

2007 FALL PLANNING WORKSHOP  
and  
REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 12, 2006

MEETING MINUTES

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**CALL TO ORDER**

Commissioner David Hanson called the 2007 Fall Planning Workshop and Regular Commission meeting to order at 9:00 a.m. in the Commission Chambers of the Port Office located at 350 Clover Island Drive 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  
Larry Peterson, Director of Planning and Development  
Tammy Huffman, Director of Finance/Auditor  
Ken Rice, Port Counsel  
Justin Gerry, Maintenance Supervisor  
Sherrie Bowers, Administrative Assistant

**PLEDGE OF ALLEGIANCE**

Commissioner Hanson led the Pledge of Allegiance.

**2007 FALL PLANNING WORKSHOP**

Commissioner Hanson was pleased to announce this was the first Commission meeting to be held in the new Commission Chambers.

Executive Director Tim Arntzen explained this meeting would be informal allowing for public comment throughout the planning workshop portion of this meeting. He stated there would be discussion as to which projects the Commission would like to see staff pursue in 2007 as well as 2007 budget discussions.

Mr. Arntzen stated he was very proud of the Port staff and has received many compliments regarding both the staff and the projects being completed within the Port district. Even though this was a small staff compared to other area ports, Mr. Arntzen felt the staff produced an enormous amount of work. He appreciated every staff member's hard work and dedication to the Port.

Mr. Arntzen stated he was also pleased with how the Commission had come together for the good of the Port and the Port district's taxpayers and felt it was a great time to be associated with Port of Kennewick.

He explained a negative gap between operating revenues and operating expenses had been a longstanding issue with the Port and the Commission had directed him to attempt to close that gap.

He explained ports are involved with many projects that are not designed to produce revenue such as financial participation with other government entities to improve the community. Recent project have included construction of bike paths, lowering the levees and artwork to commemorate the bicentennial of the Lewis and Clark Expedition. He stated staff desired to implement many projects in the coming year and hoped this meeting would yield guidance from the Commission as to which projects could feasibly be accomplished and which projects would need to be cut to accommodate the requested increase in financial participation in local organizations.

He turned the meeting over to Director of Planning and Development Larry Peterson who reviewed the Port's 2006 achievements including completion of the port office/retail building, boardwalk and public restroom remodel and the replacement of the pump-out station on the fueling dock. Other achievements included the largest land sale in Port history at the Dickerson site as well as the land exchange with Kennewick Public Hospital District also at the Dickerson site. Other achievements included the identification of water rights at the Oak Street Industrial Park, rescinding of unused water allocations at both the Oak Street Industrial and Spaulding Business Parks and removal of a mobile home and debris at the Oak Street Industrial Park.

He also announced all Port-owned buildings were one hundred percent (100%) occupied.

Mr. Peterson explained the Spaulding Business Park had been tenant-ready for quite some time and, although there has been much interest at the site, development had come to fruition with three land sale closings and one land sale under contract.

He explained there had also been three land sale closings at Vista Field Industrial Park and in West Richland staff had pursued grant opportunities for a wine incubator development building study as well as refined the potential land exchange at the Red Mountain Center.

Mr. Peterson stated the Vista Field Airport's slurry seal runway project was underway and the Fixed Base Operations (FBO) access had been reconfigured to include a twenty-four hour pilot's lounge and restroom access.

Mr. Peterson then reviewed work in progress, which included demolition of the existing marina in mid-October with construction of the new marina to begin later this year along with the boatyard construction and dock repair at the west end of the island. Other projects in progress on Clover Island included streetscape improvements, development opportunities for the Port's former administrative building site and bidding the addition to the fueling station. He explained the Piert Road Extension project was still in progress and the installation of a radio tower was taking place at the Hedges site.

Mr. Peterson detailed each Port-owned property and gave staff suggestions as to what may occur at each Port-owned property. Those suggestions and are as follows:

**CLOVER ISLAND**

Pursue permitting for causeway enhancements through construction grants, completion of a parking lot exchange between the Port and Clover Island Inn, boatyard construction and ramp repair and the construction of a development building on Clover Island. Other suggestions included the design and permit of improvements in the notch area of the island and the construction of an east end viewpoint.

**SPAULDING BUSINESS PARK**

Create amenities, work with City of Richland to improve Fowler Street and Georgia Street.

**WEST RICHLAND INDUSTRIAL SITE**

Complete land exchange and market the property to wine related businesses.

**VISTA FIELD AIRPORT AND INDUSTRIAL PARK**

Devise a long-term airport strategy, remodel the FBO and Vista Hangars and complete roadway design.

**OAK STREET INDUSTRIAL PARK**

Pursue demolition of residential structures.

**DICKERSON SITE**

Follow up on draft covenants and monitor and report on development progress in the area.

**FINLEY/HEDGES/TWIN TRACKS**

Create income through land sales on Lechelt road, the Piert Road Extension, irrigation strategies and marketing property to bio-fuels developers.

**PLYMOUTH**

Continue to pursue mitigation credits at the site.

Mr. Peterson stated the prospective vision for Port staff was to create and refine a ten-year plan, continue to maximize economic efforts by obtaining strategic real property, create a marketing and media awareness campaign, develop Columbia Drive strategy through the Bridge to Bridge/River to Railroad participation, examine rail lease options and participate in grant programs.

There was discussion of directional signage on Columbia Drive advertising Port and island tenants events.

Mr. Arntzen stated Clover Island Inn Manager Mark Blotz and Cedars owner Dave Mitcham have gone on record in support of a reader board-type sign. Mr. Blotz stated any sign would be an improvement but preferred a reader board sign because it could be revised as needed. Mr. Arntzen reiterated a reader board could display all Port and island tenant events and meetings as well as community events.

Mr. Peterson stated he had researched this issue at length and without a code amendment by City of Kennewick the sign cannot be replaced. He suggested discussion with Kennewick City Council. The Commission agreed.

## **PUBLIC COMMENTS**

Mr. Arntzen recapped public comments during the workshop, which included encouraging future land acquisitions, studying potential parking issues on Clover island which could include construction of a parking structure, consideration of purchasing existing buildings for sale in the district for lease to small businesses and to stay in communication with the portion of Benton City that is located in the Port of Kennewick District.

## **EXECUTIVE SESSION**

### **♦ *Real Estate Matters: RCW 42.30.110(b)***

The 2007 Fall Planning Workshop was recessed into Executive Session at 12:20 a.m. for discussion of real estate matters. Executive Session was anticipated to last approximately twenty minutes with no action to be taken.

## **RECESS**

Commissioner Hanson recessed the planning workshop at 12:45 p.m. stating the Regular Commission meeting would reconvene at 2:30 p.m. this afternoon.

## **RECONVENE MEETING**

Commissioner Hanson reconvened the meeting at 2:30 p.m.

## **CONSENT AGENDA**

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

*The consent agenda consisted of the following:*

- ***Payroll Roster dated August 31, 2006***  
Expense Fund Voucher Nos. 25683-25696 totaling \$19,232.01
- ***Payment Roster dated September 12, 2006***  
Airport Improvement Fund Voucher No. 320 totaling \$4,161.50  
Airport Operations Fund Voucher Nos. 40444-40451 totaling \$4,520.43  
Construction Fund Voucher Nos. 2081-2089 totaling \$26,630.97  
Expense Fund Voucher Nos. 25697-25737 totaling \$42,142.30

## **NEW BUSINESS**

- **Resolution 2006-39 Accepting a Retainage Bond from Advanced American Construction in Lieu of Five Percent Retainage for the Marina Replacement Project**  
Director of Finance Tammy Huffman explained accepting a retainage bond from Advanced American Construction would protect the Port and those with lien rights against claims, which is a slightly higher security than actual retainage. She explained the bond amount is five percent (5%) of the contract price and by accepting the bond, the Port would receive the entire security from the start of the project rather than have it accumulate.

Ms. Huffman recommended approval of the resolution.

- ❖ ***Commissioner Boomer moved approval of Resolution 2006-39 authorizing the Port's Executive Director to proceed with all necessary procedures required to approve the form of bond posted by the contractor in the amount of five percent (5%) of the contract price, to pay progress payments to the contractor without withholding retainage after posting the bond that is acceptable to the Executive Director and is pursuant to Resolution 2006-39. Commissioner Wagner seconded and the motion passed.***

## **REPORTS, COMMENTS AND DISCUSSION ITEMS**

- **Clover Island Update**

Outdoor Lighting: Mr. Peterson explained the lights included in the plan submitted to and approved by the City of Kennewick prior to the beginning of construction of the Port office/retail building and the Clover Island Drive reconstruction project had recently come under some scrutiny by a City of Kennewick planning commission member. That member states the lights are not in compliance with the City's lighting ordinance. The suggestion from City staff was to install a "cap" on the top portion of each lamp. After doing so, City staff would reevaluate the upward lighting issue. Mr. Peterson explained each cap would cost \$200 and since there are seventy-three (73) lights on the island, the cost of the addition of caps was estimated at \$14,600. Mr. Peterson cautioned there was no guarantee installation of the caps would eliminate the concern raised and ultimately may not be deemed acceptable by the City. He preferred to have a more specific mandate from the City to assure any modifications made would be satisfactory to the City. Mr. Arntzen recently spoke with the

Kennewick City Manager and concluded that, to date, no complaints were brought by the public regarding the new lighting. Mr. Arntzen added tenants and users of the island had expressed their appreciation of the increased lighting stating they felt more secure and had witnessed an increase in activity on the island during evening hours since the installation of the lights.

After extensive discussion, it was decided to wait to hear from City of Kennewick staff regarding the issue and to discuss the topic at a later date.

Boardwalk Access/Landscape Draft Policies: Mr. Arntzen stated the Commission had asked staff to develop enhancement polices for boardwalk access and landscaping on the island. His suggestion was to require developers to commit to a pre-negotiated plan that would include a percentage of the total price of the project. He would continue to research options and bring a specific boardwalk access and landscape policy plan to the Commission for approval.

➤ **Vista Field Airport Activity Update**

Slurry Seal Project Update: Mr. Cryer explained the runway was closed this past weekend allowing the slurry seal project to begin. He anticipated the project to be completed by Friday, September 15, 2006.

➤ **Capital Project Financing Mechanism**

Ms. Huffman proposed the Port consider establishing a line of credit with a qualified public depository. She explained a line of credit could be used for special projects or unanticipated construction needs. Other reasons for the line of credit included the one to two-year wait for the granting process from date of application to actual receipt of funding. She explained Washington State law allows ports to establish a line of credit as long as the debt capacity is available which, in the Port's case, is available.

After discussion, it was decided Ms. Huffman should begin procedures to establish a \$1 to \$5 million line of credit and submit findings to the Commission for approval.

➤ **Real Estate brokerage Commission Policies for Sales and Leases**

Mr. Arntzen stated the Port's existing resolution allowed compensation to be paid brokers and real estate agents for providing purchasers of Port-owned industrial property. He felt the policy and resolution should be revised to include all Port-owned property for sale or lease. He would also like to revise the commission scale currently in place. With the Commission's approval he stated he would like to research the possibility of revising the existing policy to include all Port-owned property as well as revising the existing compensation provision. He would like to also research the possibility of compensating brokers and real estate agents for providing ground lease tenants for the Port.

After extensive discussion, it was decided staff would submit two resolutions to the Commission for approval at a future meeting.

➤ **Agency Dues Discussion**

Mr. Arntzen distributed a spreadsheet listing the dues paid to local, state and regional organizations which totals approximately \$93,000 annually. He explained the reason for today's discussion was a result of a request from Tri-City Industrial Development Council (TRIDEC) to increase the Port's annual dues. Mr. Arntzen stated he had recently participated in a meeting with managers of the other two ports, all four cities and both counties regarding the anticipated TRIDEC dues increase. Mr. Arntzen stated the managers of the other government entities did not seem to have concerns with the increase request. As discussed during this morning's planning workshop the Port of Kennewick's limited funds cannot accommodate the requested increase without placing a financial burden on the Port and affecting future Port projects. Mr. Arntzen was not way proposing termination of the relationship with TRIDEC but reiterated the money for the anticipated increase in dues would need to be taken from other projects and/or budgeted items. He wanted the Commissioners to be aware of all the organizations the Port participates in financially to enable them to make an informed decision about future financial requests for participation. Mr. Arntzen asked for guidance from the Commission regarding this issue. The Commission agreed to review the spreadsheet and give suggestions to Mr. Arntzen in the near future.

➤ **Media Awareness Campaign**

Mr. Arntzen stated this subject was discussed during the planning workshop portion of today's meeting and reiterated he would like to devise a public awareness media campaign informing the taxpayers of the Port District of the projects the Port has produced, plan to produce and how the Port utilizes taxpayers' money. The Commission agreed a media awareness campaign was a good idea and gave authority for staff to implement the project. Updating and redesigning the Port's website would be included in the campaign.

➤ **Meeting Reports**

- Mr. Peterson reported attending a Red Mountain vision meeting and a Benton-Franklin Council of Governments Technical Advisory Committee meeting,
- Mr. Arntzen reported meeting with participants in the Bridge to Bridge/River to Railroad project, met with Benton Public Utility District representatives to discuss broadband possibilities on the west end of Clover Island. He also met with Scott Woodard of Tapteal Greenway Association and traveled to Portland, Oregon to meet with the Advanced American Construction president and construction manager for the marina replacement project. He also attended a Kennewick Hospital Foundation fundraiser.
- Mr. Cryer reported attending the Tri-State Airport Managers conference.

- Commissioner Boomer reported attending a Tri-City Regional Chamber of Commerce luncheon where the keynote speaker was Congressman Doc Hastings.
- Commissioner Wagner attended a Benton-Franklin Council of Governments Executive Committee meeting and a Benton-Franklin Council of Governments Policy Advisory Committee meeting.

➤ **Non-scheduled Items**

- Mr. Arntzen informed the Commission he planned to take vacation November 8-13, 2006.
- Mr. Arntzen stated the Port has received correspondence from a couple from out of town who recently moored at Clover Island Marina. They were extremely complimentary of Port staff and commended Marina Manager Mary Fitch for her hospitality. They looked forward to their next visit to Clover Island.

**PUBLIC COMMENT**

- Port of Benton Executive Director Scott Keller encouraged Port staff to pursue leasing cellular towers in an effort to generate income. He stated leasing land for cellular towers was a very profitable revenue package with which Port of Benton had been very successful. He stated a cellular tower was a necessary amenity in this portion of Kennewick.
- Mr. Keller complimented the Commission and staff on the nice office/retail building.
- Mr. Cal Coie stated the Clover Island Yacht Club members were very appreciative of the new lighting on Clover Island.

### **EXECUTIVE SESSION**

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

The Regular Commission meeting was recessed into Executive Session at 3:40 p.m. for discussion of real estate and potential litigation matters. Executive Session was anticipated to last approximately thirty minutes with no action expected.

### **ADJOURNMENT**

The Regular meeting was reconvened at 4:20 p.m. and with no further business to bring before the Board the Regular Commission meeting was adjourned at 4:22 p.m.

***APPROVED:***

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

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*David Hanson, President*

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*Gene Wagner, Vice-President*

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*Linda Boomer, Secretary*