



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 12, 2012 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
Teresa Hancock, Real Estate & Special Projects Coordinator
Bridgette Scott, Executive Assistant
Michael Boehnke, Facilities Director
Tawney Carrier, Port Counsel

PLEDGE OF ALLEGIANCE

Mark Blotz led the Pledge of Allegiance.

PUBLIC COMMENTS

Mark Blotz invited everyone to attend the Thunder on the Island concerts on Wednesday's from 6:00 p.m. – 9:00 p.m. Mr. Blotz also shared that Sawyer Brown will perform on Sunday, July 22, 2012; 500 tickets have been pre-sold.

Kirk Williamson, 527 N. Reed, Kennewick. Mr. Williamson stated since the Port is still negotiating for a fixed base operator, he feels this would be a great opportunity for the Port to do a formal study on Vista Field, both inside and outside the fence. He would like to know the real cost the Port is investing into Vista Field and what it costs the taxpayers to keep Vista Field operating; what the real cost would be if it were closed, and what the value of property would be without the airfield. Ms. Scott read the letter Mr. Williamson submitted to the Tri-City Herald on June 3, 2012 into the record.

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 May 31, 2012



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Direct Deposit totaling \$30,349.71 and Expense Fund Voucher Numbers 33183 through 33187 totaling \$11,639.97; for a grand total of \$41,989.68.

B. *Approval of Warrant Registers Dated June 13, 2012*

Expense Fund Voucher Numbers 33188 through 33231 totaling \$69,978.75.

Construction Fund Voucher Numbers 3292 through 3298 totaling \$44,871.82.

C. *Amendment of Executive Director Goals*

D. *Approval of Interlocal Agreement with Washington State Health Care Authority, Public Employee Benefits Board*

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

Mr. Novakovich commented 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. Novakovich further stated he received notification this morning of two items that should be addressed during today's meeting:

1. Approval of Amendments to the Port's Policy Manual; Resolution 2012-30
2. Northwest Orthopedic in Spaulding Business Park, with Terry Blankenship and Bob Johnson presenting.

MOTION: *Commissioner Barnes moved approval to add Approval of Amendments to the Port's Policy Manual; Resolution 2012-30 and Northwest Orthopedic in Spaulding Business Park to the Agenda; Commissioner Wagner seconded. All in favor 3:0. With no further discussion motion carried unanimously.*

Mr. Novakovich stated the amendments to the policy manual will be item A.2 and the presentation will be item A.1.

REPORTS COMMENTS AND DISCUSSION ITEMS

A. *Facilities Department Update*

Mr. Boehnke reported two Coyote Ridge works crews are currently working on Port properties. In the spring and summer they maintain 28 acres by mowing, weeding and trimming. The Port is grateful for the crews, as the maintenance staff could not keep up with all the properties. The crews have also been very helpful at the Oak Street Development Buildings, ripping out walls, painting, and preparing the buildings to be leasable. The boardwalk tree replacement project was recently completed. Nine trees were not flourishing due to the type of tree and where they were planted. Seven of the trees were replanted in the Willows trailer park. The boardwalk trees were replaced with Linden trees and are doing great. Jobs Nursery will oversee the new trees for the next five years. Mr. Boehnke stated the water is turned on in the marina and six leaks were detected on the marina pedestals. The bid process was started and he discovered there are no local vendors able to do the repairs. Mr. Boehnke and Mr. Melia were able to fix the pedestals for \$20



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each. This saved the Port approximately \$3,000-\$5,000.

The island has been hit three times in the last three weeks with graffiti. It takes a work crew consisting of eight people, and Mr. Melia four hours to clean it up. Each incident was reported to the police. Mr. Boehnke is tracking the time and materials and will submit the costs to the court system for reimbursement.

Mr. Novakovich shared his appreciation for Mr. Boehnke, Mr. Melia and the Coyote Ridge work crew.

A.1. Northwest Orthopedic in Spaulding Business Park

Robert A. Johnson, 1911 Meadows Drive North, Richland, addressed the Commission. Mr. Johnson has been asked to lead the design team and build a first class building in Spaulding Business Park. Mr. Terry Blankenship will be leasing the extra space in the building upon completion. When Northwest Orthopedic initially approached the Port, they wanted a 50,000 square foot building. Since then, the plans have been revised to 40,000 square feet.

Mr. Johnson requested on behalf of Northwest Orthopedic to amend the purchase and sale agreement (PSA) to start construction on a 26,000 square foot building within 18 months of closing on the land, and start the second building with 18 months after the first 18 months expired. And, if Northwest Orthopedic could not complete the second building, the Port could buy back a portion of the land.

Mr. Arntzen suggested Port staff work with Mr. Johnson and Mr. Blankenship to amend the agreement and bring it back for Commission approval. Mr. Arntzen expects the project to be successful; however, if it is not, he wants to ensure the Port could buy back a portion of the land. Mr. Arntzen will work with Ms. Hancock and Ms. Luke to revise the PSA.

A.2. Approval of Amendments to the Port's Policy Manual; Resolution 2012-30

Ms. Fine presented two minor amendments to the Port's Policy Manual regarding medical insurance and the deferred compensation program. There are no additional costs to the Port.

MOTION: Commissioner Wagner moved approval to add Approval of Amendments to the Port's Policy Manual; Resolution 2012-30; Commissioner Barnes seconded. All in favor 3:0. With no further discussion motion carried unanimously.

B. Clover Island

1. Shoreline Improvement / Funding for ACOE Continuing Authorities Program

Ms. Bader Inglima shared before and after pictures of the shoreline improvements; the Port is receiving compliments daily on the shoreline. Last fall, the Port hired a governmental relations agency in Washington, D.C., to assist with locating federal funding for Port-related projects. The Port received notice that the President's budget requested funds for Corps of Engineers continuing programs, including funding for stream bank and shoreline protection and mitigation of shoreline damage. One of the proposed projects is for \$5-\$7 million to fund Corps of Engineers 1135 funding, which



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is for continuing authorities to do project modifications for the dams that improve the environment that has been impacted by the dams. Several years ago, the Port requested the Corps to list the Clover Island project as an 1135 project. Should the funding be approved, the Port could request a portion of funding. Ms. Bader Inglima is also working with the lobbyist to invite our federal representatives to the island. Representative Doc Hastings visited in April and Senator Maria Cantwell is interested in viewing the shoreline possibly in July or August. The shoreline investments will be catalysts for revitalizing downtown Kennewick and bringing new businesses and jobs to the community. Ms. Bader Inglima stated that she and Mr. Arntzen will be attending the Waterfront Conference in September and will dovetail the trip with meeting legislative representatives in Washington, D.C.

The Commission appreciates Ms. Bader Inglima's work in locating and securing funds.

C. Vista Field

1. Vista Hangars, Miscellaneous Matters

Mr. Arntzen commented Ms. Hancock has become aware of a few issues with the hangars that should be addressed. One issue is reviewing hangar rents and determining if they are at fair market value. Mr. Arntzen feels it is important to review all lease rates. The Port has worked with Clover Island Inn and Cedars and adjusts the marina rates every other year. Over the years, the marina rates have increased to market rates. The Port has raised rates on all properties, except Vista Field. Another potential issue is metering in the hangars. Mr. Arntzen inquired if the Commission would like staff to look into what it would take to have each hangar individually metered? In addition, the Port has received at least two complaints relating to the condition of the premises; one being a life and safety electrical issue. Mr. Arntzen suggested Ms. Hancock walk-through the premises and take pictures of the deficient areas and share the pictures at a future meeting.

Ms. Hancock is not just focused on Vista Field; she has been working on rental rates for agriculture leases, industrial land renewals, and bringing lease rates up to fair market value. Although the hangars may be inferior and feature different amenities, the rates have not been increased since 2004. Ms. Hancock researched local hangars to find comparables, and although Vista Field has an inferior interior – it has a superior location.

Ms. Hancock pointed out the cost for repairs and maintenance has increased over the years, and, the Port does not receive FAA funding or alternative funding for the airport.

In 2004, the Port purchased the hangars with suggested rental rates of \$145 for each t-hanger and \$350-\$370 for larger hangars. The projected income was \$43,080 annually. Currently, 20 hangars are leased with 20 based aircraft, although the hangars could hold 22 aircraft. The t-hangars currently rent for \$135 – \$145 per month and the large hangars rent for \$255-\$300 per month, which is \$35,563 annually. Revenue has decreased since 2004. Ms. Hancock stated with an annual CPI increase, the t-hangars



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should be leasing at a minimum of \$183.68. Ms. Hancock found a wide range of local rental rates. T-hangars range from \$175 - \$225; the large multi-tenant hangars range from \$300 - \$650. The \$650 rate is private and includes concrete and 220 amp service.

Private sector t-hangars rent for \$230 per month, and 50 x 50 hangars range from \$500 - \$650 with individually metered utilities. The Port's hangars do not have individual meters; nor could they due to the cap walls.

Ms. Hancock stated there have not been any lease increases since 2004, and in some cases has decreased.

Mr. Novakovich reiterated the Commission asked staff to provide real numbers on all projects to review return on investment (ROI) at the last meeting. The Port does not want to compete with the private sector, however; but we do need to be conscious of the fiduciary responsibility to the tax payers. Mr. Novakovich feels potential liability issues need to be identified, but recalled that the Master Plan states the hangars are in the wrong location and should be demolished. He would like the cost determined to fix whatever is wrong with the complaints and the cost of metering, and then review the value of the hangars in light of the fact that the Master Plan calls for demolishing them.

Mr. Barnes feels the life and safety issues should be addressed as it is a potential liability issue.

Ms. Hancock stated the FBO improvements and corporate hangars are not included in the rate research because under the RFP proposal, the FBO would control and manage those facilities.

Mr. Novakovich inquired if a response has been received from Dr. Shannon. Mr. Arntzen confirmed the Port has not received a response.

Mr. Wagner inquired if the Port has received additional interest in the FBO opportunity. Mr. Arntzen stated he has received several unsolicited proposals for limited operations; however, the Commission directed staff to negotiate directly with Dr. Shannon.

The Commission directed staff to conduct the building inspection as soon as possible for life and safety issues. Mr. Arntzen offered to take the Commissioners on an individual tour of the airport and to review the airport rules and regulations during the tour.

D. *Regional Firefighters Training*

Ms. Bader Inglima stated the Port recently received a letter of appreciation from the Tri-County Fire Chiefs and complimented Ms. Hancock for her involvement in building significant relationships with the local fire departments. Ms. Bader Inglima read the letter of appreciation into the record.



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E. Joint Meeting with City of Kennewick

Mr. Arntzen reported the joint meeting with the City of Kennewick scheduled for tonight has been cancelled as the Council would not have a quorum. The Commission believes the meeting should be rescheduled. Mr. Arntzen will work with the City Manager on a new date.

Mr. Arntzen stated the Historic Downtown Kennewick Partnership (HDKP) may desire to place an art object on the triangle piece of land at Columbia Drive coming off the Cable Bridge; this may be an item to discuss at the joint meeting.

The Commission would like to have input on the art object and feels they are heavily invested in the Columbia Drive area. The Commission desires to work with HDKP so the efforts are not disjointed.

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

Mr. Wagner attended regular meetings and the Benton Franklin Council of Governments Community Economic Development Strategy (CEDS) meeting to review upcoming projects.

Mr. Barnes met with Benton County Commissioner Bowman to discuss West Richland, Red Mountain, the interchange project, and fire stations.

Mr. Novakovich attended normally assigned meetings, spoke at the annual American Red Cross meeting about veterans, attended the West Richland Joint Economic Development meeting, fundraising breakfast for Larry Halder, several meetings with the Columbia Basin Veterans Coalition, meeting with Carl Cadwell, David Hanson and attended the Future Soldiers dinner, and participated in Tamastslitk Board phone meeting, and attended a joint Tamastslitk Trust Board and CTUIR Board meeting.

G. Non-Scheduled Items

1. Ms. Bader Inglima presented an application to the Community Economic Development Strategy (CEDS) on June 8 for funds for renovation of the Oak Street and Vista Field Development buildings, as well as construction of a new wine development building at Willows. Last year CEDS required joint applications for projects; this year they want each project on a separate application. If the projects are split, separate resolutions will need to be prepared for the next meeting. The Commission is in consensus to submit two separate resolutions for the CEDS applications.
2. Ms. Bader Inglima shared photographs of the lighthouse on the cover of the Tri-Cities Mid-Columbia Telephone Directory, a bridal magazine and the Tri-Cities Visitor and Convention Bureau brochure. The photograph is also featured on the Issaquah Ferry.
3. Mr. Arntzen shared that Port of Pasco Commissioner Ernie Boston passed away and that Marion Metz is in the hospital. He requested cards be sent sharing our thoughts.
4. Ms. Fine stated at the May 22, 2012 meeting, she shared words of caution from the State Auditor's Office regarding the Air Race Classic (ARC) event and Marjy Leggett mentioned during public comments that the Port did not have all the relevant information needed to make an informed decision about the event. After the meeting, Ms. Fine emailed Ms. Leggett in an effort to assist her in gathering the information



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needed and informed her about the potential audit issues and provided a list of audit items. Ms. Fine received an email from the ARC committee indicating they thought the requests were a little excessive. Ms. Fine also emailed the national ARC committee and they felt Ms. Fine's questions were good and stated they will contact Ms. Fine after the 2012 ARC is completed.

Mr. Novakovich reviewed the ARC website and noticed there were not public entity sponsorships and the highest level of sponsorship was \$5,000. The Commission would like Ms. Fine to continue working with Ms. Leggett, and would appreciate receiving as much information as possible.

Ms. Fine reviewed the sponsorship amounts paid by the Port for various events.

PUBLIC COMMENTS

Ms. Anita Young, 1808 S. Ione, Kennewick, Washington. Ms. Young read a letter written by Marjy Leggett into record informing the Commission that the Air Race Classic will not be held at Vista Field.

Ms. Leslie Craven addressed the Commission on behalf of Dr. Mike Shannon, 800 N Center Parkway, Kennewick. Mr. Shannon is not able to attend the meeting as he is in oral surgery. Ms. Craven presented a letter on his behalf and read the letter into record.

Mr. Novakovich stated Dr. Shannon asked if the Commissioners would like to be involved in the negotiations at the last meeting. Mr. Novakovich agreed and requested Dr. Shannon arrange a time to meet with Port staff and himself. As of today, the Port has not received a response from Dr. Shannon.

Mr. Arntzen stated he has been accused of arguing the Port's case in the media. For the record, he would like it known he has declined an invitation to meet with the Tri-City Herald Editorial Board because he felt it is important to negotiate with Dr. Shannon, not with the Editorial Board. However, Dr. Shannon and Mr. Carl Cadwell have already met with the Editorial Board to attempt to negotiate their points with the Editorial Board. Mr. Arntzen does not want to argue publicly, but finds Dr. Shannon's statement in his letter "For some reason you have chosen to argue the contract negotiations in the media." to be very odd in light of Dr. Shannon meeting with the Editorial Board. Mr. Novakovich shared that after the last meeting, he wrote a factual Op-ed piece for the Tri-City Herald, but it has not been published and he has requested it not to be published because he did not want it to interfere with the negotiations. He feels Dr. Shannon's comments alluding to the Port not trying to make this a fair negotiation is absolutely out of line.

No further public comments were made.

Mr. Novakovich anticipates the Executive Session to last approximately 45 minutes for a potential litigation matter, per RCW 42.30.110(1)(i); and a real estate matter, minimum price, per RCW 42.30.110(1)(c) with no action anticipated on either item. Mr. Novakovich asked the public to notify Port staff if they will return after the executive session.



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Mr. Novakovich recessed the meeting at 3:43 p.m. for approximately 10 minutes.

Mr. Novakovich reconvened the meeting into Executive Session at 3:53 p.m.

EXECUTIVE SESSION

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

B. Real Estate (selection of site/acquisition), per RCW 42.30.110(1)(b)

Mr. Novakovich called for an Executive Session at 3:53 p.m. to last approximately 45 minutes, with no action expected.

Executive Session adjourned at 4:36 p.m. with no action taken: The regular meeting reconvened at 4:36 p.m.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:36 p.m.


APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


Don Barnes, Vice President


Gene Wagner, Secretary

OPINION

E2 | tricityherald.com/opinion | Sunday, June 3, 2012

LETTERS: 333 W. Canal Drive, Kennewick,

Vista Field

If you live in the Kennewick Port District, ask yourself this question: "Does your vision for our community five, 10 or 20 years from now, include a taxpayer-supported airfield in the middle of the city's professional, retail and entertainment district?" Please let the Port of Kennewick know your answer. The contact information is online at www.portofkennewick.org.

A lesson learned from my father: "When good people work hard to make something happen and it doesn't, it just might be that it isn't the right thing." Such is the case with Vista Field. People have been struggling to make it a viable airfield since the late 1970s. Today, more than 30 years later, the port commissioners are being asked to continue spending taxpayers' money to provide services to the few pilots who use the field.

Promises of multimillion dollar investments seem to evaporate as soon as pro-airfield candidates are elected. The city and port are under intense pressure from a small but vocal and well-funded special-interest group supporting Vista Field. Our elected officials need to hear from people throughout the port district — from Finley to West Richland — about where their tax money should be spent.

KIRK WILLIAMSON
Kennewick



May 4, 2012

Tana Inglima
Director of Government Relations/Marketing
Port of Kennewick
350 Clover Island Dr.
Kennewick, WA. 99336

Ms. Inglima,

The Tri-County Fire Chiefs would like to thank you and your staff for the donation of the building and property at 1526 E. 3rd in Kennewick. The use of your property allowed us to train more than 337 regional firefighters in critical life-saving skills. The opportunities to provide realistic training are rare and your support of these efforts is greatly appreciated.

As you know, firefighter line of duty deaths and/or injuries can be devastating to individual crews, the organization and the community at large. Our primary purpose is to insure, as much as possible, that our firefighters are operating at the highest level of training and in the safest manner possible. Training exercises like the Rapid Intervention Team Training provide opportunities that reinforce those skills and techniques necessary to successfully accomplish our mission and reduce the likelihood of line of duty deaths and/or injuries. These drills promote collaborative spirit and develop inter-agency cooperation and confidence.

Your donation of the property is appreciated by all members of the Tri-County Fire Community. We look forward to working with you in the future.

Once again, thank you!

Very Truly,

Neil Hines, Fire Chief KFD:

Grant Baynes, Fire Chief RFD & BCFD1:

Bob Gear, Fire Chief PFD:

Jeff Hawkins, Fire Chief HFD:

Ron Duncan, Fire Chief BCFD2:

Doug Merritt, Fire Chief BCFD3:

William Whealan, Fire Chief BCFD4:

MAY 25 2012



June 12, 2012

Dear Commissioners,

During the regular Port of Kennewick meeting of the commissioners on May 22, 2012, points were brought up and discussion ensued that were very concerning to the Air Race Classic Committee.

The topic of discussion focused on a proposal that I was asked to put together by request of Tim Arntzen. The proposal clearly states DRAFT across all of its pages, yet, based on comments by Tammy Fine, it was sent to the State Auditor's Office for review, which was not our intent.

The Air Race Classic rules require a tie-down be in place for each aircraft participating in the race. In order to comply with this rule, the Port was asked to provide the necessary tie-downs. In an effort to keep the cost as low as possible, with minimal impact on the Port funds, I proposed opting with temporary tie-downs to supplement the 30 permanent tie-downs in the Master Plan. I also proposed that we would cut the brush and install the tie-downs, in another effort to save the Port additional expenditures. Mr. Arntzen suggested that the Port could provide \$25,000 for this capital project. It was not a donation to the Air Race Classic, but providing a capital project at minimum expense on port property.

On January 11, 2011 the Port of Kennewick commissioners passed Resolution 2011-02 supporting the Air Race Classic. Because of the conversations we had had with Mr. Arntzen, Ms. Bader-Inglima, Mr. Novakovich, and the past airport manager, and because of the passage of the resolution stating support of the Air Race, we relied on those conversations and resolution to move forward with bringing the Air Race Classic to Vista Field.

We signed a contract with the Air Race Classic organization, paid our first installment to the ARC organization, signed a contract with a local hotel to host the racers, raised funds, printed brochures, and spread the word nationwide that the ARC Start would be at Vista Field for 2013. The race route has been published and announced on the website and Facebook.

The following comments and suggestions were raised by Auditor Tammy Fine, Executive Director Tim Arntzen, and President of the Commissioners, Skip Novakovich during the May 22nd meeting, which we find to be detrimental in bringing the Air Race Classic to Vista Field:

- Port: Providing \$25,000 would be a gift of funds to the Air Race Classic.
(This is not a donation, but would be funding a capital project for the airport.)
- Port: There is little benefit to the Port of Kennewick to provide the hosting site for the Air Race Classic.
(Benefits would be national exposure for the Port, sales of fuel, potential leases or sales of land.)
- Port: This event may not be in the best interest of the taxpayers.
(The decision was made to keep the airport open based on community input. The community expects the port to invest in capital projects that will enhance the airport.)

- Port: The public would not be involved.
(This event always draws crowds of people. There would be a meet-the-pilots night and opportunity to watch the pilots take off.)
- Port: Hosting the ARC would add to the airport's deficit.
(Capital investments are not figured in the operating costs of an airport. There is little additional expense expected from the Port.)
- Port: Providing \$950 would be the upper limit that the Port would feel comfortable providing and that would include staff time and marketing.
(Again, the ARC is not asking for a donation, but for the Port to invest in tie-downs, which is a long-term investment on port property.)
- Port: The Port has already put too much staff time into meeting with ARC members.
(Does the staff log the time spent on the ARC? Do they log the time spent on Clover Island, Duffy's Pond, West Richland, or the Bridge to Bridge? If the Port had been supportive, there would not have been the need for as many meetings.)
- Port: There should be a fee of \$250 per day for use of the airport.
(This is a public airport. Events such as the ARC bring attention to the port and help to promote the airport and the community. Airports don't charge for using public facilities.)
- Port: The Port would have to provide additional liability insurance of at least several million dollars.
(The Port has a "slip 'n slide" policy along with coverage for the active runway. No additional insurance is required. You cannot prohibit the use of a public airport for its intended use. Each contestant, as well as the ARC organization carries liability insurance.)
- Port: The airport would have to be closed during the event.
(The ARC is not an "airshow". It is planes landing and taking off, which is the intended use of an airport. Normal operations continue with the ARC working around other aircraft landing and taking off.)
- Port: The fact that the Port is allowing the ARC to use the 100 acres inside the fence should be considered.
(The airport is a public facility for the purpose of pilots landing and taking off in aircraft.)

Although many of the Port's statements above are false assumptions and misconceptions, it paints the picture of uncertainty for those hosting the Start of the Air Race Classic. Comments made suggest that the Port does not want to provide the required tie-downs, is unwilling to work with us, and does not want to host the Air Race Classic.

To be absolutely clear, the Air Race Classic request was to provide additional tie-downs at Vista Field and general clean up. This was in line with the \$25,000 commitment made by the Port to support this International event. I am not sure how any auditor would consider that a gifting of public funds. This was clearly improvements and maintenance to Vista Field at a cost far below what the Port could have gone out and contracted it for. We are not talking about picnics for a select few, supporting Boy's and Girl's Clubs and other clear instances of gifting of public funds.

With this as the operating premise, I was more than surprised and quite disappointed by the Port's response at the last Commission meeting to our draft proposal requesting support for the Air Race Classic. I am astonished that the Port would take a draft proposal without any discussion or input from

us and mischaracterize the state auditor's comments as a means to reduce the Port's support to a token amount.

The reason for bringing the prestigious Air Race Classic to Kennewick was to promote the Port's airport and bring a national activity to the region. There were many airports competing for this activity and I was fortunate to have sold the association on the Tri-Cities and Vista Field. Women pilots and their crews from all over the nation and other countries will be participating in this event which would have put Vista Airfield on display.

Even though there is a previous Port resolution in support of the Air Race Classic it has become obvious that \$950 (less staff costs, marketing and perhaps a \$250/day fee) of Port support is insufficient to provide the tie-downs needed, let alone any of the rest of the improvements at Vista Field.

The Air Race Classic is now left with no choice but to inform you that the Air Race Classic will be moving to another airport, as time has run out to meet all the deadlines to host this event.

I thank you for the consideration you gave to this opportunity.

Sincerely yours,

A handwritten signature in cursive script that reads "Marjy Leggett".

Marjy Leggett
Chairman
Air Race Classic Start 2013

June 12, 2012

Mr. Tim Arntzen,

If you have any intention of continuing our negotiation regarding a contract to operate the FBO at Vista Field, I would appreciate a response from you that would address the issues that have been brought up in our previous meetings and most recently the list of "Lease Considerations" that you, through your attorney, have requested. As of this date, I have not received a response from you. You have made false statements to the Commissioners and the Media which have contributed to the confusion surrounding the development of Vista Field. Through your actions, it has become clear that you have no interest in assisting in the rejuvenation of Vista Field.

You have implied that I am not available for meetings. As you well know I am available almost every day from 5:15pm on, for meetings of any length as well as weekends. Initially, these meeting times were fine with you, however, you are now requesting that I set aside a half day meeting with you and your staff at various times mid week as the only options. Mid day meetings for me in general are a very expensive option and are extremely difficult to reschedule patients that have, in many cases, been waiting for appointments for many months. I see no necessity at this time for such a meeting when merely responding to one another through e-mail, fax, or traditional US mail should meet all of our needs. In fairly short order we should be able to work through any differences in the interpretation of the contract with a one on one meeting. If we can agree on the various modifications to the initial document, which you sent to me, then fine, we can proceed. If we cannot come to a common ground with our revisions then we cannot proceed.

For some reason you have chosen to argue the contract negotiations in the media. I don't understand your goal if it supposedly is truly in support of the Vista Field FBO development. If you are choosing to conduct our negotiations and discussions via the media rather than in person I am OK with an open forum if that is necessary. I have nothing to say that I would not say to the general public. Logic should prevail and if the contract doesn't make sense to the average person then it probably isn't a good contract and should be modified to where it is a good working document. I am not interested in eleventh hour theatrics or trying to find a scapegoat. I am interested in producing a solid contract that is reasonable and works for all parties involved. There is a lot of work ahead of us to make this project work and I do not want it once again to be derailed by personal politics and selfish agendas. We have to have a hand in hand working relation between the Port and the FBO to achieve the success that I would hope we both desire.

I am looking forward to constructive conversations to resolve the contract issues and would hope that all parties would negotiate in good faith so that we can move ahead with the development of this potentially wonderful project.

Respectfully,

Michael E. Shannon DMD