



PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 13, 2018 MINUTES

CALL TO ORDER

Commission President Thomas Moak 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: Thomas Moak, President
Don Barnes, Vice-President
Skip Novakovich, 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

Mr. Novakovich led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated March 2, 2018***
Direct Deposit and E-Payments totaling \$70,796.89
- B. Approval of Warrant Registers Dated March 13, 2018***
Expense Fund Voucher Number 39932 through 39964 for a grand total of \$66,160.94
- C. Approval of Regular Commission Business Meeting Minutes February 27, 2018***

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

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REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Columbia Drive

Mr. Peterson reported that the construction plans for Columbia Gardens Phase 2A are nearly complete and includes: the loop road (Date Street and Cedar Street Extensions and Columbia Gardens Way), trail access, landscaping and wall along Columbia Drive, the gateway approach, 30 parking spaces, 6 food truck spaces and plaza, and utilities. Mr. Peterson stated the Port is installing industrial sewer access for the food truck vendors, which allows them to discard grey water. The industrial sewer is a unique element for the food trucks and does not exist anywhere in the community. Mr. Peterson explained the construction period is set for 120 days, to accommodate time in May for the Latino Heritage Mural placement and celebration.

Following completion of Phase 2A construction, Phase 2B, which includes the tasting room building, will be ready for bid in late August.

Mr. Novakovich inquired what the total budget for Phase 2A construction is and what percentage of the project is funded from our partners.

Mr. Peterson stated the budget for Phase 2A is \$1,250,000, which includes:

- \$550,000 Benton County Rural Capital County Funds (RCCF) Port share;
- \$550,000 Benton County RCCF, City of Kennewick share; and
- \$150,000 Hanford Economic Investment Fund Advisory Committee Grant.

Mr. Barnes attended a Kennewick City Council Meeting where the discussion centered on how long a food truck would be allowed to stay at one location and inquired if staff knew if the City had passed an ordinance.

Mr. Peterson stated typically a food truck can stay at one location for 30 days, however the City removed that restriction for the Bridge to Bridge area. If it is successful, we hope the City will lift the restriction for Vista Field.

Mr. Moak inquired if there are additional spaces that are available for food trucks, if there is a demand.

Mr. Peterson stated the Port would need to make minor modifications to the existing spaces for electrical; however, they would not have access to the industrial sewer.

Mr. Moak asked when the Port would begin to sell property or lease space at Columbia Gardens.

Mr. Peterson stated that upon completion of Phase 2A, 1.5 acres will be available and ready for development. Additionally, once Phase 2B is completed in April of 2019, there will be additional lots available.

Ms. Bader Inglima stated the Port advertised the available space during the Washington Wine Growers (WWG) tradeshow.

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Ms. Hanchette stated in addition to the tradeshow advertising, she has emailed WWG members and received a few responses. Ms. Hanchette stated there is interest in the development and plans on sending out another mailing in the future.

Ms. Bader Inglima reported that the Port will be participating in the Food and Beverage Retention Expansion Opportunities (FABREO) Expo in June, where we will showcase opportunities within the development.

B. Vista Field Update

Mr. Peterson recently met with City staff regarding Vista Field storm water treatment, the cost of the project, and the potential issues. In 2017, the Tri-Cities was hit with a summer storm, which created storm water issues at Southridge. Due to those issues, the City wanted to implement a vastly different treatment system at Vista Field that was more expensive and time consuming. Mr. Peterson stated Southridge is very different from Vista Field and he was able to negotiate with the City to allow for the original system, which alleviates an extended construction schedule and is a cost savings of \$62,000.

Mr. Arntzen appreciates Mr. Peterson's work on issues that arise and how he has been able to successfully negotiate with the City. Additionally, the staff to staff relationship allows for these negotiations to take place and work through the issues together.

Mr. Arntzen reported that he and Mr. Peterson will travel to New Orleans next week to meet with Lizz Plater-Zyberk and Senen Antonio from DPZ, Michael Mehaffy, Laurence Qamar and Sam Neilson from Parametrix. The team will work for two days with the objective to complete the last portion of the construction documents. At this time, the documents are currently 85% complete and it is the intent to finish the remaining elements to create the vibrancy for Phase 1A for Commission review. Mr. Arntzen relayed that Andres Duany has asked Mr. Mehaffy, Mr. Qamar and Mr. Antonio to take staff on a tour of several neighborhoods which highlight examples of affordable housing at Vista Field.

Mr. Barnes is pleased staff will be working with DPZ for one final review of Phase 1 documents. This is an excellent time for the work session and it is important to get it right, not right now.

Mr. Moak appreciates all the work Mr. Peterson is doing, related to below surface construction. It may seem tedious, but it is important to the development. Furthermore, Mr. Moak concurs with Mr. Barnes comments and stated it is important to listen to DPZ's vision for Vista Field. Mr. Moak is looking forward to the report at the March 27, 2018 Commission Meeting.

Mr. Arntzen has been working with staff on the framework for the Vista Field public meeting, where the Commission has the opportunity to unveil the illustrations completed by Chris Ritter. Mr. Ritter attended the Charrette in 2014 and has worked with DPZ, Columbia Basin College and the Arts Center Task Force. The illustrations express the Port Commission's vision for Vista Field and are similar to those that were presented at the Charrette. Mr. Arntzen and Ms. Bader Inglima have put together an agenda for the April 19, 2018 meeting and it was determined, that the meeting cannot be an open house format because of the Open Public Meetings Act (OPMA).

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Ms. Bader Inglima and Ms. Luke crafted the Draft Agenda for the Special Meeting to meet the OPMA recommendations and inquired if the Commission had any comments.

Mr. Arntzen stated the Commission has the authority to waive the two minute time limit for public comment, to create a continuous dialogue with the public.

Ms. Luke stated it is important to establish criteria when all Commissioners are present; however staff will work to develop a free exchange with the public within the requirements.

Mr. Moak understands the need to follow the OPMA, but would prefer the Special Meeting not be conducted as a Regular Commission Meeting and allow the Commission to talk to people about Vista Field, rather than just receiving comments from the public. Additionally, the Special Meeting should allow the public the opportunity to participate, but in ways that are consistent with the OPMA.

Ms. Bader Inglima stated the illustrations will be on display and staff will encourage the community to view them prior to the beginning of the meeting.

Mr. Barnes would prefer that the Commission offer flexibility for public comment, while remaining in compliance with OPMA.

Mr. Moak agrees with Mr. Barnes and stated that flexibility for public comments should be stated at the beginning of the meeting and would prefer a more informal room set up.

Ms. Bader Inglima inquired if the Commission would like Mr. Peterson to brief the public on each illustration as part of the agenda.

Mr. Moak stated Mr. Peterson has a way of explaining things and believes that Mr. Peterson would be able to provide the important details of the illustrations.

Ms. Bader Inglima suggested that Mr. Peterson could walk through each illustration and offer a question and answer period.

Mr. Novakovich suggested to meet the OPMA requirements, the Port should have a Special Meeting and following the pledge, take formal action to suspend the policies and provide an opportunity to have an open discussion where the staff and Commission can interface with the audience.

Mr. Moak inquired if there are any other legal issues.

Ms. Luke stated as long as the Commission indicates at the beginning of the Special Meeting that they are waiving the public comment policy, then the Commission can move forward with a more open forum. Ms. Luke stated the comments will be captured in the minutes and anyone who is unable to attend can listen to the recording of the meeting if they desire.

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Ms. Bader Inglima will set the room in a more informal way and indicated the Port can also utilize the foyer space to display the illustrations.

Mr. Burdick reported that the Art Center Task Force (ACTF) meets this week and will apprise them of the April 19, 2018 Special Meeting.

Mr. Moak inquired if it is possible to incorporate the ACTF illustrations of the Vista Art Center.

Ms. Bader Inglima stated Steven Wiley, Chairman of the ACTF has offered the Port the use of the illustrations and staff will incorporate them with the Port's illustrations.

C. *Review of Projects Outside of Work Plan*

Mr. Arntzen updated the Commission on projects that he is currently working on, that are not specifically outlined in the 2017-2018 Work Plan:

- Kiwanis J & S Dreamline Express Train storage;
- Clover Island Master Plan Update;
- Ground Lease renewal on Clover Island;
- Duffy's Pond;
- Historic Downtown Kennewick Partnership Sub-Committee regarding connectivity;
- Vista Field Planners Retreat and Work Session;
- West Richland, Past, Present, and Future;
- Rail Loop Track in City of Richland/Port of Benton;
- Vista Field Dark Fiber;
- Benton County Rural Fire District on Fire Station Location;
- 2030 Regional Chamber Vision Project Committee;
- Local Business Expansion on Columbia Drive;
- City of West Richland and LDS Community Cleanup of Former Raceway;

Mr. Novakovich stated when a beneficial project comes up, it important for the Commission to be flexible and take advantage of the project.

Mr. Barnes agrees with Mr. Novakovich and stated for the record, that he is a member of Kiwanis that operates the J & S Dreamland Express Train, and indicated that his priority is the Port.

Mr. Arntzen has only spoken with Mark Blotz and Dick Nordness regarding the J & S Dreamland Express and Mr. Barnes has not been involved in the conversation.

Mr. Moak believes it is important to look at other things outside the Work Plan; however, it is essential to limit our actions, in order to focus on our priorities. Mr. Moak stated if Mr. Arntzen believes the project or idea is important enough to bring to Commission, a time frame needs to be determined. Mr. Moak appreciates that the community believes the Port can be of assistance with projects; however, there needs to be a balance.

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D. City of West Richland

Mr. Arntzen stated recently Councilman Don Engleman from the City of West Richland attended a Commission Meeting and inquired about an Interlocal Agreement to develop the former Racetrack property. Mr. Arntzen and Brent Gerry, Mayor of the City of West Richland have spoken on a number of occasions regarding the former Racetrack property. Mr. Arntzen stated he understands the Commission's directives for West Richland; however, there are some grey areas that he would like further direction. Mr. Arntzen stated over the course of time, the Port and City have developed a great dialogue and the Port has contributed to community projects. Mr. Arntzen would like to summarize the Port's activities in West Richland in the Spring Newsletter and then possibly make a presentation to the City of West Richland Council or at one of the service club luncheons.

Mr. Arntzen stated the Port has been working on a list of property entitlements since 2014 to prepare the property for development, including removing the Kennewick Irrigation District Inundation Clause for \$75,000. The Port outlined a long term strategy for the former Racetrack property in the Comprehensive Scheme, with a development time frame of 4-7 years. Phase 1 of the development will include installing approximately \$1,000,000 in infrastructure. The Commission formulated a long term strategy to line up with other outside factors, including the construction of the I-82 Red Mountain Interchange. Additionally, the Port established a short term plan (1-4 years) where the Port and City could look at a joint project. Mr. Arntzen stated previously, there has been discussion for a joint funding strategy to install the municipal utilities to the property line of the former Racetrack, which would cost approximately \$700,000-\$800,000. However, the City stated they would not be able to assist placing the utilities. Mr. Arntzen asked for further direction regarding the short term strategy for West Richland, with the caveat that the funding for a short term project could affect the long term investment.

Mr. Novakovich believes there could be an issue with our partner if the Port were to fund the extension of the utilities to the former Racetrack site. Mr. Novakovich suggested that the extension of the utilities could be part of the long term strategy and staff could meet with the Mayor and Council to discuss a short term project. However, as Mr. Arntzen stated, the Port may not have the funding for the long term development if the funds are used for a short term project. Furthermore, if the Port develops the former Racetrack in the near future, we may be competing with the private sector, who has their own property they want to develop.

Mr. Barnes stated that whenever possible, the Port should take a consistent, uniform position, and maintain an equal position for all our property, to benefit our partners. Mr. Barnes appreciates Mr. Engleman's request and inquired if the Port could partner with the Port of Benton and the City on a project. Mr. Barnes stated if the City has a preference for a small project, within budget that they would like to see completed over the next 1-4 years, the Port may want to assist them with it. However, it is important for the Port to save the necessary resources to place the infrastructure on the Racetrack property and make that the best project for West Richland and the Red Mountain AVA. Mr. Barnes stated some competition with the private sector is inevitable. And the Port has announced its intentions to develop the former Racetrack, and when the economic factors are right, the Port will develop the property.

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Mr. Moak stated when the Commission discussed West Richland at the Comprehensive Scheme meeting in 2016, it was determined that a 4-7 year time frame for development would be beneficial because of the list of entitlements on the former Racetrack property. The Port outlined development of the property in the 2021-2022 Budget, which will allow staff time to create an economic plan and account for the current market factors. Mr. Moak believes the Port should ask what the grape growers on Red Mountain would like to see done with the former Racetrack property, whether there is a need for storage, as outlined in the Master Plan or some other amenity that will benefit the City, the growers and the property owners. The Port and City need to discuss placing utilities to the property line; however, the Red Mountain Interchange, the economic market, and the partnership will ultimately impact how fast the Port develops the former Racetrack property.

Mr. Arntzen confirmed that the Commission believes that in the 1-4 year timeframe, the Port can either save money for the redevelopment or visit with West Richland to determine a small project of community importance that will not draw on the larger fund for development.

Mr. Novakovich stated the Port cannot move forward until there are utilities to the property line, which should not be funded by the Port. Mr. Novakovich believes that placing utilities to the property line needs to be part of the long term plan. Additionally, the Port needs to meet with West Richland to discuss whether the City would like the Port to spend money on short term project now or save the money for when the economic conditions are appropriate, so that we can invest those funds to build the infrastructure to the Racetrack.

Mr. Arntzen will continue working on this and discuss with Mr. Gerry on a potential short term plan and report back to the Commission at a later date. Mr. Arntzen confirmed that the Commission does not have a desire or directive to revisit the Master Plan.

Mr. Moak inquired if the market conditions have changed drastically that the Port would need to revisit the Master Plan.

Mr. Novakovich inquired if the Port needs to reflect the City of West Richland Memo dated March 15, 2017 in the current Master Plan and Work Plan.

Mr. Peterson stated that the Master Plan lays out the development of physical property, such as road layout and utilities, which is relevant to either wine storage or other amenities.

Mr. Arntzen and Mr. Kookier have looked at budget and believe the cost for Phase 1 infrastructure to cost approximately \$1,500,000. Mr. Arntzen believes the Port will have those funds available in 2023-2024 with the assistance of uncommitted RCCF funds. Additionally the Port is marketing two lots for sale in West Richland, which can be part of the funding strategy. Mr. Arntzen stated redevelopment takes time and in the grand scheme and 4-7 years is not a long way off. Mr. Arntzen appreciates the discussion and will work the short term strategy and a long term financing plan. Furthermore, this discussion demonstrates the Port's partnership and commitment to the City of West Richland.

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RECESS

Mr. Moak recessed the meeting at 3:47 p.m. for ten minutes and will reconvene at approximately 3:55 p.m.

Mr. Moak reconvened the meeting at 3:55 p.m.

E. Texas Trip

Mr. Moak presented slides from his recent trip to Austin, San Antonio, and Houston, which are relevant to the Port's development projects.

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

Commissioners reported on their respective committee meetings.

G. Non Scheduled Items

1. Mr. Barnes recently visited The Village at Meridian, in Meridian, Idaho and was very impressed with the common area amenities and illuminated water feature. The development's primary boulevard is a narrow street, lined with trees and outdoor stringed lighting. Mr. Barnes stated The Village is a retail shopping hub with restaurants, businesses, and a movie theater, but it does not have a residential area. Mr. Barnes stated the development is very popular and has numerous parking lots, which are located outside of the development.
2. Mr. Novakovich asked if, during the last session of the Vista Field Unveiling Meeting, the public could circulate the room and ask questions regarding the displays, rather than asking questions while seated.

Ms. Luke stated the Commission can engage with public whether they are seated or not, as long as the Meeting is still in session.

Mr. Novakovich provided a Washington Public Ports Association Legislative Report:

- Port Broadband Authority, HB 2664 allows every Port District to modernize and expand port broadband authority: passed and was sent to the Governor's office for signature;
- Tourism Promotion, SB 5251 creates and funds a state tourism program by establishing a tourism board and directs 0.2% of sales tax on lodging, rental cars, and restaurants into a tourism account managed by the board: passed and was sent to the Governor's office for signature;
- Campaign Contributions, HB 2647 extending campaign contribution limits to all port districts died on the Senate floor;

Mr. Moak inquired if the broadband authority will affect our projects.

Mr. Arntzen will research the topic further and report back at the next meeting, but he does not believe it will be helpful to the Port at Vista Field.

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Mr. Peterson stated the broadband authority will not affect the Port, because we have significant fiber capabilities in our community, both public and private, which is very different from the Port of Whitman's situation.

3. Ms. Bader Inglima presented pictures of artist, Andrew Reid, working on the Latino Heritage Mural. Mr. Reid has been in contact with the Latino Heritage Mural Committee to ensure that the elements they asked for are incorporated into the mural. The Port will install the mural in May and the celebration will be held on May 23, 2018.
4. Mr. Arntzen recently spoke with the manager of Columbia Fitness regarding the trail extension and there is a high reluctance to extend the trail behind their property.

Mr. Arntzen stated the Port has had great working relationship with Visit Tri-Cities and recently Kris Watkins, President and CEO, announced her retirement. Visit Tri-Cities announced that Michael Novakovich will be succeeding Ms. Watkins in April. Mr. Arntzen stated Visit Tri-Cities has a great team and looks forward to collaborating with Mr. Novakovich and staff.

5. Ms. Hanchette reported that operations is working on spring cleanup and maintenance at the former Racetrack property, mending fences and removing 20 trailers (10,000-12,000 pounds) of debris, and Sage and Sands Sports Car Club, a Port tenant, recently had their spring clean-up day at the Racetrack as well. As Mr. Arntzen relayed earlier, Mr. Gerry is working with an LDS volunteer group, who was looking for an Earth Day project, and the group volunteers will use chainsaws and chippers to remove the poplar trees.

PUBLIC COMMENTS

Brent Gerry, 5401 Kalakaua Court, West Richland. Mr. Gerry reported that the LDS Church performs a project as part of their day of service in West Richland and since the City did not have a project for them this year, Mr. Gerry suggested the former Racetrack property. The volunteers will focus on the removing the trees parallel to SR 224, the trees on the west turn, and trees behind the grandstands. Mr. Gerry has received some comments regarding the state of the property. Mr. Gerry is assisting the Port with Code Compliance now that the property is within the City limits.

Mr. Gerry thanked the Commission for the healthy conversation regarding the former Racetrack property and will share the details with City Council. Mr. Gerry understands that the Port has a lot of capital projects and realizes that redevelopment projects take time. Mr. Gerry will get together with Mr. Arntzen to see if they can come up with a short term strategy moving forward. Mr. Gerry expressed the Council's concern of investing in the property if there will not be any development for 4-7 years and perhaps when the Port is ready to make the investment, the Council will be ready too.

Mr. Gerry stated in regards to the Vista Field Unveiling, perhaps the Port could look at the way the State of the Cities is executed, with a moderator. Mr. Gerry thanked Mr. Moak for attending the City Council Meetings.

Mr. Moak thank Mr. Gerry for attending the meeting today.

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COMMISSIONER COMMENTS

No comments were made.

Mr. Moak anticipates the Executive Session will last approximately 15 minutes, Potential Litigation, per RCW 42.30.110(1)(i) with no action anticipated. Mr. Moak asked the public to notify Port staff if they will return after the executive session so staff can advise if the session concludes early.

Mr. Moak recessed the Regular Commission Meeting at 4:27 p.m.

EXECUTIVE SESSION

A. Potential Litigation, per RCW 42.30.110(1)(i)

Mr. Moak convened the meeting into Executive Session at 4:28 p.m. for approximately 15 minutes.

Mr. Moak adjourned the Executive Session at 4:38 p.m. with no action taken.

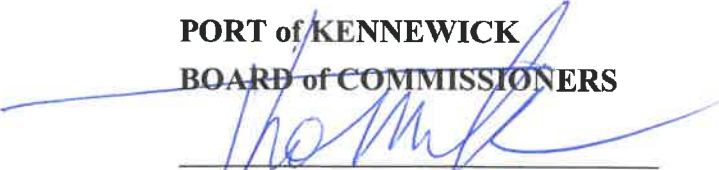
Mr. Moak reconvened Regular Commission Meeting at 4:38 p.m.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:39 p.m.

APPROVED:

PORT of KENNEWICK
BOARD of COMMISSIONERS


Thomas Moak, President


Don Barnes, Vice President


Skip Novakovich, Secretary