

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JANUARY 24, 2006

MEETING MINUTES

CALL TO ORDER

Commission President David Hanson called the Regular Commission meeting to order at 1:30 p.m., in the Riverside Room of Clover Island Inn located in Kennewick, Washington.

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

Staff Present: Tim Arntzen, Executive Director
Dan Cryer, Director of Operations/Airport Manager
Larry Peterson, Director of Planning and Development
Tammy Huffman, Director of Finance/Auditor
Ken Rice, Port Counsel
Sherrie Bowers, Administrative Assistant

PLEDGE OF ALLEGIANCE

Commissioner Hanson led the Pledge of Allegiance.

PUBLIC COMMENTS

- Mr. Kay Metz thanked Port staff for doing an excellent job with many new projects on Clover Island including the Port office/retail building and the boat haul out facility. He stated when the Metz family opened Metz Marina fifty years ago; the island was marine-related and was thrilled the Port had chosen to keep that affiliation on the island. He was pleased with the marine theme throughout the master plan for the island and hoped the Port would continue to operate the marina rather than allow it to become privately owned. He explained the Port could operate the marina much more efficiently and effectively than the private sector and explained it was a financial challenge for a private company to be successful in the marina business on Clover Island. He felt moorage would always be in demand on the island and encouraged the Port Commission and staff to continue to expand and improve the Clover Island Marina. He stated for the record that he supported the Port of Kennewick in keeping the entire island marine-related.

CONSENT AGENDA

- ❖ *Commissioner Gene Wagner moved approval of the consent agenda. Commissioner Linda Boomer seconded and the motion carried unanimously.*

The consent agenda consisted of the following:

- *Regular Meeting minutes of January 10, 2006*
- *Payment Roster dated January 13, 2006*
Expense Fund Voucher Nos. 24993-25002 totaling \$15,309.79

- ***Payment Roster dated January 24, 2006:***

- Airport Operations Fund Voucher Nos. 40346-40347 totaling \$3,314.96

- Construction Fund Voucher No. 1982-1984 totaling \$206,133.93

- Expense Fund Voucher Nos. 25003-25031 totaling \$36,713.57

NEW BUSINESS

- **Resolution No. 2006-03 Approving a Lease with Tuttle Aviation**

Director of Operations/Airport Manager Dan Cryer explained Tuttle Aviation was interested in exercising the two-year extension option included in the original agreement executed March 1, 2005 and recommended approval of Resolution 2006-03 approving a new two-year lease with Tuttle Aviation as the Fixed Base Operation at Vista Field Airport effective March 1, 2006.

- ❖ ***Commissioner Boomer moved approval of Resolution No. 2006-03 approving a lease with Tuttle Aviation, LLC as the Fixed Base Operation at Vista Field Airport effective March 1, 2006. Commissioner Wagner seconded and the motion carried unanimously.***

- **Resolution No. 2006-04 Authorizing Discretion to Waive the Rent Security Requirement for Airport Tenants Below \$5,000 Annual Rent**

Director of Finance/Auditor Tammy Huffman explained the Revised Code of Washington (RCW) 53.08.085 allowed the Port Commission the ability to waive or lower the one-year rental security requirement on leases in the amount of \$5,000 or less, including leasehold tax. Port staff had determined the expense exceeded the benefits of obtaining rental requirements on the one-year airport ground and hangar leases in the amount of \$5,000 or less, including leasehold tax. Port staff recognized the potential risk of waiving the bond requirement but felt the risk would be minimized if the Commission approved the waiver on the condition the tenant had a one-year payment history without default. She explained this policy could be rescinded or amended at any time and recommended approving Resolution No. 2006-04 authorizing discretion to waive the rent security requirement for airport and hangar leases below \$5,000 annual rent.

Commissioner Hanson asked if this procedure could be implemented with all Port leases. Ms. Huffman stated she was researching the cost/benefit of implementing the procedure on all Port leases but this resolution would only impact one-year airport ground and hangar leases.

Commissioner Boomer asked if the policy required signature bonds as had been the policy in the past. Ms. Huffman explained, historically, the Port had required signature bonds but the procedure was required annually and was an unnecessary expense to tenants under RCW 53.08.085. The new policy would be beneficial to the tenants and the Port in that rent would

become more affordable for the tenants which would entice them to remain tenants, avoiding vacancies.

- ❖ *Commissioner Wagner moved approval of Resolution No. 2006-04 authorizing discretion to waive the rent security requirement for airport tenants below \$5,000 Annual Rent. Commissioner Boomer seconded and the motion passed unanimously.*

➤ **Resolution No. 2006-05 Authorizing Dedication of Port-owned Property for the State Road 397 Project**

- ❖ *Commissioner Wagner moved approval of Resolution No. 2006-05 approving the donation of lands to Benton County for State Road 397 right-of-way and further authorizing the Port's Executive Director to execute all documents necessary to donate the lands in question to Benton County for right-of-way purposes. Commissioner Boomer seconded and the motion was carried unanimously.*

➤ **Clover Island Update**

Port Office/Retail Building Telephone and Security Systems: Due to the complexity of installing both the telephone and security systems, Mr. Cryer recommended moving forward with a change order for the installation of the telephone and computer lines in the building. He stated the installation of the security system would be bid under separate contract. The Commission agreed.

Clover Island Marina Update: Director of Planning and Development Larry Peterson stated he had been working with Bill Gerken of PND to revise the marina remodel project to make it financially feasible for the Port while still maintaining the original number of slips and percentage of cover already permitted. He explained revisions included roof design and standardized docks. There was extensive discussion on other options to reduce the expense of the project.

Mr. Peterson stated Mr. Gerken has requested modification to the original contract for the redesign process in the amount of \$22,960. Mr. Peterson stated there was frustration with the recent engineering estimate and subsequent rejection of bids for this project. He stated the Port has a several year relationship with the engineering firm and felt it would not be cost effective to separate from PND this late in the process. In discussions regarding the redesign expense, Mr. Gerken stated the additional expense was conservatively calculated and reminded Mr. Peterson that PND had been honoring the original contract between the Port and PND by billing at the hourly rates originally agreed upon even though it had taken two years to get the project ready to bid. Mr. Peterson stated the additional expense was within the Executive Director's delegation of authority but felt the additional expense should be approved by the Commission.

The Commission unanimously agreed the Port should move forward and pay the necessary costs to get the project back on track.

Land Sales versus Leased Land: Ms. Huffman stated she had researched potential issues regarding selling and leasing land on Clover Island to future developers. She found that bankers reported no problems with leasing land to developers as long the lease term was longer than the loan term and commercial lenders were given the ability to take over the building upon default.

➤ **Vista Field Update**

Mr. Cryer stated Tuttle Aviation held regular aviation community meetings and he and Mr. Arntzen have been invited to attend next meeting scheduled for February 6, 2006.

➤ **Discussion of Changing Commission Meeting Time**

Executive Director Tim Arntzen stated a request had been made to change the Commission meeting time to 2:30 p.m. After discussion it was decided staff would bring a resolution to the Commission officially approving the time change from 1:30 p.m. to 2:30 p.m. at the next Regular Commission meeting. The first meeting to be held at 2:30 p.m. would be February 28, 2006.

➤ **Discussion of February 7, 2006 Special Commission Meeting and February 13, 2006 Planning Workshop**

Mr. Arntzen announced a Special Commission meeting was scheduled for Tuesday, February 7, 2006 at 10:00 a.m. to award the contract for the Clover Island Drive reconstruction project. He also announced the 2006 Planning Workshop was scheduled for Monday, February 13, 2006 from 9:00 a.m. to 12:00 p.m.

➤ **Meeting Reports**

- Mr. Arntzen worked the Tri-Port's booth at the Pasco Ag Show, attended the Tri-City Area Chamber of Commerce meeting to cast a vote in favor of merging the Tri-City Area Chamber of Commerce and the Richland Chamber of Commerce as instructed by the Commission. He also attended TRIDEC meeting on behalf of Commissioner Hanson, met with Dave Hunt of the Columbia River Channel Coalition, attended the Columbia River Bank ribbon cutting, attended the TRIDEC Economic Outlook Development Forum and met with a potential developer of an ethanol/bio-diesel plant.
- Mr. Peterson attended the Red Mountain American Viticultural Association meeting where he learned phase one was near completion and phase II was fully funded and ready to begin.

- Commissioner Boomer toured the Port office/retail building and Development Building No. 4.
- Commissioner Wagner attended a Water, Power, Dams meeting and the TRIDEC Economic Outlook Forum.
- Commissioner Hanson attended the TRIDEC Economic Outlook Forum.

➤ **Non-Scheduled Items**

- As previously discussed, a bronze plaque honoring the Metz family would be installed on Clover Island. Mr. Arntzen stated the wording of the plaque would be forwarded to the Commission for approval in the near future.

PUBLIC COMMENTS

- Mr. Kay Metz stated the Winter Boat Expo was scheduled for February 9-12, 2006 and suggested the Port advertise the boat yard. Mr. Arntzen stated the Port planned to have a booth at the show and discussed to possibility of showing a looped video of the boat yard during the Expo. Mr. Metz offered to have brochures of the boatyard at his booth as well.
- Mr. Cal Coie emphasized the need for the engineering estimate to be carefully calculated for the Clover Island Drive reconstruction project.
- Mr. Coie also asked if the Port planned to replace the Metz Marina sign currently located on the corner of Columbia Drive and Washington Street. Mr. Arntzen stated there had been discussion of replacing the sign in 2005 and stated the old sign could not be taken down until a new sign was ready to be installed. He stated more information would be available on this project during the 2006 Planning Workshop.
- Commissioner Wagner congratulated Cal and Mary Coie on their upcoming 50th Wedding Anniversary.

EXECUTIVE SESSION

- ◆ *Real Estate Matters: RCW 42.30.110(b)*
- ◆ *Personnel Matters: RCW 42.30.110 (g)*

The Regular Commission meeting was recessed into Executive Session at 2:20 p.m. for discussion of real estate and personnel matters with no action expected.

ADJOURNMENT

The Regular meeting was reconvened at 3:15 p.m. and with no further business to bring before the Board the Regular Commission meeting was adjourned at 3:15 p.m.

APPROVED:

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

David Hanson, President

Gene Wagner, Vice-President

Linda Boomer, Secretary