



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 8, 2011 MINUTES

CALL TO ORDER

Commission President Skip Novakovich called the Commission meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

Board Members: Skip Novakovich, President
David Hanson, Vice-President
Gene Wagner, Secretary

Staff Members: Tim Arntzen, Executive Director
Tana Bader Inglima, Director of Governmental Relations & Marketing
Larry Peterson, Director of Planning & Development
Tammy Fine, Director of Finance/Auditor
Teresa Hancock, Real Estate Analyst & Project Specialist
Michael Boehnke, Maintenance Supervisor
Bridgette Scott, Secretary/Special Projects
Steve M. Lowe, Acting Port Counsel

PLEDGE OF ALLEGIANCE

Carol Moser led the Pledge of Allegiance.

PUBLIC COMMENTS

Mark Blotz, Clover Island Inn, gave an update on 2011 summer events. The Untapped Blues will be held May 14, 2011, May 28th will be the 7th Annual Jimmy Buffet tribute party, and 12 weeks of Thunder on the Island will begin the following Wednesday night with motorcycles, hotrods, and music. It is a family friendly event.

No further public comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

- A. Approval of Direct Deposits and Warrant Registers Dated January 14, 2011**
Direct Deposit totaling \$47,431.15 and Expense Fund Voucher Numbers 31495 through 31497 totaling \$3,570.50; for a grand total of \$51,001.65.
- B. Approval of Warrant Registers Dated January 27, 2011**
Expense Fund Voucher Numbers 31502 through 31545 totaling \$74,629.17.
Construction Fund Voucher Numbers 3138 through 3141 totaling \$76,585.34.
- C. Approval of Direct Deposits and Warrant Registers Dated January 31, 2011**
Direct Deposit totaling \$22,213.69 and Expense Fund Voucher Numbers 31498 through 31501 totaling \$8,618.74; for a grand total of \$30,832.43.
- D. Approval of Direct Deposits and Warrant Registers Dated February 1, 2011**
Direct Deposit in the amount of \$188.65.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 8, 2011

E. Approval of Warrant Registers Dated February 9, 2011

Expense Fund Voucher Numbers 31546 through 31593 totaling \$69,045.78.

Construction Fund Voucher Numbers 3142 through 3146 totaling \$116,305.35.

F. Approval of Commission Meeting Minutes Dated January 11, 2011

G. Approval of Economic Development Corporation Meeting Minutes Dated January 11, 2011

MOTION: *Commissioner Wagner moved approval of the consent agenda; Commissioner Hanson seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

PRESENTATIONS

A. Lighthouse Award, Greg Jellison and John Fetterolf of HDJ Design Group

Mr. Fetterolf stated HDJ was in charge of the construction of the Gateway and Lighthouse projects. Kramer-Gehlen & Associates, a sub-consultant and member of the American Council of Engineering Companies of Oregon (ACEC), entered the project in the ACEC Civil Projects competition. The project was awarded an Honor Award for Clover Island Shoreline Improvements. Mr. Fetterolf presented the award to the Commission.

B. 2010 Toy Drive Participation Award, Frank Feder and Shannon Arntzen of New Northwest Broadcasters

Mr. Feder, General Manager of New Northwest Broadcasters, stated the inaugural Eagle 106.5 Toy Drive was successful! Mr. Feder thanked the Commission for allowing the use of a Vista Field hangar to store the toys. Three semi trucks were full of toys for needy children in the area. Mr. Feder presented an award to the Commission to show their gratitude.

C. Washington Transportation Plan 2030, Representative Carol Moser

Ms. Moser is a member of the Washington State Transportation Commission and recently presented the Washington Transportation Plan 2030 (WTP 2030) to the Senate and the House. The plan is comprehensive and balanced statewide and reflects the multi-faceted needs of Washington's transportation system. The plan is updated every four years and guides investment and transportation decisions. The Plan was organized by three committees, representing 19 organizations. Over 700 people participated in developing or commenting on the WTP 2030.

The state faces the challenge of adequately preserving the transportation system. By conservative estimates, at least \$175 billion is required to meet statewide needs over the next 20 years. The debt service is increasing and gas tax revenues will not provide sufficient funds for construction projects and debt service payments. By 2019, \$.42 of each dollar will be used for debt service.

The top priority must be to maintain the capacity of the existing transportation system. A stable funding mechanism is essential to continued mobility and economic health. Washington is a freight dependent state; about 46% of all jobs are related to the movement of freight. Mobility is critical to economic vitality. Because it is difficult to enact new taxes at the state and local levels, it will be necessary to add new ways to pay for the system, such



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 8, 2011

as tolling and user fees. Each time a layer of complexity is added in the way to fund a project – it costs money. Tolling is very expensive. Ms. Moser stated the cheapest and most efficient way to collect revenue is to increase the gas tax.

The Commission also feels ensuring environmental sustainability and performance outcome measures are important. The citizens should be told what they are getting for their money.

The WTP 2030 plan was organized by the following goals: Economic Vitality, Preservation, Safety, Mobility, Environment and Stewardship. Different implementation strategies will be used for the east and west side of the state.

Implementation will require the involvement of state agencies, local governments, the Governor, and the Legislature.

A copy of the WTP 2030 plan may be downloaded at www.wstc.wa.gov/WTP/default.htm

Mr. Don Clayhold stated that tolling is not new to citizens. He feels it is an efficient way to fund projects. Ms. Moser commented photo-tolling for the Tacoma Narrows Bridge has been reinstated. A camera takes a picture of the vehicle license plate and mails the bill to the registered owner. The bill must be paid within 80 days before it becomes a violation.

D. Draft 2011 Vista Field Master Plan, Spencer Montgomery of J-U-B Engineers, Inc.

Mr. Novakovich stated the Vista Field Advisory Board (VFAB) is comprised of a diverse group of people, including the City of Kennewick, Tri-City Development Council, Tri-Cities Visitor & Convention Bureau, and the Kennewick Public Facilities District. The VFAB developed and agreed on a plan for Vista Field Airport.

Mr. Montgomery stated the Port Commission decided 11 months ago today to keep Vista Field open as an airport. A brand new Master Plan has been developed, including the desires and vision of the VFAB and input from the Commission. The draft Master Plan is available on the Port's website for public review and comment and will be adopted at the February 22, 2011 meeting.

Mr. Montgomery briefly reviewed Chapters 1 – 6. Two levels of design standards have been identified:

1. Basic, for all hangars
2. Enhanced, for those with public access or street frontage.

A Design Review Committee consisting of an architect and representatives from the Port of Kennewick and the City of Kennewick can make exceptions.

The Washington State Department of Transportation (WSDOT) requires the Airport Layout Plan, Airspace Plan, Inner Approach Plan, Land Use Plan and Property Plans are included in the Master Plan. These documents are located in Chapter 9.

The Capital Improvement Program (CIP) and financial plan identifies a number of funding sources. WSDOT aviation provides grants to airports and focuses on airports that do not



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 8, 2011

qualify for federal funds. WSDOT grants can be used for pavement, safety projects, maintenance and operations and planning. WSDOT stated they cannot support extra runway width. Vista Field is 150' wide, which is far wider than it needs to be for the size of aircraft. WSDOT can only take care of that portion of runway which meets their guidelines for the relative size of airport. WSDOT is preparing a State Capital Improvement Program to provide predictability for local airport CIP's.

The Federal Aviation Administration (FAA) informed the Port recently, "At this time, based on the information available, there is not a compelling Federal interest in Vista Field as a part of the national system." The VFAB did not recommend investigating more information to send to the FAA.

An interim action plan was prepared after the March 2010 meeting, listing the expectation that private sector will provide up to \$10 million of improvements in and around Vista Field, including off-site improvements for medical labs and other business that rely on the airport. The interim action plan also identifies Port's obligations to apply for WSDOT grants, contribute \$50,000 annually for operation of the airport and invest no less than \$1 million, no more than \$1.5 million in capital improvements over 10 years. The interim action plan also addresses revenues and expenditures for the airport.

The Financial Plan discusses the revenue received on the t-hangars, ways to increase revenues and decrease operating costs, a rate study for hangars, and land leases vs. property sales.

The VFAB suggested other funding options such as voter approved tax increases, HAEIFC grant opportunities, Industrial Development District (IDD) and sponsorships be investigated. The VFAB recommends including the CIP in a marketing plan. They would also like a model created of what Vista Field would look like in the future to create interest and partnerships.

Mr. Montgomery reviewed airport layout plan. The VFAB decided a new FBO would be the catalyst project at the airport. They feel new hangars should be built before the old hangars are removed.

The CIP plan suggests the Port invest \$582,900 over the first five years on 40 projects; \$1.56 million total over 10 years, and long term plans increase the total investment to \$2,245,996. The VFAB suggested private development would be responsible for the FBO design fees.

Mr. Hanson stated the Port made a commitment to host the Air Race Classic in 2013 and suggested tie-downs be moved up on the project list to accommodate the planes. Mr. Novakovich stated this issue was brought up at the VFAB meeting and agrees the Port has a commitment to make this a beneficial event for the community. Mr. Arntzen believes the tie-down issue can be addressed internally with Ms. Leggett.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 8, 2011

Mr. Brent Gerry suggested the private sector may be willing to sponsor tie-downs for the Air Race Classic as a goodwill gesture. Mr. Montgomery stated a temporary tie-down area was used in the past. Ms. Leggett commented one row in the temporary area is still there, the second row is gone. Ms. Leggett will work with Port staff to ensure the airport is ready for the Air Race Classic.

Mr. Novakovich suggested two Request For Proposals (RFPs):

1. Offer land to a private developer to build a FBO building, and possibly partner with the City of Kennewick for infrastructure for the building, and turn it over to the private developer with a negotiated period of time for ownership of the building.
2. Offer the entire airport, as is, to someone who would operate it. They could keep the revenues, up to an agreeable amount. They would handle maintenance issues, collect the rent, and maintain the airport to our standards.

Mr. Hanson agrees with RFP #1 and recommends talking with local people first to see if there is any interest. Mr. Wagner agrees with both RFP's and would like to see if there is any interest in either option first.

Mr. Arntzen feels the Port should make the time to investigate these RFP's. This might be an opportunity to engage the private sector and leverage private sector resources. When Ben Tuttle was at the airport, it was a very well run facility. Mr. Arntzen believes there could be 3 or 4 interested parties. The RFP process would determine who would be most proficient. A short term contract on a trial basis could be utilized. The revenue producing structures, i.e.: old FBO building, two commercial hangars, and the Vista hangars, would be a source of revenue for the private sector. They would spray weeds, plow the snow, monitor fuel sales, make sure FBO building open, running and staffed in return. Mr. Arntzen feels this might save the public some money and provide better services.

Mr. Arntzen feels both RFP's should be explored, because it could provide better quality services at a lesser cost to the tax payer. The Board is in consensus to pursue both RFP's.

Mr. Arntzen would like a rate study for the airport. The study could help determine how to increase revenues and contain expenditures.

Mr. Arntzen stated the CIP indicated the Port will pay \$165,000 for infrastructure for t-hangars. Mr. Arntzen suggested the Port front this expense and ask for reimbursement from the people who are ground leasing and received the benefit of the infrastructure, similar to a late comers agreement. Mr. Arntzen suggests staff review and prioritize the CIP plan to identify possible optional items, rather than the whole project fail due to lack of funding.

Mr. Arntzen attended the recent VFAB meeting and was impressed with their ability to come together and reprioritize the numbers, giving staff a more manageable number in the first five years of the plan. He feels the CIP presents a workable scenario and reflects realism.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 8, 2011

Mr. Novakovich complimented JUB Engineers for bringing the plan together. Mr. Montgomery will incorporate staff and WSDOT comments into the Master Plan. The public may submit comments on the Master Plan through February 22, 2011 when the Master Plan will be brought back to Commission to consider for adoption.

E. Wine Symposium

Commissioners Novakovich and Wagner shared photos from the Wine Symposium trip in January. The wine industry is changing continually and Washington is being closely watched by the industry.

Recess: 3:34 p.m.

Reconvened: 3:41 p.m.

REPORTS COMMENTS AND DISCUSSION ITEMS

A. 2011 Commission Organization Representation

Mr. Arntzen presented his suggestions for balancing the distribution of committees and commitments. He replaced Commissioner Wagner with Commissioner Hanson on the TCVCB and TRIDEC Board meetings. Mr. Hanson does not object to the change; however, if he is in Olympia, he will not be able to attend the meetings.

Mr. Novakovich stated he has to work every day and has other commitments also. He feels it is important to attend meetings on behalf of the Port and makes arrangements to cover his other duties.

Mr. Wagner feels the adjustment of committees is necessary to even the load between the Commissioners and feels it is important for the Commissioners to attend the meetings.

MOTION: Commissioner Wagner moved approval of the Commission Organization Representation chart as presented today; Commissioner Novakovich seconded. With no further discussion motion carried unanimously. All in favor 3:0.

B. RCO Update Boating Facilities Grant

Ms. Bader Inglima reported recently the Port passed a resolution approving the submittal of an application to the Recreation and Conservation Office (RCO) for the Clover Island recreational boating restroom and parking lot development project. Ms. Bader Inglima discovered the Port's Comp Plan has to be on file with the RCO and updated every 6 years, and they must have it three months before the application presentation. She will wait for the next round to seek application for boating facilities grant funding.

C. Draft Commission Protocol

Mr. Arntzen stated Steve DiJulio of Foster Pepper has guided staff through the protocol and he would like to bring the document to the Commission at the next meeting.

Mr. Novakovich stated when he became a Commissioner he wanted to know if a formal



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 8, 2011

procedures and protocol document existed. He feels this is an excellent document and believe the public will be impressed. This document takes the transparency of the Commission to a higher level and uses RCW compliance. The document addresses commissioner code of conduct, complaint and comprehensive disclosure, conflicts of interest, attendance at meetings, relationships between commissioners, staff and the port attorney.

The draft document will be posted on the website by Friday, February 11, 2011 for public review and comment.

D. *Clover Island Update*

1. Clover Island Inn Update. Mr. Peterson presented a couple renderings of what the hotel could look like, which was created by Chris Herath. The rendering has four pitched roofs which hide the mechanical equipment. It would be a non-structural, exterior update. Mr. Peterson commented many of the yacht club members are updating their boat houses to enhance the area. Block grant dollars may be available for the façade. Mr. Novakovich suggests staff meet with the owners of Clover Island Inn to see if they are interested in updating the hotel.

A small cruise ship used the dock by Clover Island Inn for the cruises last year and discovered access is not ADA compliant. The Port, Clover Island Inn and the cruise ship propose to share the cost to build a small retaining wall and ADA ramp. The project is estimated to be \$35K project split between three partners. The project may use the Small Works Roster bid process. Mr. Olja Djuranovich of Clover Island Inn stated the Portland Spirit is excited about this opportunity and has a long term commitment to come to our area. Mr. Djuranovich commented he and the Portland Spirit will be happy if the project is completed by October.

The Board gave consensus to pursue the project, limiting the Port's expense to \$20,000.

2. West Causeway Improvements. Mr. Peterson presented before and during pictures for the project. Ms. Bader Inglima is working with State Department of Fish and Wildlife to create educational plaques for the walkway as required by the State RCO grant. The viewing platform is being constructed. The deadline for the in-water work to be complete is February 28, 2011; the overall project will be complete by April 2, 2011. The tentative dedication date is May 12, 2011.
3. Milfoil Update. Mr. Boehnke has submitted a noxious weed permit application to the Department of Agriculture for review. The Port should be able to start the bidding process in March. We are on schedule to have the water treated in the spring before the milfoil starts growing.

Mr. Cal Coie believes the treatment will help control the milfoil. Mr. Boehnke stated the Port of Benton used the application process at Crow Butte. The milfoil was gone a week after the treatment. The initial application will be the strongest and most intense.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 8, 2011

A partial application will be applied in 2012, then it will be two or three years before an application is needed.

4. Ice Harbor Marina. The Port was notified the handicapped parking blocks posed a potential tripping hazard at night. Mr. Boehnke installed white reflector lights on the parking blocks to eliminate the potential hazard.

E. *Bruneau Rail Repair*

Twin City Metals reported in mid-January that the rail switch at Elm Street was not working. Mr. Boehnke utilized the Coyote Ridge Work Crew and was able to repair the switch without hiring a company. A previous emergency repair at Bruneau cost \$5,000 and a small works repair cost \$42,000. This is a great example of resourcefulness and cost savings.

F. *Vista Field*

Proposed Methods of Counting Operations. Mr. Arntzen stated the WSDOT has a device the Port could borrow to count the operations at the airport. Another possibility is to hire someone to watch the airport and count operations. Mr. Novakovich commented the VFAB would like accurate operation numbers for the airport.

Mr. Don Clayhold cautioned the Port against elevating the importance of the count when grading the airport. The airport is important to the community, industry, business and the entertainment district. He hopes the count is balanced with the importance of the other activities.

Mr. Montgomery stated the activity decreased at the airport due to the FBO operator leaving and the uncertainty of the airport. He suggested getting a base count and checking again before the next update to the Master Plan to monitor the growth rate.

Mr. Arntzen has heard extreme high and low numbers and would like to verify the actual number of operations at the airport. He feels it is important to know what is happening at the airport. As the Executive Director, he is expected to know how all facilities are operating. He stated the marina's occupancy rate is an indicator of the marina's success. It is important to have accurate numbers for every facility so that adjustments can be made if necessary.

Ms. Fine believes it would be beneficial to have the operation count and economic impact numbers for grant applications. Mr. Montgomery stated WSDOT will be updating their economic impact study this year.

Mr. Arntzen commented he would like to use the Capital Improvement Plan in the new Master Plan for grant applications. Due to the loss of the airport manager, the Board gave consensus to contract with JUB to complete grant applications on behalf of the Port.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 8, 2011

G. Executive Director Vacation Request

Mr. Arntzen requested to miss his first Commission Meeting in the last 8 ½ years. The Board gave approval and will proceed with a meeting on March 8, 2011.

H. Non-Scheduled Items

1. KID Letter requests the Port's support for a zoning text change to allow gas stations. The change does not impact the Spaulding Business Park. Mr. Peterson suggests supporting the KID. Mr. Arntzen will send letter under his signature.
2. Eagle perch on Clover Island. People are coming to the island to see the enhancements. We can add a perch in a future project.

PUBLIC COMMENTS

No public comments were made.

Mr. Novakovich recessed the meeting at 5:03 p.m. for approximately 5 minutes.

Ms. Fine asked the public if they would return for the results of the Executive Session. The public (Cal Coie and Spencer Montgomery) will not return.

Reconvened into Executive Session: 5:06 p.m.

EXECUTIVE SESSION

Real Estate Matter: RCW 42.30.110(c)

Mr. Novakovich called for an Executive Session at 5:06 p.m. to last approximately 20 minutes, with possible action expected.

Executive Session adjourned at 5:15 p.m. with no action taken: The regular meeting reconvened at 5:15 p.m.

ADJOURNMENT


With no further business to bring before the Board; the meeting was adjourned at 5:16 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


David Hanson, Vice President


Gene Wagner, Secretary