



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

MARCH 22, 2016 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

Mr. Arntzen led the Pledge of Allegiance.

Mr. Novakovich stated Phil Lemley, City of Richland Councilmember and liaison to the Port sends his regrets that he is unable to attend today's meeting.

Mr. Novakovich asked for a motion to adopt the Agenda.

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

PUBLIC COMMENT

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick requested staff correct his name on the March 8, 2016 minutes.

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton extended a written invitation to the Commission regarding the Vista Pioneers. *Exhibit A*

No further comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

A. Approval of Direct Deposit and E-Payments Dated March 17, 2016



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Direct Deposit and E-Payments totaling \$58,062.33

B. Approval of Warrant Registers Dated March 22, 2016

Expense Fund Voucher Numbers 37752 through 37791 for a grand total of \$187,779.19

C. Approval of Commission Meeting Minutes Dated March 8, 2016

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field Update

Mr. Peterson stated representatives from DPZ, Parametrix and City and Port staff presented the Transportation System Impact Evaluation (TSIE) to the Kennewick City Council on March 8, 2016. The presentation included the detailed transportation system comprised of narrow roads, a slow moving main road, and ample parking, as identified in the 2014 Charrette. The TSIE was well received by City Council, even though the plan is radically different than the current norm. Mr. Peterson thanked Carey Roe, City Public Works Director and John Deskins, City Traffic Engineer for their assistance on the TSIE and their willingness to consider and recommend the TSIE to City Council. Furthermore, Mr. Peterson stated Fire Chief, Vince Beasley spoke favorably of the TSIE and supports the design of the project and indicated emergency vehicles will be able to maneuver throughout Vista Field without any issues. Mr. Peterson stated, based on City Council comments, DPZ and staff will move forward with the completion of the Master Plan and draft a Development Agreement between the Port and City. The Development Agreement will ensure the design and zoning regulations for Vista Field cannot be altered during the first ten years of development.

Mr. Novakovich stated Mr. Arntzen, Mr. Peterson and Mr. Roe did a marvelous job presenting to the City Council and the TSIE was very well received. Mr. Peterson thanked the City and Port staff for their diligent work over the past year.

Mr. Arntzen stated City and Port staff have been meeting informally several times a month to discuss Columbia Drive, Clover Island and Vista Field. Port and City staff met yesterday and the City indicated they will be conducting a water study, related to providing service to Vista Field, which may add an additional sixty days to the Master Planning process. This is good news, because it allows DPZ and staff to thoroughly complete the Master Plan and ensure all the details are accurate.

Mr. Peterson stated the runway is essentially a barrier with no connection to the water system. The City is currently conducting a water system analysis city-wide, and will determine if there is adequate fire flow to Vista Field. The City is concerned they would not be able to provide fire service at full build out, however, the first phase will not impact the water system. Furthermore, the City will look at what current connections will improve the water flow and what steps need to be taken to fix any issues long term.



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Mr. Arntzen updated the Commission on new details of the financing plan for Vista Field. Previously, Mr. Arntzen indicated that \$3,000,000 would be feasible for completing Phase I, which included infrastructure, utilities, and a common area. However, because of the proposed road network, the Port will not need to demolish the three hangars, and Mr. Arntzen believes the Port could add additional funding to the financing plan to rehab the hangars for a lease or sale opportunity. Mr. Arntzen stated the Port has been approached by an established business that is interested in two of the hangars and inquired if the Port could make a modest investment to the space. Furthermore, the third hangar could be remodeled for retail or office space. Therefore, in conjunction with Phase I, the Port would create additional ROI opportunities with the three buildings while contributing to early activity at Vista Field. Mr. Arntzen believes the revised financing plan will be approximately \$5,000,000 which includes \$3,000,000 for infrastructure, \$1,500,000 for rehabbing the hangars, and \$500,000 set aside for a contingency fund.

Mr. Arntzen and Mr. Kooiker have met with a local bank that is extremely interested in helping the Port with funding and will be providing a proposal. Mr. Arntzen reiterated, although construction has yet to begin, there has been a lot of behind the scenes activity surrounding Vista Field.

Mr. Arntzen indicated the financing plan will need to go through legal review and anticipates a plan may be about 45 days out.

Mr. Moak inquired if the Port would remodel the hangars prior to obtaining a signed lease agreement.

Mr. Arntzen stated the Commission would make the determination, however, if the course of action continues, the Port could see a letter of intent for two of the hangars. Nonetheless, the Port would not expend any funds until the deal was solid. Mr. Arntzen suggested the third hangar could be designed without tenants, in hopes of establishing rental activity.

Mr. Novakovich inquired if the hangars were all the same size.

Ms. Hanchette stated the hangars are 4500 square feet.

Mr. Arntzen stated the third hangar is one large space, whereas the other two hangars have restroom facilities and office space that the interested business can utilize. Mr. Arntzen believes the third hangar could be configured into a commercial/retail and office space, however, details need to be discussed further. Mr. Arntzen stated the gateway south entrance will run right between the two hangars and believes the location will be desirable property.

Mr. Barnes asked staff to review the items that will be included in Phase I Development.

Mr. Arntzen stated based on Commission comments, ideas garnered from the Charrette, and a financial standpoint, he believes the following is needed for Phase I:

- Main Street that bisects the property that creates the access from south to north;
- Narrow streets;
- Common area: Park or Plaza;



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- Parcels for sale that are conveniently located near the hangars or common area.

Mr. Arntzen believes it is important to have parcels for sale, because the land sales will either pay down an existing loan or be utilized for further development. Mr. Arntzen reiterated the Phase I plan will need to go through financing before a final decision can be made.

Mr. Peterson believes Mr. Arntzen is correct and stated he is working with Parametrix to refine costs to see how far \$3,000,000 will go towards infrastructure.

Mr. Barnes asked when staff would be ready for Commission input on Phase I details.

Mr. Arntzen encouraged input now, however, a lot will depend on the finance plan. Mr. Arntzen stated at the next meeting, staff can present a rough draft drawing of what Phase I may include. Mr. Arntzen proposed the Commission hold a mini-charrette during the Commission retreat and bring forth ideas they would like to see for the common space.

B. Columbia Drive Update

Mr. Peterson stated the plans for the site excavation and utility work for Columbia Drive will be available Monday, March 28, 2016 and due April 26, 2016. Mr. Peterson estimates construction to begin around May 9, 2016 and completed by the end of August. Mr. Peterson has been working with Terence Thornhill, David Robison, and Roen Estimating on value engineering for the winery buildings to reduce costs. Mr. Peterson believes the winery buildings will be able to go out for bid mid-August and hopes construction can begin before the weather turns.

C. Commission Retreat Update

Mr. Arntzen stated as part of the CEO's goals, the Commission asked staff to hold a workshop and a Commission Retreat. The Port held a two workshops in 2015, which focused on Vista Field and the Comprehensive Scheme. Mr. Arntzen stated the Commission Retreat will give the Commission an opportunity to delve into different items. Mr. Arntzen has received input from staff and consulted with Jim Darling of Maul Foster Alongi, who may serve as moderator and/or presenter for the Retreat and has helped the Port in the past. Mr. Arntzen suggested the Retreat be held on a Saturday in June.

Mr. Arntzen offered some potential topics for the Retreat:

- Working together as a team, presented by Jim Darling;
- Prioritizing projects with multiple jurisdictions and limited resources;
- Long term financial picture;
- Vista Field common space charrette.

Ms. Scott stated additional Retreat topics may include the Arts Policy and a presentation by Burr Stewart, "The World 20 Years in the Future."

Mr. Novakovich believes the topics are a good start.



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Mr. Moak likes the concept of what the future holds in twenty years and where the Tri-Cities will be and how it will impact the Port.

Mr. Barnes stated a potential topic worth consideration is what the Port's place within our community is. There are several entities that make up the Tri-Cities and it is important to take into consideration what those entities are doing and the Port's goals and objectives fit within the community.

Mr. Arntzen believes those two suggestions that run parallel with the comprehensive scheme.

Mr. Peterson stated the comp scheme has been focusing on what the role of the Port should be over the next ten years. Mr. Peterson conveyed the Port has become focused on redevelopment and the comp scheme can narrow down how our efforts fit in and compliment community projects in the region.

Mr. Arntzen stated if the Commission would like to pursue this topic for the Commission Retreat, staff could consult with Ben Floyd, of Anchor QEA, regarding additional comp scheme information.

Mr. Moak inquired when the ten year financial report will be ready.

Mr. Kooiker anticipates the report will be completed late June or July.

Mr. Arntzen stated Anchor QEA will be providing financial details on Port property land sales, such as Vista Field and Southridge, while staff is creating a financial plan for the Commission to review. Mr. Arntzen believes the ten year financial plan will show that the Port has a balanced budget and is financially solvent, however, there will not be enough funds for every project during the middle years. Mr. Arntzen stated staff has previously discussed the Rural County Capital Funds and if Benton County chooses to release funds, those funds could be utilized during the middle years for second and third tier projects.

D. Futurewise Annual Luncheon

Ms. Bader Inglima reported staff had the opportunity to attend Futurewise's Annual Luncheon. Futurewise has shown interest in the Vista Field redevelopment; the potential for urban renewal and redevelopment aligns with the goals of Futurewise.

Mr. Peterson stated Vista Field lines up well with the mission of Futurewise by reducing urban sprawl and encouraging in-fill projects and working with mass transit to reduce energy consumption. Futurewise has been a supportive partner and worked with the Port and West Richland on the Urban Growth Boundary Application and supported Port staff during a grant presentation for potential funding sources for Vista Field.

Mr. Novakovich thanked staff for attending the luncheon and conveying the importance of our partnership with Futurewise.



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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 appreciates how Mr. Eaton and Mr. Burdick have embraced the Vista Pioneers concept. They have expressed their desire to live in a neighborhood that creates a sense of place, is multi-generational and driven by the live, work, play attribute. Mr. Moak stated he will be out of town during Mr. Eaton's meeting, but is looking forward to a report. Mr. Moak thanked Mr. Eaton and Mr. Burdick for being great stewards of Vista Field and energizing others to see this as more than just a project.
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, 2016.

Furthermore, written statements disclosing any conflicts of interest and identifying any current or prospective economic relationships are also due to the Port by April 15, 2016 in accordance with the Commission Rules of Policy and Procedures.

3. Ms. Bader Inglima attended the Tri-City Rivershore Enhancement Council (TREC) meeting on Monday, March 21, 2016 and on the agenda for discussion was the regional land conveyance for properties owned by the United States Army Corps of Engineers (USACE) along the river front of Benton and Franklin Counties. The discussion was led by Brad Fisher, former Congressman Doc Hastings, Franklin County Commissioner Brad Peck, and TRIDEC CEO Carl Adrian, who asked TREC to endorse and support their request to the federal government to convey the land to the local jurisdictions. Mr. Peck made a motion asking TREC to endorse the conveyance, however, Kris Watkins, CEO of Visit Tri-Cities relayed TREC is a committee coordinated by Visit Tri-Cities to encourage local jurisdictions to focus on projects of mutual interest and is not a formal body with bylaws. The motion to have TREC support the land conveyance was rescinded and Mr. Peck made another motion asking TREC to ask the Visit Tri-Cities Board to receive the information and weigh in and support the land conveyance.

Ms. Bader Inglima conveyed the Port's concerns with the conveyance and stated the Port has an on-going relationship with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and USACE. Ms. Bader Inglima stated the Port of Kennewick, Port of Pasco and City of Richland abstained from the vote, however, the group voted on the motion for Mr. Fisher, Mr. Hastings, Mr. Peck and Mr. Adrian to make a presentation to the Visit Tri-Cities Board.

Ms. Bader Inglima received confirmation from Visit Tri-Cities and stated the group will be making a presentation to the Executive Board on Wednesday, March 23, 2016 regarding regional conveyance.

Mr. Arntzen spoke with a representative from the CTUIR earlier today and stated the CTUIR and a number of other tribes believe they should have the first right of refusal. Mr. Arntzen is concerned that the local tribes have not had a chance to weigh in on the conversation and may



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have a different point of view regarding the riverfront.

Mr. Novakovich inquired if the Port is going to be asked to weigh in on the land conveyance.

Ms. Bader Inglima does not believe so, however, the group is asking for community support.

Mr. Moak believes there needs to be an opportunity for the public to weigh in on the discussion regarding land conveyance before the Commission takes a position.

Mr. Barnes reiterated at this time, the Port of Kennewick has no official position regarding the land conveyance, however, the concern is how the request could affect our relationship with the CTUIR and the USACE. Mr. Barnes indicated if he is asked to vote or express a position, he will either abstain or vote no. Furthermore, the Tri-Cities cannot be the only community with this issue and he believes there should be additional research done that shows where communities have successfully redeveloped the shoreline with the help of the USACE and the approval of the tribes.

Mr. Arntzen appreciates the attention the Commission has given to the land conveyance and stated at this time, there is not enough information to take a position. Mr. Arntzen believes the conveyance of land is worthy of a similar process that was utilized for rebranding.

Ms. Bader Inglima reiterated that she is clear and on the record stating the Port is not taking a position and abstains from the vote. Furthermore, she asked that the abstention, along with the Port of Pasco and the City of Richland be shared with the Visit Tri-Cities Board.

Mr. Moak inquired if TREC is made up of staff from the various jurisdictions and not elected officials.

Ms. Bader Inglima stated executive staff from the local jurisdictions were in attendance, such as Cindy Reents from Richland, Marie Mosely and Terry Walsh from Kennewick and Randy Hayden from the Port of Pasco. Ms. Bader Inglima believes the group has addressed other jurisdictions prior to coming to TREC, requesting letters of support by individual entities.

4. Mr. Arntzen received correspondence from Pete Rogalsky, City of Richland Public Works Director who would like to make a presentation to the Commission regarding a letter of support for the Duportail Bridge. Mr. Arntzen stated the Spaulding Business Park is winding down and Port and City staff have met regarding new projects. Mr. Arntzen stated the City of Richland believes the Duportail Bridge is an instrumental project for their economic development efforts and indicated the City may, in addition to a letter of support, request funds for a local match.

Mr. Novakovich confirmed the state funding for the Duportail Bridge is \$20,000,000, however the estimated project cost is \$36,000,000 to \$38,000,000.



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Mr. Peterson stated a \$20,000,000 line item has been placed on the Transportation Tax for the bridge.

Mr. Arntzen reported the Port received a proposal from the Mid-Columbia Arts Foundation for the FBO building last year, and although Mr. Arntzen has not had a chance to move forward on the project as quickly as he wanted; he welcomes the opportunity to visit with Mr. Eaton and stated he would like to see staff work with the group regarding a proposal to the Commission.

5. Mr. Peterson reported the repaving and striping of the parking lot boat ramp has been completed and there are a few remaining items on the punch list. The boat ramp project is likely to be finished prior to the March 31, 2016 completion date.

PUBLIC COMMENTS

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton stated the Mid-Columbia Arts Foundation is trying very hard to communicate to the public the difference between the proposal for the FBO building and the Vista Arts Center proposal by the Arts Center Task Force. The Mid-Columbia Arts Foundation understands the Arts Center Task Force's proposal is the first step in process and when the negotiations are completed, then the Mid-Columbia Arts Foundation and the Port can address the FBO building proposal. Mr. Eaton stated this is a step wide process that needs to be coordinated between the Mid-Columbia Arts Foundation and the Arts Center Task Force.

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick attended the City of Kennewick Council Meeting regarding the TSIE analysis and at the end of the meeting, Marie Mosely, City Manager announced the Local Revitalization Fund (LRF) passed for the City of Kennewick and was headed to Governor Inslee for approval. Mr. Burdick inquired if the LRF was passed or vetoed by the Governor. Furthermore, regarding the land conveyance, Mr. Burdick believes the Columbia River should be left in its natural state and referenced the Chicago Lake front as a good example of public parks and beaches along the river that has not been commercially developed.

No further comments were made.

Mr. Arntzen stated the LRF is a tool used by the City to try and incentivize growth, where the state provides sales tax funds for infrastructure, and the City utilized in Southridge. The City has stated they would like to use funds for West Kennewick, however, Mr. Arntzen has not seen a formalized document from the City detailing the use of the LRF funds for Vista Field. At this time, Mr. Arntzen continues to have conversations with outside funding sources for the redevelopment of Vista Field.

Mr. Moak stated Governor Inslee has a certain number of days to pass or veto any legislation, however, even if the LRF passes, a process is established and a community needs to apply for the funds, therefore there is no guarantee that the City of Kennewick will receive the LRF.

Mr. Novakovich added it is not new funds, but funds that cities have applied for in past, that were unused.

COMMISSIONER COMMENTS

No comments were made.



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Mr. Novakovich anticipates the Executive Session will last approximately 20 minutes, 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 approximately eight minutes.

EXECUTIVE SESSION

A. Real Estate (Minimum Price), per RCW 42.30.110(1)(c)

Mr. Novakovich convened the meeting into Executive Session at 3:45 p.m. for approximately 20 minutes.

Ms. Hanchette exited the meeting at 4:05 to extend the session 20 minutes.

Mr. Novakovich adjourned the Executive Session at 4:23 p.m.

Mr. Novakovich reconvened Regular Commission Meeting at 4:23 p.m.

ADJOURNMENT

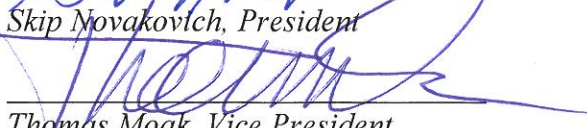
With no further business to bring before the Board; the meeting was adjourned at 4:23 p.m.

APPROVED:

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BOARD of COMMISSIONERS


Skip Novakovich, President


Thomas Moak, Vice President


Don Barnes, Secretary

The Vista Pioneers are having a meeting
At the home of Chuck & Ann Eaton
2309 Davison Ave. Richland
Sunday, April 3, 2:00 p.m

The *Vista Pioneers* is the slightly tongue-in-cheek name of an informal group of folks who can imagine being "early adopters" at Vista Field. The group includes, but is not limited to the two groups identified at the Port's Planning Charrette in November, 2014; young urban professionals and older, down-sizing empty-nesters.

The Vista Pioneers can provide information to the Port on what services need to be in place and on site for us to move in, and help Vista Field rapidly become the urban center our community lacks; a place to go for night-life, for the arts, for entertainment; the place to live and work at home, to start a business, to study, to retire and live a good life.

The meeting will be informal, a meet & greet with light refreshments.

If you can come to the meeting, please let Ann & Chuck know at:
chaneaton@gmail.com
land line: 509-375-1319

If you can't come but have some input &/or want to find out what happened, email us.