



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

APRIL 12, 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

Phil Lemley, City of Richland Councilman led the Pledge of Allegiance.

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

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost commended the Port and the City of Kennewick staff for their work during the recent workshop held by the City of Kennewick which focused on the Transportation System Impact Evaluation (TSIE) for Vista Field. Mr. Frost stated the partnership is the best example of collaboration and cooperation he has ever seen in this community and congratulated the Port and City for their willingness to try something different. Mr. Frost thanked the Commission and staff for all the work they have done behind the scenes to make the vision of Vista Field happen. Mr. Frost stated Vista Field is one of the greatest challenges in this community and if the Port and City continue to work together, the redevelopment will be successful. Mr. Frost shared these same sentiments at the Kennewick City Council meeting last week.

Mr. Novakovich appreciates Mr. Frost's comments and stated it is a real tribute to Port and City staff who worked on the TSIE and the Commission appreciates the hard work of both staff.

No further comments were made.



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CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated April 4, 2016**
Direct Deposit and E-Payments totaling \$76,618.54
- B. Approval of Warrant Registers Dated April 12, 2016**
Expense Fund Voucher Numbers 37792 through 37834 for a grand total of \$273,678.71
- C. Approval of Commission Meeting Minutes Dated March 22, 2016**

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

PRESENTATIONS

A. City of Richland Duportail Bridge Project, City Engineer, Pete Rogalsky

Mr. Arntzen introduced Pete Rogalsky, City of Richland City Engineer, to present information on the Duportail Bridge Project. Mr. Arntzen stated the Duportail Bridge Project is of the utmost importance to the City of Richland and benefits the entire community. Mr. Rogalsky is requesting support from the Port Commission for a Transportation Investment Generating Economic Recovery (TIGER) Grant.

Mr. Rogalsky thanked the Commission for the opportunity to update the Board on the Duportail Bridge Project and stated the Bridge has been discussed for almost a decade. The City started off with a community planning effort and hope for delivery on the horizon. As Mr. Arntzen mentioned, the City is asking for jurisdictional support for a federal TIGER grant for the Bridge project and hopes the Commission believes it is a worthy effort to support.

Mr. Rogalsky stated ten years ago, the City identified a strategy for corridor improvement, which would alleviate congestion during peak hours. Several of those improvements will be completed by the end of 2017, and will improve the congestion on the 240 Bypass Highway.

Mr. Rogalsky updated the Commission on the Duportail Bridge Project:

1. November 2015 to March 2016: Design Refinement – Confirmation
 - a. Updated Cost Estimate – at or below previous estimate;
2. Engineering Design Scheduled for March 2017 Completion;
3. Right of Way Acquisition Underway
 - a. Six acquisitions under contract or completed
 - b. 11 or 17 acquisitions pending – many institutional
4. Environmental Review
 - a. Additional consultations needed with new foundation design – 12 month estimated timeline;
5. Planned Construction Contract Award – November 2017;
6. Planed Completion – July 2020.

The City has formulated a funding plan both with and without a TIGER Grant and estimates the project to cost \$36,940,000, which includes final design and construction.



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The City is finalizing the \$9,000,000 TIGER grant application and is asking the community partners and other agencies for letters of support for what will be a multi-agency project. The Duportail Bridge is needed to relieve congested areas on Highway 240 and Aaron Drive as well as create a safer traffic zone on I-182, which has been deemed a regional problem by Washington State Patrol.

Mr. Rogalsky thanked the Commission and hopes the Port can lend their support to a regional project that will benefit the entire community.

The Commission concurred in support of the Bridge project, and will provide Mr. Rogalsky with a letter of support (*Exhibit A*).

B. 2015-2016 Proposed Work Plan and Capital Budget Modifications

Mr. Kooiker reported the Commission passed the Port's very first-two year budget in November 2014 for 2015-2016. There are many advantages to a two year budget, however, it is trickier to forecast out capital projects. For example, the Columbia Gardens Wine Village was still in the design phase when the 2015-2016 budget was passed, and two years later, the construction bids came in higher than projected. Mr. Kooiker stated, based on Commission comments, staff prioritized the projects in an effort to provide the Board with options. Mr. Kooiker reviewed the Port's budget philosophy and stated the objective of the presentation is to look at re-allocating capital budget funding based upon a priority level and available resources.

Mr. Kooiker reviewed the following 2015-2016 capital projects re-allocations:

1. Vista Field: Adopted Budget - \$625,000; Proposed Budget - \$625,000 (master planning);
2. Columbia Gardens Wine Village: Adopted Budget - \$2,950,000; Proposed Budget - \$4,800,000;
3. Vista Field Development Building A: Adopted Budget - \$950,000; Proposed Budget - \$950,000;
4. Clover Island Boating Facilities: Adopted Budget - \$740,000; Proposed Budget - \$1,177,000;
5. Gathering Place Boardwalk and Heritage Artwork (formally Village at Island Harbor): Adopted Budget - \$650,000; Proposed Budget - \$650,000;
6. 1135 Shoreline Project: Adopted Budget - \$625,000; Proposed Budget - \$475,000 (conveyed over 2017-2018 Budget).

Mr. Kooiker stated the increase to the capital projects fund could be reallocated from the following lower priority projects:

- Commission Chamber Tech Upgrade (\$75,000);
- Resurface Parking Lot West of Port office (\$50,000);
- Repaint Marina Boardwalk (\$15,000);
- Marina Lighting Upgrade (\$75,000);
- Shoreline Restoration (\$150,000);
- Land Purchase in Richland (\$150,000);
- Shoreline Landscape Improvements (\$65,000).



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Mr. Kooiker reported, due to the local construction and bidding climate, the cost of some Port capital project will likely be much higher than anticipated. Based upon Commission priorities, staff developed a proposed budget revision by reallocating funding from lower priority projects. Mr. Kooiker stated the reallocations provide the taxpayers with the greatest amount of quality projects with the amount of Port resources on hand. Furthermore, the Commission does not need to take formal action on the proposal.

Mr. Novakovich asked if Mr. Peterson could address the Gathering Place Boardwalk and Heritage Artwork.

Mr. Peterson stated the Village at Island Harbor designed by Chris Herath and Associates went out to bid twice, and both times, bids were higher than estimated. That design included a substantial cantilever, sidewalks, and retaining walls, similar to boardwalk by marina. Mr. Peterson indicated in the new design the retaining walls and vertical display cabinets have been removed. These alterations reduce the cost of the project significantly, however, the design still retains core elements, such as a pond with Tule reeds and a quality display area for the historical heritage artwork. Mr. Peterson stated the design is currently at 20% and staff will work with a professional estimator to stay within budget.

Mr. Barnes is concerned about the budget for the Columbia Gardens Wine Village and asked Mr. Peterson to give the Commission a brief summary of the changes.

Mr. Peterson stated the Winery Village is made up of three buildings approximately 10,000 square feet altogether with a covered roof section that functions as a drive isle. The initial design by Gary Black included a new concept of ICF blocks filled with insulation and a double wythe wall of cast-in-place concrete with roof trusses that are precast concrete arches with tube steel purlins. This particular material has not been used in our area and increased the bids substantially. The design will now include cinderblock walls and stucco to retain the feel. Also, the roof system has been modified to a prefinished metal roof and the trusses will be replaced with tube steel and plate material. Mr. Peterson stated staff is working with a budget of \$2,750,000 before tax for the construction of the buildings. The cost does not include the ground site work and undergrounding of utilities.

Mr. Barnes thanked staff for a thorough presentation and encouraged staff to be cognizant of the Columbia Gardens numbers.

Mr. Moak appreciates the succinctness and clarity of the presentation and is very pleased the Commission has a priority list to work with. Mr. Moak agrees with Mr. Barnes' comments and stated Columbia Gardens is a signature project for the Port, the City of Kennewick and the region. It is important that we do it right and not cut corners simply because we are trying to reach a number. Mr. Moak has faith in staff and believes working with the architects, consultants and estimators will produce another quality project. Mr. Moak is proud of the Clover Island Boat Ramp which was supported in part by grants and is something the community uses and sees as an important enhancement to island. Mr. Moak believes Columbia Gardens will be a game changer



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for the Port and it is important to do it right, and to forego some items for a priority project is important.

Mr. Barnes stated Columbia Gardens is an ambitious project and staff is doing a great job working within the limited resources of the Port.

Mr. Arntzen appreciates the comments from the Commission and stated to do the bigger projects, it is important for staff to remain sharp, because of the fluctuating economy and construction costs. Furthermore, it is imperative to continually discuss the costs with the Commission and public, and decide if we, as a community are we willing to fund this project. Mr. Arntzen stated Port staff has never given up hope on these projects and of the past five projects, four projects have had to be value engineered, however; staff has learned valuable lessons and are very aware of the construction climate. Mr. Arntzen thanked the Commission for their comments and staff will continue to work diligently.

Mr. Novakovich stated the Commission understands that staff is working with variables that are changing and trying to produce high caliber projects with limited funds is a tough job. Mr. Novakovich appreciates staff's tenacity to make projects come to fruition while maintaining the Port's high standard within the given resources.

Mr. Arntzen commended Mr. Kooiker and Ms. Fine for working with the budget and looking at ways to reallocate funds without reducing the quality of work produced by the Port and staff will proceed accordingly.

C. *Clover Island Boat Launch Ribbon Cutting*

Ms. Bader Inglima stated the Clover Island Boat Launch ribbon cutting on April 6, 2016 was very successful. Nearly 100 people gathered for the event, including the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), the Regional Chamber of Commerce, and Kaleen Cottingham, Director of the Washington State Recreation and Conservation Office (RCO). Our CTUIR tribal partners offered a blessing, the U.S. Naval Sea Cadet Corps presented the colors and the U.S. Coast Guard launched the first vessel. The Port received the boating facilities grant from RCO and will be requesting additional grant assistance with the 1135 USACE Shoreline Project. Ms. Bader Inglima thanked staff for their help on the event and stated a number of boats were launched shortly after the event.

Mr. Bader Inglima stated John and Dara Foster and the family of Helen Mennecke donated the three basalt rock benches which were placed at the scenic outlook and will benefit the public for generations to come. The Foster's attended the ribbon cutting and sent a card to the Commission and staff,

"Thank you for all the help and kindness with the benches, we really appreciated it. We really do feel like friends of the Port."

The Fosters were named a Friend of the Port in 2015 for their contribution to the island. Additionally, Melissa Minthorn of the CTUIR presented the Port with a copy of book *"They are Not Forgotten: Sahaptian Place Names Atlas of the Cayuse, Umatilla, and Walla Walla."*



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Mr. Novakovich thanked Ms. Bader Inglima and staff for putting on an amazing event.

Mr. Novakovich recessed the meeting at 2:52 p.m. for a break for approximately three minutes.

Mr. Novakovich reconvened the meeting at 2:55 p.m.

NEW BUSINESS

A. Purchase and Sale Agreement with Rocking River; Resolution 2016-13

Ms. Hanchette reported for Commission consideration, is a land sale opportunity at Hedges Industrial Park, located in the Finley area and zoned heavy industrial. The property was designated as surplus in the Port's Comprehensive Scheme/Work Plan and has been available for purchase for some time. An offer has been received to purchase approximately 37.43 acres for \$230,000.00 by Rocking River LLC. Debra and Wade Aylett own a sand and gravel business in Oregon and will utilize the heavy industrial location to expand current operations into the State of Washington. Initially, the plan is to stock pile materials necessary in concrete production with future aims to build a cement production facility and administrative offices and initially employ 3-5 staff members to serve this location with a growth strategy to add 5-10 more staff members over the next five years. The location is in a desirable proximity to the Columbia River and barging transportation and the Aylett's are very excited to bring their business to the region and offer additional choices for the construction industry. Ms. Hanchette introduced Debra Aylett and Brenda Coombs of Rocking River.

Ms. Coombs is excited to bring more options to the area and stated the first step is to haul in material, and eventually they will barge the material.

Mr. Barnes inquired what the assessed value of the property is.

Ms. Hanchette stated the property is industrial specific and separated into two parcels. The assessed value of the two parcels is approximately \$286,000, however, approximately 27 acres is usable land, whereas the rest of the property is in a flood zone with high vegetation.

Mr. Peterson stated the property has been part of the Port portfolio since 1964 and is user specific. The 2011 Comprehensive Scheme development strategy included divesting of the Hedges industrial properties to provide the Port with additional capital for other development opportunities.

Mr. Moak thanked staff for their work and stated it is great to bring a new business to the region.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Barnes moved for approval of Resolution 2016-13, authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Rocking River LLC and to take all other action necessary to close this transaction; Commissioner Moak seconded.*



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Discussion:

Mr. Barnes reiterated the property has been part of the Port portfolio for a number of years and this is an excellent opportunity for both parties.

With no further discussion, motion carried unanimously. All in favor 3:0.

B. Purchase and Sale Agreement with Mike Shemali and MS Properties; Resolution 2016-14

Ms. Hanchette reported the Port has received an offer for the property commonly referred to as Verizon, which includes two adjacent properties at 480 and 460 North Quay Street, Kennewick. Mike Shemali has offered \$1,640,000 for both parcels which are approximately 9.91 acres. Mike Shemali. The back portion of the property is approximately 3 acres and is zoned light industrial, whereas the front portion is zoned business. Mr. Shemali intends to expand his local business operations by constructing 40,000 square feet of warehouse space on the light industrial parcel (south) and renovate the existing building structure on the business park parcel (north) for his current wine commerce business. Future plans include development of the Deschutes Avenue frontage into a use complementary to the future Port of Kennewick Vista Field redevelopment.

Mr. Shemali will initially employ up to six staff members at this location and is looking to consolidate his business operations. The location is desirable to the Mr. Shemali in part due to its proximity to his other business interests, shipping vendors and distribution partners.

Mr. Arntzen stated this is a tremendous proposal on the table and thanked Tom Arnold of Columbia Bank for the lead. This transaction will provide a number of opportunities for Vista Field, including private sector investment. Mr. Arntzen is very pleased with the deal and sees it is a significant step for Phase I of the redevelopment of Vista Field.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Moak moved for approval of Resolution 2016-14, authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Michael Shemali and MS Properties LLC and to take all other action necessary to close this transaction; Commissioner Barnes seconded.

Discussion:

Mr. Barnes echoed Mr. Arntzen's comments and stated Vista Field is a very ambitious project. The Port wants to provide the community with amenities that our area lacks and were addressed in the Roger Brooks Branding Report. Mr. Barnes is encouraged by Mr. Shemali's intended use for the property and it is very compatible with the vision the Commission has for Vista Field.

Mr. Moak agrees with Mr. Barnes comments and inquired what the property was originally purchased for.

Mr. Peterson stated the property was purchased initially as a potential trade for a Columbia Drive property for \$1,300,000.



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Mr. Moak stated Verizon has been a good investment for the Port and believes Mr. Shemali's presence at Vista Field will be successful. Mr. Moak thanked staff for their hard work.

With no further discussion, motion carried unanimously. All in favor 3:0.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Support for Ballot Measure

Mr. Arntzen reported the City of Kennewick has discussed placing a ballot measure seeking voter approval of a sales tax increase to support the Kennewick Public Facilities District (KPF) improvements and expansion project at the Vista Entertainment District, referred to as "The Link."

Mr. Arntzen stated the Commission and staff have been asked informally what the Port's position is regarding The Link and the ballot measure. Recently, Mr. Barnes, the Port representative for the Visit Tri-Cities Executive Board attended a meeting where the topic was presented and voted on, and Mr. Barnes abstained on behalf of the Port because the Port has not taken a position. Mr. Arntzen has had an opportunity to discuss the ballot measure with City of Kennewick City Manager, Marie Mosely, and together are attempting to draft a possible statement regarding the ballot measure. Mr. Arntzen asked if the Commission would like to offer their thoughts on The Link and the ballot measure.

Mr. Novakovich commended Mr. Barnes for abstaining and staying neutral on the position. Mr. Novakovich inquired if the City of Kennewick passed a resolution regarding the ballot measure in 2013 and if City Council was following the same course of action this time.

Mr. Arntzen believes City Council did not pass a resolution in support of the ballot measure in 2013.

Mr. Novakovich has met with three council members and stated his personal view would be that the Port remains neutral regarding the ballot measure. The council members were in agreement that would be a reasonable position for the Port to take.

Mr. Moak would like to see if the City places the sales tax on the ballot before the Port offers a position. Furthermore, he would like to see the KPF make a presentation to the Port to see what they want to do and how it may affect Vista Field redevelopment. Mr. Moak could support the Port taking a neutral position but would like more information on the project first.

Mr. Novakovich stated the KPF will be presenting The Link plan to the Commission at the April 26, 2016 meeting.

Mr. Barnes stated he represents the Port on the Visit Tri-Cities Board and at last meeting the KPF was on the Agenda, however, another agenda item went longer than anticipated and Corey Pearson, Executive Director of the KPF had very little time to present to the Board. The Board wanted to move forward and voice support for the project, as they did previously in 2013 and thus Mr. Barnes abstained from the vote. Mr. Barnes agrees with Mr. Moak's comments, and he too would like to see Mr. Pearson's full presentation to see their vision for the Three River's Campus.



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Furthermore, Mr. Barnes understands that by supporting a ballot measure, absent a public hearing, either for or against such ballot measures could be a violation of Public Disclosure Commission Rules. Mr. Barnes wants to ensure the Port follows the proper steps before a statement is issued.

Mr. Arntzen stated Mr. Barnes raises some valid points and he will be working with Ms. Luke to advise the Commission should they decide to take a position. Mr. Arntzen stated the process is very formal and there are several steps, such as advertising and holding a public hearing with both sides in attendance. Mr. Arntzen stated staff will continue to research the rules and report back to the Commission prior to a formal position being offered.

B. Shoreline Transfer

Mr. Arntzen stated the shoreline transfer is a proposal by several of the jurisdictions, working through the Tri-Cities Rivershore Enhancement Committee (TREC), which meets occasionally to discuss rivershore projects. The proposal was made by Brad Fisher, former Congressman Doc Hastings, Franklin County Commissioner Brad Peck, and TRIDEC CEO Carl Adrian, who asked TREC to endorse and support the request to the federal government to convey 34 miles of land back to the local jurisdictions. The issues was first approached in 1996 with the Water Resources Development Act (WRDA), which authorized conveyance of the property back to the local jurisdictions, although the transaction did not move forward. The Port does not have any waterfront property in the proposal, however, prior to the Commission taking a position, the Port needs to consult with the CTUIR, its formal MOU partner.

Mr. Novakovich stated our relationship with the CTUIR and the Memorandum of Understanding is very important. Mr. Novakovich believes the Port needs to remain neutral and honor our obligations with the CTUIR.

Mr. Barnes stated at the Visit Tri-Cities Executive Board Meeting it was noted that this conveyance request is new legislation and would not affect our MOU with the CTUIR. However, the Port will honor its MOU with the CTUIR and will not take formal action without consulting with the CTUIR.

Mr. Moak is concerned that there hasn't been any dialog with the public, only the local jurisdictions. Furthermore, he asked if the legislation passes, what are the specific details, benefits and costs to the local entities and the public. Mr. Moak is very skeptical of the conveyance and is not in favor of shoreline transfer absent more discussion with the CTUIR and the community.

Mr. Arntzen asked the Commission for consensus when responding to the conveyance for Mr. Barnes.

Mr. Novakovich supports Mr. Barnes and indicated the Port should stay neutral and abstain from any vote.

Mr. Moak agrees with Mr. Novakovich and stated Mr. Barnes handled the meeting very well as a representative of the Port.



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C. Vista Field Update

1. Proposed Phase I

Mr. Peterson presented a draft rendering of Phase I redevelopment for Vista Field, which may include the following for \$3,000,000 (construction, design, permits and tax):

- Roadway connecting from Grandridge through the site, between the hangars;
- Reconfiguring Deschutes Intersection;
- Roadway running parallel with Performing Arts Center site;
- Roadway from Grandridge into site;
- Narrow Road emulating Espanola Way;
- Community Plaza;
- Woonerf; and,
- Residential lot plotting.

Mr. Peterson believes 20 acres will be significant impact for Phase I and the compact development will be near the existing hangars. Mr. Peterson indicated there will be several policy questions the Commission will need to address such as, installing the woonerf as an example for the developer to emulate versus supplying a developer with the road and design standards.

Mr. Arntzen stated he would like to capture Commission comments today and then work on another draft and continue to refine the plan gradually per the Commission's comments. Mr. Arntzen and Ms. Luke will see if it is possible for the Port to create and sell individual residential lots. Furthermore, Mr. Arntzen would like to speak with Kiki Wallace, who has worked closely with DPZ and developed Prospect, Colorado, outside of Longmont. Mr. Wallace is someone who may be able to help us address the residential area of the development.

Mr. Moak would like to see a developer come in who understands the new urbanism concepts with walkable communities that encompass woonerfs.

Mr. Arntzen stated Mr. Moak's comments are valuable and inquired if the Commission would like to see a developer who is familiar with new urbanism versus a general developer.

Mr. Barnes stated Phase I is the most critical phase of redevelopment and believes the Port should find a developer who knows how to build woonerfs and create the new urbanism concept the Port is looking for. It is important to strongly hold onto the standard and maintain the vision that is created in the Master Plan.

Mr. Moak stated the City of Richland encountered resistance at the South Badger Development and acquiesced to the developer. However, Vista Field is the center of the Tri-Cities and can support an urban environment.

Mr. Arntzen appreciates the discussion and stated if the Port primarily looks for developers who have done this before, it may take longer, due to the higher standards. Mr. Arntzen



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stated it is feasible to find developers who are familiar with the concept, however, the appropriate length of time will be needed. Mr. Arntzen believes it is important to start in 2017 potentially, and hopes the public understands it will take time to fill in the development.

Mr. Moak hopes that whatever the Port does, it meets with expectation of people who have expressed interest in living at Vista Field.

Mr. Peterson stated the Commission comments are very helpful and will allow for further investigation.

Mr. Barnes feels the elements included in Phase I is a good representation of a development and believes there is enough diversity for Phase I. Mr. Barnes is concerned that the bids will come in higher than expected and inquired if design elements could be prioritized while still maintaining the vision.

Mr. Novakovich agrees with Mr. Barnes and likes the idea of prioritizing elements.

Mr. Arntzen stated it is an excellent idea, however, this is a very lean development to begin with and it may be hard to remove items.

Mr. Moak stated one street could be removed if needed, the rest needs to remain.

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. Novakovich concurs with Mr. Barnes comments regarding the diversity of Phase I and believes it is a representation of what all of Vista Field will be at one time in a condensed area. Furthermore, the investment into the hangars is completely different and justified, as it is an ROI investment.

Mr. Peterson reported at this time Phase I does not include a park or green space as there are not enough funds available.

Mr. Novakovich called for public comment.

PUBLIC COMMENT

Mike Shemali, 3805 West 42nd Avenue, Kennewick. Mr. Shemali thanked the Commission for the opportunity to purchase Verizon and stated as future a neighbor to Vista Field, this is an amazing opportunity. Mr. Shemali stated he has a lot of ideas for Vista Field and believes the Port needs to create noise and get realtors and business people involved. Once noise is generated, the Commission can see additional ideas and money come the Port's way. Mr. Shemali does not believe local developers will understand the concept and believes the Port should look elsewhere for capable contractors who have done this type of development before. Mr. Shemali stated to build 20 acre phases will take an immense amount



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of time, however, if you give businesses the opportunity to purchase space, things can move faster. Mr. Shemali offered to purchase the three hangars from the Port for the right price. Furthermore, Mr. Shemali stated the residential lots should be sold right away to make money and open up the property, and as each phase develops, the Port should increase the price per square foot. Mr. Shemali stated the Port should not worry so much about the design standards and believes the developer will create the roads.

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick, Board President of the Mid-Columbia Symphony and a representative on the Arts Center Task Force, strongly recommends the Port build the street that runs parallel to the Performing Arts Center and that the noise Mr. Shemali spoke of, will come from the Performing Arts Center. Mr. Burdick reported the Vista Pioneers held their first meeting last weekend and the next open meeting is scheduled for April 28, 2016 at 5:30 p.m. at the Shalom United Church of Christ (505 McMurray, Richland).

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton thanked Mr. Peterson for attending the first Vista Pioneers meeting. Mr. Peterson was very helpful in explaining the details and providing perspective to those interested in residential and business opportunities at Vista Field. Mr. Eaton thanked the Port for staying true to the Charrette vision.

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost inquired if there was any green space in Phase I. Mr. Frost really likes what he has heard today and although not many people get excited over roads, it is a necessity to get the development moving. Mr. Frost asked if there has been any development regarding the City of Kennewick's request for a Local Revitalization Funding (LRF). Mr. Frost believes the plan is a wonderful first step for Phase I.

Mr. Peterson stated there is a small plaza, approximately 8,000 square feet that will have trees and a water feature.

Mr. Moak stated it is important to get an urban environment within the 20 acres which gives a feel for what the rest of the development is going to be.

Mr. Arntzen reiterated the challenges facing the Port with the redevelopment of Vista Field; it is one of the largest development project in Washington, and we are one of the smallest organizations. Mr. Arntzen stated he would be happy to receive LFR, however, the Port is preparing a private financing plan because we have not received assurances that others will contribute financially to the redevelopment or that LRF funding will materialize. Regarding Mr. Frost's comments regarding green space, the Port has a small operations department and does not have the capability of maintaining a park. Mr. Arntzen noted the Seattle plaza, Occidental Park, which is made up of hardscape, cobblestones and trees is something the Port is able to emulate with very little maintenance. Mr. Arntzen stated there are numerous logistical and maintenance challenges to a pay-as-you go plan; however, the Port is very passionate about Vista Field and are continually looking at ways to create the vision utilizing a lean approach. Mr. Arntzen thanked the Commission and public for their thoughtful ideas and comments and Mr. Peterson for his work on the draft documents. Mr. Arntzen and Mr. Peterson will get to work on a second draft for Commission review.

D. Columbia Drive Update



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Mr. Peterson stated the plans for the site excavation and utility work for Columbia Drive are available and bids are due April 21, 2016. Mr. Peterson estimates construction to begin around May 9, 2016 and completed by the end of August. 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.

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 is looking forward to giving a presentation to Commission and staff regarding his trip to Longmont, Colorado and the new urbanism project in Prospect at the next meeting.
2. Mr. Barnes stated, in reference to the Port of Kennewick Rules of Policy and Procedure, Section 3.14, he submits the following information:

Mr. Barnes has no current economic relationship that is a conflict of interest with the Port of Kennewick. However, Mr. and Mrs. Barnes owns property at the intersection of Canal Drive and Edison Street in Kennewick. In the Vista Field Transportation System Impact Evaluation (TSIE), this intersection has been identified as a priority intersection needing mitigation. This could create a potential conflict of interest.

Furthermore, Mr. Barnes is a real estate managing broker, licensed with Coldwell Banker Commercial Tomlinson Associated Brokers in Kennewick, Washington and has provided real estate brokerage services to local businesses in that vicinity but believes there will not be any conflicts.

3. Mr. Novakovich stated one of the CEO's goals is to hold a Commission Retreat and inquired if the Commission would be willing forgo the retreat, which is not budgeted, and look at potential ROI projects, that would be of higher benefit and hold a retreat at a later date. If the Commission is amiable to that suggestion, Mr. Novakovich asked if the retreat could be placed on the next agenda for further discussion.

Mr. Arntzen reported he would like to discuss the proposed agenda and other pertinent information, including costs, at the next meeting. As Mr. Novakovich suggested, one option may be that the retreat would not be eliminated, but moved to the 2017-2018 budget cycle.

4. Ms. Bader Inglima reported two years ago, the Port worked with the *Journal of Business* on an article regarding Vista Field and the Charrette process. The *Journal* would like to do a follow up article for their readers and where the Port is in the process. Mary Coffman, editor of the *Journal* would like to meet with Mr. Arntzen to discuss finalization of the master plan. Ms. Bader Inglima inquired if the Commission would like staff to follow up with Ms. Coffman and if Mr. Arntzen is the appropriate person to speak with.

Mr. Novakovich confirmed staff should pursue and Mr. Arntzen should be interviewed.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

APRIL 12, 2016 MINUTES

PUBLIC COMMENTS

No comments were made.

COMMISSIONER COMMENTS

No comments were made.

Mr. Novakovich anticipates the Executive Session will last approximately 20 minutes, Potential Litigation per RCW 42.30.110(1)(i) 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 4:48 p.m. for approximately ten minutes.

EXECUTIVE SESSION

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

Mr. Novakovich convened the meeting into Executive Session at 4:58 p.m. for approximately 20 minutes.

Ms. Hanchette exited the meeting at 5:17 p.m. to extend the session 5 minutes.

Mr. Novakovich adjourned the Executive Session at 5:23 p.m.

Mr. Novakovich reconvened Regular Commission Meeting at 5:23 p.m.

ADJOURNMENT


With no further business to bring before the Board; the meeting was adjourned at 5:23 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


Thomas Moak, Vice President


Don Barnes, Secretary



PORT of KENNEWICK

COMMISSIONERS | DON BARNES | THOMAS MOAK | SKIP NOVAKOVICH

April 12, 2016

The Honorable Anthony Foxx
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue SE
Washington, DC 20590

Subject: City of Richland, Washington, Duportail Bridge Project

Dear Secretary Foxx:

We write in support of the Transportation Investment Generating Economic Recovery (TIGER) VIII grant application submitted by the City of Richland for the Duportail Bridge Project.

The Port of Kennewick is an active and accomplished partner with the City of Richland in expanding our region's economy. Our efforts focus on recruiting and nurturing businesses that generate sustainable economic development and family-wage jobs. We support the City's well-conceived infrastructure investments as the foundation upon which our partnership has and will flourish.


The four lane Duportail Bridge will create the only local street crossing of the Yakima River in the City, supporting redevelopment of the downtown business district and the expansion of the rapidly growing commercial and residential Queensgate area. The Bridge will also deliver congestion relief on SR240 and I-182 that will make economic development in the Port's West Richland property more successful.

Our Tri-Cities region is comprised of four separate cities, two counties, and three port districts, but increasingly we are one metropolitan area with common challenges and aspirations. We are fortunate to have a robust, multi-faceted regional economy that has shown strong growth in primary jobs and promises to continue growing for the foreseeable future. The City of Richland's decade-long effort to plan and deliver the Duportail Bridge project demonstrates their wisdom. We were very pleased that the Washington State legislature made a \$20 million investment toward the project's construction when it passed the strategic Connecting Washington package in 2015. Additional funds are needed and a federal role in this project is certainly appropriate. We urge your careful consideration of the City's funding request and your partnership with the City and Washington State to complete this important project.

Sincerely,


Skip Novakovich
President


Thomas Moak
Vice-President


Don Barnes
Secretary

PORT OF KENNEWICK

RESOLUTION No. 2016-13

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT
WITH ROCKING RIVER LLC***

WHEREAS, Rocking River, LLC (Purchaser), has offered to purchase approximately 37.43 acres (to be verified through professional survey) of the area graphically depicted on "Exhibit A" at the Hedges Industrial Park, in Finley, Washington from the Port of Kennewick (Seller) for approximately \$230,000; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the Port's best interest; and

WHEREAS, the Port Commission finds that said property is surplus to the Port's needs and the proposed sale is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port's Chief Executive Officer to execute a Purchase and Sale Agreement with Rocking River LLC and hereby authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port's needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 12th day of April, 2016.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: 
SKIP NOVAKOVICH, President

By: 
THOMAS MOAK, Vice President

By: 
DON BARNES, Secretary



PORT OF KENNEWICK

RESOLUTION No. 2016-14

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING A PURCHASE AND SALE
AGREEMENT WITH MIKE SHEMALI AND MS PROPERTIES LLC***

WHEREAS, Mike Shemali and MS Properties LLC (Purchaser), has offered to purchase approximately 9.91 acres (to be verified through professional survey) of the area graphically depicted on "Exhibit A" at 480 & 460 N. Quay St, in Kennewick, Washington from the Port of Kennewick (Seller) for approximately \$1,640,000.00; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the Port's best interest; and

WHEREAS, the Port Commission finds that said property is surplus to the Port's needs and the proposed sale is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port's Chief Executive Officer to execute a Purchase and Sale Agreement with Mike Shemali and MS Properties LLC and hereby authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port's needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 12th day of April, 2016.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: 
SKP NOVAKOVICH, President

By: 
THOMAS MOAK, Vice President

By: 
DON BARNES, Secretary

EXHIBIT A

