

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 13, 2006

MEETING MINUTES

CALL TO ORDER

Commission President David Hanson called the Regular Commission meeting to order at 2:30 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
Mary Fitch, Accounting Specialist/Marina Manager
Ken Rice, Port Counsel
Teresa Hancock, Real Estate Analyst
Sherrie Bowers, Administrative Assistant

PLEDGE OF ALLEGIANCE

Commissioner Hanson led the Pledge of Allegiance.

CONSENT AGENDA

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

The consent agenda consisted of the following:

- ***Regular Commission Meeting Minutes of May 23, 2006***
- ***Payment Roster dated May 23, 2006***
Construction Fund Voucher No. 2035 totaling \$3,396.00
- ***Payroll Roster dated May 31, 2006:***
Expense Fund Voucher Nos. 25390-25403 totaling \$19,273.02
- ***Payroll Roster dated June 13, 2006***
Expense Fund Voucher Nos. 25454-25463 totaling \$15,318.85
- ***Payment Roster dated June 13, 2006:***
Airport Operations Fund Voucher Nos. 40405-40415 totaling \$4,591.66
Construction Fund Voucher Nos. 2036-2046 totaling \$196,935.40
Expense Fund Voucher Nos. 25404-25453 totaling \$63,145.17

NEW BUSINESS**➤ Resolution No. 2006-23 Authorizing a Land Sale to Southridge Village, LLC**

Executive Director Tim Arntzen introduced land developer Dennis Wubben of Southridge Village, LLC and welcomed Kennewick City Manager Robert Hammond to the meeting.

Mr. Arntzen explained in 1994 the Port purchased the parcel in the Southridge area known to the Port as the “Dickerson” parcel for approximately \$745,000, noting two prior land sales had closed totaling \$257,168. He explained the Port had held this parcel for future development and/or sale consistent with Port objectives. In a previous Port Commission planning session, the Commission instructed staff to seek to sell the Dickerson site either as a whole or in a few large parcels. He explained the proposed purchaser, Southridge Village, LLC, planned to construct a high-quality mixed-use development with commercial, hospitality, retail, medical and other components. The proposed purchaser estimated that during construction and thereafter a significant number of family-wage jobs would be created for the community. Upon closing of this transaction, the property will be placed on the tax rolls, generating revenue for local jurisdictions and will also generate significant sales tax revenues. The proposed purchaser has extensive experience in high-quality land developments, having numerous successful projects in the Northwest. Mr. Arntzen explained Port staff and the developer had been working with City of Kennewick staff and other local landowners to tailor this proposal to best meet community needs and interests. Staff believes this proposed sale is in the best interest of the Port District and Mr. Arntzen recommended approval of Resolution 2006-23 authorizing the land sale to Southridge Village, LLC.

Director of Planning and Development Larry Peterson explained the Southridge Area Master Plan had been completed since the purchase of this parcel in 1994 and a majority the Port’s property, which was purchased and established for industrial use, was now designated for commercial use.

Mr. Dennis Wubben addressed the Commission and displayed a conceptual site plan for the proposed development. He stated he had been working with Port staff for nearly a year and commended the Commission for its very knowledgeable and friendly staff. He explained he envisioned a village-type retail site and was working with Kennewick Public Hospital District staff to possibly incorporate medical offices at the site. He was excited about the project and thanked the Commission for its consideration of the land sale.

Kennewick City Manager Robert Hammond addressed the Commission and spoke in favor of this land sale to Southridge Village, LLC. He appreciated Port staff inviting City of Kennewick staff to preliminary planning meetings regarding this site and was very confident Mr. Wubben understood the vision the City had for the Southridge area. Mr. Hammond felt the project would be an excellent “gateway” to Kennewick and the Tri-Cities.

Commissioner Hanson asked if there were any public comments.

Mr. John Olson stated his approval of the sale and felt it would be very beneficial to the Port and to the community. He asked the purchase price for the property. Mr. Arntzen stated the purchase price was \$5,771,310 for 152 acres.

- ❖ *Commissioner Wagner moved approval of Resolution No. 2006-23 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Southridge Village, LLC and to take all other action necessary to close this transaction. Commissioner Boomer seconded and, after discussion, the motion carried unanimously.*

- **Resolution No. 2006-24 Authorizing a Land Sale to A. Lee Celski**

Mr. Peterson stated Mr. A. Lee Celski had offered to purchase 2.12 acres located in Spaulding Business Park for \$276,903. He stated the amount equated to \$3.00 per square foot, which was consistent with appraised property values. Mr. Peterson stated Mr. Celski planned to build 15,000 square feet of Class "A" office space and recommended approval of Resolution No. 2006-24.
- ❖ *Commissioner Boomer moved approval of Resolution No. 2006-24 approving the land sale to A. Lee Celski. Commissioner Wagner seconded and the motion carried unanimously.*

- **Resolution No. 2006-25 Authorizing a Land Sale to Ashley-Bertsch Group, Inc.**

Mr. Peterson explained Ashley-Bertsch Group, Inc. had offered to purchase 1.63 acres in Spaulding Business Park for \$176,047.50, which equated to \$2.50 per square foot. Ashley-Bertsch Group, Inc. planned to build a minimum of 10,000 square feet of Class "A" office space. Mr. Peterson recommended approval of Resolution No. 2006-25.
- ❖ *Commissioner Wagner moved approval of Resolution No. 2006-25 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Ashley-Bertsch Group, Inc., and to take all other action necessary to close this transaction. Commissioner Boomer seconded and the motion carried unanimously.*

- **Resolution No. 2006-26 Authorizing a Land Sale to Robert F. & Laura S. Ogata**

Mr. Peterson explained Signs Now owners, Robert F. and Laura S. Ogata, had offered to purchase .12 acres which is equal to 5,295 square feet of Vista Field industrial property adjacent to their existing property. The purchase price was \$9,266.85 and was consistent with appraised property values. He stated Mr. and Mrs. Ogata planned to expand their business and recommended approval of Resolution No. 2006-26
- ❖ *Commissioner Boomer moved approval of Resolution No. 2006-24 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Robert F. & Laura S. Ogata. Commissioner Wagner seconded and the motion carried unanimously.*

REPORTS, COMMENTS AND DISCUSSION ITEMS

➤ **Clover Island Update**

Clover Island Drive Reconstruction Update: Mr. Peterson explained the project was nearing completion. He stated sidewalks were scheduled to be poured by week's end, weather permitting. He stated he was in the process of reviewing lighting for the island indicating the lighting may be too bright at this point and may need to be dimmed.

Port Office/Retail Building Update: Director of Operations Dan Cryer stated the Port office/retail building was nearly complete and expected to receive the Certificate of Occupancy by early next week. He stated furniture was scheduled to arrive by June 24, 2006.

➤ **Finley Industrial Site**

Columbia Irrigation District Local Improvement District Discussion: Mr. Cryer stated Columbia Irrigation District (CID) was proposing to bring gravity-fed irrigation water, on a fifty/fifty cost share basis, within the boundaries of a 266-acre local improvement district (LID) in Finley. He explained the Port owned 132 acres within the proposed LID and the cost to the Port would be approximately \$132,000. He stated CID was requesting the Port complete a questionnaire indicating preference either in favor of or against the LID proposal. He further explained the Port's parcels within LID boundaries were currently irrigated using well water and recommended the Port communicate "no interest" regarding the LID proposal.

❖ *Commissioner Boomer moved to authorize staff to communicate to Columbia Irrigation District "no interest" regarding the Local Improvement District proposal. Commissioner Wagner seconded and the motion carried unanimously.*

➤ **Meeting Reports**

- Mr. Peterson reported attending a West Richland Planning Commission meeting regarding Red Mountain Center. He also conducted a marina re-bid "walk through" with thirteen individuals representing eight general contractors.
- Mr. Arntzen spoke as President of Tri-Ports during the recent Washington State Transportation Commission meeting. He reported meeting with Bob Spink and Abby Sanchez of Benton City. He also met with Washington Public Ports Association Executive Director Pat Jones. He reported conducting a tour of the new Port office/retail building for the Historic Downtown Kennewick Partnership.
- Mr. Rice reported conducting several meetings with Port staff regarding the recently approved land sales.
- Mr. Cryer reported attending a West Richland Chamber of Commerce meeting regarding the rezoning of Red Mountain Center, met with Washington State Parks officials

regarding the Confluence project and attended the TRIDEC luncheon featuring Patty Murray.

- Director of Finance Tammy Huffman attended a performance audit meeting.
- Real Estate Analyst Teresa Hancock met with a representative from the Spokane Business Journal in Spokane and attended the Port of Benton Grand Opening for Alexandria Nicole Cellars in Prosser.
- Commissioner Boomer reported attending the “Fly In” at Vista Field Airport.
- Commissioner Wagner attended the Washington State Transportation Commission meeting, a Comprehensive Economic Development Strategy (CEDS) meeting, the TRIDEC Luncheon featuring Patty Murray, a Benton-Franklin Council of Governments Executive Board meeting and a Benton-Franklin Council of Governments Policy Advisory Committee meeting.
- Commissioner Hanson reported attending a TRIDEC Executive Board meeting and the “Fly In” at Vista Field Airport.

➤ **Non-scheduled Items**

- Mr. Arntzen distributed an email from Sandra Gladstone of Ti-Sport expressing her appreciation of, and thanking Port staff for, the newly installed HVAC system in the Port’s Development Building No. 1 at the Oak Street Industrial Park.
- Mr. Arntzen stated it was nice to see so many tenants attending the Commission meetings and welcomed their comments and suggestions.
- Mr. Arntzen thanked the Commission for approving the real estate sales stating the land sale to Southridge Village, LLC was a very important project for the Port and thanked the Commissioners for their professionalism for working through the multitude of issues regarding the land sale. He felt the project would greatly benefit the community.

PUBLIC COMMENT

- Mr. Cal Coie thanked Port staff for helping with recent Clover Island Yacht Club issues.
- Cedars Pier One Restaurant owner Dave Mitchem inquired as to the Port’s dealings with Anthony’s Restaurant to bring a restaurant to Clover Island. Mr. Arntzen stated there were no plans for Anthony’s to come to Clover Island.

EXECUTIVE SESSION

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

The Regular Commission meeting was recessed into Executive Session at 3:10 p.m. for discussion of real estate matters. Executive Session was anticipated to last approximately twenty-five minutes with no action expected.

ADJOURNMENT

The Regular meeting was reconvened at 4:09 p.m. and with no further business to bring before the Board the Regular Commission meeting was adjourned at 4:09 p.m.

APPROVED:

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

David Hanson, President

Gene Wagner, Vice-President

Linda Boomer, Secretary