



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MAY 24, 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
Tammy Fine, Director of Finance/Auditor
Bridgette Scott, Secretary/Special Projects
Lucinda J. Luke, Port Attorney

PLEDGE OF ALLEGIANCE

Barb Carter led the Pledge of Allegiance.

PUBLIC COMMENTS

Mr. Novakovich requested anyone wishing to address the Commission speak from the podium and state their name and address for the record.

No public comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

- A. *Approval of Direct Deposits and Warrant Registers Dated May 13, 2011*
Direct Deposit totaling \$18,862.37 and Expense Fund Voucher Numbers 31897 through 31899 totaling \$3,458.35; for a grand total of \$22,320.72.
- B. *Approval of Warrant Registers Dated May 25, 2011*
Expense Fund Voucher Numbers 31900 through 31945 totaling \$45,777.86. Construction Fund Voucher Numbers 3175 through 3177 totaling \$2,786.10.

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

Mr. Arntzen requested the addition of an Executive Session for a Real Estate Matter to take approximately 20 minutes with no action. The Commission gave consensus to add the Executive Session to the agenda.

Mr. Arntzen stated Steve Lowe accepted a job from the Governor and is not able to represent the Port. Mr. Arntzen introduced Lucinda Luke. Ms. Luke has worked with the Port in the past and Mr. Arntzen asked her to work with the Port on a trial basis for four months.



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Ms. Luke looks forward to working with the Port. She has been an attorney in Richland since 1997 and is the managing partner at Cowan Moore Stan Luke & Peterson. Her practice involves representing municipal entities, employment matters and civil work.

REPORTS COMMENTS AND DISCUSSION ITEMS

A. *Vista Field*

1. Vista Field Design Review Committee; Resolution 2011-14

Mr. Arntzen stated the aircraft hangar design standards are embedded in the 2011 Vista Field Master Plan. The Design Review Committee will make mild variances to the design guidelines and consists of Commissioner Gene Wagner and City Councilman Don Britain. Mr. Wagner and Mr. Britain selected an architect from the Professional Services Roster to be the third member of the committee. Brian Johnson of CKJT Architects of Kennewick agreed to be the third member, and William Brandon of Design West, also of Kennewick, will be the alternate. The committee will meet as needed and if necessary, will provide recommendations to the Executive Director. Mr. Arntzen requested approval of the resolution confirming the appointment of members to the Design Review Committee.

MOTION: *Commissioner Wagner moved approval of Resolution 2011-14; authorizing the Design Review Committee; Commissioner Hanson seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

2. FBO Operator RFP (Jackson Aviation)

Mr. Arntzen stated the Commission appointed a Review Committee to review airport regulations and the Request for Proposals (RFP) for a Fixed Based Operator (FBO). Mr. Arntzen received information that the current operator, Jackson Aviation, would like to be considered for the FBO without going through the RFP process. Mr. Arntzen sent a letter to Mr. Jackson indicating the Commission has assembled a committee and that one of the tasks is reviewing the RFP document. Mr. Arntzen's letter indicated he would mention Mr. Jackson's request and see if it is still the Commission's intent to pursue the RFP. Since the letter was mailed, Mr. Jackson has indicated he may be winding down services at the airport; however, nothing has been received in writing. Mr. Arntzen was hoping Mr. Jackson would attend the meeting but he is not in attendance. The Commission agrees it would be best to continue with the RFP process. The draft FBO RFP document has been given to CB Richard Ellis for review of the Return of Investment (ROI). CB Richard Ellis requested 30 days to review the document. Mr. Hanson has provided his comments on the RFP to Mr. Arntzen.

Ms. Marjy Leggett stated the committee has met several times and has reviewed the rules for hangars, rules for airport and started reviewing the FBO RFP. The committee plans to meet again on Friday, April 28, 2011. There is a lot of redundancy between the documents and they are working to combine them.



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B. *West Richland*

1. Joint Ad Hoc Committee; Resolution 2011-15

Mr. Arntzen stated the Port and the City of West Richland conducted a joint public meeting on May 9, 2011. The elected officials believe the formation of an ad hoc committee will be beneficial as they can work collaboratively to identify, evaluate and implement partnership objectives in a timely and effective manner. Mr. Arntzen stated the committee will meet and report to their individual elected boards. The joint resolution will be sent to West Richland for approval on June 7, 2011.

MOTION: *Commissioner Hanson moved approval of Resolution 2011-15; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

C. *Commissioner Meetings (formal and informal meetings with groups or individuals)*

Mr. Wagner attended the dedication of the shoreline and the WPPA Spring Conference.

Mr. Hanson attended the dedication of the shoreline and the WPPA Spring Conference. Mr. Hanson spoke with John Dobson recently. Mr. Dobson stated the Northwest Aviation and Trade Conference is held every February and suggested the Port attend to pursue business opportunities. Mr. Hanson mentioned the director of the Wenatchee airport is currently looking for an FBO RFP. Mr. Arntzen spoke with him and will exchange RFP information with him. Mr. Arntzen will also request their Profit and Loss Statement for comparison purposes.

Mr. Novakovich met with the Port of Skagit regarding their Brand Initiative and with Tim Lewis, the primary FBO Operator. The maintenance shop is 18,000 square feet and the office is 6,000 square feet, and 21 people are employed. The Port of Skagit has three FBO Operators. Mr. Novakovich spoke at the Republican Mainstream meeting; met with Mary Forbes, Assistant Director for Washington Veteran's Affairs; met with Marjy Leggett & Don Clayhold; attended the WSU graduation to see Augie Gonzales graduate; met with Columbia Basin College regarding Veterans Affairs; and attended the WPPA Spring Conference and Shoreline dedication.

D. *Non-Scheduled Items*

1. Ms. Fine met with Bill McKay of American West Bank regarding the Ports \$3 million line of credit (LOC). The LOC is due January 2012. One option is to pay it in full now or in January. The second option is to term out the loan over 8-9 years with a tax-exempt, low interest rate, using property as collateral. The third option is a combination of the above. The main reason the Port kept the LOC is because it is tax-exempt and the Port could use the funds for other return on investment projects. Ms. Fine feels it makes sense to term it out if the Port will have another good return on investment project that will beat the interest rate. Right now the interest rate is about 2%. Ms. Fine stated ports normally do not have tax exempt status because they normally complete revenue generating projects for economic development. The current LOC was used for the marina. Mr. Arntzen suggests he and Ms. Fine meet with American West Bank and will present various options to the Commission. Mr. Novakovich stated there may be some lucrative return on investment projects and the Port could utilize the LOC.
2. West Shoreline Causeway. A few of the new pine trees caused concern for several Yacht Club members. Those pine trees will be removed and relocated further up the levee and will



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- be replaced with deciduous trees. Port staff, the Department of Fish and Wildlife and the Yacht Club are in agreement on the deciduous trees. The change to the landscape will cost \$3,000 to move the trees, move the irrigation system and plant the new trees.
3. Mr. Larry Peterson and Ms. Teresa Hancock are at the International Council of Shopping Centers (ICSC) conference. The conference gives staff an opportunity to meet with developers, attend classes, and look for prospects. The City of Kennewick and the Port are jointly operating a booth at the conference and working as a unit to bring leads back to the community.
 4. Washington Public Ports Association (WPPA) Spring Conference. The conference is 2 ½ days of classes. Mr. Arntzen attended a roundtable discussion relating to the State Tourism Commission. The Governor disbanded the Commission in an effort to balance the budget. Mr. Arntzen feels this is an unfortunate decision as tourism is the 4th largest contributor to the economy. The Port of Seattle has appointed one of their employees to be in charge of a defacto tourism committee. She has been working with ports and cities to form a small committee. So far the City and Port of Port Townsend have joined, as well as the Red Lion hotels and possibly Alaska Airlines. The objective is to create a group that is a 501(3)(c) non-profit group, completely separate from the State, to create an entity to work nationally and internationally to bring tourists to Washington. Once they arrive in Washington, the local convention bureaus and other agencies can rally for the tourists. Mr. Arntzen feels tourism is very important to Washington. One of the promising examples is the State of California. They went through this scenario a couple years ago and were able to successfully put together a group that is completely separate from the state. This may be an opportunity for Washington to be in the tourism market and have a better model than when they were funded by state. Mr. Arntzen requests the Commission consider participating with this group, either financially and/or by attending the meetings. Ports by statute can promote tourism enhancement. Mr. Novakovich feels a financial contribution would be money well spent and believes it would be beneficial to the east side of the state if we could have a seat at the table. Mr. Hanson suggested working with Kris Watkins at the Tri-Cities Visitor and Convention Bureau (TCVCB). Mr. Wagner agrees our Port should be involved in the new committee. Mr. Arntzen will work with Ms. Fine on a funding number and will update the Commission.

PUBLIC COMMENTS

Don Clayhold, 3100 S. Everett Place, Kennewick. With respect to the tourism matter, does the Port know what their involvement in this might be? Does the Port of Kennewick contribute to the TCVCB, and if yes, would this be a doubling of the effort? Mr. Arntzen replied the Port contributes \$5,000 annually to TCVCB and makes an additional contribution sponsoring a conference room at the TCVCB in conjunction with the Ports of Pasco and Benton. Mr. Arntzen feels the Port may want to contribute to both. Mr. Novakovich commented the new committee is state-wide to replace the Washington State Tourism Committee to bring tourism to Washington State. The TCVCB brings tourists to the Tri-Cities. Mr. Arntzen believes Kris Watkins will want to know the Port's financial commitment to TCVCB is stable.

Mike White, 1118 W. 22nd Avenue, Kennewick; a pilot and proponent of Vista Field airport. Mr. White mentioned he flew to LaGrande to visit the FBO and they had three courtesy vehicles. Mr. White mentioned it is common to have small airports team together to participate at the Northwest Aviation Conference. He suggested it may be an option to team up with another airport.



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Brent Gerry, City of West Richland, 3801 Van Geisen. Mr. Gerry stated Kris Watkins came to a West Richland Council meeting recently. Ms. Watkins said the bureaucracy that comes with the State government of tourism is a lot money spent and that does not get anywhere. She spoke highly of the independent groups that concentrate on getting the job done. She also said the east side needs a seat on the new committee to represent the Quad-Cities. She said the committee can be more productive than a state agency. Mr. Gerry feels a joint letter representing Eastern Washington should be sent to the new committee requesting a seat on the committee.

No further public comments were made.

Mr. Novakovich anticipates the Executive Session to last approximately 20 minutes, with no action expected. Mr. Novakovich asked the public to notify staff if they will return for the results of the Executive Session. The public will not return.

Mr. Novakovich recessed the meeting at 2:48 p.m. for approximately 5 minutes.

Mr. Novakovich reconvened the meeting into Executive Session at 2:57 p.m.

EXECUTIVE SESSION

Real Estate, per RCW 42.30.110(1)(i)

Executive Session adjourned at 3:17 p.m. with no action taken. The regular meeting reconvened at 3:17 p.m.

ADJOURNMENT


With no further business to bring before the Board; the meeting was adjourned at 3:17 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


David Hanson, Vice President


Gene Wagner, Secretary

PORT OF KENNEWICK

Resolution No. 2011-14

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING THE VISTA FIELD DESIGN REVIEW COMMITTEE

WHEREAS, the 2011 Vista Field Master Plan (Master Plan) suggests the establishment of a Design Review Committee (DRC); and

WHEREAS, the DRC will advise the Port's Executive Director on the airport hanger design standards established in the Master Plan; and

WHEREAS, it is in the best interest of the Port to hereby formally establish the DRC;

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approve the Resolution establishing the Vista Field Design Review Committee on the terms set forth below:

Section 1. Members. The following members are hereby appointed to, and shall comprise the Vista Field Design Review Committee (DRC):

Gene Wagner, Port Commissioner

Don Britain, Kennewick City Councilman

Brian Johnson, Architect, CKJT Architects, Kennewick, WA

Section 2. Terms. Terms shall commence upon adoption of this Resolution and shall continue until the committee is rescinded by official Port action.

Section 3. Responsibilities. The Executive Director may, as is necessary in his professional judgment, refer matters related to airport hangar design to the DRC. It is anticipated that routine matters will be addressed and implemented by Port staff, and only non-routine matters or disputed matters will be forwarded to the DRC. The committee is authorized to discuss matters referred to it by the Executive Director, and to render a non-binding written opinion to the Executive Director for his guidance.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 24th day of May, 2011.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

By:


SKIP NOVAKOVICH, President

By:


DAVID HANSON, Vice President

By:


GENE WAGNER, Secretary

PORT OF KENNEWICK RESOLUTION NO. 2011-15

CITY OF WEST RICHLAND RESOLUTION NO. 14-11

**A JOINT RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK (Port) AND OF
THE CITY COUNCIL OF THE CITY OF WEST RICHLAND (City)
AUTHORIZING ECONOMIC DEVELOPMENT EFFORTS AND
ESTABLISHING A JOINT DEVELOPMENT COMMITTEE**

WHEREAS, the Port and the City have a long-standing partnering relationship resulting in numerous projects which have enhanced the economic vitality of our region; and

WHEREAS, on May 9, 2011 the Port and the City conducted a joint public meeting to discuss economic development efforts; and

WHEREAS, at the joint public meeting, the elected officials of each jurisdiction pledged to work collaboratively in order to identify, evaluate and implement partnership objectives in a timely and effective manner; and

WHEREAS, collaboration will best serve public interest through leveraging the unique resources of each jurisdiction; and

WHEREAS, one method of collaboration would be the formation of ad hoc committees to provide guidance and recommendations to each jurisdiction related to partnership objectives; and

WHEREAS, both jurisdictions view this as a priority partnership opportunity and appropriate to be addressed through formation of the initial ad hoc committee;

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port and the City Council hereby jointly approve this Resolution establishing the West Richland Economic Development Committee (WREDC) on the terms set forth below:

Section 1. WREDC Members. The following members are hereby appointed to, and shall comprise the WREDC:

Donna Noski, City Mayor
Brent Gerry, City Councilmember
Ruth Swain, City Economic Development Director
Skip Novakovich, Port Commissioner
Tim Arntzen, Port Executive Director
Larry Peterson, Port Director of Planning and Development

PORT OF KENNEWICK RESOLUTION NO. 2011-15
CITY OF WEST RICHLAND RESOLUTION NO. 14-11

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Section 2. Terms. Terms shall commence upon adoption of this Joint Resolution and shall expire on the first anniversary hereof, unless extended by each jurisdiction for any reasonable duration in order to complete unfinished business.

Section 3. Responsibilities. The WREDC is authorized to discuss collaborative development strategies and efforts.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 24th day of May, 2011.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**


SKIP NOVAKOVICH, President



DAVID HANSON, Vice President


GENE WAGNER, Secretary

**PASSED BY THE CITY COUNCIL OF THE CITY OF WEST RICHLAND,
WASHINGTON, this 7th day of June, 2011.**

Attest:


DONNA NOSKI, Mayor


Julie Richardson, City Clerk

Approved as to Form:


City Attorney