



PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 14, 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
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Rick Reil led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

APPROVAL OF THE AGENDA

MOTION: Commissioner Barnes moved to approve the Agenda, as published; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated March 2, 2017***
Direct Deposit and E-Payments totaling \$63,582.40
- B. Approval of Warrant Registers Dated March 14, 2017***
Expense Fund Voucher Numbers 38880 through 38928 for a grand total of \$261,298.87
- C. Approval of Regular Commission Business Meeting Minutes February 14, 2017***
- D. Approval of Regular Commission Business Meeting Minutes February 28, 2017***

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

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PRESENTATION

A. Vista Field Draft Master Plan

Mr. Peterson presented the Vista Field Draft Master Plan and stated the document incorporates Commission comments. The Draft Master Plan symbolizes a three year planning process for Vista Field redevelopment, and where the Port collaborated with the City of Kennewick, the public, and consultants to create a vision for Vista Field. The Draft Master Plan is a 45 page document, with 2100 pages of supporting information, including: the Environmental Impact Statement (EIS), Charrette Documents, the Pattern Language Document, the Design Precedents Library and the Transportation System Impact Evaluation. The Port intends to run a parallel path with the design of Vista Field, while the City reviews the Draft for comments.

Mr. Peterson stated staff will continue to edit the Draft Master Plan and inquired if the Commission finds it acceptable to route the document to the City for input.

Mr. Novakovich stated the Commission has had an opportunity to review the Draft and add comments and inquired if the Commission is ready for staff to move forward and send the Draft to the City for further comments.

Mr. Barnes has not had an opportunity to review the current draft and inquired if the document has been reviewed by an editor.

Mr. Peterson stated Ms. Bader Inglima has been editing the draft and Rochelle Olsen, Port consultant, has briefly reviewed the Draft. Once the Draft is in the final stages with comments from the City, Mr. Peterson stated the document will be fully and professionally edited.

Ms. Bader Inglima stated it is the intent of staff to share the Draft with City and incorporate their comments and then the Draft will be professionally edited and laid out.

Mr. Barnes believes the Vista Field Draft Master Plan is an excellent document for this stage and stated the idea of running a parallel effort with the City is an efficient use of time.

Mr. Moak stated the Port has been working on the Vista Field redevelopment for over three years and to explain the essence of new urbanism and the vision of the development within 50 pages is not an easy task. Mr. Peterson has done an outstanding job summarizing the 2100 pages of supplemental reports to create the Draft, and although everything is not included, a person can read the Draft and understand what the Port is trying to accomplish at Vista Field. The amount of work that staff and the consultants have done, to get to this point, shows tremendous vision. Mr. Moak stated the Draft is ready for the City's input and believes there is an excitement knowing that the effort is continuing to move forward.

Mr. Novakovich appreciates the Commission comments and stated it is important to take our time with the processes to complete the vision of Vista Field. When a person realizes the magnitude of the Vista Field redevelopment and sees all that staff has accomplished in three years, you then understand why the process has taken a long time. Mr. Novakovich inquired if Mr. Peterson needed anything else from the Commission.

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Mr. Peterson thanked the Commission for their comments and stated each staff member has been involved in varying degrees and appreciates the assistance.

Mr. Arntzen thanked staff for their hard work on the Draft and believes the document is ready to be submitted to the City for their review. Once the Port receives the Draft back from the City, staff will work with a professional editor to improve the content, appearance and graphics. Mr. Arntzen appreciates the Commission addressing the parallel path and stated it is important to not get ahead of the City until the Master Plan has been approved.

Mr. Arntzen reported last week, staff and consultants met in an effort to begin the process of drawing out biddable documents for Phase I. The other challenge the Port is facing is that the cost of Phase I will be more than our available budget. The Port has pledged to take a lean financial approach, spend as little of the public's money as possible, and pay as you go. Mr. Arntzen stressed it is important to remember the financial aspect and stated the Port will be getting a bank loan, and staff has been directed to gather the appropriate documents in order to sell property in east Kennewick and Southridge for additional funding.

Mr. Barnes appreciates Mr. Arntzen addressing the importance of staying in touch with the finances and inquired if Mr. Peterson could add to the Land Use and Building Size table on page 43. Mr. Barnes stated the table shows available square footage by phase and inquired if Mr. Peterson could add land that will be available for sale to private developers, for each phase. Mr. Barnes explained land sales from Phase I will provide the capital for Phase II, to continue the development moving forward.

Mr. Peterson stated staff can add a row to the table that includes the net saleable land per phase and estimate the net acres of saleable land. Mr. Peterson inquired if the Commission is amiable to sending the Draft to the City and add the additional information within the next 30 days.

It is the consensus of the Commission to send the Vista Field Draft Master Plan to the City for comments.

Mr. Moak inquired if the Port would maintain ownership of the buildings within Vista Field or sell the parcels to developers.

Mr. Peterson stated that is a policy question for the Commission. The thought is that the Port would retain the corporate hangars for lease revenue, however, there may be some lots that the Port may consider holding as land value increases.

Mr. Arntzen stated our model shows the Port retaining ownership of the corporate hangars. The finance department requested during the budget process and long term planning, for staff to create a return on investment (ROI) possibility, whereby the Port could own buildings for leasable revenue. Mr. Arntzen stated the Port has been good landlords for startup businesses and by holding the properties, we get long term rental revenue. Furthermore, the Port is able to offer legal and practical incentives for future hangar tenants.

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Mr. Novakovich asked Mr. Arntzen to brief the Commission on the consultant meeting.

Mr. Arntzen stated last Thursday, the Port directors, Mr. Arntzen and the consultants from DPZ Partners, Michael Mehaffy, Laurence Qamar, Parametrix, Gary Hall of Hall Engineering and Arthur Job of Job's Nursery met. The intention was to discuss the Phase I Plan and all the elements that would be included. The consultants and staff worked at a slow and deliberate pace, discussing items such as trees, tree grates and street lights. Mr. Arntzen stated it was a very productive meeting and believes we will need to have another meeting to finish up the details.

Mr. Peterson stated the effort involved with Parametrix and their team was to answer the questions about what to draw and what elements should be included. There are several options with each element and Mr. Peterson stated it is the intent to bring the Commission a palate of options. Then, they will need to determine which option they feel is best for Vista Field. The well-thought-out details will blend into the overall downtown area with all the elements working together.

Mr. Barnes stated Vista Field is a blank canvas and it was important to discuss details that may not seem big, but in the end will make the development grand. Mr. Barnes stated we are very fortunate to have the Port staff and the consultants working on Vista Field and believes we are in excellent hands. Mr. Barnes reiterated it is important to give staff and the consultants time to get the details right and not force unrealistic deadlines on them.

Mr. Arntzen thanked Mr. Barnes for attending the meeting.

Mr. Novakovich stated when you have a blank slate to work with, many elements need to be identified and determined, which takes time, and it is important to the community to get Vista Field right.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Clover Island Update

Mr. Peterson stated Big D's Construction has cleaned up the materials from the demolition and plan to survey the site and begin excavating for the pond at the Gathering Place.

B. Columbia Drive Update

Mr. Peterson stated Banlin is finishing up with building A-140 and will begin work on the second building by the end of March and the trusses are scheduled for April. Banlin is working on a final master schedule now that the winter weather has subsided. The City has inquired about the timing for the streetscape project and will partially landscape the area until the stucco is completed in June. The City is finalizing the plans for the treatment facility tank and have been working with Port staff, Banlin Construction and the tenants.

Mr. Moak inquired if the Port has completed negotiations with Victor Palencia and Bart Fawbush.

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Ms. Hanchette stated a letter of intent is in place with each winery and they are working on their own plan to phase into the buildings. The Port continues to work on the lease agreements and other pertinent details, such as square footage for the shared building before the lease agreements are signed. Ms. Hanchette will continue to work with Ms. Luke on the details of the lease and anticipates the tenants signing a lease in early summer.

Mr. Arntzen stated that since the winter weather has pushed back the completion date of the buildings, staff has been discussing the payment of rent. Mr. Arntzen stated the Port has the ability to take into consideration the weather delay and allow for a soft opening. Mr. Arntzen believes the Port would be able to work with our tenants on the rate of occupancy.

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

D. Non Scheduled Items

1. Mr. Novakovich inquired if staff has heard from the City of West Richland regarding the Draft Master Plan for the Port's former Tri-City Racetrack Property.

Mr. Peterson stated the Draft Master Plan was sent to the City on January 13, 2017 for review. Aaron Lambert requested 4-6 weeks for staff and City Council to review the Draft Master Plan. Mr. Peterson anticipates receiving City comments within the week.

Mr. Novakovich requested that City staff be advised that the Draft Master Plan for the former Tri-City Racetrack property will be placed on the March 28, 2017 Agenda for action.

Mr. Arntzen believes the Port has given the City enough time to review the Draft Master Plan and will place it on the March 28, 2017 Agenda.

2. Mr. Arntzen stated the Coyote work crew has been cleaning up the vegetation around Duffy's Pond and the area looks amazing. Mr. Arntzen stated the vegetation has been removed and chipped and is being placed back into the pond for waterfowl resting areas. Mr. Arntzen stated the Pond is not very deep due to silt build up and would like to discuss next steps to enhancing the ecology of the Pond with the United States Corps of Engineers.

Mr. Arntzen reported that he recently met with Zach Ratkai, Economic Development Manager and Kerwin Jensen, Community Development Manager with the City of Richland to discuss opportunities for joint projects and they plan to meet quarterly.

Mr. Arntzen stated the Congress for New Urbanism Conference (CNU) will be held in Seattle, from May 2-6, 2017, and recently published the Agenda and list of activities for the Conference. Mr. Arntzen highlighted areas of interest to attend and shared the list with the Commission.

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Mr. Arntzen stated Ms. Plater-Zyberk of DPZ Partners, was scheduled to unveil the partially completed Site Plan for Phase I of Vista Field in May, however, since the Port is running a parallel path with the City, staff believes it is best to reschedule her presentation in June or July.

The Commission concurred to Ms. Plater-Zyberk presenting the Site Plan at a later date, to give the City ample time to review the Draft Master Plan.

Mr. Arntzen and Mr. Novakovich recently met with a small business owner, regarding tenancy in Phase II of the Wine Village. The small business owner relayed that he is married to a Latina and stated the Latino community is very excited that the Port is bringing in Victor Palencia as a main tenant.

3. Ms. Luke commended Mr. Arntzen, Mr. Peterson and staff on the Vista Field Draft Master Plan and stated it is an excellent document.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick reported that last month, the Mid-Columbia Mastersingers, Musical Theatre and Symphony held the Pot O' Gold joint fundraiser and netted over \$30,000 each. Mr. Burdick also requested that the Commission consider setting aside 10-12 lots at Vista Field for owner occupied housing.

No further comments were made.

COMMISSIONER COMMENTS

No comments were made.

Mr. Novakovich anticipates the Executive Session will last approximately 15 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.

Mr. Novakovich recessed the Regular Commission Meeting at 3:37 p.m. for six minutes until 3:45 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 3:43 p.m. for approximately fifteen minutes.

Mr. Novakovich adjourned the Executive Session at 3:54 p.m.

Mr. Novakovich reconvened Regular Commission Meeting at 3:55 p.m.

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ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:55 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**



Skip Novakovich, President



Thomas Moak, Vice President



Don Barnes, Secretary