



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

AUGUST 9, 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  
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 at the front of the room and state their name and address for the record.

Mark Blotz spoke on behalf of the management of Clover Island Inn, 5727 Victoria Street, Kennewick. Mr. Blotz stated the management supports the Cedars parking lot project and the additional lighting on east end of the island. Clover Island Inn plans to make additional improvements to the parking lot. Mr. Blotz estimates 7,500 people came to the island this summer.

No further public comments were made.

## CONSENT AGENDA

The consent agenda consisted of the following:

- A. *Approval of Direct Deposit and Warrants Dated July 29, 2011*  
Direct Deposit totaling \$23,445.00 and Expense Fund Voucher Numbers 32156 through 32159 totaling \$10,398.46; for a grand total of \$33,843.46.
- B. *Approval of Warrant Registers Dated August 10, 2011*  
Expense Fund Voucher Numbers 32160 through 32200 totaling \$107,681.98. Construction Fund Voucher Number 3194 through 3198 totaling \$12,371.87.
- C. *Approval of Commission Meeting Minutes Dated July 14 26, 2011*
- D. *Payment of \$8,216.33 to K&L Gates PLLC*
- E. *Payment of \$2,459.05 to K&L Gates/Heiskell MacGillivray & Associates*



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## F. *Approval of Resolution 2011-28 supporting House Bill 2124 and Senate Bill 5964*

**MOTION:** *Commissioner Hanson moved approval of the consent agenda, with the correction that the July 14, 2011 minutes are actually for July 26, 2011; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

## PRESENTATIONS

### A. *DNR Site Assessment Inventory Analysis, Ferdouse Oneza*

Ms. Ferdouse Oneza researched and investigated the DNR Site Assessment over the last few months. The objectives of the study were to identify development potential of the site, identify the City's goals, assess the Port's involvement feasibility and assess feasible long and short term strategies.

Ms. Oneza's examination revealed the location has existing infrastructure and the view from the property could be an opportunity. The City would like to use the property for wineries and similar uses.

Ms. Oneza's investigation revealed the Department of Natural Resources (DNR) does not currently wish to sell the land; A&B Asphalt plans to expand their operations; and the cost to develop the steep slope would not be cost efficient.

Ms. Oneza made the following recommendations:

1. The Port should not pursue a land exchange with DNR.
  - a. The proposed land exchange is less likely to be supported by DNR.
  - b. The Port's current budget is a limiting factor.
  - c. The Port's investment criteria for revenue generation is a limiting factor.
  - d. Multiple agency involvement is not beneficial for the City.
2. The City to partner directly with DNR and create partnerships with private entities.
3. The Port support the City in other capacities (such as further planning efforts, specific development jointly with the City in the future, etc).
4. The City create a detailed master plan for the site.
5. Identification of investment and financing options by the City.
6. When appropriate, the City should phase the development based on practical return on investments.

Ms. Oneza has provided this information to the City as well and they are willing to partner on potential future projects.

Mr. Arntzen will draft a letter to Mayor Carnahan summarizing the presentation and indicate that the Port is going through the annual planning process where staff can make recommendations as to the types of activities that might be prudent to consider with Benton City.

## NEW BUSINESS





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**A. *Policies and Procedures for Public Use of Port's Facilities Update***

Ms. Luke is working with Port staff to create a policy and related documents that will promote use of the public facilities while limiting liability issues. Ms. Luke anticipates presenting the policy in the near future.

**B. *Award of Bid, Cedars Parking Lot Project; Resolution 2011-29***

Mr. Peterson stated the Port continues to implement elements and concepts identified in the 2005 Clover Island Master Plan. The services of the Hall Engineering & Associates were retained to design improvements to the parking lots serving Cedars restaurant and the Clover Island Inn. The project involves a base bid element reconstructing the 67-space parking lot east of Cedars to address non-compliant storm water collection issues and to enhance the landscaping with a design consistent with the recently landscaped projects on Clover Island. Two alternatives or options were also bid as part of the project. Alternative "A" involves reconstructing the 24-space parking lot west of the Clover Island Inn to address storm water collection issues and to install enhanced landscaping. Alternative "B" involves the installation of lighting, consistent with all other street lighting on the island, in the parking lot east of the Clover Island Inn.

Invitations to bid were published in the Tri-City Herald and specifications were made available at the Tri-City Construction Council plan centers, on the Port's website and to all contractors who requested such plans and specifications. The bid submittal deadline was 2:00 pm, August 4, 2011. A & B Asphalt, inc. was the low bidder; and was much lower than the engineer's estimate.

**MOTION:** *Commissioner Hanson moved approval Resolution 2011-29, authorizing the Port's Executive Director to execute the contract with A & B Asphalt, Inc for the reconstruction of the Cedars Parking Lot project including Alternatives "A" & "B", for the sum of \$265,319.26, plus applicable tax; Commissioner Wagner seconded.*

Mr. Novakovich stated the project came out \$50,000 less than the engineer's estimate. We are glad to improve the east end of the island.

*With no further discussion motion carried unanimously. All in favor 3:0.*

**C. *San Juan Pools Update***

Ms. Fine stated our economy is still recovering from the recession and smaller corporations are still seeing signs of trouble. Before the recession hit, the Port had three land sales. Kist Leasing paid in full on one portion of the property sale and the second parcel was under contract. Kist Leasing has requested an extension on their payment. Ms. Fine researched industry trends and contacted the State Auditor's Office (SAO) to ensure it would not be gifting of public funds. The first extension was given in June 2008, Kist paid the interest on the loan and the principal amount was extended. They paid the payment in full in June 2009 and the Port extended the June 2010 payment.

The bank industry standard is granting the first two extensions. However, instead of a third extension, the banks would restructure the loans. The restructuring allows the individual to





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pay the interest, paying interest on a monthly basis, making principal payments at year 2 or 3. In addition, a ½ point fee is charged to restructure the loan.

The SAO understands the economic decline, and supports restructuring of the loan. Ms. Fine reported that the Kist property is in a flood zone, City zoning requirements have been amended, making it difficult for a construction project, and the land is land locked. Ms. Fine stated it is not desirable to take the property back. The SAO and the bank strongly recommend the Port work with Kist Leasing and restructure the loan.

Ms. Fine indicated the Port is receiving 6% interest on the loan. If the Port foreclosed the property, it would lose approximately \$395,000 in unpaid interest and principal.

Mr. Novakovich feels it would be advantageous to the taxpayers to not take the property back. He feels working with Kist Leasing would be in the Port's best interest.

Mr. Arntzen stated the company is the largest manufacturer of swimming pools, starting in 1958. They were intending to have a manufacturing plant and create 100 jobs. The Port's objective is not only to keep the company here, but to try to help them get back to the point of building the 10,000 square foot manufacturing facility with 100 jobs.

Mr. Arntzen feels restructuring the loan is a good decision, however, it may be challenged in the future. Mr. Arntzen suggests the Commission do due diligence and investigate the bankruptcy to ensure the information provided is consistent with the information received through investigation. He suggested the Commission could also perform a site visit. The Port's records must reflect the due diligence; otherwise we could be challenged by the public as gifting of public funds.

Mr. Novakovich would like to investigate the bankruptcy to determine if they are solid, and if/will they come back. Mr. Novakovich inquired about a site visit.

Mr. Arntzen stated he visited the factory in 2008 and saw a bustling factory with workers and pools in the lay down yard. Since that time, Allegiant has begun flights to Mesa Arizona that would be reasonably priced if the Commission desires to visit. Mr. Novakovich feels it would be in the Port's best interest to explore the bankruptcy and visit the factory to verify if the company is still legitimate. Mr. Wagner agreed.

Ms. Fine stated the Port would lose \$79,141 in interest from June 1, 2009 through the June 1, 2012 and the principal amount of \$316,000, totaling approximately \$400,000, should the loan be foreclosed.

The Commission is in consensus to send a representative to visit the facility. After due diligence is preformed, a report of the bankruptcy can be shared. Ms. Fine stated that the foreclosure process and attorney fees could be more costly than restructuring the loan.

**D. Vista Field - Sustained Operations Concept; Resolution 2011-30**

Mr. Arntzen presented a potential concept which includes the idea of a potential transfer of ownership of the Vista Field Airport from the Port to a new operating authority, perhaps a





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private, non-profit entity with a board elected by airport stakeholders (Authority). This process could include the transfer of: (1) the approximately 72 acres of land inside the fence and; (2) the 19 acres outside the fence (but identified in the 2011 Master Plan as being necessary for continued airport operations). Under such a concept the Port would require the Authority to continue to operate the airport as a public use airport, with land reverting back to the Port if the Authority attempted to sell it for non-airport related purposes. This is an opportunity for the Port to explore of one possible method of continuing the operational functionality of the airport. The initial exploration would explore examples of such a transfer and would include discussions with airport stakeholders. Staff has, however, requested a legal opinion related to this scenario and has been informed that current legal authority exists for a transfer. Possible public benefits of a potential transfer could include:

1. The Authority, being a single purpose entity, with an elected board comprised of stakeholders, could focus all of its efforts on the airport, as opposed to the Port, which has numerous projects to administer, spread across multiple political jurisdictions.
2. The Authority would likely be less affected by politics, could operate more effectively and could focus finances, staffing and efforts on operating and improving the airport.
3. The Authority would require less operational staff (perhaps a part-time manager and/or a FBO), thereby encountering less overhead than the Port. It may cost the Authority less to operate the airport than the Port, thus its revenues would likely at least keep pace with its expenses.

Mr. Arntzen discussed the concept with Ben Floyd to see if this idea has been tried before. Mr. Floyd could analyze the concept, investigate the merits and drawbacks, and discuss the concept with stakeholders to see if there is an interest. Mr. Arntzen stated the contract would be \$15,000 and would provide a report that will analyze whether this concept is conceivable.

Mr. Novakovich stated Don Clayhold has sent him several emails about airports being under non-governmental ownership that are succeeding. Mr. Novakovich feels this is an excellent idea. Mr. Wagner agreed and feels the concept should be investigated. Mr. Hanson asked if the City would be involved as they may be a funding source.

Mr. Arntzen stated the contract entails Mr. Floyd visiting each jurisdiction to receive input on whether they think the idea is plausible. Would there be a financial contribution by the City to any airport entity or airport authority that took over the project? Mr. Arntzen cannot answer for the City; however, for this concept to be realistic there would have to be some commitment from the City. A reversionary clause would be included in any transfer document, mandating the operation of the airport for a sufficient amount of time, and if the airport was used for purposes other than an airport, the reversionary clause would bring the property directly back into the control of the Port. Mr. Arntzen envisions a level of contribution from the Port, and hopefully the City, for an interim period of time for operations costs. Mr. Arntzen feels it would be fair to ask the City to contribute.





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Mr. Hanson inquired if the study will point out the long term potential that the Port will have to provide financing to supplement the airport. He stated most airports are not self-sustaining and require financial assistance.

Mr. Arntzen stated a profit and loss statement will be included in the report. It would be disingenuous to take an asset that has no opportunity to be sustainable under a model proposed and do it anyway. Any of the information brought forward will be fully vetted. It may be possible that this is not feasible and that the Port will continue to operate the airport with a subsidy.

Ms. Fine researched capital funding and the new legislation law changed and now the Washington State Department of Transportation allows non-profits to receive grant funding for airports.

Mr. Ben Floyd stated while fee research was performed, he discovered the Moses Lake airport was able to receive grant funding because of the way they had structured the municipal airport, even though it is a funded airport.

Mr. Arntzen reminded the Commission that Mr. Floyd performed the Vista Field Closure Cost Study. Mr. Floyd's research indicated the cost of closing Vista Field would exceed the value of the land. Mr. Arntzen suggests utilizing Mr. Floyd as he generated the Economic Impact Studies, Rate Studies, and has talked with many stakeholders.

**MOTION:** *Commissioner Wagner moved approval Resolution 2011-30, authorizing the Vista Field Sustained Operations Concept; Commissioner Hanson seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

**E. Willamette Dental Land Sale; Resolution 2011-31**

Mr. Peterson stated Willamette Dental Group, Inc., DBA Acorn Richland, LLC, has offered to purchase 1.58 acres, which is equal to 69,030 square feet located in Spaulding Business Park for \$230,000.00. The property is located west of Tri-City Chaplaincy and east of the Eden Medical Center. The purchase price equates to \$3.33 per square foot which is generally consistent with sales activity in the area. The closing will be 60-90 days and the construction will begin early 2012.

The purchaser has 54 offices in three northwest states and is the largest HMO west of the Mississippi. The Purchaser has committed to construct a 12,000 square foot dental office which would house up to 43 employees initially with dental jobs having wage rates above the Tri-City average.

**MOTION:** *Commissioner Hanson moved approval Resolution 2011-31 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Acorn Richland LLC 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.*



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## REPORTS COMMENTS AND DISCUSSION ITEMS

### A. *Clover Island*

Lighthouse Enhancement Project.

Mr. Peterson stated the Lighthouse Enhancement Project is a small works project. The Project includes a brighter light in the lighthouse and minor improvements to the plaza area. The Port purchased the light directly from the manufacturer to avoid markup costs and ensure the correct light is used. The project should be complete by Labor Day.

### B. *Pattern Language Meeting Update*

Mr. Arntzen stated the Pattern Language meeting will have approximately 30 stakeholders in the downtown area to help determine what would be an appropriate project for the Port to construct on the Willows Trailer Park property. Professor Gary Black, from UC Berkeley, will moderate the meeting on August 24, 2011. The Professor wants people to offer their thoughts about this parcel and what the surrounding property should become. Mr. Arntzen feels this process will help revitalize downtown Kennewick. Professor Black has used the same process at Boise State University with successful results.

Mr. Peterson commented the idea for Columbia Drive is to create something unique, not just a replication of another waterfront. The Port has a unique opportunity, and rather than approach the project with the standard decide, design and defend mentality; this is a different method for land-use master planning.

Professor Black requested the presence of Steve Mallory of Arculus at the meeting because of his knowledge of the Bridge to Bridge plan and involvement in the Port's conceptual plan. Professor Black wants to include all the planning efforts back to Peter Batchelor and the Urban Design Assistance Team (UDAT) plan.

Mr. Novakovich feels this is an excellent opportunity to further develop and see what we can do on the riverfront. Mr. Arntzen stated if this works well, we will have the opportunity to interface with the City of Kennewick. They have been talking about partnership for the last year and this may provide the opportunity to identify a project.

### C. *Public Records Request*

Mr. Arntzen stated a very comprehensive public records request was received from attorney John Ziobro dated August 3, 2011. The request asks for all travel expense reports for each and every Port employee, all claims for expenses and reimbursements, all vouchers and supporting invoices for claimed expenses, all expenses for Port contractors and reimbursements to Port spouses.

Pursuant to the Public Records Act, the Port will respond in an efficient and open manner. Mr. Arntzen stated Port Counsel indicated public record requests have to be responded to fully and fairly, and the first response must be within 5 days. Public record requests take precedence over everything and this request will impact the staff workload. The Port will restructure the workload to address legally mandated issues only. Staff time will be tallied; however, the cost cannot be passed on to the requester. It is estimated this request will cost the Port approximately \$30,000.





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Mr. Hanson indicated there are law firms that make a living from requests like this. And one year from now will ask for the same information again. If a page is missed, the court can impose fines. Mr. Hanson asked if the request is too broad. Mr. Arntzen will work with legal counsel on this issue. Mr. Arntzen stated every expenditure has been audited by the State Auditor's Office and that he is very comfortable that everything will be in order.

Ms. Fine commented that we have started complying with the request and that Ms. Scott is composing the five-day response letter. Ms. Fine stated that most of the records are at a records management firm and there will be a cost to transport the records. Personal information will be redacted with an explanation table. Because this is a broad request, it will encompass records from the day Port was established to present.

Mr. Novakovich stated this is the largest public record request received by the Port of Kennewick and the implications of this request will have a huge impact on the office and office operations.

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

Mr. Wagner met a new person who moved into the area; they discussed port districts.

Mr. Hanson has been on vacation; no meetings to report.

Mr. Novakovich attended regular meetings representing the Port; several meetings regarding the BenFranklin Humane Society Building Committee, met with Karen Baker from STEM School; had an interview with KONA regarding the Columbia Basin Veterans Coalition Open House for veterans; Veterans Board Meeting, and met with representatives of Marketplace Fellowship People.

**E. *Non-Scheduled Items***

1. Ms. Bader Inglima commented PS Media will be updating the Port's commercials this week. The commercials will run August-September and start again after the campaign season ends. The purpose is to advise the community of the Port's activities and what we do on their behalf.
2. Ms. Bader Inglima will participate at the Confederated Tribes of the Umatilla Indian Reservation Salmon Walk on August 20<sup>th</sup>. This is the fourth year the Port has participated. The Salmon Walk is a fundraiser for their children's educational programs. Ms. Bader Inglima will take photos of the Clover Island Improvements and the conceptual plans for the adjacent property. The Port's participation is a way to connect and continue to build our relationship with the CTUIR.
3. Ms. Bader Inglima stated several years ago the Port attended an event at which the Port purchased a painted drum artwork by Chief Carl Sampson. He finished the painting and Ms. Bader Inglima will obtain information about the image on the drum and schedule a formal presentation.
4. Ms. Bader Inglima reiterated the Fixed Based Operator (FBO) Request for Proposals (RFP) was not only advertised, it was posted on our website. The RFP was submitted to the Tri-City Herald in print and online, Wings newsletter, Washington Pilots Association newsletter, American Association of Airport Executives; classified ads were placed at AviationToday.com, AirSport.com, and Controller.com. A media release was sent out





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through the Aircraft Owners & Pilots Association, a membership eblast to Northwest Chapter of the American Association of Airport Executives, the Civil Air Patrol, and directly emailed to more than 100 FBO's operating within Washington, Oregon and Idaho. The RFP notice was also sent in 23 regional newspapers and broadcast media outlets throughout Tri-Cities, Walla Walla, Connell, Othello, Moses Lake, Prosser, Granger, Sunnyside, Yakima, Pullman and Wenatchee. Ms. Hancock scheduled two site visits tomorrow and talked to four different individuals today. The most frequent inquiry is regarding fuel flowage. The deadline for submittals is August 31.

5. Mr. Arntzen has a meeting with Marjy Leggett, Mike White, Don Clayhold and Carl Cadwell on Thursday regarding Vista Field airport issues.
6. Mr. Arntzen has a meeting on Friday with a developer regarding a new FBO building to see if there is a way for a three-way partnership between the Port of Kennewick, City of Kennewick and the developer. The developer would make a commitment to build a FBO building and the Port would supply the land at a reduced rate and the City may make improvements to utilities, or build a parking lot, etc. This would be a benefit to the Port and move the potential liability to the private sector.
7. Ms. Fine is researching and bidding out commercial liability insurance as the Port's current insurance expires September 1, 2011. Ms. Hancock will assist with selecting the new insurance agency. The previous company did not help with risk assessment. Ms. Fine also discovered that some of our properties were not updated.
8. Ms. Hancock stated the Department of Ecology performed an underground storage tank inspection at Vista Field and we passed.

## PUBLIC COMMENTS

Mike White, 1118 W. 22<sup>nd</sup> Avenue, Kennewick. Mr. White feels due diligence on the swimming pool company is important. He said it may be good use of the flood plain property, and even in helping them along is the best the Port can do considering the economic situation, but he suggests in the process of due diligence, that you investigate the actual wages earned by the employees. He finds it hard to believe that swimming pool fabrication employees receive a good rate of pay and how that adds to the economy.

Marjy Leggett, airport support network volunteer for Vista Field. Ms. Leggett realizes the Port is pulled in a lot of different directions and she appreciates the efforts made to help at the airport, the work that is being done to seek an FBO and to meet with us to come up with creative ideas.

No further public comments were made.



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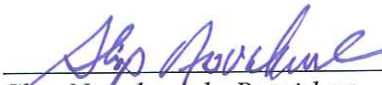
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## ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 3:43 p.m.

**APPROVED:**

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
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*Skip Novakovich, President*

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*David Hanson, Vice President*

  
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*Gene Wagner, Secretary*



# **PORT OF KENNEWICK**

## **Resolution No. 2011-28**

### **A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK SUPPORTING HOUSE BILL 2124 AND SENATE BILL 5964 THAT NARROW THE REQUIREMENT FOR UTILITIES TO PURCHASE ELIGIBLE RENEWABLE ENERGY RESOURCES OR CREDITS WHEN NOT NEEDED TO SERVE CUSTOMERS' LOADS**

**WHEREAS**, Initiative 937 (the Initiative), passed in 2006 which resulted in the Energy Independence Act (EIA), required qualifying utilities to incrementally increase the amount of eligible renewable resources to 15 percent by 2020 and to pursue all cost-effective conservation requirements starting in 2010; and

**WHEREAS**, the Initiative narrowly defined eligible renewable resources to exclude existing hydropower, a clean renewable resource supplying over two-thirds of the electricity in the state of Washington; and

**WHEREAS**, the Initiative imposed significant financial penalties for failure to meet renewable requirements and conservation targets; and

**WHEREAS**, the Initiative failed in Benton County with 66 percent of the voters opposing the Initiative, failed in Franklin County with 67 percent of the voters opposing the Initiative and statewide passing by only 51.6 percent; and

**WHEREAS**, many utilities' energy demands are not growing as projected or have declined due to the combination of successful conservation programs and the poor economy; and

**WHEREAS**, the EIA requires qualifying utilities to purchase specific qualified renewable energy resources or renewable energy credits even if the utilities don't need additional power; and

**WHEREAS**, the purchase of unneeded eligible renewable energy resources or renewable energy credits will have a detrimental impact on utility budgets, by increasing customer rates and negatively affecting the economy; and

**WHEREAS**, House Bill 2124 and Senate Bill 5964 provide qualifying utilities the choice to avoid the purchase of unneeded renewable energy or renewable energy credits; and

**WHEREAS**, House Bill 2124 and Senate Bill 5964 do not change the overall intent of Initiative 937, which is to encourage the use of conservation and the use of renewable energy resources; and

**WHEREAS**, House Bill 2124 and Senate Bill 5964 will protect qualifying utilities from unnecessary additional costs which could result in unwanted rate increases and further encumber the economy.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Commissioners of Port of Kennewick hereby supports House Bill 2124 and Senate Bill 5964, which protect qualifying utilities from the purchase of eligible renewable energy resources or renewable energy credits not needed to serve customers' loads.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 9th day of August 2011.

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

By:   
SKIP NOVAKOVICH, President

By:   
DAVID HANSON, Vice President

By:   
GENE WAGNER, Secretary



# ***PORT OF KENNEWICK***

## **RESOLUTION 2011-29**

### ***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK ACCEPTING AND AWARDING A CONSTRUCTION CONTRACT ON CLOVER ISLAND FOR THE CEDARS PARKING LOT PROJECT***

**WHEREAS**, a request for bids for the reconstruction of the Cedars restaurant east parking lot, and alternative bids for the Clover Island Inn west parking lot and the lighting systems within the Clover Island Inn east parking lot was properly advertised with the approved plans and specifications being made available to prospective bidders; and

**WHEREAS**, construction bids have been received and staff and the project engineer have certified that the bids received are in compliance with the plans and specifications; and

**WHEREAS**, staff and the project engineer have certified that the low bidder for the project is A & B Asphalt, Inc. in the amount of \$165,924.54, plus applicable tax, and that such bid is in compliance with the plans and specifications; and

**WHEREAS**, staff and the project engineer have certified that the low bidder also provided a bid in the amount of \$44,878.72, for alternative "A" work which includes reconstructing the parking lot west of the Clover Island Inn, and that such bid is in compliance with the plans and specifications; and

**WHEREAS**, staff and the project engineer have certified that the low bidder also provided a bid in the amount of \$54,515.00 for alternative "B" work which includes reconstructing the lighting network in the parking lot east of the Clover Island Inn, and that such bid is in compliance with the plans and specifications; and

**NOW THEREFORE, BE IT RESOLVED** that the Port of Kennewick Commission does hereby accept the bid of A & B Asphalt, Inc. for the reconstruction of the Cedars restaurant east parking lot project as the low bidder in the amount of \$165,924.54, plus applicable tax and hereby awards the construction contract to said low bidder.

**BE IT HEREBY FURTHER RESOLVED** that the Port of Kennewick Commission does hereby accept the Alternative "A" Bid of A & B Asphalt, Inc. for the reconstruction of the parking lot west of the Clover Island Inn in the amount of \$44,878.72, plus applicable tax, and hereby increases the construction with said low bidder to include this work.

**BE IT HEREBY FURTHER RESOLVED** that the Port of Kennewick Commission does hereby accept the Alternative "B" Bid of A & B Asphalt, Inc. for the reconstruction of the lighting network in the parking lot east of the Clover Island Inn in the amount of \$54,515.00 plus applicable tax, and hereby increases the construction with said low bidder to include this work.

**BE IT HEREBY FURTHER RESOLVED** that the Executive Director is authorized to enter into a contract between the Port of Kennewick and A & B Asphalt, Inc. for the reconstruction of the roadway and utilities on Clover Island, and that the Executive Director is further authorized to proceed with all necessary procedures required to complete construction of the project.

**ADOPTED** by the Board of Commissioners of Port of Kennewick on the 9th day of August 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. 2011-30**

### **A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE PORT OF KENNEWICK ADOPTING THE VISTA FIELD AIRPORT SUSTAINED OPERATIONS CONCEPT**

**WHEREAS**, Port staff has identified a potential concept which may provide additional security to continued, long-term operation of the Vista Field Airport; and

**WHEREAS**, the concept has not been explored in any detail; and

**WHEREAS**, the Port Commission finds that further exploration of this concept, coupled with public input by stakeholders, may lead to an option which may be considered by the Commission which would provide additional security to continued, long-term operation of the Vista Field Airport; and

**WHEREAS**, the Port Commission finds that further exploration of this concept is in the best interest of the public.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Port of Kennewick approves authorizing the Vista Field Sustained Operations Concept, and further authorizes the Port's Executive Director to take all action necessary to implement the study of the concept.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 9th day of August 2011.

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

By:   
SKIP NOVAKOVICH, President

By:   
DAVID HANSON, Vice President

By:   
GENE WAGNER, Secretary

# Scope of Work

## Port of Kennewick

### Vista Field Transfer - Limited Feasibility Study

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#### **Introduction**

The Port of Kennewick (Port) has hired Anchor QEA (AQ) to assist with preparing a limited feasibility study to use in evaluating the potential of transferring Vista Field airport to a private, non-profit organization. The feasibility study would focus on the following activities:

- 1) Conduct research
- 2) Prepare pro forma budget
- 3) Prepare findings in a brief summary report
- 4) Conduct stakeholder meetings, in cooperation with Port staff

#### **Task 1 – Research Airport Transfers**

AQ will research other situations where a public airport has been transferred to a private, non-profit organization. Research will include conducting telephone interviews and collecting applicable information. From this research, terms and conditions of up to three transfers will be described, including success factors.

Assumptions: Up to 10 different airports will be contacted. Port will provide direction on which airports to start with. Describe findings for up to three transfers.

Deliverable: Findings summary and electronic and/or hard copies of collected research information.

#### **Task 2 – Prepare Pro Forma Budget for Two Scenarios**

AQ will work with the subconsultant Blodgett, Mickelsen and Naef (BMN) to incorporate existing operating and capital expenses provided by the Port into a pro forma budget for up to two scenarios, including capital and operations expenses and projected revenues for a 5 to 10-year period.

The scenarios will include two different levels of support that could be provided by the Port and/or other entities for the initial 3 to 5 years. Port staff will help identify the two scenarios to analyze, including the different support levels and duration of that support.

Assumptions: Port will provide expenses and revenues information for preparing pro forma budget. Revenue or expense information learned from Task 1 efforts will also be incorporated as applicable.



Evaluate and prepare summary draft, final draft and final pro forma budget for two scenarios with calculated net present value (NPV) cash flow for a 5 to 10-year period. Port and consultant will collaboratively decide the duration used in the analysis.

Deliverable: Two budget spreadsheets with documented assumptions for analysis.

### **Task 3 – Summarize Findings in Limited Feasibility Study Report**

AQ will include a summary of Task 1 and 2 findings into a draft, final draft and final report. The draft report will be reviewed by the Port, and updated into a final draft. The final draft report will be shared with stakeholders and the report will be updated and finalized based upon stakeholder input and Port staff direction.

Assumptions: Report will be 6 to 10 pages in length, not including attachments. Prepare two draft and one final report.

Deliverable: Draft, final draft and final report

### **Task 4 – Conduct Stakeholder Meetings**

AQ will meet with up to 15 different stakeholders in up to 10 different meetings or telephone calls to obtain input on final draft Limited Feasibility Study report.

Assumptions: Evaluate and prepare summary pro forma budget for two scenarios.

Deliverable: Findings summary.

<b>Task</b>	<b>Budget</b>	<b>Schedule<sup>1</sup></b>
1 – Research Airport Transfers	\$4,500	8/10 to 9/30
2 – Prepare Pro Forma Budget for Two Scenarios	\$4,500	9/19 to 10/7
3 – Summarize Findings in Report	\$2,950	9/30 to 10/21
4 – Conduct Stakeholder Meetings	\$3,850	10/24 to 11/18

<sup>1</sup> Based on August 10, 2011 start date

**TOTAL BUDGET \$15,800**

**PORT OF KENNEWICK**

**Resolution No. 2011-31**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE PORT OF KENNEWICK AUTHORIZING A PURCHASE  
AND SALE AGREEMENT WITH WILLAMETTE DENTAL GROUP, INC  
(DBA: ACORN RICHLAND LLC)**

**WHEREAS**, Willamette Dental Group, Inc. dba: Acorn Richland LLC (Purchaser), has offered to purchase 1.58 acres for the area graphically depicted on *Exhibit "A-1"* in Spaulding Business Park, Richland, Washington from the Port of Kennewick (Seller) for the of sum of \$230,000.00; and

**WHEREAS**, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and finds 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 authorizes the Port's Executive Director to execute a Purchase and Sale Agreement with Willamette Dental Group, Inc., dba: Acorn Richland LLC, in the sum of \$230,000.00 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 9th day of August 2011.

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

By:   
SKIP NOVAKOVICH, President

By:   
DAVID HANSON, Vice President

By:   
GENE WAGNER, Secretary



Exhibit A-1

# PORT OF KENNEWICK SPAULDING BUSINESS PARK

Land Sale to Willamette Dental - August 2011

