

AGENDA

*Port of Kennewick
Regular Commission Business Meeting
Port of Kennewick Commission Chambers
350 Clover Island Drive, Suite 200, Kennewick, Washington*

Tuesday, April 9, 2019
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. APPROVAL OF AGENDA**
- IV. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- V. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments Dated April 2, 2019
 - B. Approval of Warrant Register Dated April 9, 2019
 - C. Approval of Regular Commission Business Meeting Minutes March 26, 2019
- VI. PRESENTATION**
 - A. The REACH Museum, Executive Director Rosanna Sharpe (**TIM**)
 - B. Graffiti-Mural artwork presentation, Julian Chavez, student artist/muralist, Phoenix High School (**SKIP**)
- VII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Port of Pasco Interlocal Agreement-LAX Daily Service; Resolution 2019-07 (**NICK**)
 - B. Columbia Drive Update (**LARRY**)
 - 1. Phase 2A Substantial Completion (**LARRY**)
 - 2. Food Trucks (**AMBER/TANA**)
 - C. Vista Field Update (**LARRY/TIM**)
 - 1. Hangar Remodel Discussion (**DON**)
 - D. Citizen Complaint (**TIM/LUCY**)
 - E. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - F. Non-Scheduled Items
- VIII. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IX. ADJOURNMENT**

PLEASE SILENCE CELL PHONES



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

MARCH 26, 2019 MINUTES

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
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Assistant
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: *Commissioner Novakovich moved to approve the Agenda; 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 15, 2019***
Direct Deposit and E-Payments totaling \$59,977.57
- B. *Approval of Warrant Register Dated March 26, 2019***
Expense Fund Voucher Numbers 100937 through 100970 for a grand total of \$196,838.93
- C. *Approval of Regular Commission Business Meeting Minutes March 12, 2019***

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

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PRESENTATION

A. *Culinary Arts District, Florida*

Commissioner Moak recently visited Oakland Park, Florida and presented information on the local Culinary Arts District. The Culinary Arts District was established in 2012 and is run by a Community Revitalization Authority. The District includes restaurants, a bakery, an Urban Farmer Patio Market, which sells vegetables from local farms, an outdoor garden, and several local businesses and residential housing. The area is very similar to Columbia Drive and Columbia Gardens, and also includes a very busy rail line. Commissioner Moak believes the Port should continue creating a vision, develop public and private partnerships, identify potential funding sources, and market and promote the area, and enjoy what the development has to offer.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Rural County Capital Funds (RCCF) Partnership Opportunities*

Mr. Arntzen recently met with City of Kennewick City Manager Marie Mosley to discuss potential Benton County Rural County Capital Funds (RCCF) opportunities. Mr. Arntzen stated the City has invested \$4,500,000 into Port projects and is ready to partner again. Mr. Arntzen stated the two areas of potential partnership would be on Columbia Drive and Vista Field. Mr. Arntzen plans on visiting with Benton County to see there are any projects they might find attractive as well. The Port has had great success with our RCCF applications and Mr. Arntzen inquired if the Commission would like staff to pursue a partnership with the City at Columbia Drive and Vista Field.

Commissioner Novakovich inquired if there is a specific project at Vista Field that the City would like to partner on.

Mr. Arntzen stated that the next important step at Vista Field is to create vibrancy within the development. A way to create that vibrancy is by rehabilitating the corporate hangars for leasing opportunities. Mr. Arntzen stated the Commission and Port staff have previously discussed remodeling the hangars and have a contract with CKJT Architects for design, which is currently on hold. Mr. Arntzen discussed the hangar remodel with Ms. Mosley and City staff and was pleased by the response. City staff would like to move the hangar rehab from concept to potential joint RCCF application.

Commissioner Novakovich inquired how much was the proposed budget for the rehab of the hangars. Commissioner Novakovich inquired because of the increase in construction costs, what would be the new budget for rehabbing the hangars and how much would the City potentially invest.

Mr. Arntzen believes the proposed budget was previously \$3,000,000; however, with the construction climate, it may be approximately \$4,500,000. If the Commission is interested in looking at the hangars as a potential joint RCCF project, staff could work on some scenarios and then determine the actual cost. Mr. Arntzen stated this would be an exciting opportunity and inquired if this is a project that the Commission may want to consider at Vista Field for Phase 1B. Mr. Arntzen stated this project would be at least a year or two out, but the Port and City could start the funding element and RCCF application process now, if the Commission desires.

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Commissioner Novakovich inquired if there are opportunities in other jurisdictions and if there partners willing to put in a joint application for those projects.

Mr. Arntzen has approached other jurisdictions and has heard no regarding a joint application.

Commissioner Novakovich stated if the City is willing to partner with the Port, then it makes sense to find a way to move forward. Commissioner Novakovich recently conversed with City of Kennewick Mayor, Don Britain, and Council Member Chuck Torrelli, who indicated that Ms. Mosley already discussed the idea with the City Council and it was well received. Commissioner Novakovich asked if the Port decides to move forward with this project, where would the funds come from.

Mr. Arntzen stated the Port currently has \$700,000 allocated for a Return on Investment (ROI) project in the 2019-2020 budget and believes the Port will have approximately \$300,000-\$400,000 available in an RCCF account. Mr. Arntzen believes the Port has \$1,000,000 towards the \$4,500,000 and would need to fill the gap, which could be from land sales, as there is no other funding.

Commissioner Novakovich inquired if there has been any interest in the Southridge property.

Ms. Hanchette stated that there has not been any interest in Southridge, just a few inquiries.

Commissioner Novakovich mulled the possibility of utilizing the auction process for the Southridge property.

Mr. Arntzen stated at this time, he is only asking if the Commission would like to pursue RCCF funding with the City for projects at Columbia Gardens and Vista Field.

Commissioner Moak stated five years ago, he did not believe the hangars would contribute to the redevelopment of Vista Field; however, those hangars are interesting structures that appeal to a younger demographic and he sees how rehabbing the hangars could create a vibrant entrance into the development. Commissioner Moak stated the Commission has seen conceptual renderings of the hangars and believes rehabbing the hangars could be an important way to increase vibrancy that could resonate throughout the district. Commissioner Moak likes that idea of reusing the hangars and determining what it is we want to do with them.

Commissioner Barnes likes the idea of rehabbing the hangars and confirmed with Mr. Peterson that Phase 1A construction will go to the end of 2019.

Mr. Peterson stated the project is 270 days and Total Site Services can begin once the Notice to Proceed is issued.

Commissioner Barnes stated Vista Field is an Opportunity Zone, which provides incentives to the private sector to create economic development and investment and inquired if the Port could

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partner with a private sector developer who can utilize the Opportunity Zones. Commissioner Barnes asked staff to look into Opportunity Zones as a possibility.

Commissioner Moak asked Commissioner Barnes if he was in favor of selling the hangars.

Commissioner Barnes believes it is worth researching.

Commissioner Moak stated Miles Thomas, City of Kennewick Economic Development Manager has done a lot of research on Opportunity Zones; however, Commissioner Moak believes the private sector would need to own the hangars for that to be an option.

Mr. Arntzen stated the Opportunity Zone is a very different path from the RCCF funding and if the Port pursues that option, then he believes the Port would not pursue the RCCF funding. Mr. Arntzen believes the Opportunity Zone would require selling the property to the private sector whereas, the Port currently has a straight forward ROI project with a willing partner.

Commissioner Barnes inquired if the Port has any partners who are willing to step up and help close the gap of \$3,500,000.

Mr. Arntzen stated if there was Commission interest in looking at the hangar remodel and utilizing RCCF funding, then the Port would start the process. Mr. Arntzen estimates the remodel will cost \$4,500,000, and the Port could have \$1,000,000 available in the near future, which leaves a \$3,500,000 gap. If the Southridge property sells for approximately \$2,500,000, that would leave \$1,000,000 for a partnership opportunity.

Mr. Arntzen believes the Opportunity Zone would require the Port to sell the property to the private sector.

Commissioner Moak stated staff can call Mr. Thomas at the City to verify the details of the Opportunity Zone.

Commissioner Novakovich recently attended the WPPA Legislative Committee Meeting, and stated House Bill 1324 states:

“HB 1324 creates a Rural Development and Distressed Opportunity Zone Program, which provides tax credits for taxpayers who make a capital contribution to a Rural Development and Distressed Opportunity Zone Fund as well as extending a reduced business and occupation tax rate on certain timber-related activities. The bill passed out of the House on a unanimous vote, but during the public hearing in the Senate Committee on Financial Institutions, Economic Development & Trade, it faced a considerable amount of unfavorable testimony. This week the bill was amended, received executive action and was passed to Ways & Means.”

Commissioner Barnes believes it is a federal program, but the state must be adding an additional layer to the program.

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Mr. Arntzen is not hearing a Commission consensus to move forward at this time with a potential RCCF partnership opportunity. Mr. Arntzen stated if the Commission desires, staff can research the Opportunity Zone.

Commissioner Novakovich stated it makes sense to take advantage of the City's offer, who is willing assist us in this endeavor. The Opportunity Zone will still exist for the private sector to do something at Vista Field or Columbia Drive. Commissioner Novakovich believes the Port should partner with the City and look at other means to fund the gap.

Commissioner Barnes stated the project depends on a favorable sell of the Southridge property and inquired how much acreage is available and how much is it listed for.

Ms. Hanchette stated eight and a half acres are for sale at \$7.00 per square foot.

Mr. Peterson estimates the property value at \$2,591,000.

Commissioner Novakovich inquired if there has been any interest in the property.

Ms. Hanchette has not received many inquiries and the Port has done an extensive marketing push on the property. Recently the Port sent out a large mailing and also advertises on the Port website, Zoom Prospector, and the *Tri-City Journal of Business*. Ms. Hanchette stated there is a lot of activity, but no one is buying property at this time. Ms. Hanchette stated the Port can utilize the auction process or lower the price, but at this time, there has not been a lot of interest in the property.

Commissioner Novakovich stated the Port has an opportunity with the City and he would be in favor of talking to Musser Brothers Auctions about an auction, rather than spend more on marketing that is not working.

Commissioner Barnes inquired what would happen if the auction price was less than desirable.

Ms. Hanchette stated the Port can establish a reserve price and reject the offer if it is too low.

Mr. Arntzen emphasized that if the Commission is uncomfortable with the process, then this discussion can be tabled.

Commissioner Barnes inquired if the \$4,500,000 would include remodeling all three hangers at once.

Mr. Arntzen stated that would be determined as staff moves further through the process. The Port has done some preliminary work with CKJT Architects, but the contract is currently on hold. Staff would formulate a budget for the Commission that would allow the Port to do something meaningful for all three hangars.

Commissioner Barnes inquired if it would be better to stagger the hangar remodel.

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Mr. Arntzen stated that is a possibility; however, the cost would be less if construction companies mobilize once. Additionally, DPZ Partners suggested to remodel all three at once to create the vibrancy.

Commissioner Moak believes that at least two need to be remodeled because of their location to the street.

Commissioner Novakovich agrees with Commissioner Moak and stated the third could be used as a black box as the Commission has discussed previously.

Mr. Arntzen will review all three hangars, and perhaps only two are funded, and the third hangar can be used as an open space or black box. Regarding sequencing of the remodel, Mr. Arntzen does not believe the City would be interested in funding one hangar, nor does he believe it would meet the County's expectations for RCCF funding. Mr. Arntzen stated the Port and City could move forward with an application and the funds could be used at a later date.

Commissioner Moak stated if the Port moves forward, what would the sequence for the project be.

Mr. Arntzen would like to sit down with the City and update them on the Commission Meeting and see if the projects at Columbia Gardens and Vista Field are attainable. Some potential projects for Columbia Gardens could be: traffic calming on Columbia Drive to create on-street parking for the Wine Village, improving side streets, or pre-site work for the culinary institute, or adding amenities from the Pattern Language written by Gary Black.

Commissioner Novakovich inquired if there is a budget for traffic calming.

Mr. Arntzen stated not at this time; however, traffic calming on Columbia Drive would be a game changer for the redevelopment. Also, the City has asked if the Port would consider linking Washington Street back to Downtown Kennewick. If the Commission and City are interested in pursuing, the next step would be meeting with County staff.

Commissioner Barnes likes the projects, but is concerned about the ability to fund the gap, which is largely dependent on the Southridge land sale. What happens if we move forward and then cannot sell the Southridge property?

Commissioner Moak stated there are ways to take a step back on the project, since the RCCF is a reimbursement program.

Commissioner Novakovich stated there is very little risk to the Port to move forward with the partnership.

Mr. Arntzen stated the risk is the gap funding and stated the Port could wait until Southridge property sells or look at the auction process again.

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Commissioner Moak stated the Port needs more parking to support the Wine Village and believes on-street parking is important. Commissioner Moak would like to see the private sector become more involved and thinks traffic calming could be very important that way. Commissioner Moak would like to see more people involved with businesses in that area and for the Port to be more collaborative with property owners. Commissioner Moak is very supportive of Columbia Drive and believes the Port needs to involve the public in this project.

Commissioner Novakovich believes the Port should take advantage of the partnership with the City. Commissioner Novakovich stated the Port should look at the auction process for Southridge.

Commissioner Barnes inquired how much is the auction process.

Mr. Arntzen stated the upfront marketing cost is approximately \$30,000.

Commissioner Novakovich stated the auction is worth exploring because the property is not moving.

Mr. Arntzen inquired if there is a desire to pursue a partnership opportunity with the City for RCCF funding for Columbia Drive and Vista Field.

Commissioner Moak stated the Port should pursue both projects with the City.

Commissioner Novakovich agrees with Commissioner Moak and believes the Port should also look at the auction process for the Southridge property.

Commissioner Barnes stated the project sounds like a great fit for Columbia Drive and the Port can work at bridging the gap for Vista Field.

Mr. Arntzen thanked the Commission for their discussion and inquired if they want to offer up the Southridge property for auction to gain funding.

Commissioner Moak stated the Port needs the money and would like to see if an auction will generate those funds.

Commissioner Barnes inquired what the time frame for an auction would be.

Mr. Arntzen stated properties move better in spring and summer; however, if the Port is going to consider the auction process, staff may want to start planning now. Mr. Arntzen stated if there is discomfort on behalf of the Commission, staff does not need to move forward with the auction process.

Commissioner Moak stated in order to move forward we need to bridge the gap and he is willing to try something different to move the property, even if the Port loses \$30,000 if the number comes in too low.

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Commissioner Novakovich agrees with Commissioner Moak's comments.

Commissioner Barnes inquired if the Port needs to go out for a Request for Proposal (RFP) for an auctioneer.

Mr. Arntzen does not believe the Port needs to go through an RFP process.

Mr. Kooiker stated because of the dollar amount of the contract and the limited amount of auctioneers in the area, the Port would not need to go through a formal RFP process.

Mr. Arntzen reiterated the direction of the Commission, and will continue working with the City and County in the most general sense to advance Columbia Gardens and Vista Field. Furthermore, Mr. Arntzen will conduct preliminary research on an auction and report back at a later date.

It is the consensus of Commission for staff to move forward with the City of Kennewick on an RCCF partnership at Columbia Gardens and Vista Field.

B. Opportunity Fund

Mr. Arntzen would like use the opportunity fund to hire Parametrix to perform a preliminary traffic calming analysis on Columbia Drive for \$13,000. Mr. Arntzen stated City staff and Parametrix staff have worked together on the Vista Field Traffic Impact Analysis and have a very good working relationship.

Commissioner Moak asked what areas would the traffic calming cover.

Mr. Peterson stated the scope includes the intersection of Gum Street (SR 397, Cable Bridge) to Benton Street and the side streets of Elm, Cedar, Beach, and Date. The scope will look at modifications to the intersection of SR 397 all the way down Columbia Drive. This incorporates the advantage of being lean and utilizing the public right away for parking.

Mr. Arntzen stated this is a substantial project and if there is not substantial community support, then the project would not move forward. Previously, there have been several great ideas for the intersection of Washington to Downtown Kennewick, but because of lack of support, they have not moved forward.

Commissioner Novakovich suggested Parametrix look at the Urban Design Assistance Team Report, which addresses Columbia Drive.

Mr. Peterson stated this would be the first of four steps from a design standpoint:

- First Step: Conceptual drawing and cost estimating;
- Second Step: Create documents to satisfy Washington State Department of Transportation;
- Third Step: Create graphics for community excitement and outreach; and
- Fourth Step: Engineer biddable construction documents.

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The consensus of the Commission is to contract with Parametrix utilizing the opportunity fund for traffic calming on Columbia Drive.

Mr. Kooiker stated approximately \$87,000 is remaining in the opportunity fund.

C. Columbia Drive Update

Mr. Peterson updated the Commission on Columbia Gardens Phase 2A which includes: the loop road, utilities, parking spaces, and food truck plaza. Phase 2B includes the wine tasting building and additional parking project, which was recently awarded to Banlin Construction and will begin in April. Phase 2C will include the installation of the Ben Franklin Transit bus shelter and the Aspirations art piece, and will be completed this summer.

Commissioner Moak asked what the time frame for Phase 2B construction is.

Mr. Peterson stated the contract is 240 days from the Notice to Proceed which is approximately eight months.

D. Vista Field Update

Mr. Peterson is working through the contract documents and requirements and checking permits for the City. Mr. Peterson stated the contract is 270 days from the Notice to Proceed.

Mr. Arntzen appreciates all the efforts on the part of Port and contractor to finalize the paperwork.

E. Marketing Update

Ms. Bader Inglima appreciates the Commission allowing staff to work through the process to come up with the creative, visual logo and identify the foundational elements of the brand. Staff continues to work with DPZ Partners Senen Antonio and Lizz Plater Zyberk, who are fully engaged and providing oversight to the Rusty George creative team. Staff and Rusty George are involving our partners, the City of Kennewick, Benton County, and the Arts Center Taskforce, to gain their support and buy-in for the branding process. Rusty George has identified the brand foundation for Vista Field and identified five primary traits: vibrant, welcoming, innovative, optimistic, and timeless, as well as the verbal identity. Rusty George is currently working on the visual identity and designing logo concepts and brand colors; and on potential names for four streets, a park, and a commercial area district. Ms. Bader Inglima stated the draft logo concepts and naming proposals are anticipated to be completed in late April and will be presented at a future Commission meeting.

Ms. Bader Inglima reported the staff continues to work with Artmil on the Port Website. The development and design team finalized the sitemap, menu and layout and are currently working on developing sections of the website, such as the marina, real estate, history and project pages. The new site will ensure visitors can find what they are looking for more easily, such as direct links to major projects, an announcement section, an interactive marina page and a map which identifies public amenities, including the boat launch, fuel dock, and picnic areas. Staff will review the new website and identify any necessary changes or updates to content. Following any updates, the site will be tested for the Americans with Disabilities Act (ADA) compliance.

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Ms. Bader Inglima anticipates the website will go live next month.

F. Endorsement Request Procedure

Mr. Arntzen stated several months ago the Commission and staff discussed establishing a policy for request for endorsement, whether that be use of the logo or signing a community form letter. Mr. Arntzen stated when the Port receives a request for a signature or use of the logo, many times staff is not privy to topic and who it may affect and very little public discourse. Mr. Arntzen and Commissioner Moak discussed a formal policy and it was determined that there should be further Commission discussion regarding a policy. Or perhaps the Commission may want to delegate the review to the CEO, who can vet the request and determine if the Commission needs to review the request.

Commissioner Barnes believes a formal policy may convey the wrong message and would like to evaluate requests on a case by case basis evaluation and then make a decision. Commissioner Barnes would like to keep the review as it stands to provide flexibility.

Mr. Arntzen stated he will use his best judgement regarding a request and bring the request to the Commission if it requires further discussion. Mr. Arntzen inquired if the Commission would like to keep this process more informal.

Commissioner Moak stated the Commission has a fair amount of skepticism when signing form letters and some requests may require more information. The Port needs to consider all facets of the request, which includes reaching out to our partners. Commissioner Moak believes it would be better if the CEO acted as the gatekeeper of requests with Commission support and if Mr. Arntzen felt the Commission needed to review the request, he could bring it forward.

Commissioner Novakovich likes the idea of letting Mr. Arntzen act as the gatekeeper, because he may have a better understanding of the request. Commissioner Novakovich suggested the Commission give Mr. Arntzen the authority under the CEO's delegation, with the caveat of treating every request equally.

Mr. Arntzen outlined some rules and will streamline them for an internal policy. Mr. Arntzen stated that sometimes even though a task may fall under his Delegation of Authority, he may bring the topic forward to the Commission for further review.

Commissioner Moak stated anyone can address the Commission regarding a request; however, some of these requests fall under policy. Commissioner Moak appreciates Mr. Arntzen's work on this.

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

Commissioners reported on their respective committee meetings.

H. Non-Scheduled Items

1. Commissioner Novakovich gave an update on the WPPA Legislative Meeting and outlined several House Bills.

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2. Commissioner Barnes stated it's safe to say we have had some differences of opinion regarding the Ivy transaction at the last meeting. I appreciate at the Port of Kennewick, we can have differences of opinion, and we can work through those, we can show some emotion because we are passionate about what we do. But I hope that we have the opportunity on a future agenda, to revisit some of the issues that came up with the Ivy transaction. Commissioner Barnes believes our buyback clause has evolved over time, but when we look out into the future projects we have at the Port of Kennewick, Vista Field, we will obviously be making a lot of land sales to the private sector and use of the buyback clause. Commissioner Barnes would like to make sure that it's right. This includes property on Columbia Drive and the future Tri-City Raceway. Commissioner Barnes appreciates the fact that we can have some healthy debate, we can have some discussion and be a little bit emotional at times but in the end, we can have a nice meeting, like today. We are working, we are discussing and moving forward. I am really excited about the things we have to work on here at the Port of Kennewick and we have an excellent team. I appreciate that we can have some diverse opinions.
3. Commissioner Moak agrees with Commissioner Barnes's comments. Commissioner Moak recently attended the annual breakfast for the Cancer Center, who is looking to expand by constructing a four story addition. The Cancer Center CEO thanked the Port for closing the Vista Field airport, because now the Cancer Center can add on four stories instead of one. Commissioner Moak stated a lot of things are happening near the airport, including the new clinic, as a result of actions that the Port has taken over last five years and decisions are being made by other businesses to relocate around Vista Field. Commissioner Moak feels this is a good thing, and important to keep working on those things. There is still a lot left to do, and we will have some differences in opinions over the next years too and I think healthy discussion is good. I think close ranks and work together for the common good.
4. Ms. Scott reported that the WPPA Spring Conference will be held in Spokane, Washington, May 15-17, 2019. Ms. Scott requested Commissioners contact her if they interested in attending.

Ms. Scott stated the 2019 Spring Roundtable for the National Town Builders Association will be held Thursday April 25-28 in Miami Florida. If Commissioners are interested in attending please contact her.

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, 2019.

Commissioner Moak stated for the record, he has no conflicts.

5. Mr. Arntzen stated "the Ivy matter has, in my opinion, surpassed fair debate. I have been accused of intentionally withholding information from the Port Commission and my opinion the Ivy matter led to some things that were directed towards the CEO that are unfair. That is my view of it."

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6. Mr. Peterson stated the Planning Association of Washington's Annual Conference in Chelan will be discussing affordable housing options and elements, much of what will be seen at Vista Field.
7. Ms. Hanchette stated the snow is gone and spring is here and staff is busy working on landscaping and irrigation.

PUBLIC COMMENTS

Shannon Toranzo, Total Site Services (TSS), 2780 Salk Avenue, Richland. Ms. Toranzo of TSS, the general contractor for Vista Field Phase 1A, hopes to mobilize very soon and inquired if the Port will be having a ground breaking. Ms. Toranzo believes the project will be completed January 2020, because of the late pre-construction meeting and depending on when the Notice to Proceed is issued. Ms. Toranzo stated generally, asphalt plants close mid-November and concrete is harder to pour when it's cold.

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick suggested the Port purchase new audience member chairs with the opportunity fund for the Commission meeting room.

No further comments.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:15 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Thomas Moak, President

Don Barnes, Vice President

Skip Novakovich, Secretary



AGENDA REPORT

TO: Port Commission

FROM: Nick Kooiker, CFO/Auditor

MEETING DATE: April 9, 2019

AGENDA ITEM: Resolution 2018-07; Interlocal agreement with Port of Pasco

I. REFERENCE(S): Letter of support, approved by Port Commission on July 14, 2015.

II. FISCAL IMPACT: \$10,000 out of 2019-2020 budget.

III. DISCUSSION: In 2015, Commissioners approved a request from the Port of Pasco committing \$10,000 in support of a grant funding request trying to obtain air service from Pasco to Los Angeles. This interlocal agreement just formalizes the contribution from the Port of Kennewick, giving us the legal authority to disburse payment.

STAFF RECOMMENDATION:

Approve the resolution authorizing CEO to sign interlocal agreement.

IV. ACTION REQUESTED OF COMMISSION:

***Motion:** I move approval of Resolution 2019-07, authorizing the Port's Chief Executive Officer to sign interlocal agreement with the Port of Pasco, relating to the Port's contribution to a mutual grant request for air service to LAX.*

PORT OF KENNEWICK

RESOLUTION 2019-07

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK APPROVING A MEMORANDUM OF
UNDERSTANDING AGREEMENT WITH PORT OF PASCO RELATING TO
A FINANCIAL COMMITMENT FOR NEW AIR SERVICE**

WHEREAS, the Port of Pasco received a \$750,000 Small Community Air Service Development Grant from the United States Department of Transportation to support a proposal to supply daily direct flights from Tri-Cities Airport to LAX; and

WHEREAS, the Port of Pasco sought local matching funds totaling \$100,000 from local cities, counties, ports, chamber of commerce, visitor groups and economic development organizations, as well as local businesses, as part of the grant application process; and

WHEREAS, the Port of Kennewick is in supports of its economic development mission and commits to provide \$10,000 in funds to the Port of Pasco to achieve their matching funds goal; and

WHEREAS, this collaboration serves the public interest by providing daily direct flights from the Tri-Cities Airport to LAX; and

WHEREAS, the Port of Kennewick acknowledges that its investment in expanded services at the Tri-Cities Airport will support its economic development mission to retain businesses in its district as well as attract new businesses to the area; and

WHEREAS, the attached Memorandum of Understanding agreement has been reviewed by Port legal counsel.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves the Memorandum of Understanding agreement between the Port of Kennewick and Port of Pasco related to financial commitment for new air service, and authorizes the Port's Chief Executive Officer to execute the agreement and instructs the CEO to take all action necessary to implement such agreement.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 9th day of April, 2019.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By:

THOMAS MOAK, *President*

By:

DON BARNES, *Vice President*

By:

SKIP NOVAKOVICH, *Secretary*

MEMORANDUM OF UNDERSTANDING
PORT OF PASCO NEW AIR SERVICE FINANCIAL COMMITMENT

This Agreement is made this 22nd day of March, 2019, by and between the following agencies, the Port of Kennewick and the Port of Pasco.

WITNESSETH:

WHEREAS, the Port of Pasco and the Port of Kennewick are authorized, including under Chapters 39.33 and 39.34 of the Revised Code of Washington, to contract with each other and other public agencies in order to effectively and efficiently operate, administer and carry out their programs and public projects.

WHEREAS, the Port of Pasco has received a Small Community Air Service Development Grant from the United States Department of Transportation to support a proposal to supply daily direct flights from Tri-Cities Airport to LAX; and

WHEREAS, the Tri-Cities Airport has seen significant passenger growth over recent years and is currently engaged in an expansion and rehabilitation project to provide more space and a higher level of service; and

WHEREAS, the Port of Pasco is seeking to not only add more space but also more flights to major destinations not currently provided by the Tri-Cities airport; and

WHEREAS, the Port of Pasco sought local matching funds from local cities, counties, ports, chamber of commerce, visitor groups and economic development organizations, as well as local businesses, as a part of the grant application process; and

WHEREAS, the Port of Kennewick has also experienced tremendous growth and is seeking to support economic development not only in the Port but in the Tri-Cities region and supports the Airport's efforts to achieve a higher level of service; and

WHEREAS, the Port of Kennewick's businesses and citizens would benefit from a new daily direct flight from the Tri-Cities Airport to LAX; and

WHEREAS, the Port of Kennewick acknowledges that its investment in expanded services at the Tri-Cities Airport will support its economic development mission to retain businesses in its district as well as attract new businesses to the area;

NOW THEREFORE, the Port of Kennewick and the Port of Pasco do mutually agree as follows:

1. The Port of Pasco has received a \$750,000 Small Community Air Service Development Grant from the U.S. Department of Transportation, and will provide up to \$100,000 in matching funds in the form of a full year landing fee waiver for the new flight.
2. The Port of Pasco will use the grant funds as a part of a risk sharing agreement with the airline providing the new direct flight service to LAX. The grant and matching funds are only used if the new route fails to meet an agreed upon target revenue as formalized in a revenue determination formula.
3. The Port of Kennewick in support of its economic development mission will commit to provide \$10,000 in funds to the Port of Pasco to achieve their matching funds goal for the risk management agreement on the following conditions:
 - a. The Port of Pasco administers the USDOT Small Community Air Service Grant;
 - b. An air carrier begins a new, daily nonstop flight to Los Angeles Airport;
 - c. The route falls short of its revenue goal; and
 - d. Payments to the airline providing the direct service to LAX are made on a prorated basis from the SCASD grant funds, as well as the matching funds from the other ports, cities, counties, private business, chamber of commerce, Tridec, visitor groups and economic development organizations.
4. The Port of Kennewick's portion will be invoiced in 2019.
5. If the new route to LAX is successful per the terms of the risk sharing agreement, any unused funds contributed by the Port of Kennewick will be refunded.
6. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection by the Parties during the term of this Agreement and for three years after its termination. This Agreement shall be filed or listed pursuant to RCW 39.34.040.
7. It is not the intention that a separate legal entity be established to conduct the cooperative undertaking nor is the joint acquisition, holding or disposing of real or personal property anticipated.

Agreed this 22nd day of March, 2019.

THE PORT OF KENNEWICK

Port CEO, Tim Arntzen

Approved as to form:


Lucinda Luke, Port Attorney

THE PORT OF PASCO



Executive Director, Randy Hayden

Approved as to form:



Dan Hultgren, Port Attorney