



PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 28, 2017 MINUTES

CALL TO ORDER

Commission President Skip Novakovich called the Regular 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
Thomas Moak, Vice-President
Don Barnes, Secretary

Staff Members: Tim Arntzen, Chief Executive Officer
Tana Bader Inglima, Deputy Chief Executive Officer
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, Chief Financial Officer/Auditor
Larry Peterson, Director of Planning & Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Phillip Lemley, City of Richland Councilmember, led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

- A. *Approval of Direct Deposit and E-Payments Dated February 17, 2017***
Direct Deposit and E-Payments totaling \$50,384.64
- B. *Approval of Warrant Registers Dated February 28, 2017***
Expense Fund Voucher Numbers 38844 through 38879 for a grand total of \$221,350.89

MOTION: Commissioner Barnes moved for approval of the Consent Agenda, as presented; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

NEW BUSINESS

- A. *Approval of Purchase and Sale Agreement with Red Mountain Estates; Resolution 2017-04***
Ms. Hanchette stated in February 2007 the Port entered into a lease purchase option with Red Mountain Wine Estates (RMWE) for approximately 12 acres in the Port's West Richland

PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 28, 2017 MINUTES

Industrial Park at Keene Road and Highway 224. RMWE subsequently constructed 30,000 square feet of building improvements for Pacific Rim Winery, which continues to successfully operate on the property. In early February 2017, RMWE submitted a letter to the Port exercising their option to purchase the property per the terms of the lease at year ten. The purchase price is \$216,588 and 50% of their lease payments were applied to the purchase price, for a net purchase price of \$149,364.60.

The Port's economic development efforts in the West Richland Industrial Park have been followed by additional investment from the City of West Richland in a nearby industrial waste water treatment plant intended to serve the growing wine industry and private development of another 40,000 square feet of wine production space directly across the street from Pacific Rim.

Mr. Moak inquired if the purchase and sale was anticipated this year.

Ms. Hanchette stated RMWE was able to exercise the option to purchase on February 1, 2017 and the Port received the letter February 2, 2017. Ms. Hanchette believes that RMWE had anticipated the purchase of the property all along and it is a favorable price. The area around them is growing and becoming a good investment. Furthermore, Pacific Rim winery is a good tenant and great business on the property.

Mr. Moak inquired if RMWE owns Pacific Rim.

Ms. Hanchette stated Andy Den Hoed owns RMWE, however the Den Hoeds are investors in Pacific Rim, who is a tenant on the property.

PUBLIC COMMENTS

No comments were made.

MOTION: Commissioner Barnes moved for approval of Resolution 2017-04 authorizing the Port's Chief Executive Officer to execute all necessary documentation associated with the land sale to Red Mountain Wine Estates and to take all other action necessary to close this transaction; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Clover Island Update

Mr. Peterson stated recently Big D's Construction demolished the old Port building and raney collector as part of the Gathering Place bid that was awarded in November 2016. Mr. Peterson anticipates the remaining rubble will be removed next week. Mr. Peterson stated activity on the Gathering Place project, which includes; the pedestrian sidewalk, the Tule pond, and the placement for the Heritage artwork will begin in March.

B. Columbia Drive Update

Mr. Peterson stated in January, the building at 211 Columbia Drive collapsed due to snow on the roof. The 211 site is cleared with only a concrete slab remaining. Ms. Hanchette is working on the contract to remove the slab for future redevelopment.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 28, 2017 MINUTES

Mr. Peterson reported the inclement weather from December to February deterred construction at Columbia Gardens. Recently, the walls on the first building have been completed and the wall screen is currently under construction. Mr. Peterson stated the trusses are currently under construction off site and when the second building has been constructed (approximately March 23, 2017) the trusses will be placed on both buildings. Also, the City has installed the new light fixtures, sidewalk, and pullout for the bus shelter is completed.

Mr. Novakovich inquired what Columbia Fitness has decided to do with their building.

Mr. Peterson stated, previously, Mr. Fiander discussed constructing a new building in the middle of their site, thus bisecting the property, however, after further discussion, Mr. Fiander decided to move the building closer to the street. This will allow the quiet street to continue through site, on to Mr. Fiander's property, and potentially to Cable Greens. Mr. Fiander saw the benefit of the redevelopment of the neighborhood, and made minor enhancements to the façade of the current building.

Ms. Hanchette reported in 2016 the Port, with the City of Kennewick Parks and Recreation Department, the US Army Corps of Engineers, and the Department of Fish and Wildlife and Department of Ecology began working on the Phase I vegetation management plan, which included the Willows and Duffy's Pond. Ms. Hanchette stated Phase II will begin today, and the work crew has approximately three weeks to clear the brush, overgrowth and noxious weeds from the edge of Columbia Gardens to the trailer park, which will open up the view to Duffy's Pond. Due to the harsh winter, we were unable to start in December as previously planned and have a short period of time to complete as much as we can due to the migratory birds arriving in March.

Ms. Hanchette envisions that vegetation management will be part of ongoing maintenance and stated in partnership with the City, the noxious weeds will be taken care of by certified sprayers.

Ms. Bader Inglima stated the vegetation management is not a small undertaking in which the Port and partners coordinate. Ms. Bader Inglima believes Phase I was the first undertaking of clearing the brush and overgrowth in fifty years and it was a lot of work to open the view and remove the invasive trees and shrubs to enhance the landscape.

Mr. Novakovich inquired if there were any more signs of transients.

Ms. Hanchette confirmed there were still transients, however, by thinning the brush, the trail will be more open and safer to walk. The Corps has been very supportive of project and the City installed a beautiful trail that should be utilized.

Mr. Moak asked if there was any new information on easements which would extend the trail.

Mr. Peterson stated Mr. Fiander has asked for a fifteen foot easement on the north end of his property as part of his building permit package. Mr. Peterson is unaware of Mr. Fiander's

PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 28, 2017 MINUTES

negotiations with the City, but it is identified as trail easement, which is the last missing segment of the trail.

Mr. Barnes commended the Port on the fast action when the building collapsed.

Mr. Moak inquired who is responsible for improvements on Catfish Island.

Mr. Peterson stated the Corps lease the land to the City. The City is currently negotiating with the Corps to make additional improvements.

Ms. Bader Inglima stated the Corps pump house will remain, however, the Corps budgeted for an upgrade to make the pump less accessible, however, even though the Corps removed the lay down yard the large chain link fence remains. Staff will meet with the Corps in March to discuss the security parameters for the pump house and potential ideas for the area.

Mr. Peterson noted, Tri-City Glass is working to beautify the neighborhood and added two trees and sidewalk grates recently, a significant small step towards the redevelopment of the neighborhood.

C. Vista Field Update

Mr. Peterson stated at the February 14, 2017 meeting, he provided the Commission with the Draft Master Plan and requested the Commission review for content, prior to circulating the document to the public and City. Staff will be submitting the Draft Master Plan to the City by March 15, to start the Planning Commission process and internal routing. Mr. Peterson inquired if the Commission saw anything of concern that needs to be addressed.

Mr. Novakovich confirmed that the Commission submitted their comments to staff and verified that staff can make minor changes to prepare the draft for City review.

Mr. Moak asked for some additional time to review the Draft Master Plan. Furthermore, Mr. Moak recently met with Mr. Arntzen and would like to read the draft again, in context with said meeting. Mr. Moak stated what he has reviewed corresponds with comments from the Commission.

Mr. Arntzen asked if the Commission is comfortable with the Draft, by consensus, if Mr. Peterson can insert Commission comments and/or corrections, to forward the Draft to the City.

Mr. Peterson stated the intent is to forward the Draft to the City to receive their input and make any necessary modifications. This allows the Port to address any concerns the City may have prior to approval.

Mr. Barnes stated the Draft overall is excellent and consistent with Commission comments. Mr. Barnes focused on Phase I of the redevelopment, which includes: location of the performing arts center, the scissors off Grandridge Boulevard, the green space, plaza and location of the water feature, and the residential area. It has been tentatively agreed to by the Commission that this

PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 28, 2017 MINUTES

will be a living document and may evolve as time goes on. Mr. Barnes confirmed that a professional editor will review the Draft and stated there are some sentences which need to be reworded.

Mr. Arntzen welcomes comments and will work with Mr. Peterson on content details. Mr. Arntzen stated Ms. Bader Inglema has made some edits and he intends for DPZ to review the Draft for content, and Rochelle Olsen, the Port's newsletter contractor, will perform an independent review.

Mr. Novakovich confirmed that Mr. Mehaffy and Mr. Qamar will not be making any big changes, but just reviewing the Draft for content.

Mr. Arntzen stated DPZ will review the Draft to see if any relevant items were missed.

Mr. Novakovich asked when staff would like Commission comments.

Mr. Peterson asked for Commission comments by 12:00 p.m., Thursday, March 9, 2017.

Ms. Hanchette reported in conjunction with the Master Planning process, staff has been working on the decommission phase, which includes: painted X's on the runway, removing the fuel tanks at the Fixed Base Operations (FBO) building, and removing the runway lights. Currently, maintenance staff is working on decommission of the FBO building which includes asbestos abatement. A survey of the FBO building was conducted and it was found that 195 square feet of asbestos would need to be removed from the building. Ms. Hanchette stated the asbestos abatement bid is due today at 5:00 p.m. Ms. Hanchette stated, as part of abatement, the flooring under furnace will need to be removed, therefore maintenance will need to decommission the furnace and remove it. Ms. Hanchette reported last month, a water pipe froze in the FBO building and burst and flooded the first floor causing floor and ceiling damage. Ms. Hanchette reiterated that the FBO building will have no water or HVAC service, however, the power will stay on to operate the gates.

Mr. Novakovich inquired if this is a prelude to demolishing the building.

Ms. Hanchette stated yes, the work could be a prelude to demolishing the building.

Mr. Barnes stated the work being done is not irreversible and asked if the Port could use the building again once the asbestos has been removed.

Ms. Hanchette stated the pipe bursting caused significant damage to the inside of the building.

Mr. Arntzen stated the FBO building was identified as an issue by DPZ and stated the building's location will be an issue for future access.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 28, 2017 MINUTES

D. Wine Symposium Travel Update

Mr. Barnes presented slides of the Barlow in Sebastopol, the Shed, in Healdsburg, Oxbow Market and the Napa Waterfront, in California during a recent trip for the Unified Wine Symposium. Mr. Barnes stated The Barlow is approximately 12.5 acres and was an industrial apple cannery. The Barlow is an eclectic mix of wineries, a distilleries, microbreweries and small boutique shops. The developer of The Barlow emphasized small gathering places, and used repurposed materials throughout the development.

The Shed, located in Healdsburg is a gardening store, cafe, market and community gathering place, which boasts a modern industrial design and focuses on farm to table items.

The Oxbow Market is a local gathering place for food and wine in downtown Napa. The market features a diverse tenant mixture of local food vendors, artisan cafes and an organic produce outlet from local farms. The Oxbow Market features a unique open public market along the Napa River and part of the market includes the rehabilitation of a 1930's tire store and garage and is similar to the Pybus Market in Wenatchee.

Mr. Arntzen stated Mr. Mehaffy and Mr. Qamar are looking at including a covered arcade area for the hangars, similar to the design seen at The Barlow.

Mr. Moak inquired if the Port is considering roll-up doors on the hangars.

Mr. Peterson stated Mr. Mehaffy and Mr. Qamar are beginning the process to determine the removal of the bi-fold doors, however, the Washington indoor energy code is very strict and there may be a challenge with the glass roll-up doors. By utilizing roll-up doors, the hangars will tie into the public space that will lead out to the plaza and water feature.

Mr. Barnes stated the Barlow was a ten year project that began in 2007 and is currently for sale.

Mr. Peterson asked if Mr. Barnes noticed parking lots at the Barlow.

Mr. Barnes stated there was on street parking, in between buildings, and in larger lots.

E. Commissioner Meetings (formal and informal meetings with groups or individuals) Commissioners reported on their respective committee meetings.

F. Non Scheduled Items

1. Mr. Moak recently returned from vacation, where he visited several DPZ projects: Seaside, Rosemary Beach, and Alys Beach. Mr. Moak stated Seaside was the first big project for DPZ and stated after 30 years, the development is well maintained and clean. This emphasizes how important Business Improvement Districts and Homeowners Associations are. The well maintained landscaping and open spaces made Seaside shine. Mr. Moak likened Seaside to that of Prospect New Town, in Longmont, Colorado, that features the look and appearance of early 20th century dwellings. Mr. Moak stated Alys Beach had a more European feel, with stone pavement sidewalks and a variety of architectural styles. Rosemary Beach, is the lushest of the three developments, in terms of foliage and shows the importance of landscaping to

PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 28, 2017 MINUTES

create character within the development. Mr. Moak stated the three developments are great examples of what the Port can achieve at Vista Field.

2. Ms. Scott reminded the Commission to submit their Personal Finance Affairs Statements to the Public Disclosure Commission (PDC) with a copy to the Port, no later than April 15, 2017.
3. Ms. Bader Inglima shared the new Kennewick Arts Commission brochure for public arts in Kennewick, for art installations throughout the City, which features several pieces installed by the Port.
4. Mr. Arntzen stated the City and Port are currently working with the Historic Downtown Partnership, and have been researching previous master plans, such as the Bridge to Bridge Plan and the Port's Clover Island Pattern Language, and identified as a proposed goal, to work on the linkage from the Clover Island lighthouse and Washington Street to Downtown Kennewick. The Port's pattern language suggested creating interesting objects along Washington Street and ending with a terminated vista, at the intersection of Washington and Kennewick Avenue. The committee would also like to address safety issues on the path due to traffic.

Mr. Arntzen reported that he and Mr. Peterson will be traveling to Miami to work on the Vista Field Phase I Site Plan and have two scheduled opportunities to work with Ms. Plater-Zyberk and team. Ms. Plater-Zyberk will present the Vista Field Phase I Site Plan to the Commission and public.

Mr. Arntzen reminded the Commission that the Congress for the New Urbanism Conference (CNU) will be held in Seattle from May 2-6, 2017 and the Washington Public Ports Association Spring Conference will be in Suncadia from May 17-19, 2017. Mr. Arntzen asked the Commission to let Ms. Scott know of their intended travel plans.

5. Ms. Hanchette reported that the Oak Street Development Buildings are 100% occupied and include: Tri-Cities Mattress and More, Gable Drywall, Solar Mobility, Granite Pus, and Jr's Ironworks, Carbitex, and several ecommerce businesses.

Mr. Barnes stated at the last TRIDEC meeting, Gary Peterson, Doc Hastings, and Brad Fisher presented a short video on the shoreline reconveyance, which featured Clover Island prominently. The video focused on the enhanced shoreline on the west causeway of Clover Island and other areas of Clover Island that are in need of shoreline restoration. Mr. Barnes stated, those areas in need of rehabilitation will be restored with the 1135 United States Army Corps of Engineers project.

PUBLIC COMMENTS

No comments were made.

COMMISSIONER COMMENTS

No comments were made.

**PORT OF KENNEWICK
REGULAR COMMISSION MEETING**

FEBRUARY 28, 2017 MINUTES

Mr. Novakovich anticipates the Executive Session will last approximately 20 minutes, Site Selection per RCW 42.30.110(1)(b) and Real Estate Minimum Price per RCW 42.30.110(1)(c) with no action anticipated. Mr. Novakovich asked the public to notify Port staff if they will return after the executive session.

3Mr. Novakovich recessed the Regular Commission Meeting at 3:43 p.m. for seven minutes until 3:50 p.m.

EXECUTIVE SESSION

- A. Real Estate, per RCW 42.30.110(1)(b) – Site Selection*
- B. Real Estate, per RCW 42.30.110(1)(c) – Minimum Price*

Mr. Novakovich convened the meeting into Executive Session at 3:50 p.m. for approximately twenty minutes.

Mr. Novakovich adjourned the Executive Session at 4:04 p.m.

Mr. Novakovich reconvened Regular Commission Meeting at 4:04 p.m.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:05 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**


Skip Novakovich, President


Thomas Moak, Vice President


Don Barnes, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2017-04

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING A PURCHASE AND SALE
AGREEMENT WITH RED MOUNTAIN WINE ESTATES LLC***

WHEREAS, Red Mountain Wine Estates LLC (Purchaser), has given written notification to the Port of Kennewick (Seller) of their intention to exercise a lease purchase option of approximately 12.0 acres (tax parcel 1-0297-401-3216-001) located in the Port of Kennewick's West Richland Industrial Park for approximately \$149,364.60; and

WHEREAS, Port staff and the Port attorney have reviewed the notification and lease purchase option terms 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 authorizes the Port's Chief Executive Officer to execute a Purchase and Sale Agreement with Red Mountain Wine Estates LLC and hereby authorizes the Port's Chief Executive Officer 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 28th day of February, 2017.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By:


SKIP NOVAKOVICH, President

By:


THOMAS MOAK, Vice President

By:


DON BARNES, Secretary