



# PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 27, 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 and Development  
Lisa Schumacher, Special Projects Coordinator  
Bridgette Scott, Executive Assistant  
Lucinda Luke, Port Counsel

## PLEDGE OF ALLEGIANCE

Commissioner Thomas Moak led the Pledge of Allegiance.

## APPROVAL OF THE AGENDA

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

## PUBLIC COMMENT

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated there is a typo on page 8 of the June 13, 2017 Regular Commission Business minutes.

*\*Clerks Note: Correction has been made*

No further comments were made.

## CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated June 16, 2017**  
Direct Deposit and E-Payments totaling \$53,083.32
- B. Approval of Warrant Registers Dated June 27, 2017**  
Expense Fund Voucher Numbers 39226 through 39259 for a grand total of \$448,170.49
- C. Approval of Regular Commission Business Meeting Minutes June 13, 2017**

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

## PRESENTATION

### A. TRIDEC Update

Carl Adrian, President/CEO of TRIDEC, updated the Commission on TRIDEC's 2017 Plan of Work. Mr. Adrian stated TRIDEC takes an area wide approach to economic development not just because it is more efficient and cost effective, but because as a "single entity," the Tri-Cities holds more attraction than the individual jurisdictions. TRIDEC's overall mission is to improve the economic health of the Tri-Cities region by facilitating job creation and capital investment in primary employment industries in Benton and Franklin Counties. Mr. Adrian outlined the following programs:

- Business Recruitment;
- Business Retention and Expansion;
- Air Service;
- Federal Programs;
- TRIDEC Communications (social media);
- Workforce Development.

Mr. Moak stated since Mr. Adrian has been at TRIDEC there has been a continued focus on economic development as a region, versus jurisdictions. Not every area of the Tri-Cities benefits from the focus of TRIDEC, because of the geography of area, however, Mr. Moak appreciates that Mr. Adrian and TRIDEC do not have any political subdivisions. Mr. Moak stated TRIDEC's focus on industrial/manufacturing with the Ports of Pasco and Benton are critical because it benefits the Port of Kennewick even though industrial/manufacturing is not our main focus. Mr. Moak thanked Mr. Adrian for the update and reiterated his appreciation for TRIDEC's support as the Port continues to develop Columbia Drive and the Culinary School with Columbia Basin College (CBC).

Mr. Adrian thanked Mr. Moak for his comments and stated it is important that when something good happens in one of our communities, it positively benefits the entire region. Mr. Adrian applauded the Commission for thinking globally with the Vista Field and Columbia Drive redevelopment projects. Mr. Adrian stated during his tenure, his largest accomplishments have taken place in Kennewick, with the relocation of Cascade Natural Gas and Amazon, which has created more jobs than any other project. At this time, there is not enough industrial property available in the community, however, there are opportunities where TRIDEC and the Port can partner.

Mr. Barnes stated it can be challenging working for the regional economic development benefit with each jurisdiction facing their own challenges, areas of expertise and opportunities to bring to fruition. Mr. Barnes thanked Mr. Adrian for the update and stated the Port enjoys working with TRIDEC and will continue to look for joint opportunities as they arise.

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## REPORTS, COMMENTS AND DISCUSSION ITEMS

### *A. Summary of Private Sector Development on Port Lands*

Mr. Peterson reported that the private sector has invested approximately \$77,000,000 on Port properties over the past ten years, which include;

- Oak Street Development: \$450,000.00;
- Southridge Development: \$14,048,000.00;
- Vista Field Development: \$20,881,000.00;
- Spaulding Business Center: \$34,452,000.00;
- Red Mountain: \$7,332,000.00

As a result of the private sector investment on Port sites, 604,000 square feet of new buildings have been constructed and over 1,165 jobs have been created. Due to the Port's investment, the annual property tax collected is approximately \$885,000 annually, which helps fund public services for local jurisdictions.

Mr. Barnes stated the Port's primary mission is economic development and job creation, which can be very challenging to measure. Mr. Barnes appreciates all the work that went into this report and stated it is clear that the Port is having a positive impact on our community in terms of economic development and job creation. It is important that the Port continues to look for opportunities to partner with the private sector.

Mr. Moak inquired how Mr. Peterson determined the number of jobs created and how the property tax information was determined.

Mr. Peterson stated staff called tenants to ascertain the employment number, and the value of the buildings is from the Benton County Assessor; however, that number does not include the personal property within the buildings, such as medical equipment.

Mr. Moak inquired if there are additional opportunities for development at Southridge.

Mr. Peterson stated there is a significant amount of land in the Southridge area that is vacant, which was part of the Port land sale several years ago. The Port sold 180 acres in Southridge and Mr. Peterson approximated 10-15 acres are currently occupied. Furthermore, some of the land that was sold was intended to be commercial, however, the developer requested residential zoning and constructed houses on 25 acres. Mr. Peterson stated staff excluded the residential area in the report, and verified the report shows only the commercial and industrial business investment by the private sector on Port property. Mr. Peterson reported the Spaulding Business Park has room for growth and stated the Eden Medical Center has a footprint for a 35,000 square foot twin medical building with a connected sky bridge, and Kadlec Northwest Orthopaedic has an area for two more building footprints. Mr. Peterson stated there is significant room for growth at Southridge and Spaulding Business Park.

Mr. Moak stated the Port recently sold the last parcel in Spaulding, however, those properties will continue to generate jobs and sales tax for the community. Mr. Moak would like staff to continue maintaining the list, as it is a very useful tool for the Port. This report indicates the Port

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is a catalyst in growth for the various jurisdictions and helps provide jobs and incomes to our partners.

Mr. Novakovich concurred with Mr. Moak and stated it is a valuable tool for the Port.

## ***B. Port of Seattle Tour***

Mr. Arntzen reported that the Port of Benton has scheduled a tour on August 3, 2017 for the Port of Seattle and others and part of tour is to view potential rail opportunities in our region. The Port of Kennewick has no direct interest in rail and no available properties for rail solution for the west side congestion. Mr. Arntzen passed on participating in the scheduled tour due to a large scheduled event the Port will be hosting on Clover Island on August 4, 2017. Mr. Arntzen stated there is not a formal agenda for the tour at this time, however, he believes the rail issue may become a larger issue for our area over the next few months. Mr. Arntzen suggested that rather an individual jurisdictional partner organizing an event, it may be an appropriate topic for a regional organization, such as TRIDEC or the Council of Governments to manage. Mr. Arntzen stated the possibility of expanded rail opportunities in our community will impact portions of our community in different ways and believes it would be best if a regional partner, who has more experience in transportation, monitor this matter.

Mr. Adrian agrees with Mr. Arntzen and stated TRIDEC was originally contacted by the Port of Seattle and the initial agenda for the tour did not focus on rail. Mr. Adrian believes the group will be coming from Walla Walla and will tour the Tri-Cities Airport, Clover Island and Columbia Gardens and then proceed to the Port of Benton and tour the Wine Science Center and the North Benton industrial property.

Mr. Moak believes it is important to foster a relationship with the Port of Seattle for future marketing opportunities for Columbia Gardens and Vista Field. Furthermore, Mr. Moak believes that rail is a regional issue and other opportunities that should be researched, such as routing rail through the Hanford Reservation, because of the magnitude of the impact on communities.

Mr. Barnes agrees that rail is a regional issue and stated recently at the Washington Public Ports Association (WPPA) Spring Meeting the Port of Vancouver made a presentation regarding rail improvements to increase the capacity for railcars from 55,000 per year to 400,000 per year. Mr. Barnes is interested in gathering more information on the increase demands of our regional rail system and what that increase would mean in terms of potential impacts to our community. Mr. Barnes believes it is important for staff to focus on Port projects and appreciates the update and decision.

Mr. Arntzen stated the Port is always happy to show our sister ports and partners our properties, as we did last week with the Port of Ridgefield. Mr. Arntzen is concerned that the Port district may either see a positive benefit or a negative impact with increased rail. Mr. Arntzen did not feel it was right to sanction a tour that singles out a particular rail facility prior to having a clear understanding of the itinerary. Mr. Arntzen reiterated that the rail issue should be addressed by a regional organization.

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Mr. Novakovich agrees with Mr. Arntzen's decision and believes rail should be addressed by a regional organization, such as the Council of Governments, who is designated as the transportation organization for this region.

## **C. Columbia Drive Update**

Mr. Peterson stated Banlin Construction will soon begin placing exterior stucco on Building B. Additionally, staff has received the initial cost estimate for the Phase 2 base bid, which includes the loop roadway, parking lot and basic utilities. There are additional enhancements that will be added to the base bid, to stay within the \$1,100,000 Rural Capital County Funds (RCCF), such as a small plaza, various street furnishings, and bus shelter.

Ms. Bader Inglima stated the Commission asked Barb Carter, the Port's Art Liaison, to work with Ben Franklin Transit regarding the installation of the artistic bus shelter. Ms. Carter worked with the Art's Commission and staff to recommend a concept and artist, who has created these shelters for many public entities, and was vetted by the Kennewick Arts Commission and the City of Kennewick. Ms. Bader Inglima announced that on Thursday, June 29, 2017, the Columbia Center Rotary will be providing a financial contribution to the bus shelter. Additional entities that are contributing to the bus shelter are:

- Benton County: Rural Capital County Funds;
- City of Kennewick: Grant through America's Best Community;
- Kennewick Arts Commission;
- Port of Kennewick; and
- Ben Franklin Transit.

The bus pullout has already been installed on Columbia Drive by the City of Kennewick and will now feature an interesting, visually pleasing, iconic and functional bus shelter.

Mr. Peterson reported the City opened bids today for the wine effluent treatment facility and the lowest bidder was Banlin Construction, who teamed with Big D's Construction. By utilizing the same contractor, a nice consistency is created and sequencing of the project will be more efficient.

Ms. Carter is very excited for this opportunity to have functional, artistic piece of equipment in the Tri-Cities. The Kennewick Arts Commission has been working towards this concept for some time, and encourages any design that is for public use to have an artistic element. The additional cost is typically minimal, however, the benefit to the community is immeasurable. Ms. Carter stated the Port's continued investment in public art has created such a difference in our community and commends the Port for their continued effort.

## **D. Vista Field Update**

Mr. Peterson reported Vista Field Phase I design is 30% complete, which was generated by Parametrix and Hall Engineering Associates and includes the civil engineering drawing, water and sewer lines, lights, roads, and landscaping design. After the City reviews the Draft Master Plan, the Phase I design will be submitted to the City for cross reference and comments.

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### *1. City of Kennewick's Master Plan Adoption Process*

Mr. Arntzen reported Port and City staff meet on a regular basis to discuss Vista Field, which has a lot of moving parts. The end goal is to have a Master Plan and related documents, ready for adoption by the Port Commission and approval by the City Council. Mr. Arntzen and Marie Mosley, City Manager has determined the best course of action is the sub-committee approach, where the working groups are in charge of moving the process forward. Mr. Arntzen and Ms. Mosley will continue to be briefed by the sub-committee and will utilize the group to create a schedule in the near future. Once a schedule has been determined, Mr. Arntzen and Ms. Mosley will brief the Port Commission and City Council.

Mr. Arntzen stated in the past, staff has tried to set a timeline for the completion of the Master Plan, however, because of all the moving parts, the timeline keeps changing. The City and Port have the same intentions regarding Vista Field and are making every effort to get it right. Therefore, Mr. Arntzen does not want to set an artificial timeline where the City may feel pressured, however, the end of the calendar year still remains a goal. The prudent course of action is to allow the City to raise any and all issues with the Draft Master Plan and work to resolve said issues prior to approval of the document. The City and Port are working as a unified team on Vista Field and striving for the same end result, a quality Master Plan.

Mr. Novakovich likes Mr. Arntzen's suggestion and commended Port and City staff for their continued work and cooperation.

Mr. Moak is pleased that the Port and City are working well together, however, he believes having a goal to complete the Master Plan is important. Mr. Moak stated when Ms. Mosley and Mr. Arntzen brief the Commission, it would be prudent to discuss a potential date for completion. Mr. Moak believes it is important to have a realistic target to hold everyone accountable.

Mr. Arntzen stated the sub-committee will recommend an end date to myself and Ms. Mosley. Once that date is available, Mr. Arntzen and Ms. Mosley will brief the Commission and City Council on the details.

Mr. Peterson reported the Draft Master Plan was submitted to the City for comments on March 15, 2017 and the Port received City staff comments on June 19, 2017. Port staff scheduled a follow up meeting with the Carey Roe, City Public Works Director, Parametrix and David Robison of Strategic Construction Management to clarify the City's comments. The City wants to ensure that all of the ground work is completed prior to the Master Plan being approved.

Mr. Barnes appreciates Mr. Moak's comments and stated when the Port made the decision to close Vista Field in April of 2013, he envisioned construction of Phase I would have started sooner. However, Vista Field is an ambitious project and with the best professionals guiding us, the Port and City are working together to move the redevelopment forward. Mr. Barnes stated the Port could have set a deadline, however, if that deadline would have

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created a sub-par development, he would have been disappointed. Mr. Barnes stated if the City needs time to get the elements right, then that is acceptable. Mr. Barnes is aware of the frustration with how long the Master Plan is taking, however, these elements are crucial to the success of Vista Field and the Port should not settle for a sub-standard Master Plan.

Mr. Moak agrees with Mr. Barnes' comments, but would like to know what the realistic timeframe for the completion of the Master Plan will be and how the Port and City will meet that timeframe.

Mr. Novakovich inquired if the sub-committee will address a timeframe for completion of the Master Plan.

Mr. Arntzen stated to the best of their abilities, the sub-committee will investigate all of the information we have gathered and recommend a path forward and how this will be addressed. Mr. Arntzen stated a few of the items the City would like the Port to address are: information on the turning radius for big trucks, information on sewer flows and fire flows. Mr. Arntzen stated staff and consultants would like time to address the City's questions and offer up solutions. Mr. Arntzen believes once the Port addresses the issues, then we can come up with a potential date. Mr. Arntzen reported Port and City staff are also working on potential prospects for Columbia Gardens Wine Village. Mr. Arntzen assured the Commission that Port and City staff are not standing still, but continuing to make progress on the Master Plan to move the development forward. Mr. Arntzen reiterated that Vista Field is a new paradigm, and the City is willing to revise zoning, ordinances and traffic zoning to create this development.

## ***2. Port and City of Ridgefield***

Mr. Arntzen recently received a call from the Port of Ridgefield, which is located outside of Vancouver Washington. The Port of Ridgefield Commission is interested in New Urbanism and asked the meet with the Port to hear our experiences and understandings of the concept. In addition to the Port of Ridgefield, the City of Ridgefield Mayor and a few Council Members also attended the meeting. Port staff explained the general concepts of New Urbanism and how the public chose DPZ Partners as the design team for Vista Field. Mr. Peterson provided a PowerPoint presentation and visual examples of New Urbanism. Mr. Arntzen reported that the Port of Kennewick has also been assisting the Port of Whitman County with the concept and another port may make an inquiry in the future.

## ***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 stated Mr. Adrian spoke about assisting the Port with legislative items and inquired if TRIDEC was involved with the Ports of Ridgefield or Whitman County's request. Mr. Moak inquired if the request could benefit Vista Field or is that not in the scope of TRIDEC's involvement.

Mr. Arntzen stated Port staff gave a direct response to the Port and City of Ridgefield, related

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to our experiences with New Urbanism. Mr. Adrian referenced the CBC Culinary School and TRIDEC performed some community outreach, however, the City, the County, CBC, and the Port have done most of the heavy lifting. Mr. Arntzen stated the Port would appreciate the efforts of TRIDEC on the Culinary School and additional assistance on funding opportunities for the Port's larger projects.

2. Mr. Barnes reported the July edition of the *Tri-City Journal of Business* featured an article on the sale of Cedars Restaurant, where owners, Dave and Darci Mitcham were very complimentary to the Port's efforts to enhance and upgrade Clover Island, and the Commission and staff.
3. Ms. Bader Inglima stated the Port has been working in partnership with the City, the County and CBC on the Columbia Drive Redevelopment and the entities recently received the Governor's Smart Partnership Smart Communities Award. The Department of Commerce will present the awards to the Port, City, County, and CBC on July 25, 2017 at 1:00 p.m. at Columbia Gardens Winery and Artisan Village.

Ms. Bader Inglima stated the event is held on a Regular Commission Meeting day and inquired if the Commission would like to push back the start of the meeting to 2:30 p.m.

It is the consensus of the Commission to move the July 25, 2017 Regular Commission Meeting from 2:00 p.m. to 2:30 p.m.

Ms. Bader Inglima has been working with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) on the Gathering Place celebration and it has been determined that the date of August 4, 2017 will work for both the CTUIR and Port. The CTUIR has also requested the Port and CTUIR hold the Joint Annual Meeting after the celebration. Ms. Bader Inglima and Ms. Scott will continue to work on the details with the CTUIR.

4. Mr. Arntzen stated in regards to the Joint Meeting with the CTUIR, if there are topics the Commission would like to discuss, please send an email to Ms. Scott for a draft Agenda.

Mr. Arntzen reported a few potential purchasers have spoken to staff regarding the sale of Cedars. Mr. Arntzen stated the potential purchasers own local restaurants and have a proven track record. Mr. Arntzen stated it would be prudent for the Port to help facilitate the purchase and sale of Cedars, within reason, to keep the iconic element on Clover Island. The Port previously assisted Ray Gillette on his sale of Cedars to the Mitcham's.

Mr. Arntzen inquired if the Commission would like him to gather more information on the Port of Seattle tour and potential rail issue and how it may affect the Port District.

Mr. Novakovich stated he recently spoke with members of the City Council who are very concerned with the rail issue and are trying to ascertain the details of the tour. Additionally, the Council of Governments should be part of the discussion, as the transportation organization, and if Mr. Arntzen has the time and resources, it would be beneficial to pursue.



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Mr. Barnes agrees and stated rail has become a state wide discussion. It is imperative for the Port to gather more information to understand the potential impacts to our region.

Mr. Moak stated Columbia Drive and Vista Field both have rail and it is important for the Port to understand the impact of rail on these projects and have knowledge of the issue.

Mr. Arntzen stated he would like to fully vet the rail topic and asked for the ability to make full disclosure of the issue to all parties in the community.

Mr. Novakovich concurs with Mr. Arntzen and stated it is important for the Port to continue being transparent.

5. Mr. Peterson reported the City of Kennewick recently opened the bids for the wine effluent project for Columbia Gardens and Banlin Construction was the low bid at \$435,000, which is considerably higher than the engineer's estimate of \$280,000. Mr. Peterson stated the bid result will go before the Kennewick City Council on July 18, 2017.
6. Ms. Hanchette reported the recent storm that came through the area on Monday yielded very little damage to Port properties, other than some fallen tree limbs, a few broken fence rails, and a brief power outage at Oak Street.

## **PUBLIC COMMENTS**

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick relayed a recent experience regarding the benefits of deadlines and stated it would be valuable for the Port to establish a deadline for the Vista Field Master Plan.

No further comments were made.

## **COMMISSIONER COMMENTS**

No comments were made.

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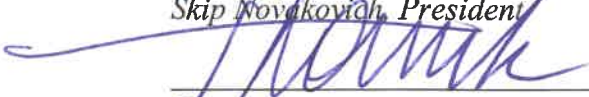
## ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:52 p.m.

***APPROVED:***

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
\_\_\_\_\_  
*Skip Novakovich, President*

  
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*Thomas Moak, Vice President*

  
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*Don Barnes, Secretary*