



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 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
Bridgette Scott, Secretary/Special Projects
Lucinda J. Luke, Port Attorney

PLEDGE OF ALLEGIANCE

Commissioner Hanson 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.

Mark Blotz, 5727 W. Victoria, Kennewick. Mr. Blotz, on behalf of the ownership of the Clover Island Inn, expressed his appreciation for the improvements made on the island and commented they have created momentum on the island. They understand the Port is responsible to many jurisdictions and would like to see the momentum continue with additional improvements to the island. He indicated many more people are walking and biking on the island and hundreds of people come to the summer events and help spur business.

Aaron Johnson, 611 Carner Court East, Richland. Mr. Johnson would like to address the "Card Rooms on Clover Island" agenda item. Mr. Johnson is the consultant to the group that is currently negotiating the purchase of the riverboat in Tacoma. The group began pursuing this issue last summer after the Port completed the feasibility study for infrastructure and permitting. They will be speaking with the Puyallup, Yakima and Umatilla tribes. One of the options they were approached with is the concept of a smaller card room; not a full-blown casino, but a smaller high-end card room in the lower section of the boat with limited access. The current plan indicates the access to the card room would be on the second deck and would not be easily accessed by the public. They are interested in pursuing the card room to offset the feasibility and transportation costs associated with transporting the boat to the island. The group is not asking the Port to construct all of the docks, walk-ways and parking, etc.; the ownership group would assume those costs. To offset these costs, the group needs to look at all potential revenue streams. The group does not want a resolution passed that would prohibit card rooms, as it would remove this possible



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

revenue stream. After studies are completed, the group will have public hearings to present possible ideas for the boat and accept public input. Mr. Johnson urged the Commission to wait for the public's opinion before making a decision on prohibiting card rooms. The group has already been approached by five different restaurant groups, three of which are national. Mr. Johnson hopes the boat will spur further economic development, including Columbia Drive. He pointed out the Port currently has available retail space on the island and feels it has not been leased out because there is not enough on the island to draw people to the island. The boat would spur potential tenants to occupy space on the island and the boat.

No further public comments were made.

CONSENT AGENDA

Mr. Novakovich commented Consent Agenda items are a number of items taken collectively in one motion to be approved or disapproved. He further stated the Commission has the option to remove items from the Consent Agenda. He would like to remove Item H and add it to the Regular Business Agenda as a separate item because on April 12, 2011, he disclosed that Esprit, the company he and his wife owns, has a contract with PS Media to produce the Port's newsletter. Esprit does not get paid directly from the Port; they get paid from PS Media. Item H is the payment to PS Media and in the interest of any kind of perception that there could be a conflict, he would like to recuse himself from any action on this item.

MOTION: *Commissioner Novakovich motioned to remove Item H and consider it separately; Commissioner Hanson seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

The consent agenda consisted of the following:

- A. ***Approval of Direct Deposits and Warrant Registers Dated May 31, 2011***
Direct Deposit totaling \$28,758.95 and Expense Fund Voucher Numbers 31946 through 31949 totaling \$8,633.03; for a grand total of \$37,391.98.
- B. ***Approval of Warrant Registers Dated June 1, 2011***
Construction Fund Voucher Number 3178 in the amount of \$83,370.83.
- C. ***Approval of Direct Deposits and Warrant Registers Dated June 15, 2011***
Direct Deposit totaling \$23,869.95 and Expense Fund Voucher Numbers 31950 through 31952 totaling \$3,458.35; for a grand total of \$27,328.30.
- D. ***Approval of Warrant Registers Dated June 15, 2011***
Expense Fund Voucher Numbers 31953 through 31987 and 31989 through 32015 totaling \$93,466.80. Construction Fund Voucher Numbers 3179 through 3186 totaling \$231,078.16.
- E. ***Approval of Special Joint Meeting with West Richland Minutes Dated May 9, 2011***
- F. ***Approval of Commission Meeting Minutes Dated May 10, 2011***
- G. ***Approval of Commission Meeting Minutes Dated May 24, 2011***
- H. ***Approval of Warrant Register Dated June 15, 2011***
Expense Fund Voucher Number 31988 in the amount of \$6,338.07.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

MOTION: *Commissioner Wagner moved approval of the consent agenda items A-G, with Item H to be approved separately; Commissioner Hanson seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

MOTION: *Commissioner Wagner moved approval of Item H on the consent agenda for payment to PS Media; Commissioner Hanson seconded. Commissioner Novakovich recused himself from the vote. With no further discussion motion carried 2:0. Ayes: Commissioner Wagner and Commissioner Hanson.*

PRESENTATION

A. Underwater Robot, Franklin County Deputy Terry Brown

Mr. Arntzen introduced Deputy Brown. Deputy Brown demonstrated the use of the underwater robot to Mr. Arntzen in April. Mr. Arntzen feels the robot is a great opportunity and, if supported by the Commission, anticipates some level of financial support by the Port. The robot would be beneficial to the community and could also be used to monitor the docks in the marina, etc.

Deputy Brown works with the Franklin County Sheriff's Office with marine patrol. He began working on the Search and Rescue robot (SARbot) project approximately one year ago after a drowning at Scooteney Reservoir. It took about four days to recover the victim from the reservoir. Deputy Brown began investigating other options to make rescue efforts more effective. Seabotix, a San Diego based company, brought the SARbot to Franklin County to demonstrate its capabilities. The Scooteney Reservoir drowning accident was simulated, and the SARbot located the mannequin body in three minutes and recovered it within seven minutes. Deputy Brown stated studies have shown in a cold water drowning environment, that emergency crews have up to 90 minutes to successfully recover and resuscitate a victim.

Search and Rescue (SAR) is raising funds to purchase the SARbot because SAR does not have a budget. The State of Washington requires sheriff offices to provide search and rescue. Franklin County has contracted with Columbia Basin Dive Rescue (CBDR). Deputy Brown stated \$85,000 is needed to purchase the bare minimum equipment; but the goal is set at \$100,000, to include a GPS tracking system. They have raised \$45,000 to-date, mostly consisting of private funds. He projects to be \$10,000 short of the goal. Deputy Brown stated the equipment's primary purpose is emergency response for the entire Tri-City area, not just Franklin County. When CBDR is called, the SARbot would be called as well. The goal is to work as team with Benton County and CBDR, to be more effective when responding to emergency situations and to make each call a rescue instead of a recovery. To help raise funds, a dunk tank will be set up to Dunk-A-Cop on July 1, 2011 at the Dust Devils Game and on July 2, 2011 at the Grand Old 4th Car Show at TRAC.

If the Port were to contribute, the SARbot could be used to examine structures in the water: the marina, piers, pilings, etc. Mr. Novakovich complimented Deputy Brown on his fundraising efforts. Mr. Arntzen stated RCW's authorize ports to do economic



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

development activities and to enhance quality of life. Mr. Arntzen feels with all of the activity on the water that there will be a need for the equipment. Deputy Brown stated there have been three incidents this year already.

Mr. Hanson suggested the Port could contribute through an interlocal agreement as a joint venture, and use the equipment for inspections. Mr. Arntzen stated a specified number of hours could be agreed upon to examine the marina or the next project in the harbor. Ms. Luke will research to ensure the Port is able to contribute.

The Board feels the equipment will be beneficial and agrees to contribute \$5,000 upon positive research results by Ms. Luke.

NEW BUSINESS

A. Card Rooms on Clover Island; Resolution 2011-16

Mr. Arntzen suggested the Commission provide another opportunity for Mr. Johnson to make comments during the presentation because he represents the developer. Mr. Arntzen stated he had spoken with Mr. Johnson previously and mentioned the card room may not be supported by the Commission. In the past, the Port Commission did not want to see a card room on Clover Island. Mr. Arntzen reminded the Commission that Mr. Johnson requested the item be postponed to conduct further investigation.

Mr. Novakovich is in favor of passing the resolution prohibiting card rooms. He has worked on riverfront development and Bridge to Bridge projects since 2002. Numerous public meetings have been held and a request for a card room was never presented. In fact the indications he received from thousands of people who attended those meetings, including school children, do not want card rooms.

Mr. Wagner believes a card room would create more vehicle traffic on the island and insufficient parking. He also feels a card room is not an operation he would like to see on the island as the Port is creating a family-type atmosphere on the island.

Mr. Hanson does not see any reason to change the previous decision made by the Commission and feels things are better on the island currently. He is not inclined to approve a card room.

MOTION: *Commissioner Hanson moved approval of Resolution 2011-16; prohibiting card rooms on Clover Island and/or its water resources; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

B. PCLI Land Sale; Resolution 2011-17

Pacific Cataract & Laser Institute (PCLI) offered to purchase 3.50 acres, located on Rio Grande Avenue abutting the Vista Field Airport, for \$472,517.50. The purchase price is generally consistent with sales activity in the area.

The total purchase price includes consideration of the value of a through-the-fence



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

agreement and usage of an aircraft apron for a period of 20 years. Additionally the land sale would require improvements to the site to be funded with a portion of the sale proceeds. The Purchaser has committed to construct a 20,000 square foot medical office which would house up to 80 employees with medical jobs having wage rates above the Tri-City average.

Mr. Novakovich stated this is an exciting opportunity and one of the biggest things to happen at Vista Field in a number of years.

Dirk Stricker, 2010 W. Clearwater Avenue, Kennewick. Mr. Stricker represents Richard Parker from PCLI. PCLI has been on Grandridge in a 12,000 square foot office facility. Mr. Stricker stated PCLI will expand the business to 20,000 square feet and have been a part of the community for 18 years, helping thousands of people with cataracts. It is a first class operation with top-notch doctors. They use a jet to transport their doctors between seventeen locations. This will be the largest facility and will create 40 jobs. The total project cost is estimated at \$5 million.

Mr. Hanson asked about the possibility of the PCLI maintenance facilities moving to Vista Field. Mr. Peterson replied there is enough space in the site plan to allow a future hangar to be constructed on the property. Mr. Peterson has encouraged them to move the maintenance and hangars from Chehalis as it is in a flood plain.

MOTION: *Commissioner Hanson moved approval of Resolution 2011-17 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Pacific Cataract & Laser Institute and to take all other action necessary to close this transaction; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

C. Vista Field Industrial Park II Land Sale, Resolution 2011-18

Mr. Peterson stated Vista Field Industrial Park II (Thomas M. O'Brien/George Dress) has offered to purchase 5.27 acres in the Vista Field Industrial Park for \$492,500. The purchase proposal also includes accepting a current Port responsibility for improvements of an access easement adjacent to Paradise Bottle Water. The cost to improve this access easement is estimated to be \$40,000. The prices are generally consistent with recent sales activity in the area.

The Purchaser has constructed over 120,000 square feet of warehouse space in the immediate vicinity in the last four years on property sold by the Port. Purchaser has committed to construct 20,000 square feet of office/warehouse space on this site with ultimate building out being 75,000 - 80,000 square feet.

Mr. Peterson feels this is a wise move for the Port in terms of avoiding costs in infrastructure and preserving more land for sale. This could result in the development of over 200,000 square feet of space in the Vista Field area.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

Mr. O'Brian began working with the Port three and a half years ago and feels it worked out very nicely. They have one client who needs more room, and rather than let their client move away, they will build a 20,000 - 40,000 square foot space.

MOTION: *Commissioner Wagner moved approval of Resolution 2011-18 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Vista Field Industrial Park II and to take all other action necessary to close this transaction; Commissioner Hanson seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

OLD BUSINESS

- A. Submission of a Single, Combined Application for a Benton Franklin Council of Governments, Comprehensive Economic Development Strategy (CEDS) Grant; Resolution 2011-19

Ms. Bader Inglima stated at a previous meeting, two applications were submitted, one for renovation of improvements to the existing Oak Street Development building (former Ti-Sports occupancy) and one for construction of a new development building in the West Richland Wine Estates Park on Keene Road.

In May, with the approval of Commission, Port staff submitted these projects as two separate grant requests to the Benton Franklin Council of Governments (BFCOG) to be listed in the annual report of the Comprehensive Economic Development Strategy (CEDS) for 2011. Rather than choosing between the two projects, the CEDS Board recommended the Port combine them into one single request as the "Port of Kennewick Development Building Construction and Renovation" project. This will increase the grant amount. The Economic Development Administration (EDA) is looking at funding fewer, but larger capital projects, as opposed to multiple little projects. They have limited staff resources available and have found that it is easier to manage a few large projects instead of multiple small projects. This is a new, combined application with matching funds approved in the Capital Budget; there is no additional impact to Port's budget.

The BFCOG CEDS list describes and prioritizes local and regional projects and having a project listed as a CEDS priority is a key step in seeking funding from federal or state sources. Staff would use this listing to seek funding from the EDA or other state and federal sources.

Mr. Novakovich commented Ms. Bader Inglima and Mr. Peterson did an excellent job on the presentation. The CEDS board suggested merging the projects, changing the name of the application, and submitting it as one project. After the presentations were complete, the CEDS board ranked this project as one of the top four projects.

MOTION: *Commissioner Hanson moved approval of Resolution 2011-19; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.*



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

REPORTS COMMENTS AND DISCUSSION ITEMS

A. *Clover Island Update*

1. Tri-Cities Visitor & Convention Bureau Facebook Posting

Ms. Bader Inglima stated a media release was sent out after the previous Commission meeting regarding the Washington Aggregates and Concrete Association creating a brand new award category for the Port's project. The release was picked up by the Tri-Cities Visitor and Convention Bureau (TCVCB) and posted on their Facebook page. TCVCB had over 30 people "like it" and many positive comments were posted.

B. *Vista Field*

1. Airport Rules and RFP for FBO Operator Update

Mr. Arntzen stated the review committee submitted a draft copy of the rules to Mr. Arntzen. Because Vista Field is a little more political, Mr. Arntzen will present some of the issues to the Commission for guidance. The following are the results:

- A. Animals are permissible inside the fence if they are on a leash or in a crate while being transported.
- B. Airport users will purchase fuel from the Port's fuel island if it is a fuel the Port provides.
- C. The fee structure should be comparative to similar non-FAA funded airports, but modified to assist Vista Field to operate in the black.

Mr. Novakovich feels the Commission should set policy and that Port staff should handle the day-to-day operations and decisions. He commented more time is spent on Vista Field issues than on any other Port property – including the marina.

Mr. Arntzen stated it could save a lot of time if he does not have to go over everything relating to Vista Field. He feels Vista Field has received a lot more attention than it deserves and that the Commission very seldom hears about issues at the marina because staff handles the day-to-day operations. He is concerned that every time he, as the Executive Director, makes a decision that is not popular with the users that an appeal process to the Commissioners will begin.

Mr. Novakovich stated if a decision is justifiable and it is the best interest for the majority of the constituents, then he feels the Commission should support that decision.

Mr. Wagner commented if the Port could almost break even operating the airport, he would be satisfied. But a constant month after month loss, he cannot support it. If the airport was full with airplanes and tenants, and income was coming in, it would be beneficial. When someone needs work done on an airplane, they have to go somewhere else as there is not sufficient business to support a FBO at Vista Field. He commented, in the opinion of the pilots, the FBO only handles airplane related issues, not airport maintenance. He campaigned for making the airport closer to self-sustaining.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

Mr. Arntzen stated the Port is proposing to pay an FBO operator to occupy the Port's FBO building. When Tuttle Aviation occupied the building, they paid the Port to be there. Unfortunately they were disenchanted with whether or not the airport would remain open and moved away from the area.

The Port is now trying to determine what tasks the FBO operator could be responsible for that will help Port staff spend less time at the airport. If the FBO operator is very good – they will help with a lot of tasks. The RFP states the FBO will handle all activities related to the airport. In turn, the Port will turn over revenues from the hangars, fuel flowage fee, provide free rent and let them collect rent on the balance of the building. Mr. Arntzen estimates this is about \$70,000 in revenue for operating the airport. He suggested sending out an all encompassing FBO RFP for 45 days to see if any responses are received. Mr. Novakovich agrees with this scenario; he would like to see the airport stay open and feels it is a community asset. He feels the Port has to find a way to make it economically viable for the Port and the community.

Mr. Wagner stated the review committee has been working on the documents for a month and have met with some airport tenants. The tenants laughed when they saw all the duties that would be assigned to the FBO. They believe the only thing the FBO will do is sit in the office and run day-to-day activities; they will not fix runway lights, weeding, snow plowing, etc. They feel the FBO is only there to draw planes and people to the airport. Marjy Leggett feels it would be difficult to attract an FBO willing to handle all the activities, but it would not hurt to advertise.

Mr. Arntzen believes giving up the potential \$70,000 revenue will save the Port more than \$70,000 in associated expenses. If someone will agree and provide the services, there will be several winners. The pilots may receive enhanced services, the FBO may create two to three jobs, and the Port could save up to \$125,000.

Mr. Hanson asked if the proposal indicates who will take care of the asphalt. Mr. Arntzen stated the Port would handle all major capital items and also provide match funds for grants. Mr. Hanson would like to keep control of the use for the corporate hangars.

Marjy Leggett suggested installing a carousel device in the corporate hangars. The carousel holds 6 airplanes (in a 60' x 60' building) and could generate \$1,300 per month in revenue.

Mr. Arntzen stated the Port could have leased the corporate hangars for non-aviation use; however, staff recommended holding the buildings for aviation use only – and the Commission agreed. He does not have time to research alternatives for the buildings.

Mr. Novakovich agrees the Commission could place restrictions on the type of uses for the corporate hangars.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

Mr. Wagner agrees with the idea for the FBO RFP to perform all duties and activities. Mr. Arntzen stated the preferred response is for all activities to be done by the FBO, and if not, define what they are willing to do. He believes 3-5 vastly different proposals will be received. If the Port allows the activities to be cherry picked, the FBO will choose the activities that will make them money and leave the activities that do not make money to the Port.

Mr. Hanson feels the Port will always have to subsidize the airport; we just need to keep it to a minimum. Mr. Arntzen hopes the Commission will look at ways to bring long-term viability to the airport, possibly through airport authorities or 501(3)(c) agencies. Mr. Arntzen stated the Commission did make a commitment to the public to keep the airport open, but the struggle is how this accomplished when a commitment was also made to close the operating gap. Mr. Arntzen feels if the pilots want to roll up their sleeves and be a part of the long-term viability of the airport; that is where the ultimate solution lies. Mr. Arntzen stated every two years the airport issue returns and he would like to find a way to de-politicize the situation.

The Board is in consensus with including all airport activities in the advertising for the FBO RFP.

2. Ed Frost Email

Mr. Arntzen received an email from Ed Frost. Mr. Frost indicated it is his understanding that Port staff is developing a financial analysis of the Vista Field area revenues and expenses, capital costs, indirect costs, staffing costs, and private sector investment resulting in job development. He agrees with this approach. Mr. Frost recollects during the airport discussions, promises and predictions of the private sector investment were made, and he would like the private investments tracked. If it is an endeavor that is funded by the taxpayers at large, he would like to see the Port conduct a detailed revenue statement regarding the airport.

Mr. Arntzen commented a study was conducted in the past; however, it did not include indirect costs. Port staff will conduct the study and present the figures when they are prepared. Mr. Wagner and Mr. Novakovich agree an analysis should be prepared.

3. Part-Time Airport Manager

Mr. Arntzen stated he would like to strike a balance between meeting all of the demands for the airport while utilizing Port staff effectively and efficiently. Mr. Arntzen hoped to accomplish this by contracting with a part-time airport manager. The manager would be a direct interface with the users. Mr. Arntzen stated he received a request to have a staff member at the airport 6:30 a.m. on a Sunday to issue a courtesy car. The Port cannot do this; the Port cannot have employees working weekends anymore. Mr. Arntzen proposes finding a contracted, part-time, non-benefited, manager for the airport. Every time the community requests additional services at Vista Field, it brings the airport further into the red. The cost will ultimately be borne by the taxpayers. The operating gap may not ever be closed, but the Port cannot keep adding services while instructing



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

the Executive Director to close the operating gap. Mr. Novakovich reiterated staff is trying to meet the demands of the airport users while the Commission is demanding the operating gap be closed. Mr. Novakovich stated staff is trying to do what it can to make Vista Field viable and to provide services to the users. Mr. Arntzen commented Ms. Fine put together a packet illustrating the services the Port has been providing.

To compare, the Port receives more requests from 20-30 airport users than they do from 150 marina tenants. The Port does not offer a courtesy car for marina users, but they do for the airport. The Port needs to increase revenues, cut services, or be prepared to subsidize the airport forever. Mr. Arntzen has been an advocate for Vista Field and feels this is a paradox. He hopes users of Vista Field realize the more services are supplied at the airport, the more it will cost and the operating gap may never be closed. Mr. Arntzen feels the public will become aware how much it costs to run Vista Field and does not think the public will approve a \$100,000 annual subsidy. Mr. Arntzen proposed generating revenues at the airport, but users do not want to pay landing fees or increase fuel charges.

Mr. Novakovich feels staff should continue what they are doing by finding ways to minimize the expense while maximizing the benefits. He feels Vista Field is an asset, and needs to remain open, but it cannot cost the tax payers forever.

4. Commission/Staff Decision-Making Delegation

The Commission is in consensus to authorize the Executive Director to operate the airport like all other Port properties. Mr. Arntzen has an open-door policy for the public or tenants to answer questions or discuss issues of concern.

5. Issuance of Access Cards

Mr. Arntzen stated 2/3's of the cards issued at the airport are not valid. Mr. Arntzen supports Ms. Hancock in deactivating the cards and only issuing cards to tenants and people with legitimate business at the airport.

Mr. Novakovich stated if people other than tenants or people conducting legitimate business are at the airport, it presents liability issues for the Port. He suggested a visitor card could be issued for legitimate reasons. Mr. Arntzen will handle this issue under the new direction to operate the airport like all other Port properties.

6. Vista Field Fee Schedule Study

This item was discussed previously during the meeting.

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

Mr. Wagner met with Marjy Leggett and Ian Smellie regarding airport issues.

Mr. Hanson had breakfast with Don Clayhold, Carl Cadwell, Marjy Leggett and Gary Long; attended the Tri-City Visitor and Convention Bureau meeting; and attended the Tri-Cities Washington Economic Development Council (TRIDEC) Executive Board meeting regarding the reallocation of dues.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

Mr. Novakovich met with a representative from J-U-B Engineers to review the services received on the Vista Field Master Plan. He reported that Spencer Montgomery was wonderful to work with and was happy with the process. Mr. Novakovich attended the CEDS meeting regarding grant applications and the West Richland City Council meeting to speak on the Joint Resolution forming the joint economic development committee. The Council was very appreciative to have a Port representative attend the meeting.

D. Non-Scheduled Items

1. Mr. Novakovich requested Port staff prepare Agenda Reports without their recommendation. He feels the public's perception is that staff tells the Commission what to do. Mr. Novakovich would like Board to be proactive in making decisions. Mr. Novakovich requested staff investigate the process used by other agencies. Mr. Arntzen stated staff will provide both sides of the issue without making a recommendation. Mr. Arntzen feels the public wants to see the Board discuss the issue. Mr. Hanson stated two separate motions could be prepared. Mr. Arntzen stated it is the responsibility of staff to pass information to the Commission and that the Commission may ask staff questions during the meeting. In addition, the Commission may individually contact the Executive Director for clarification.
2. Ms. Bader Inglima stated there were three Tri-City companies were award recipients at the 2nd Annual Washington Manufacturers Awards. Two of the three companies are Port tenants and utilize incubator facilities: Electronics System Technology and Bruker Elemental, both located in Kennewick. They join another Port tenant, Ag Engineering & Development Company, who won an award last year. The Port is proud of their success!
3. Mr. Arntzen received an email from Carl Adrian of TRIDEC expressing his appreciation for the Port working with J. Lieb Foods, Inc. on their expansion.
4. Marie Mosley, Kennewick City Manager, emailed Mr. Arntzen and Kris Watkins of TCVCB requesting information to be permanently displayed in the new "Kennewick" ferry.
5. The Port's tenant, Ice Harbor Brewery Co., won national gold medals at the recent 2011 North American Beer Awards. The Lighthouse Lager beat out Anheuser-Busch's Michelob.
6. A brochure for the Waterfront Conference in New York was presented to the Commission.
7. Mr. Arntzen stated the Port has made inquiries to the Federal Aviation Administration (FAA) regarding how Vista Field can qualify to receive FAA grants. The informal response received indicates Vista Field is within 30 miles of two other FAA funded airports; therefore, it is not eligible to become a FAA airport and receive grant funding. Port staff feels the FAA could not get rid of the Port fast enough. FAA funded airports receive \$0.95 for every \$1.00 spent on capital improvements by the FAA and FAA funding would have positive implications on the Vista Field Master Plan. Mr. Arntzen received a call from the local FAA office requesting the Port write a letter saying the Port is no longer requesting FAA funding. Mr. Arntzen refused to write the letter and requested the FAA send the Port a letter indicating the Port has requested FAA Funding on numerous occasions, and is hereby denied. The local FAA office will not write the letter. The Board does not want Mr. Arntzen to write the letter. On a side note, the Port hired a federal lobbyist in Washington, D.C., and he has not had any luck with obtaining FAA funding sources as well.
8. Development Partners. The Port has less funds and the same number of development partners. Mr. Arntzen feels there will be a competition for the Port's funds and believes the Commission will have to determine an internal ranking system.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

9. Ms. Luke is working on getting files transferred and getting up to speed.
10. Mr. Peterson stated George Dress requested to use the Verizon property for short term storage due to the fire in the store last week. In addition to leasing the building, Mr. Dress will provide locksmith services.

PUBLIC COMMENTS

Mike White, 1118 W. 22nd Avenue, Kennewick; a pilot and proponent of Vista Field airport. Mr. White noticed the sign on the door at Vista Field that addresses the availability of a rental car has a stipulation of a 48 hour notice. He feels this is totally unacceptable if someone flies into the airport hoping to find an available vehicle. Mr. White commented that most general aviation airports have an "airport dog." He is not saying Vista Field should have a dog, but thought the Port should be aware of the concept. He commented there is a large lack of knowledge on the Port's behalf about how airports are run. If the Port wants the airport to be successful, it is necessary to have a FBO. He feels a *full* time manager is needed that is aware of airport issues. He understands the Port would like to make money on fuel, but feels there are exceptions to the rule. For example, MedStar in Richland buys jet fuel directly from Connell Oil for two reasons: it is cheaper and they use more jet fuel than anyone else at the airport. Mr. White inquired about the status of Jackson and if the Port's agreement allows them to be non-present? Mr. White stated the card room agenda item was not clear about its intent. Mr. Novakovich suggests Mr. White talk with staff about any concerns.

Kathy White, 1118 W. 22nd Avenue, Kennewick. Ms. White serves on a board with a large budget and 1,500 employees. She would not consider anything without a recommendation from staff. They are valuable people with education; she feels it is the staff's duty to offer their opinion. She feels staff should provide pros and cons and should be a voice that is heard.

Spencer Montgomery, 6114 W. 20th, Kennewick. Mr. Montgomery suggested in the interest of transparency, the Port may include the agenda packet information on the internet as well. It might be helpful to many people. Mr. Montgomery stated one of the reasons he likes coming to Port meetings is to say the Pledge of Allegiance. Today is Flag Day and in the 1940's or 50's, the phrase "Under God" was added to the Pledge.

No further public comments were made.

Mr. Novakovich anticipates the Executive Session to last approximately 25 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 4:11 p.m. for approximately 5 minutes.

Mr. Novakovich reconvened the meeting into Executive Session at 4:21 p.m.

EXECUTIVE SESSION

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

Executive Session adjourned at 4:46 p.m. with no action taken. The regular meeting reconvened at 4:46 p.m.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 14, 2011 MINUTES

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:46 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


David Hanson, Vice President


Gene Wagner, Secretary

PORT OF KENNEWICK

Resolution No. 2011-16

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK RELATED TO CARD ROOMS ON
CLOVER ISLAND AND/OR ITS WATER RESOURCES**

WHEREAS, the Port has received a request from a private developer to locate a card room on Clover Island and/or its water resources; and

WHEREAS, the proposal would be for a commercial/retail establishment, with a card room occupying no more than 1/3 of the square footage of the overall facility; and

WHEREAS, the commercial/retail operations are consistent with the uses called out in the Clover Island Master Plan and other related document, however, the card room proposal may not be consistent with said documents; and

WHEREAS, whether or not to permit a card room on the island and/or its water resources is subject to the discretion of the commission; and

WHEREAS, the Port Commission has considered the matter fully.

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby adopts this Resolution, determining that it is in the best interest of the public to prohibit card rooms on Clover Island and/or its water resources, and further and instructs the Executive Director to take all action necessary to enforce the Resolution.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 14th day of June, 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. 2011-17

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH PACIFIC CATARACT & LASER INSTITUTE

WHEREAS, Pacific Cataract & Laser Institute, Inc. P.C. (Purchaser), has offered to purchase 3.50 acres for the area graphically depicted on *Exhibit "A-1"* adjacent the Port's Vista Field Airport Kennewick, Washington, from the Port of Kennewick (Seller) for the of sum of \$472,517.50; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the Port's best interest; and

WHEREAS, the Port Commission finds that said property is surplus to the Port's needs and the proposed sale is consistent with all previous Port policies, including its comprehensive scheme of development;

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approve Resolution 2011-17 authorizing the Port's Executive Director to execute a Purchase and Sale Agreement with Pacific Cataract & Laser Institute, Inc. P.C. in the sum of \$472,517.50 and hereby authorizes the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port's needs and the proposed sale and option as referenced above are consistent with all previous Port policies, including its Comprehensive Scheme of Development.

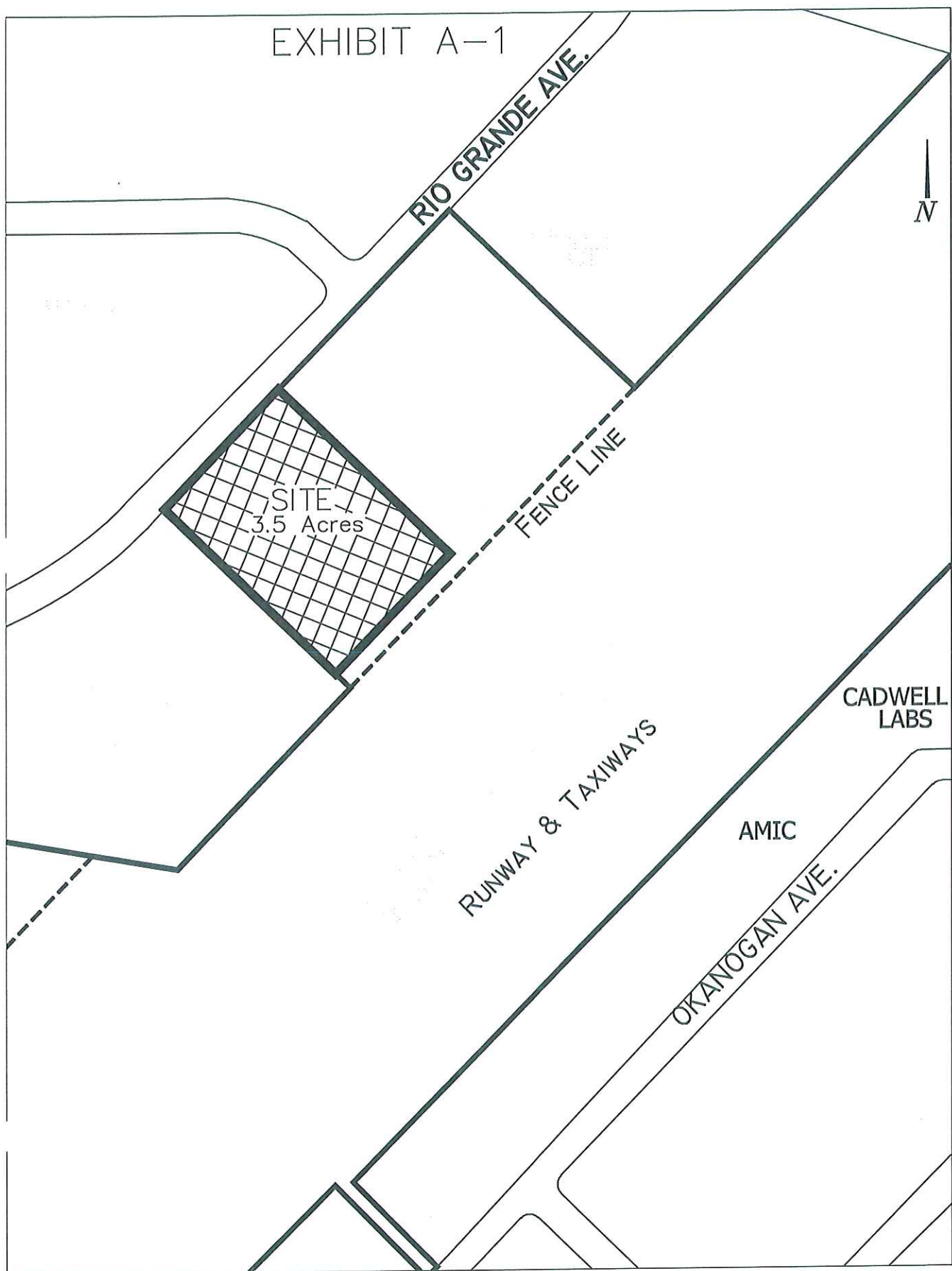
ADOPTED by the Board of Commissioners of the Port of Kennewick on the 14th day of June, 2011.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

By: 
SKIP NOYAKOVICH, *President*

By: 
DAVID HANSON, *Vice President*

By: 
GENE WAGNER, *Secretary*



PORT OF KENNEWICK

Resolution No. 2011-18

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH VISTA FIELD INDUSTRIAL PARK II, LLC

WHEREAS, Vista Field Industrial Park II, LLC (Purchaser), has offered to purchase 5.27 acres for the area graphically depicted on *Exhibit "A-1"* at the Port's Vista Field Industrial Park Kennewick, Washington from the Port of Kennewick (Seller) for the sum of \$492,500.00; and

WHEREAS, Port staff and the port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the port's best interest; and

WHEREAS, the Port Commission finds that said property is surplus to the Port's needs and the proposed sale is consistent with all previous Port policies, including its comprehensive scheme of development;

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approve Resolution 2011-18 authorizing the Port's Executive Director to execute a Purchase and Sale Agreement with Vista Field Industrial Park II, LLC in the sum of \$492,500.00 and hereby authorize the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port's needs and the proposed sale and option as referenced above are consistent with all previous Port policies, including its comprehensive scheme of development.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 14th day of June, 2011.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

By:


SKIP NOVAKOVICH, *President*

By:


DAVID HANSON, *Vice President*

By:


GENE WAGNER, *Secretary*

EXHIBIT A-1

Beverage Co.

JOHN DAY AVE.



Consolidated
Supply

SITE
5.27 Acres

Paradise
Water

Jesse's
Landscaping

Vista Field
Industrial Park II

DESCHUTES AVE.

Access
Easement

OKANOGAN

McKINLEY ST.

QUAY ST.

7th St.

PORT OF KENNEWICK

RESOLUTION No. 2011-19

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING APPLICATION TO THE BENTON FRANKLIN COUNCIL OF GOVERNMENTS (BFCOG) FOR A PROJECT TO BE LISTED IN THE ANNUAL REPORT OF THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) FOR 2011, AND TO SEEK FUNDING FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) AND/OR OTHER FEDERAL OR STATE SOURCES

WHEREAS, the Benton Franklin Economic Development District is in the process of preparing the Annual Report of Comprehensive Economic Development Strategy (CEDS) for 2011; which includes a section listing, describing and prioritizing local and regional projects seeking funding from the U.S. Economic Development Administration (EDA); and

WHEREAS, CEDS priority projects may also be considered for funding from other federal or state sources and the U.S. Department of Agriculture (USDA) requires a review of project proposals for their agency; and

WHEREAS, the Port's 2011 Work Plan already calls for construction of a development building and for improvements to the existing Oak Street Development building (former Ti-Sports occupancy); and

WHEREAS, the Annual Report of the Comprehensive Economic Development Strategy for 2011 is a critical step in prioritizing projects for potential future funding; and

WHEREAS, submission of the grant application requires Commission approval by resolution, and the CEDS process requires a formal document indicating commitment of the matching funds.

NOW, THEREFORE; BE IT RESOLVED that the Port of Kennewick Board of Commissioners hereby authorizes Port staff to submit a single "Port Development Building Construction and Renovation" project profile for Comprehensive Economic Development Strategy (CEDS) 2011 listing; including a 50% match of \$539,000 to construct a new development building in West Richland and to make improvements to the Port's existing Oak Street Development Building in Kennewick; and to authorize port staff to pursue federal/state funding sources as available.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 14th day of June, 2011.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

By: 
SKIP NOVAKOVICH, *President*

By: 
DAVID HANSON, *Vice President*

By: 
GENE WAGNER, *Secretary*