DPZ proposal, as he feels they pertain to some of the public comments made and will allow the public to understand why the Port believes this is so important and why we want this study to happen. "This process must be thorough and its results must be above reproach." Mr. Novakovich stated different people have used different numbers over the years and the Commission really does not know the correct numbers. The Port acquired the property in 1991 and there are a lot of different records and accounting measures that have happened over the years. The Port Commission wants to know the facts. What does it really cost? What are the real economic benefits? What are the benefits to the taxpayer? What is it going to cost the taxpayer to keep Vista Field the way it is? To expand it? Or to redevelop it for another purpose? Another comment made by DPZ is "The world is changing rapidly. Physical conservatism is the order of the day, meaning public expenditures will need to demonstrate a greater return on investment." Mr. Novakovich inquired about the return on investment for Vista Field. The Commission does not know and these are the types of questions the study will answer.

**MOTION:** *Commissioner Novakovich moved approval of Resolution 2012-43 authorizing the Port's Executive Director to execute the contract with Duany Plater-Zyberk & Company LLC for planning, environmental and economic consulting services regarding the future of the Vista Field Airport, for a sum not to exceed \$225,000.00; Commissioner Wagner seconded.*

Mr. Barnes stated as the new member of this Commission, he keeps coming back to the same question, what are the real costs associated with the airport and how do we as a port fund this airport. Mr. Barnes believes this is an excellent step to gain some accurate, up to date information to help us collectively make this decision.

*With no further discussion motion carried unanimously. All in favor 3:0.*

## **B. Columbia Drive Feasibility Study**

Mr. Peterson stated this agenda item relates to the purchase the Mejia property, a two acre parcel, also known as the Chieftain, Labor Ready and The Pawn Shop. The Port entered into an Option Agreement with Mr. Mejia in July 2011, and the option was extended after negotiations with the seller. Now we are at the point where the feasibility period is expiring. The Port has





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performed the various due diligence steps of obtaining a land survey, site assessment of the property and asbestos assessment to try to determine the potential liabilities. Some of the studies indicated there are no concerns from a land standpoint in terms of ground pollution, but have identified asbestos in the buildings. Staff recommends the Port Commission accept the feasibility and respond to Mr. Mejia in compliance with the Option Agreement, which expires on September 14, 2012. The Commission is in consensus to move forward.

**C. *State Parks Pump-out Equipment Grant***

Ms. Bader Inglima reported the Port submitted an application last year and was notified in February that the Port was successful in receiving a \$24,800 grant from the Washington State Parks Clean Vessel program. That program was a 100% funded grant and it will allow the Port to replace the existing sewage pump out equipment which is already installed on the Port's fuel dock and will purchase a portable sewage pump out unit for the marina. The program also allows the bill back of 75% of operation and maintenance costs to the State's Clean Vessel program. Ms. Bader Inglima stated it is a great program to tap into and shared that Mr. Peterson has been instrumental in meeting the requirements and permitting at the state and local levels. The project will be completed by the end of the year.

**D. *Spaulding Business Park; Modifications to Blair Sampson Purchase & Sales Agreement***

Mr. Peterson stated the modification was brought to the Commission's attention in December 2011. The Commission approved a Purchase and Sale Agreement with a group of 13 doctors to purchase a 5.5 acre parcel and construct a 40,000 square foot medical office building. As the closing deadline approaches, the purchaser as represented by Mr. Bob Johnson, has looked at the feasibility of the project and requests the Commission's approval to change the building design and reduce the size of the building from 40,000 to 27,000 square feet. The new design meets the covenants in terms of design standards. Mr. Novakovich stated the Port is in the business of helping people and businesses succeed. The Commission is in consensus to accept the modifications.

**E. *Recreation and Conservation Office (RCO) Aquatic Land Enhancement Account Grant (ALEA) Update***

Ms. Bader Inglima stated the Commission authorized staff to pursue a \$500,000 grant for additional shoreline habitat and recreational improvements on the north shoreline. The grant was ranked nine out of 30 applications. Ms. Bader Inglima stated the State usually funds projects ranked in order from the top to the bottom as money is made available to that program by the legislature. The RCO staff will present the ranked list to their funding board for approval in October and then that board will forward the list to the state legislature for funding of the programs in the 2013 budget. The RCO staff is planning to request \$6.5 to \$6.7 million in the 2013 budget, which is similar to previous levels. The Port will know in early 2013 if the project is funded. Ms. Bader Inglima complimented Ms. Fine on her presentation of the grant to the ALEA Board.

**F. *Hedges; PacLand Industrial Land Sale Update***

Mr. Peterson stated the Port Commission approved the sale of 37 acres to PacLand Industrial to build a 100,000 square foot carbon fiber manufacturing facility; the overall plan will increase



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the building to 300,000 square feet. The Port has worked through the due diligence items, such as removing Tidewater's barges that have been tied up for the last 40 years to the property. Mr. Peterson praised Ms. Luke for her wonderful legal assistance. The last due diligence item is water rights. The Port has applied for a water right transfer and the Benton County Conservancy Board has approved the transfer and forwarded the application to the Department of Ecology. The Port anticipates an answer by September 28, 2012. PacLand will initially employ 75-100 people in non-ag and non-Hanford jobs, which helps diversify our area's employment base.

## **G. *Joint Meeting with City of West Richland***

Mr. Arntzen stated the joint meeting with the City of West Richland will be at 6:00 p.m., Tuesday, September 25, 2012 in the City Council Chambers, 3803 W. Van Giesen Street (Library Building), West Richland, Washington. The public is welcome and encouraged to attend.

## **H. *2013 Planning Workshop***

The 2013 Planning Workshop will be presented during the September 25, 2012 Regular Commission meeting.

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

Mr. Barnes has no meetings to report.

Mr. Wagner attended regular meetings, the West Richland luncheon and a Good Roads meeting.

Mr. Novakovich attended normally assigned meetings, had several meetings with the Columbia Basin Veterans Coalition, and a meeting with the Joint Economic Development Committee with West Richland.

## **J. *Non-Scheduled Items***

Mr. Arntzen explained this evening's meeting is a different meeting time for the Port. He requested feedback from the public and Commissioners about holding evening meetings. The Port's intention was to have an evening meeting to see if the public is interested in attending. Normally meetings are held on a Tuesday afternoon.

## **PUBLIC COMMENTS**

Mike White, 1118 W. 22<sup>nd</sup> Avenue, Kennewick. Mr. White stated the Commissioners advertised a Request for Qualifications for firms to do the airport review, with five responses, and tonight selected one. Mr. White inquired if the Commission should now request a proposal from DPZ as a first step in the process.

Ed Frost, 609 W. Albany Avenue, Kennewick. Mr. Frost stated there are many people in the room that he has not seen at previous Port meetings and hopes the Commission will give some consideration to balancing day and evening meetings. Mr. Frost thanked the Commission for allowing him to participate in the selection committee to select the study consultant. He feels it was a very good process and as Mr. Arntzen mentioned, all the firms interviewed could do this job. Mr. Frost particularly liked DPZ because they have an extremely strong sub-consultant for airport





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business and airport experience. He feels the Commission made a good choice. During the interviews, Mr. Frost asked each firm about their methodology in determining the actual activity at the airport. He feels DPZ's response was the weakest reply – they were going to use a mathematical model. Mr. Frost suggests the Port work with the consultant and be sure that hard, real, factual data about the use of the airport be obtained. A cost benefit analysis of the airport cannot be determined if you do not have a baseline of activity. Mr. Frost is pleased to see the Port is moving ahead on the property adjacent to the pond.

No further public comments were made.

## ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 7:34 p.m.


### ***APPROVED:***

**PORT of KENNEWICK**

**BOARD of COMMISSIONERS**

  
Skip Novakovich, President

  
Don Barnes, Vice President

  
Gene Wagner, Secretary



**PORT OF KENNEWICK**  
**RESOLUTION 2012-43**

**A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS  
APPROVING A PROPOSAL BY DUANY PLATER-ZYBERK AND COMPANY, LLC TO  
PERFORM PLANNING, ENVIRONMENTAL AND ECONOMIC CONSULTING SERVICES  
REGARDING THE FUTURE OF THE VISTA FIELD AIRPORT**

**WHEREAS**, the Port sought a qualified consultant team to assist with preparing a study and report related to the future of Vista Field, including an integrated Environmental Impact Statement consistent with the Washington State Environment Policy Act, evaluating socio-economic, environmental and other effects for potential future alternatives for the airport and Port-owned properties; and

**WHEREAS**, the Port advertised for these services and received five (5) proposals to perform the work in question; and

**WHEREAS**, the Port Commission created a seven member Vista Field Alternatives Selection Committee comprised of the Port's five Benton County jurisdictional partners, a pilot representative and a citizen at-large representative; and

**WHEREAS**, the Vista Field Alternatives Selection Committee interviewed the top three firms and recommended the Port Commission engage the services of Duany Plater-Zyberk and Company LLC to complete the task in question; and

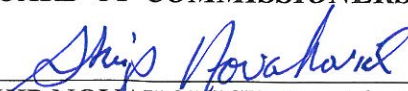
**WHEREAS**, Duany Plater-Zyberk and Company LLC submitted a proposal consistent with the scope identified in the request for qualifications which indicates the cost of services will be on a time and expense basis not to exceed \$225,000.00 without further authorization.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Port of Kennewick does hereby approve the proposal by Duany Plater-Zyberk and Company LLC to perform planning, environmental and economic consulting services regarding the future of the Vista Field Airport in an amount not to exceed \$225,000.00.

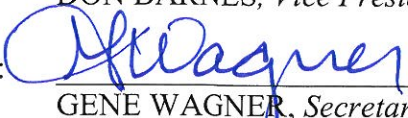
**BE IT FURTHER RESOLVED** that the Executive Director is authorized to sign any contract documents necessary to implement the work of Duany Plater-Zyberk and Company LLC.

**ADOPTED** by the Board of Commissioners of Port of Kennewick on the 12th day of September 2012.

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

By:   
SKIP NOVAKOVICH, *President*

By:   
DON BARNES, *Vice President*

By:   
GENE WAGNER, *Secretary*