



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 10, 2013 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
Don Barnes, Vice-President
Gene Wagner, Secretary

Staff Members: Tim Arntzen, Executive Director
Tana Bader Inglima, Director of Governmental Relations & Marketing
Tammy Fine, Director of Finance & Auditor
Amber Hanchette, Director of Real Estate & Operations
Larry Peterson, Director of Planning & Development
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Kristi Pihl led the Pledge of Allegiance.

PUBLIC COMMENTS

Derrick Stricker, 3709 W. 48th Avenue, Kennewick. Mr. Stricker attended an International Council of Shopping Centers (ICSC) conference a couple years ago and met Port of Port Angeles staff and Commissioners there. They shared their vision to revitalize their waterfront and their experience with private/public partnerships. This year, Mr. Stricker attended the ICSC conference in Coeur d'Alene and saw them again. They were very excited to share their accomplishments over the last two years with Mr. Stricker and invited him to visit Port Angeles. Mr. Stricker highly recommends the Port of Kennewick and City of Kennewick should travel to Port Angeles and meet with the economic development director. Mr. Arntzen commented that he met with Mr. Stricker recently and agreed a visit to Port Angeles would be beneficial. The Commission feels this is a good opportunity. Mr. Arntzen will follow up with the Kennewick City Manager.

No further comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

A. *Approval of Direct Deposit and Warrants Dated August 30, 2013*

Direct Deposit totaling \$26,630.22 and Expense Fund Voucher Numbers 34732 through 34736 totaling \$14,039.02; for a grand total of \$40,669.24.

B. *Approval of Warrant Registers Dated September 11, 2013*

Expense Fund Voucher Numbers 34737 through 34770, totaling \$135,812.13.
Construction Fund Voucher Number 3461 through 3466 totaling \$351,167.52.



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- C. Approval of Commission Meeting Minutes Dated June 25, 2013*
- D. Approval of Commission Meeting Minutes Dated August 13, 2013*
- E. Accepting the Boating Facilities Program Grant and Approving a Project to Enhance and Improve Clover Island; Resolution 2013-20*

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

PRESENTATION

A. Three Rivers Convention Center Expansion, Corey Pearson Executive Director

Mr. Pearson shared a PowerPoint regarding the potential expansion of the Three Rivers Convention Center (TRCC). When the Public Facilities District (PFD) was formed in 2001, their goal was to bring people into town. The TRCC employs 333 people and brought 1,009,450 visitors to the area this year. Mr. Pearson reviewed the direct spending and economic impact numbers brought to the community. He commented when the campus opened in 2004, it was forecasted to run out of money in 2007, and then it was adjusted to 2009. Each year they have been able to continually build up their reserve; they now have \$2.9 million. The PFD feels an expansion of TRCC would bring additional tourism dollars to the community. The expansion plans include 50,000 square feet of exhibit hall space and public space; 15,000 square feet of support and exterior space; and 500 additional parking spaces. The PFD has the ability to ask the voters for up to 2/10 of 1%, which requires a simple majority approval. The PFD is asking for 1/10 of 1%, which would generate approximately \$1.65 million annually. As the TRCC grows, they hope to bring the front of the center towards Vista Field, and grow along with the redeveloped Vista Field area. Currently the TRCC is a regional project that is funded by the PFD retaining .033% of the state's income tax.

Mr. Novakovich inquired if TRCC investigated why 12% of the people polled "Do you think the addition of new meeting space would make the facility and Kennewick more attractive to your event?" said no. Mr. Pearson responded the people who said "no" included weddings, banquets, and similar events; this question did not pertain to them.

Mr. Barnes inquired if there are other ways to expand the facilities? Mr. Pearson responded the only avenue the PFD can explore is the tax option. He explained that a private company approached the City of Wenatchee in 2011, and proposed building an arena that would pay for itself quickly. In order to qualify for financing, they used the City's credit and unfortunately the project defaulted. Due to this situation, it closed a lot of doors that may have otherwise been open to PFD's.

NEW BUSINESS

A. Approval to Support the Tri-Cities Visitor and Convention Bureau's 2013 Tourism Strategic Plan; Resolution 2013-21

Mr. Barnes stated the Tri-Cities Visitor and Convention Bureau (TCVCB) recently developed a Tourism Strategic Plan. Mr. Barnes feels there is an excellent alignment between the TCVCB and the Port of Kennewick. TCVCB has identified 16 opportunities in the Plan; and at least five of them pertained to the Port, including shoreline, vibrant wine industry, Red Mountain master



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planning, Vista Field Entertainment District, and regional government cooperation. As a gesture of our support for tourism, which is becoming more significant in the area (Red Mountain AVA, Red Mountain Interchange, Columbia Drive, and the redevelopment of Vista Field) Mr. Barnes suggested the Port endorse and support the Tourism Strategic Plan.

Motion: *Commissioner Barnes moved approval of Resolution 2013-21 endorsing and supporting the Tri-Cities Visitor and Convention Bureau's 2013 Tourism Strategic Plan; Commissioner Wagner seconded. With no further discussion motion carried unanimously. All in favor 3:0.*

B. Sale of Oak Street Industrial Area Property; Resolution 2013-22

Mr. Peterson stated Julie Luke has offered to purchase 2.2 acres located at the Oak Street Industrial area for \$97,100.00. The purchase price equates to \$1.00 per square foot, which is 158% of the value established by the Benton County Assessor's office and is generally consistent with sales activity in the area.

Roth Distribution Co. Inc. initiated a land lease with the Port in September 1977 and constructed the existing 21,820 square foot building on the site in 1978. The Roth family has had the building for sale for 3+ years and now has a buyer (Julie Luke) for the building, conditioned upon purchasing the land too. The proposed land sale would be contingent upon Julie Luke purchasing the building improvements from Roth Distributing, thereby assuring if the sale is closed, both land and improvements would become bundled. Utilization of the sale proceeds for acquisition or improvement of properties or buildings within the Oak Street Industrial area would be consistent with the Comprehensive Scheme of Development. Although the sale would provide \$97,100.00 of capital income, the sale would result in the loss of approximately \$9,272.76 of annual operating income.

Considering certain site conditions on the property and the proximity to existing Port buildings, requirements to pave a large percentage of the site and install landscaping along the frontage are included in the proposed land sale. Provisions of the sale include placing \$.25 per square foot of the land sale proceeds into an escrow account to be released to the purchaser if these improvements occur to the Port's satisfaction within six (6) months of closing. If the purchaser or their assigns fail to make the improvements within six (6) months of closing, the escrow funds are released to the Port and after 18 months from closing the Port has the option to repurchase the property for the sale price of \$97,100.00.

Coke Roth is present at the meeting to demonstrate his support of this transaction. Mr. Roth stated he would greatly appreciate the Port selling the land concurrently with the sale of the building. With the Port having a strong objective of continued employment, this will provide the proper forum for this to occur.

Mr. Peterson stated Port staff met, along with Mr. Roth, with the City of Kennewick to understand what this land sale might mean to the development of the properties to the southeast. After meeting with city representatives from building, planning, fire and public works departments, there is a high level of confidence that the easement in front of the property is more than sufficient to allow the development of the 12 acres to the southeast.



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MOTION: *Commissioner Barnes moved approval of Resolution 2013-22 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Julie Luke and to take all other action necessary to close this transaction; Commissioner Wagner seconded.*

Mr. Barnes feels this sale is consistent with the Port's mission and it is an effort to help generate and retain jobs in the area. It also adds the property to the tax rolls. Mr. Barnes feels the land sale is in the best interest of the community. Mr. Novakovich agreed. With no further discussion motion carried unanimously. All in favor 3:0.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. September 24, 2013 Commission Meeting

Mr. Arntzen reiterated the September 24, 2013 Commission Meeting is cancelled as Mr. Novakovich and Mr. Arntzen will be in San Luis Obispo with staff from the City of West Richland to view wine effluent pretreatment facilities.

B. City of Richland Real Estate

Mr. Barnes stated the Spaulding Business Park is very successful. He would like the Port to consider making another purchase of land in Richland so that a similar development will occur. Mr. Novakovich reiterated that the port has five jurisdictional partners with great projects in West Richland and Kennewick and agrees a land purchase in Richland should be considered.

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

Commissioners reported on their respective meetings.

D. Non-Scheduled Items

1. Ms. Bader Inglima shared the 5th Annual Walk to End Alzheimer's will be held this Saturday. They have 41 teams and expect 300 walkers. The event will begin and end in the Lighthouse Plaza. In addition, the LDS church will be removing the concrete pads in The Willows parking area and recycling the concrete as their "Day of Service" project. This is the second year they have worked with the port on a project.
2. The Port will hold the Grand Re-Opening event for the Oak Street Industrial Development Buildings on October 2, 2013.
3. Mr. Peterson stated the City of Kennewick has postponed the meeting to review the Comprehensive Plan amendments one week. This will postpone a decision on the Port's application to change the zoning designation of Vista Field from public facility to commercial one week.
4. Mr. Novakovich stated the City of Kennewick and Port of Kennewick are working to schedule a joint meeting on October 1, 2013 regarding the Columbia Drive area. Mr. Novakovich invited everyone to attend, especially the Historic Downtown Kennewick Partnership members.

PUBLIC COMMENTS

Tim Arntzen, 99905 East Reata Road, Kennewick. Mr. Kirk Williamson called Mr. Arntzen recently and requested Mr. Arntzen share his concerns with the Commissioners. Knowing the next phase of planning for Vista Field will start, he inquired that what types of projects will be built at Vista Field.



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Mr. Williamson feels the port should look at getting the property into the hands of one larger developer; for example, Paul Allen of Vulcan Investments. Although he is not advocating for Vulcan Investments, he feels a larger developer from outside of town might have the “horsepower” to take on a project of this magnitude. He feels many of the local developers are probably not capable, size or resource-wise, to take on the project. He encouraged the Commissioners to aim high and would like the Port to imitate the best attributes from other cities; not to simply duplicate what has been done before in the Tri-Cities.

Tom Moak, 418 W. Kennewick Avenue, Kennewick. Mr. Moak would like to address Mr. Pearson and Mr. Stricker’s earlier comments. It was great to see what the PFD is doing, and hopes to do. He is pleased to see they are looking beyond their boundaries. He feels it is important to look at the area as a whole, not as individual properties. The opportunities are greater for development. He is hoping as the Port looks at their plans, they would consider how the PFD’s plans might meld with the Port’s plans. He stated that he and Mr. Stricker serve on the City of Kennewick’s Blue Ribbon Committee. An intersection was discussed at their last meeting and the committee believes it should improve the access for the properties as a whole. As the area is developed, he hopes the entities will work together so the property does not become segmented. The success of the project is based upon looking at the big picture and not several different smaller properties.

John Givens, 6116 W. 8th Avenue, Kennewick. Mr. Givens is in total agreement with Tom Moak. He does not believe that there should be a “yours” “ours” and “theirs” when it comes to property that belongs to the public. He agreed with Commission Barnes’ suggestions to do something more in Richland and to support the TCVCB. He agrees the opportunity to work together with partners in developing an entire master plan, along with the private sector, is a great idea. The port is doing a great job in those areas.

No further public comments were made.

Mr. Novakovich anticipates the Executive Session to last approximately 60 minutes for *Real Estate, per RCW 42.30.110(1)(c); Potential Litigation, per RCW 42.30.110(1)(i); and Personnel, per RCW 42.30.110(1)(g)* with action anticipated. Mr. Novakovich asked the public to notify Port staff if they will return after the executive session.

Mr. Novakovich recessed the meeting at 2:57 p.m. until approximately 3:00 p.m.

Mr. Novakovich reconvened the meeting into Executive Session at 3:02 p.m.

EXECUTIVE SESSION

- A. *Real Estate, per RCW 42.30.110(1)(c)*
- B. *Potential Litigation, per RCW 42.30.110(1)(i)*
- C. *Personnel, per RCW 42.30.110(1)(g)*

Ms. Scott exited the chambers at 4:02 p.m. to extend the Executive Session 16 minutes.

The regular meeting reconvened at 4:18 p.m. with the following action taken:



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MOTION: Commissioner Barnes moved approval of Resolution 2013-23 approving a three-year lease with Carbitex LLC and authorizing the Executive Director to execute all necessary documents and agreements; Commissioner Wagner seconded. The Commission complimented staff on their excellent work. With no further discussion motion carried unanimously. All in favor 3:0.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:20 p.m.


APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


Don Barnes, Vice President


Gene Wagner, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2013-21

**A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS
SUPPORTING THE TRI-CITIES VISITOR AND CONVENTION BUREAU'S
2013 STRATEGIC PLAN**

WHEREAS, the mission of the Tri-Cities Visitor and Convention Bureau is to promote, market and sell the region as a preferred destination to visitors; and

WHEREAS, the Tri-Cities Visitor and Convention Bureau worked with their board members, community leaders, and city officials to develop the 2013 Tourism Strategic Plan, which outlines specific goals and objectives; and

WHEREAS, the Tri-Cities Visitor and Convention Bureau identified "shoreline" as a "top priority" Critical Planning Issue; and

WHEREAS, the Tri-Cities Visitor and Convention Bureau's Product Development Goals include pursuing initiatives which encourage development, enhancement, and advocacy of projects which support rivershore enhancement, wine industry expansion, improved quality-of-life, diversification of regional attractions, tourism marketing, promotion of the region, and working cooperatively with regional governments; and

WHEREAS, the Port of Kennewick Board of Commissioners has reviewed the Tri-Cities Visitor & Convention Bureau's 2013 Tourism Strategic Plan and determined it aligns with Port of Kennewick goals and objectives; especially as it relates to Port efforts to redevelop, revitalize, enhance, and diversify the local economy; particularly the wine industry and rivershore enhancement.

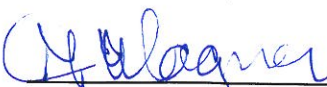
NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners does hereby endorse and support the Tri-Cities Visitor and Convention Bureau's 2013 Tourism Strategic Plan.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of September, 2013.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**


SKIP NOVAKOVICH, *President*


DON BARNES, *Vice President*


GENE WAGNER, *Secretary*

PORT OF KENNEWICK

RESOLUTION No. 2013-22

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF
KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH THE
JULIE LUKE***

WHEREAS, Julie Luke (Purchaser), has offered to purchase 2.2 acres of the area graphically depicted on *Exhibit "A-1"* at the Oak Street Industrial Area, in Kennewick, Washington from the Port of Kennewick (Seller) for the of sum of \$97,100.00; 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 approves Resolution 2013-22 authorizing the Port's Executive Director to execute a Purchase and Sale Agreement with Julie Luke in the sum of \$97,100.00 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 as referenced above is 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 10th day of September, 2013.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: 
SKIP NOVAKOVICH, President

By: 
DON BARNES, Vice President

By: 
GENE WAGNER, Secretary

Ag
Engineering

Roth Warehouse Site



E. 7TH AVE.

SITE

2.2 Acres

E. 10TH AVE.

SR-397

PORT OF KENNEWICK

Resolution No. 2013-23

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A LEASE AGREEMENT WITH CARBITEX LLC.

WHEREAS, the Port of Kennewick (Port) is authorized to enter into certain leases upon such terms as the Port Commission deems proper; and

WHEREAS, a new three (3) year lease with Carbitex LLC effective January 1, 2014, has been negotiated by Port staff; and

WHEREAS, the Port Commission has called a regularly scheduled public meeting with notice of such meeting given as provided by law and such public meeting was held at such time and on said date; and

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


WHEREAS, after consideration of the attached lease agreement, the Port Commission has determined that the lease is proper.


NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves a new three (3) year lease with Carbitex LLC as presented and authorizes the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of September, 2013.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**


SKIP NOVAKOVICH, President


DON BARNES, Vice President


GENE WAGNER, Secretary