

REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 27, 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
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 June 13, 2006*
- *Payment Roster dated June 27, 2006*
 - Airport Operations Fund Voucher Nos. 40416-40417 totaling \$982.16
 - Construction Fund Voucher Nos. 2047-2053 totaling \$134,854.41
 - Expense Fund Voucher Nos. 25464-25494 totaling \$7,039.94
- *Resolution No. 2006-27 Approving Renewal of Fuel Dock Lease with Connell Oil*

INTRODUCTION OF STEVE MEREDITH OF NORTH AMERICAN ALLOYS

Executive Director Tim Arntzen introduced Steve Meredith of North American Alloys, which leases warehouse space at the Port's Oak Street Industrial Park. Mr. Meredith thanked staff for inviting him to address the Commission.

He stated North American Alloys was established in 1983 in Los Angeles. He stated the company decided to relocate the warehousing operation to the Tri-Cities because it was more economical than California. Ninety-five percent of the product produced by the company is titanium with scrap material purchased from the government and companies such as Boeing. Mr. Meredith stated the biggest user of titanium was the aerospace industry. He stated the company

also provides material for items such as wheelchairs and snowmobile parts and ships \$5,000 worth of material per week from the warehouse in Kennewick.

Commissioner Hanson thanked Mr. Meredith for his presentation and wished him continued success.

NEW BUSINESS

➤ Resolution No. 2006-28 Authorizing a Land Sale to 3 Rivers Properties, LLC

Director of Planning & Development Larry Peterson explained 3 Rivers Properties, LLC had offered to purchase 1.58 acres in the Vista Field Industrial Park for \$189,268.75. This equates to \$2.75 per square foot and is consistent with recent sales activity in the area. Mr. Peterson stated the purchaser plans to build a minimum of 6,000 square feet of warehouse and office space and recommended approval of the land sale.

❖ Commissioner Wagner moved approval of Resolution No. 2006-28 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to 3 Rivers Properties, LLC and to take all other action necessary to close this transaction. Commissioner Boomer seconded and after discussion, the motion carried unanimously.

➤ Resolution No. 2006-29 Authorizing a Land Sale to Columbia River Family Care, LLC

Mr. Peterson introduced Kishore Varada of Columbia River Family Care, LLC stating that Mr. Varada had offered to purchase 3.32 acres in the Spaulding Business Park for \$335,000, which equates to \$2.50 per square foot and is consistent with appraised values. He explained the northwest corner of Spaulding Avenue and Fowler Street would be reserved for landscaping enhancements, which would benefit the entire business park. He explained Mr. Varada planned to construct four high quality medical buildings ranging from 7,500 to 9,500 square feet to be built in phases. Jobs associated with the first phase of development would include four medical providers, fifteen nursing staff, fifteen medical assistants and several technologists. It was anticipated the second phase would add another twenty to twenty-five employees. Mr. Peterson stated Mr. Varada had asked to address the Commission.

Mr. Varada thanked Mr. Arntzen and Mr. Peterson for their professionalism and guidance and thanked the Commission for the opportunity to address them regarding this potential land transaction. He stated he had been a resident of the Tri-Cities for sixteen years having relocated to the United States from India where he received a Bachelor's degree in medicine and surgery and studied internal medicine. He explained he recently finished a program through the University of Washington Medical School. He stated his goal was to develop a state of the art medical park that would benefit the Port and the entire Tri-Cities community and encouraged the Commission to approve the land sale to Columbia River Family Care, LLC.

❖ *Commissioner Boomer moved approval of Resolution No. 2006-29 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Columbia River Family Care, LLC and to take all other action necessary to close this transaction. Commissioner Wagner seconded the motion and, after discussion, the motion carried unanimously.*

➤ **Resolution No. 2006-30 Rescinding the Restrictive Covenants for the Dickerson Industrial Park**

Mr. Peterson explained the restrictive covenants for the Dickerson Industrial Park, otherwise known as the Southridge area, were established in 1996 and limited the area to industrial use, required the Port to install and maintain common pathways and landscaping and to install signage in the area. Mr. Peterson explained the Southridge area master plan had been refined and a majority of the area was now designated for commercial development making the existing covenants conflictive of the sub-area plan and zoning in the area. He stated although some portions of the existing covenants were applicable to the area, it would be less complicated to rescind the existing covenants and create new covenants that coincide with the Southridge Area Master Plan and recommended approval of the resolution rescinding the covenants.

❖ *Commissioner Boomer moved approval of Resolution No. 2006-30 rescinding the Restrictive Covenants for the Dickerson Industrial Park. Commissioner Wagner seconded and after discussion, the motion carried unanimously.*

REPORTS, COMMENTS AND DISCUSSION ITEMS

➤ **Clover Island Update**

Clover Island Marina Update: Mr. Peterson explained bids were originally due June 21, 2006 but had been extended to June 30, 2006 at 3:00 p.m. He planned to bring a recommendation to the Commission at the July 11, 2006 Commission meeting.

Port Office/Retail Building Update: Director of Operations Dan Cryer stated the certificate of occupancy had been received and the notice of substantial completion was being completed by Bernardo-Wills Architects. He explained most of the furniture was in the building and hoped to bring a resolution accepting the work to the Commission at the July 11, 2006 Commission meeting. He stated staff planned to move into the building July 6-7, 2006 and notified the Commission and the public that phone lines would be down for a portion of one of those days but staff would be available via cell phones.

➤ **Meeting Reports**

- Mr. Peterson reported meeting with Mr. Dallas Breamer, J. Lieb Foods, Inc. Business Manager, to discuss storage space. He also met with two prospective tenants interested in the Oak Street Industrial Park.
- Mr. Arntzen attended the Leadership Tri-Cities Class of XI graduation explaining Tri-Ports had sponsored one segment of the yearlong class. He also congratulated Mr. Cryer for being a graduate of this year's graduating class.
- Mr. Cryer stated he, too, met with Mr. Dallas Breamer of J. Lieb Foods, Inc. to discuss storage space.
- Director of Finance Tammy Huffman attended the Washington Public Ports Association Annual Finance Committee meeting where many topics were discussed including records management compliance and gifting of public funds.
- Commissioner Boomer reported attending the Pacific Northwest Waterways Mid-year meeting.
- Commissioner Hanson reported attending a TRIDEC board meeting.
- Commissioner Wagner reported attending a Benton-Franklin Council of Governments meeting, the Washington Public Ports Association Annual Finance Committee meeting and the Pacific Northwest Waterways Mid-year meeting.

➤ **Non-scheduled Items**

- Mr. Arntzen stated rescinding the Dickerson Industrial site covenants earlier in this meeting was not a difficult process due to how well the covenants were written back in 1996 and thanked Commissioner Boomer for her participation with the creation of those covenants.
- Mr. Arntzen informed the Commission of several compliments staff had recently received including congratulations from Ti-Sports President David Lippes on the Dickerson land sale and from Bob Hennig regarding the beautiful boardwalk on Clover Island.

PUBLIC COMMENT

- City of Kennewick Director of Corporate & Community Services Kevin Ferguson thanked the Port for assisting with the J. Lieb Foods purchase of the Welch's building. Mr. Ferguson stated it was not unusual for buildings to set empty for long periods of time. The speed with which the building was sold was noticed by many, including Washington State Governor Christine Gregoire.

EXECUTIVE SESSION♦ *Real Estate Matter: RCW 42.30.110(b)*

The Regular Commission meeting was recessed into Executive Session at 3:20 p.m. for discussion of real estate matters. Executive Session was anticipated to last approximately twenty minutes with no action expected.

ADJOURNMENT

The Regular meeting was reconvened at 3:40 p.m. and with no further business to bring before the Board the Regular Commission meeting was adjourned at 3:40 p.m.

APPROVED:

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

David Hanson, President

Gene Wagner, Vice-President

Linda Boomer, Secretary