

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

AUGUST 14, 2007

MEETING MINUTES

CALL TO ORDER

Commission President Gene Wagner called the Regular Commission meeting to order at 2:30 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, in Kennewick, Washington.

Board Members Present: Gene Wagner, President
Linda Boomer, Vice President
David Hanson, Secretary

Staff Members Present: Tim Arntzen, Executive Director
Dan Cryer, Director of Operations/Airport Manager
Tammy Fine, Director of Finance/Auditor
Larry Peterson, Director of Planning and Development
Teresa Hancock, Real Estate Analyst/Special Projects
Sherrie Bowers, Administrative Assistant/Records Manager
Ken Rice, Port Counsel

PLEDGE OF ALLEGIANCE

Mr. Vic Johnson led the Pledge of Allegiance.

PUBLIC COMMENTS

Kennewick Irrigation District (KID) Senior Planner Scott Revell addressed the Commission stating he had recently met with members of the Vista Field Airport Advisory Board. He stated Kennewick Irrigation District was willing to contribute to an airport study in the amount of \$10,000.

There was discussion as to whether the Port had authorized such a committee. Mr. Arntzen stated there was discussion of an airport advisory board at recent Commission meetings but the Port had yet to officially approve the formation of such a committee to complete a study of Vista Field Airport. He stated it appears citizens had formed an independent committee. Mr. Arntzen stated he had not received any information regarding business conducted by the committee.

Should such a committee be sanctioned by the Port, Mr. Arntzen felt KID should be involved in the process. He thanked Mr. Revell for offering a financial contribution for Port-authorized airport studies in the future.

CONSENT AGENDA

The consent agenda consisted of the following:

- ***Regular Commission Meeting minutes of July 24, 2007***
- ***Warrant Register Dated July 27, 2007***
Construction Fund Voucher Nos. 2209-2210 totaling \$131,058.29

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- ***Payroll Roster dated July 31, 2007***
Expense Fund Voucher Nos. 26768-26781 totaling \$21,541.30
- ***Warrant Register dated August 14, 2007***
Airport Improvement Fund Voucher No. 331 totaling \$7,500.00
Airport Operations Fund Voucher Nos. 40578-40591 totaling \$2,783.68
Construction Fund Voucher Nos. 2211-2217 totaling \$87,105.69
Expense Fund Voucher Nos. 26792-26940 totaling \$39,489.09
- ***Payroll Roster dated August 15, 2007***
Expense Fund Vouchers Nos. 26782-26791 totaling \$16,054.16

❖ ***Commissioner Linda Boomer moved approval of the consent agenda. Commissioner David Hanson seconded and the motion was unanimously carried.***

ECONOMIC DEVELOPMENT PRESENTATION BY WEST RICHLAND MAYOR DALE JACKSON

City of West Richland Mayor Dale Jackson gave a presentation regarding his recent economic development trip to China, Korea and Vietnam. He showed a ten-minute slide show detailing his trip. He stated many companies were interested in doing business in the Pacific Northwest. Mayor Jackson stated City of West Richland and the Port had been working very well together for the past several years and he continued to be impressed with the amount of support his city was getting from Port staff.

The Commission thanked Mayor Jackson.

NEW BUSINESS

➤ ***Resolution 2007-18 Approving a New Lease Between the Port and Clover Island Yacht Club***

Mr. Arntzen stated the Commission had been briefed at the last Regular Commission meeting that the Port and Clover Island Yacht Club (Club) had been negotiating a proposed new lease which would allow the Club to maintain its presence on the island well into the future. The new lease would allow the Port to build a multi-tenant building where the present Club building now stands. He stated the Club would lease 5300 square feet on the lower level with a professional office user leasing the upper level. Mr. Arntzen explained the Club's lease rate would increase from \$4,500 per year to approximately \$57,000 per year. The new building will be consistent with the Clover Island master plan by replacing a dated facility with a new, nautically-themed structure. Mr. Arntzen explained the increased revenue would provide a substantial, sustainable non-tax revenue stream for the Port and recommended approval of the resolution.

- ❖ *Commissioner Hanson moved approval of Resolution 2007-18 authorizing the Port's Executive Director to execute a lease between the Port and Clover Island Yacht Club. Commissioner Boomer seconded and the motion carried unanimously.*

REPORTS, COMMENTS AND DISCUSSION ITEMS

➤ **Clover Island Update**

Parking Study Discussion: Mr. Arntzen stated several letters of intent had been submitted to the Port to lease property on Clover Island. He stated the main concern has been whether there would be sufficient parking on the island. Mr. Arntzen stated staff had asked MacKay & Sposito to complete preliminary examination of cost associated with the sufficient parking on Clover Island with the letters of intent received to date. Mr. Arntzen stated staff was not asking for a decision from the Commission, but wanted to provide the necessary information so an informed decision could be made in the near future.

Mr. Peterson felt demand for parking stalls would exceed the minimum requirement by City of Kennewick Municipal Code and recommended the number of parking stalls be based on demand rather than that minimum requirement.

Tim Neisinger of MacKay & Sposito addressed the Commission briefly explaining each scenario. Based on the information gathered it is appeared that Development Scenario #1, which would include approximately 175,800 square feet of leasable ground and a surplus of three parking spaces, was the most viable option. He explained the cost was derived from several sources and ranged between \$12,896 and \$24,015 with an average cost of \$18,591 per stall. He noted the average parking structure included in these sources was approximately ten times the size that of the proposed structure on Clover Island.

The Commission agreed Development Scenario #1 was the best choice and thanked Mr. Neisinger for his presentation.

➤ **Clover Island Marina Update**

Mr. Peterson stated the first boathouse is scheduled to be relocated August 20, 2007. He noted the marina project was on schedule with anticipated completion of November 1, 2007. He felt "B" Dock could be completed and turned over to the Port shortly after Labor Day.

Mr. Arntzen added a letter would be sent to the boathouse owners informing them of the relocation schedule.

➤ **South Ridge Village, LLC Update**

Mr. Arntzen stated the request for an extension was discussed during the last Regular Commission meeting. He explained the request was not based on finances, but on the

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City of Kennewick's short plat process. Mr. Arntzen explained the extension of the \$1 million payment could be extended to August 27, 2007, but after conversations with City of Kennewick staff, recommended extending the deadline to September 14, 2007.

After discussion, the Commission choose to retain the original deadline of August 27, 2007 with the expectation City of Kennewick staff could meet that deadline.

➤ **West Richland Industrial Park Update**

Mr. Peterson stated the Port had been marketing the remaining three acres in the Red Mountain Center at the West Richland Industrial Park to additional wineries. Based on the results of the draft feasibility study funded by the Community Economic Revitalization board (CERB), staff recommended retaining the remaining three acres to develop a wine ancillary incubator building which would generate revenue for the Port.

Director of Finance Tammy Fine added she and Real Estate Analyst Teresa Hancock had interviewed local winery owners to determine the level of ancillary support needed by wineries in our area. Ms. Fine felt the Port could construct two incubator buildings for both wineries and ancillary support.

There was discussion of the grant application process and whether building plans for Development Building 4 at the Oak Street Industrial Park could be used. Mr. Arntzen cautioned against committing to that type of design at Red Mountain Center. He stated staff's intention, for the purpose of this meeting, was to change the direction from marketing the remaining three acres to retaining the property.

City of West Richland Economic Development Specialist Ruth Swain stated she was thrilled with the development at the Red Mountain Center and was very much in favor of the Port developing an incubator for the wine industry. Ms. Swain added the Red Mountain American Viticultural Area (AVA) was a great neighbor to Red Mountain Center stating the Center was designed to encourage development of the AVA.

Interim City Administrator Donna Noski stated the renewed commitment by the Port was appreciated and the City would assist the Port to continue the development in West Richland.

➤ **Consultant Contract Update**

Art Consulting Contract: Mr. Arntzen stated signed a contract with C2 Resources owner Barb Carter for artwork consulting in the amount of \$3,500. He stated Ms. Carter came highly recommended and was a member of the City of Kennewick Arts

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Committee. Mr. Arntzen stated the committee has grant funding available up to \$7,000 and Ms. Carter would be researching that opportunity for the Port.

Grant Consulting Contract: Mr. Arntzen stated he also entered into a contract with Ms. Carter for \$1,500 to research whether the Port could sell a building funded by the Economic Development Administration (EDA).

➤ **2008 Budget/Planning Workshop Schedule/Comprehensive Scheme Process**

After discussion it was decided the first workshop would be held Monday, September 10, 2007 at 9:00 a.m.

➤ **Commissioner Calendar Review**

Administrative Assistant Sherrie Bowers reviewed upcoming meetings which included four meetings for Commissioner Wagner; a Water Power Dams Meeting, August 15, 2007 at 7:15 a.m. at Florentyna's in Pasco, a Benton-Franklin Council of Governments Meeting, August 17, 2007 at 12:00pm at Roy's, a Benton-Franklin Council of Governments Good Roads Priority Meeting August 22, 2007 at 5:30 p.m. at Richland DOT, and a Home Builders Association meeting August 28, 2007 at 12:00 p.m. Ms. Bowers reminded Commissioner Hanson he was scheduled to attend the Tri-Cities Regional Chamber Luncheon Wednesday, August 22, 2007 at 11:30 a.m. at Shilo Inn.

➤ **Meeting Reports**

▪ Commissioner Hanson reported attending the Washington Public Ports Association (WPPA) Budget Committee meeting to discuss the dues structure. He stated one of the proposals would reduce the Port's dues by \$6,000 and asked if action could be taken to vote in favor of that proposal.

❖ *After discussion, Commissioner Hanson moved to authorize the Executive Director to cast a vote for the reduction of WPPA dues in the substantial form of proposal two. Commissioner Boomer seconded and the motion was carried unanimously.*

▪ Mr. Peterson reported having several meetings with MacKay & Sposito staff and Clover Island developers. He also met with City of West Richland Economic Development Specialist Ruth Swain.

▪ Mr. Arntzen met with Senator Murray's representative Rebecca Thornton where he was informed grant writer had been added to Senator Murray's staff and could assist with future grants. Mr. Arntzen also reported giving a presentation to the Richland Rotary Club luncheon which was well received.

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- Ms. Huffman reported meeting with a consultant regarding a possible wine industry incubator project for the Port.
- Ms. Hancock reported attending several marketing and real estate meetings.

➤ Non-Scheduled Items

- Director of Operations Dan Cryer stated he had entered in to a contract to have the roof and walls of the hangars painted. He anticipated the project would begin by the end of the month.
- Mr. Arntzen stated the August 10, 2007 edition of the *Tri-City Herald* featured an editorial regarding retaining young professionals in our community. The editorial reported young people were looking for communities with outdoor recreation opportunities, a family-friendly atmosphere and more art and culture. Mr. Arntzen stated the Port Commission had contributed to improving the quality of life in our area by approving the board walk and new marina projects, as well as partnering with cities of Kennewick and Richland in lowering the levee. Mr. Arntzen added the Port's participation with annual outdoor summer concerts at Clover Island Inn provided entertainment and brought 1000+ people to the island for each event.

PUBLIC COMMENT

- Mr. Kay Metz commended the Commission and staff for the foresight and vision in developing Clover Island.
- Clover Island Inn General Manager Mark Blotz stated he appreciated the Port's support for the summer concerts and announced reserved seating for the August 17, 2007 *Grass Roots* concert was sold out. He also stated the Pacific Salmon Fest is scheduled for Saturday, August 18, 2007 from 6:00 to 9:00 p.m., adding this event would also bring many people to the island.

EXECUTIVE SESSION

- ◆ *Real Estate Matter: RCW 42.30.110(b)*

Commissioner Wagner called for a five-minute recess at 3:56 p.m., after which there would be an Executive Session which was anticipated to last approximately one hour for discussion of a real estate matter with no action expected.

At 4:55 p.m., Ms. Huffman exited the Commission Chambers to announce Executive Session would be extended approximately thirty minutes.

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At 5:25 p.m., Ms. Huffman exited the Commission Chambers to announce Executive Session would be extended an additional thirty minutes.

ADJOURNMENT

The regular Commission was reconvened at 5:51 p.m., and with no further business to bring before the Board the Regular Commission meeting was adjourned at 5:51 p.m.

APPROVED:

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

Gene Wagner, President

Linda Boomer, Vice President

David Hanson, Secretary