

**Joint Meeting Between
Port of Kennewick and City of Kennewick
Monday, May 11, 2009**

Four discussion items were on the agenda with 20 minutes allowed for each item and 20 minutes allowed at the end for public comment. Much of the material is verbatim, but in some cases, I have paraphrased or shortened the speech. Those in attendance were from the Kennewick City Council: Mayor Tom Moak, Councilmen Steve Young, Margery Price, Bob Parks, Paul Parish, and James Hempstead. From the Port of Kennewick: President Dave Hanson, Commissioner Gene Wagner and Calvin Dudney. Attorney Fran Forgette served as moderator.

A. Clover Island

Dave Hanson began the discussion on Clover Island by saying that it was linked to Vista Field. He reminded the group that in 2003 the Port went through the process and determined that they were going to honor the airport contract. In 2006 they developed their Comprehensive Plan and put Vista Field on hold. They focused on Clover Island and have had tremendous success in getting their plan underway.

B. Vista Field

Fran Forgette: We are fortunate to have this topic on the agenda. There are so many things that could be done with what it is and so many other things that could be done as to what it might be. All those things are very positive. It's nice to have choices.

Mayor Tom Moak: One of the reasons we have taken such an aggressive approach is that in our January workshop, we had a vision for what this area could be. We had a vision and a passion to create a center of the Tri-Cities around this area of Vista. We see it as an area devoid of revenue potential in its current state, so we said, "Why not improve the area?" The council, as a whole, agreed that Vista is a key area. The vitality of the area is hindered by the airport. Height restrictions inhibit development and the ability to build up and see the river. We've taken it to the "nth" degree and gotten a bit of notoriety on that. "In terms of quality of life, economic development, and creating jobs, we think that that's a big area that can do that."

President Dave Hanson: It's been a real frustration. This commission voted to keep it as an airport. We adopted a Comprehensive Plan in 2006. We thought we had a contract and the airport would be there until 2020, so we put our resources into Columbia Drive. Now the airport is taking 90% of the resources, 90% of the staff time, Columbia Drive is suffering, nothing is getting done and the airport is still out there. We don't know what it will look like if we close the airport. We don't have a Comprehensive Plan for that. If we close that airport tomorrow, what's it going to look like? We still have a contract with the City. The contract still says operate it as an airport.

We have a planning process in place, but we must go through the SEPA process. We don't have the funds for that and I'm tired of spending money on it. It didn't cost us much to keep it open—nothing like what we are spending now. Now we are spending more money with attorney fees, jumping through the hoops and we haven't even started the SEPA process, yet. There was a time when we probably could have gotten it done, but now we have to jump through so many hoops, I don't know where to begin.

Councilman Steve Young: I still get a little confused over all of this talk about the airport. We talk about how much money the Port is investing in the airport. In the past we have discussed it and talked about the future of Vista Field. We either have to close it so the Vista Entertainment District Plans can proceed or we need to leave it open and enhance it. If I heard you right, you said we don't have the money to deal with it, we are focused somewhere else, and we were doing fine before when we weren't really using that much money. The frustration we are feeling is that

it is hard to understand why we can't get to some decision so that either the City can redirect what it's going to do, which we don't want to do, or the Port can move ahead with economic development enhancements at the field. I think the frustration is we can't seem to get answers. It was very interesting. I had three people come up to me today and say, "Well, you lost. They are leaving the airport open." I said, "Where did you hear that?" They said, "It's all over the news." I had no idea. I hear this stuff all the time. Interestingly enough, one was a pilot. That pilot said, "It's about time you closed that. I can't believe you didn't fight harder." Now people are confused over this and I think this issue is so critical to the community that it is time to come to some decision. You just can't leave it like it is. Am I wrong?

I don't think there is any doubt that my person preference is to close the airport. Why? When I was asked to be on the Public Facilities District (PFD) by the City to build the convention center, I was handed a set of conceptual ideas about the Vista Entertainment District. It was exciting, it got me pumped up, it got the PFD and the City pumped up well enough to move ahead on the convention center and we got that building built under budget, ahead of schedule because we saw a vision for the Entertainment District. If you remember, when we started construction, on the convention center, the coliseum was sitting out in the middle of a pasture. Now you see a completely different vision. People have forgotten what it used to look like. There is a vision for that whole entertainment district. If we have to change that vision because the airport must remain open because we have limitations on heights at the hotel and the potentially new coliseum, then we have to redesign, we have to redirect, and we have to allow that airstrip to stay there. Is that the best thing for the community? I don't know. I know what I've heard from some of my constituents, but I think a decision has to be made for that very reason, so the community knows where we're headed with that entertainment district, the shopping, hotels, and so on.

Dave Hanson: I have another little issue. In 2006 or sometime, we voted to keep the airport open. And we went through the process. We even paid a large sum of money to have the FBO building redesigned and remodeled. Somehow that got squelched when it hit City Hall. Let's just say we vote to keep the airport open, what's going to keep this same argument to close the airport from happening four years down the road like what is happening this time? I don't see any end to the argument unless we vote to close the airport and dig up the asphalt.

Fran Forgette: Does the Port see any current need to commence or continue any sort of a planning process to update the information the Port has whether it should or should not continue as an airport?

Dave Hanson: That was in our budget for the Comprehensive Plan, but I can't tell you where it's at.

Executive Port Director Tim Arntzen: We had some funding put in for airport planning, but when we put the budget together, we weren't aware of the exact steps of the planning. We put our budget together in the fall and got the Foster Pepper report around Christmas time that indicated the integrated planning process. My answer is that we have some money in there put it wasn't tailored to exactly what we have to do. That is separate from any discussion of whether a master plan would be done that would identify what types of uses would follow if the airport closed. There are a lot of procedural steps that we would have to go through. We have some funding in there for that.

Steve Young: I'm not sure what argument you are concerned about, but the decision to remain open or close rests solely with the port commission. You're probably never going to hear me shut up about this, but that doesn't mean that if you make a decision which goes against what my personal wants are to enhance and improve that airport for economic development purposes, you're probably still going to hear me talk about, "I knew we shouldn't have closed it," but part of being in an elected position is making the tough calls. Right now nothing has changed. And that's my point. It's going nowhere. We're still talking about it, and it will be a subject in our next generation if it remains open. If it gets closed, somebody somewhere is going to pull up a picture

where there used to be an airport and they're going to say the same kind of thing—"I didn't know there was an airport there. Why isn't there an airport there now?" The point is this: Decisions have got to be made. They are going to be costly either way you go. We understand that. But we've got to make the decision, and there will always be debate over the decision.

James Hempstead: We're going to continue to have this issue until we address it. The council is trying to look at principles; we're trying to build a better community. That was our mantra for years. We're trying to be a wise steward with taxpayers' dollars. We're trying to develop a vibrant community with desired urban amenities. We're trying to position for short and long term success. When we start looking at that stuff and you look at the airport, if you personally believe or don't believe in closing it, keeping it open, whatever, but if you look at some principles and you want a good, vibrant community, there's opportunity to be had there. And for me to hear that you're pretty much not that interested in dealing with that right now is frustrating to me as a city leader. We can't take that position. None of us sitting at this table can take that position today based on the economy, the economics, and where we want to go with the community to look forward. It's too valuable to this community. We need to get the best use out of it. For somebody to sit there and say the best use is to keep it the way it is and build on it—fantastic. We've got to go through a process to get there. We can't turn our heads and walk away from it. Everybody at this table has got to step forward, let's address the issue, let's work collaboratively, go through whatever process that needs to be fair, so we're in position to go one way or the other.

Dave Hanson: Did you hear me say this takes 90% of our staff time and all of our resources?

Fran Forgette: So you are saying that planning process is under way and is continuing. You might like to spend some of your resources elsewhere, but the effort is going on now.

Dave Hanson: Yes, it is continuing. The airport is taking over.

Fran Forgette: Is the City participating through staff or some other way in the Port's planning efforts that are under way now? Is there anyway that the City can partner up somehow and assist in moving that planning effort forward? Whichever way it ends up?

Mayor Tom Moak: I do think that as envisioned by Foster Pepper to do the SEPA analysis, does take integrated work not only between the Port and City, but also the other entities and stakeholders including some of the folks who are out here in this room, so it's not something that the Port alone does in isolation or the City alone works on changing the Comp Plan to allow the airport to close. It is something that needs to happen together, but I don't know that the Port has actually agreed to the SEPA plan to do that analysis. Because I think there're a lot of questions and I think we look at a lot of things—what are the real numbers? How much is the airport used? The KID says there are 300 direct jobs that are going to go away if the airport is closed. I don't know where those jobs are, but I would like to know.

I think there are a lot of things on all sides. On the Port's side, make an intelligent decision whether to keep the airport open, whether to do what Dr. Cadwell would like to see done and enhance the airport, or do what the Council would like to see and close it, I think there has to be better information and better knowledge about what is the alternative that could be out there on the airport. One of the other things that the KID said was, "Well we don't know what the land use is going to be." Well, that hasn't been determined yet. Those are the things we need to look at and then decide whether we're going to go up or down. Until the Port actually chooses to go through that planning process and look at all of those issues, I don't think there is a good answer. And it did happen three years ago or six years ago that the chairman talks about where there wouldn't be that much bad information out there if really there had been the kind of integrated planning process when the Port decided to keep the airport open a number of years ago.

Fran Forgette: Am I hearing that the City is committed to participating with the Port in this integrated SEPA process and the City will play its role in this effort? And that takes staff and that takes council time, and that takes funding, right? Is the Port willing to continue this SEPA process?

Dave Hanson: As long as our funding goes. We still have the contract ahead of us that we have to get out of the way first.

Tom Moak: Well, then I think you need to ask us. It's been an issue. What do you want to see done? If you would let us know what you want to see done on the contract, and let us know, then I think we could.....

Dave Hanson: That's probably the place to start.

Fran Forgette: Is there a commitment tonight for the City and the Port to start talking about that contract in the near term and to what a resolution might be as to if the airport is wound down how are the assets distributed, the control distributed.

Dave Hanson: I think that letter has been written before.

Tom Moak: I don't think from the City's standpoint, we know what the Commission wants to do with the contract. I think if the Commission decides what it wants to do, how it wants to proceed, it would be the appropriate thing for them to convey that directly, as you did on item 10 in the contract, which had to deal with the Reversionary Clause and you specifically asked Council to take out that clause 10 on the Reversionary Clause and did that. I would suggest that the Commission if it wants to do whether it is section 7 or anything else related to the contract, that it decide what it is it wants to do, then send forward a letter from the Commission to the Council for us to work on.

Fran Forgette: And the City is willing to talk with the people from the Port about those contract changes that might be proposed and to work on them?

Dave Hanson: That would be the first step.

Tom Moak: Well, first you have to decide what you want to do and that's where we haven't been clear on whether that's what the Commission wants to do because once you start talking about those things, then you are committed to the outcome. You need to make sure that's what you do want to do.

Gene Wagner: What would be the City's position on the Essential Public Facilities, which seems to be a stumbling block?

Tom Moak: As I understand it, that is something that happens to the Comprehensive Plan. You need to take it out of the Comprehensive Plan. From what I heard from Mr. DiJulio, that would be something the City would take the lead on in terms of the Comp Plan, in taking the Public Facilities aspect out of the Comp Plan, and I would think that if that's what the Commission wanted us to do, then I would think we would work to do that. And I think Mr. DiJulio indicated that that should happen this fall when we work on our Comp Plan for this year. If that is what the Commission wants us to be working on to deal with that, then I think we should start work on it.

Steve Young: This issue is so out of sync, and as a project manager, I always think as in a project. And this is an issue that requires somebody from the Port and somebody from the City Council sitting down and step by step by step walking through this. What needs to be done? What's the outcome, what's the input to get to some decision—and I believe it's going to take both sides working together. That's what Calvin and I have talked about a number of times in the last six months is the partnership. You've got to sit down at the table. It's not going to happen in

an hour or two hours. It could take all day or several days to get to a project description like that so we know who's going to do what by when and then begin to move ahead. And I think then, this partnership will really grow strong. But it has to be led by both the Council and the Commissioners to get to an outcome of something. That's where this frustration is coming from. It's a tough decision they are trying to make. Maybe there is a feeling we are not supporting, but we are waiting on the request for what you need. Maybe we should have pushed harder to work this out, but the bottom line is we've got to move ahead on it because there are too many other issues that are laying on the table that are impacted by that property.

Fran Forgette: So should we assume that the City is going to appoint someone from the Council and in turn the Port from the Commission who will then come together and begin the initial discussion of how we start putting together the timeline of this project? How it might go forward? Is that reasonable?

Tom Moak: It is from the City's level.

Dave Hanson: I don't know how you...we have this state LATS study coming in, which we all agreed we'd wait for before we would start the process, you might say.

Tom Moak: Well, I think the planning could happen, whatever LATS says. Part of it is getting the groundwork and the baseline as to what...some of it may show up in the LATS study.

Bob Parks: We gave you the Reversionary Clause, which for the people who don't understand it said that if you were going to close it, then we wouldn't get it back. Is that a correct statement? That everything reverts back to the Port so we couldn't say we were taking it away? And then you went out and bought out two airport hangars so I guess I'm confused on what you guys are really planning on doing, and those two people moved to Pasco. You do things but then you don't do things. I would just like somebody to make a decision somewhere. In the 2003 meeting, I don't think that was a meeting to keep the airport open; that was a meeting not to even discuss the airport, period. That's the way I view it. Maybe I misunderstood. I wasn't one of those three people. It looked like there were three people who were afraid to make a decision that night and it still looks that way.

Fran Forgette: Did everybody hear what I heard that there which is there is a shared interest in participating in this planning process? That it's going to go the way of SEPA planning process and we are going to devote some people to work on this. In particular a council person and a commissioner and it starts there? Is that reasonable?

Dave Hanson: I guess that's the right way. I don't really know.

Paul Parish: The council has always been on board to work 100% and we just need to get started on this..

Dave Hanson: Is this something where the staff should come back to us with—a plan on how to work together?

Tom Moak: I think it needs to include policy makers from the get-go. Policy makers direct staff.

Fran Forgette: If we can get someone assigned to take the lead will be a positive start and will draw in staff.

QUESTIONS FROM THE AUDIENCE:

Gary Long: Gary described how he now is in favor of the airport after seeing a presentation by Don Clayhold, Carl Cadwell, and Marjy Leggett at a Rotary Club meeting. He has been studying the airport issue and questions why we would want to close a resource such as the airport. He

also asked the City Council why they haven't followed through on so many of the projects they have started. He cited several projects that the City was enthused about before seeming to have lost interest.

Steve Young: "Thanks, Gary. That was very "unbiased". By the way, for those of you who don't know Gary, Gary does a lot for the community. I have a great deal of respect for Gary."

Carl Cadwell: The Angelo Study was interesting because when they polled the citizens, the one thing the citizens wanted to see more than anything else was jobs. We've been trying to create jobs and that's what we've been focusing on. I think that is the direction the Port and the City would like to go, but the frustrating thing for me is that we've been trying to create jobs, but I can't get any action out of anybody. It's kind of stalled out. We have a \$10 million offer on the table, which would create more jobs. We just lost a \$15 million business here because we have no action. This is frustrating for me. I see moving forward an action that is really critical in this process. I appreciate all the work you do.

Bob Parks: Carl, who has failed to act on those actions?

Carl Cadwell: It clearly falls back on the Port, but the Port has been paralyzed because of the posture of the City and the pressure put on by the City to shut down the airport, so I put it back on all ten of you.

Bob Parks: We get behind quality projects whenever they come to us. Some are pretty flakey, some are fly-by-the-night. With you and your Infinia project—those are quality projects. The City always tries to work as hard as we can on the projects, but sometimes you've just got to cut your losses.

Carl Cadwell: I guess you are cutting your losses on the \$10 million I have on the table—is that what I'm hearing?

Bob Parks: Have I ever said, "No?" When you and I met last winter, what did I say?

Carl Cadwell: You said you'd like to see it move forward. It hasn't moved.

Bob Parks: I can only do so much. I'm only one of seven.

Marjy Leggett: My question is directed at Mr. Young. You, if I heard you correctly, made a comment that you feel you are limited by the airport because of the height restrictions. Is that correct?

Steve Young: It's not a limitation. Our current vision for that area includes a hotel with several floors—okay? It's my understanding with the information I have received from the engineer J-U-B that we're inside that flight cone—that RPZ zone—that if we were to put the hotel there that it would exceed—that we couldn't go very high. I think we are limited to like three stories.

Marjy Leggett: It depends, I think, on where you plan to put it. How many stories tall is the coliseum, do you know?

Steve Young: I think, when I last looked, it was 62 feet.

Marjy Leggett: So that would be about six stories?

Steve Young: Now I'll be honest with you. The hotel conceptual we've looked at is 12 stories. But put that aside for a moment. It's the same people who speak at all of these meetings, so let's get down to it—we can adjust if we have to adjust. I'm like Carl and everybody else—what are we going to do? Are we just going to leave it like it is and do nothing, which freezes the City's

activities, or are we going to do something to make a decision? Regardless, we can adjust the whole thing. We can put the hotel somewhere else if we have to. I don't want to because it's going to change the whole look, but we can do a number of things. It's the decision has got to be made. That's the issue.

Marjy Leggett: The reason I ask that is because I keep hearing that we are limited by the height restriction and that you've got a hotel you want to put in there, and I just don't understand why it has to be in one particular location because I think if you look at where it's located.....(Steve jumps in and talks over Marjy's comment)

Steve Young: Marjy, Marjy, Marjy—I appreciate your question, but it's because of the convention center. A large four-star hotel wants to be connected to the convention center. They want to have the appearance of being a single unit because they get the tourism or the shows to their hotel. So that's why they do that. So their position is they can't put it on the side of the Tridec, so they have to put it on the other side and before we ever built the convention center, we had that conceptual in mind along side the convention center with a top-end hotel. That's why it has to be right there. Again, it's on the other side of the street, but it's still within that space. Now if we were to put it on the other side of the jail, nobody's going to want to build because something....that's really the key to the whole thing.

Marjy Leggett: And just for my curiosity, have you had a prospective builder come in and offer to build a 12 story hotel?

Steve Young: We have been approached, yes. That's as much as I know.

Developer Jose Chavallo: I've been building under end of the runway of the airport for about five to seven years. When I first started, I used to see people jumping out of airplanes—they were using it. Last time I came to this meeting, I was afraid to step up and say anything. It was a witch hunt. Yes, it's nice to put \$10 million in this airport, but if this airport goes away, there will be more than \$10 million put into that area—a lot more. We need a new mall. At Christmas time, look at how crowded our mall is now. People in California are looking to us. They want to put their money here. We've grown up, guys. We need to change.

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