

The Governor's Proclamation 20-28 regarding the Open Public Meetings Act and Public Records Act temporarily prohibits in-person public attendance at meetings subject to the OPMA.

This proclamation is in effect through May 4, 2020, unless extended beyond that date.

A GoToMeeting has been arranged to enable the public to listen and make public comments remotely.

To participate remotely, please use the following call-in information:

Toll-Free Telephone Number: 1-877-309-2073, Access Code: 579-930-949

AGENDA

Port of Kennewick

Regular Commission Business Meeting

*Port of Kennewick Commission Chambers (via GoToMeeting)
350 Clover Island Drive, Suite 200, Kennewick, Washington*

Tuesday, April 14, 2020
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 March 26, 2020
 - B. Approval of Warrant Register Dated April 14, 2020
 - C. Approval of Regular Commission Meeting Minutes February 11, 2020
 - D. Approval of Regular Commission Meeting Minutes February 25, 2020
 - E. Approval of Regular Commission Meeting Minutes March 10, 2020
 - F. Approval of Regular Commission Meeting Minutes March 24, 2020
- VI. NEW BUSINESS**
 - A. Greenbriar Rail, Lease Renewal; Resolution 2020-07 (**AMBER**)
 - B. Emergency Temporary Rent Deferral; Resolution 2020-08
(**TIM/NICK/AMBER/LUCINDA**)
- VII. EMERGENCY DELEGATION UPDATE**
 - A. Total Site Services, Vista Field Contract (**LARRY/TIM**)

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VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS

- A. Communications with Public (TANA)
- B. Vista Field
 - 1. Construction Update (LARRY)
 - 2. Task Status Update (LARRY)
- C. Posting Commission Meeting Audio Update (BRIDGETTE)
- D. Public Disclosure Commission Reports and No-Conflict Statements (BRIDGETTE)
- E. Director Reports (TIM/TANA/NICK/LARRY/AMBER)
- F. Commissioner Meetings (formal and informal meetings with groups or individuals)
- G. Non-Scheduled Items

IX. PUBLIC COMMENT *(Please state your name and address for the public record)*

X. ADJOURNMENT

PLEASE SILENCE CELL PHONES



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

FEBRUARY 11, 2020 MINUTES

Commission President Don Barnes 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: Don Barnes, President
Skip Novakovich, Vice-President
Thomas Moak, 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 Finance Officer
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Councilman Michael Alvarez led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: *Commissioner Novakovich moved to approve the Agenda; Commissioner Moak 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 February 3, 2020***
Direct Deposit and E-Payments totaling \$89,871.08
- B. Approval of Warrant Register Dated February 11, 2020***
Expense Fund Voucher Number 101836 through 101872 for a grand total of \$288,703.25
- C. Approval of Special Commission Business Meeting Minutes January 28, 2020***
- D. Approval of 2020-2021 Commission Organization Representation***

Commissioner Barnes requested that Consent Agenda Items A and B be moved further down the Agenda.

PORT OF KENNEWICK SPECIAL COMMISSION MEETING

FEBRUARY 11, 2020 MINUTES

DRAFT

MOTION: *Commissioner Barnes moved that Items A and B under the Consent Agenda be moved to New Business and become Items B and C; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

MOTION: *Commissioner Moak moved for approval of the Amended Consent Agenda (Items C and D); Commissioner Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

PRESENTATIONS

A. *Historic Downtown Kennewick Partnership (HDKP), Stephanie Button*

Ms. Bader Inglima introduced Stephanie Button, the new executive director for the Historic Downtown Kennewick Partnership. Ms. Button updated the Commission on the HDKP visions for the area.

B. *United States Census 2020, United Way of Benton & Franklin Counties, LoAnn Ayers*

Ms. Bader Inglima introduced LoAnn Ayers of United Way of Benton and Franklin Counties. Ms. Ayers gave an update on the 2020 U.S. Census.

Mr. Arntzen gave a brief update on the City of Richland Columbia Park Trail project.

NEW BUSINESS

A. *Purchase and Sale Agreement with Santiago Communities (Oak Street)*

Ms. Hanchette received an offer from Santiago Communities to purchase 26.42 acres of land from the Port, to develop an affordable manufactured home community in east Kennewick. The property consists of three separate parcels located east of the City of Kennewick water treatment plant and north of the Port of Kennewick's Oak Street Industrial complex off of East 3rd Avenue. Parcels are zoned industrial and located in two different jurisdictions; two of the parcels are under lease for agricultural use and the third has a residence and is encumbered by a life estate.

Discussion commenced between the Commission and staff.

PUBLIC COMMENT

No Comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-03 authorizing the Port's CEO to execute all necessary documentation associated with the land sale to Santiago Communities Inc. and to take all other action necessary to close this transaction; and further ratifies and approves all action by Port officers and employees in furtherance; Commissioner Moak seconded.*

Discussion:

Commissioner Moak stated over the years in the Port Work Plan, our goal was to sell some of this property that we are no longer using, no longer felt that it had met the Port's needs. Commissioner Moak thinks we see in this community, as well as elsewhere, the need for affordable housing and for housing at the lower end. This adjoins another mobile home park

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and so it is not inconsistent with what is down there. Commissioner Moak thinks this is a good thing for the community if this were able to transpire. It would be good for the Port in providing us some income to pursue other projects that we are working on. And so Commissioner Moak does support this.

Commissioner Barnes agrees with Commissioner Moak's comments and if you look at the focus of the Port of Kennewick right now, it is clear that we have a huge project on our hands at Vista Field and we are trying to do some things here along Columbia Drive. We have heard in recent meetings how it would be challenging to have a larger number of projects and it would in many ways, dilute our effort to make meaningful improvements on the projects that are at the top of the list. For those reasons, Commissioner Barnes supports this as well.

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

B. Consent Agenda Items A and B

Commissioner Barnes stated if it is alright with everyone, we can discuss Consent Items A and B together. Commissioner Barnes had a question about the voucher for Michael Love Law Firm and asked Mr. Kooiker for further information.

Mr. Kooiker explained that it was a payment for legal counsel retained by the Port of Kennewick for the complainant in the citizen complaint process.

Commissioner Barnes understands that this expenditure is not supported nor justified by Rules of Policy and Procedure.

Ms. Luke stated that is incorrect and stated the rules were reviewed and vetted prior to the retaining of Mr. Love for representation. Ms. Luke will have the Port's special counsel address this issue at a future Commission Meeting.

MOTION: Commissioner Barnes moved that the proposed payment to Michael Love Law Firm be struck from the Warrant Register; Commissioner Moak seconded.

With no further discussion, motion carried. All in favor 2 Ayes (Commissioners Barnes and Moak): 1 Nay (Commissioner Novakovich).

MOTION: Commissioner Moak moved approval of the direct deposit and E-payments dated February 4, 2020, and warrant register dated February 11, 2020 (with the exception of the proposed payment to Michael Love Law Firm); Commissioner Barnes seconded.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field Update

Mr. Peterson gave a presentation on the Vista Field redevelopment and timeline and discussed Commission policy issues.

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SPECIAL COMMISSION MEETING**

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Discussion commenced between the Commission and staff.

1. Management and Implementation Memo

Mr. Arntzen presented the Commission with a memo regarding Vista Field management and implementation approach.

Discussion commenced between the Commission and staff.

RECESS

Commissioner Barnes called for a recess for at 3:53 p.m. until 4:00 p.m.

Commissioner Barnes reconvened the meeting at 4:01 p.m.

B. Columbia Gardens Update

Mr. Peterson and Ms. Hanchette provided an update for the Commission on Columbia Gardens.

Discussion commenced between the Commission and staff.

C. 2019-2020 Work Plan Memo

Mr. Arntzen presented the Commission with a draft updated 2019-2020 Work Plan.

Discussion commenced between the Commission and staff.

D. Clover Island (Kennewick Waterfront) Master Plan Update

Mr. Arntzen updated the Commission on the Clover Island (Kennewick Waterfront) Master Plan.

Discussion commenced between the Commission and staff.

E. Accounts Payable Fraud Avoidance

Mr. Kooiker presented the Commission with the Port's fraud avoidance procedures.

F. Commission Rules of Policy and Procedure, Section 4

Mr. Arntzen reviewed the Commission Rules of Policy and Procedure, Section 4.

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

Commissioners reported on their respective committee meetings.

H. Non-Scheduled Items

Commission and staff reported on non-scheduled items.

PUBLIC COMMENTS

No comments were made

COMMISSION COMMENTS

No comments were made.

**PORT OF KENNEWICK
SPECIAL COMMISSION MEETING**

FEBRUARY 11, 2020 MINUTES

DRAFT

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 5:46 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

BOARD OF COMMISSIONERS ACKNOWLEDGEMENT

The attached transcript provided by Naegeli Deposition & Trial of the February 11, 2020 Commission Meeting is approved and will be kept as a permanent record of the meeting.



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PORT OF KENNEWICK

REGULAR COMMISSION BUSINESS MEETING

PORT OF KENNEWICK COMMISSION CHAMBERS

350 CLOVER ISLAND DRIVE, SUITE 200

KENNEWICK, WASHINGTON

TUESDAY, FEBRUARY 11, 2020

2:00 P.M.



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1 **PORT OF KENNEWICK**

2 **REGULAR COMMISSION BUSINESS MEETING**

3 **PORT OF KENNEWICK COMMISSION CHAMBERS**

4 **350 CLOVER ISLAND DRIVE, SUITE 200**

5 **KENNEWICK, WASHINGTON**

6 **TUESDAY, FEBRUARY 11, 2020**

7 **2:00 P.M.**

8

9 **MR. BARNES:** This meeting of the Port of Kennewick
10 Commission will please come to order. At this time, I'd
11 like to request that you silence all the noise-making
12 devices or cell phones. And if you would please rise, I
13 would like to invite Councilman Alvarez to lead us in the
14 Pledge of Allegiance.

15 **(Whereupon, the Commission recited the Pledge of**
16 **Allegiance.)**

17 **MR. BARNES:** Thank you. For the record, I'd like
18 to note that all three commissioners are present. And I
19 understand that we have some guests in the audience.

20 Bridgette, would you like to introduce some of the
21 folks in attendance?

22 **MS. SCOTT:** Just -- I'm sorry, not everyone, just
23 two. But we have Mitch Peterson, with CompuNet. He is our
24 contact with our new AV system, our audio-visual system. He
25 wanted to join us today and see how everything is working.

1 And then in the back of the room, we have Iliea
2 Perry. She is with Naegeli Deposition & Trial. And under
3 our schedule, I'll go into a little bit more of that.

4 Thank you.

5 **MR. BARNES:** Thank you very much. Okay.

6 Continuing down our agenda, the next item on the agenda is
7 approval of the agenda. The Chair will entertain that.

8 **MR. NOVAKOVICH:** Mr. President, I move approval of
9 the agenda as presented.

10 **MR. MOAK:** Second.

11 **MR. BARNES:** Okay. It's been moved and seconded
12 that the agenda be approved as presented. There is no
13 discussion. All in favor, please say "Aye".

14 Any opposed, please say "Nay".

15 Thank you, the Ayes have it.

16 All right. The next item on our agenda is an
17 opportunity for public comment. At the Port of Kennewick,
18 we have two opportunities for public comment, one at the
19 beginning of the meeting and one at the end of the meeting.
20 If you would like to make a public comment, we'd asked that
21 you please move to the podium, please state your name and
22 address for the record, and we ask that you please limit
23 your comments to three minutes.

24 Would anyone like to make a public comment?

25 Okay. No public comment. Thank you very much.

1 The next item on our agenda is the Consent Agenda.
2 These items are considered to be routine in nature, usually
3 taken by one vote of the commission. Any item can be
4 removed, placed further down the agenda or tabled for
5 another meeting by two-thirds vote of the Commission.

6 Before I ask, I would like to ask that two items
7 be moved further down the agenda. Therefore, I move that
8 items A and B, under the Consent Agenda, be moved to New
9 Business and become items B and C.

10 **MR. MOAK:** Second.

11 **MR. BARNES:** Okay. It's been moved and seconded
12 that items A and B of the Consent Agenda be moved and become
13 items B and C under New Business. Any discussion?

14 All in favor, please say "Aye".

15 Any opposed?

16 Thank you.

17 Okay. The remaining item on the Consent Agenda is
18 Approval of Special Committee Meeting Minutes dated January
19 8th, 2020. The Chair will entertain a motion regarding the
20 Consent Agenda.

21 **MR. MOAK:** I move approval of the Consent Agenda
22 as amended.

23 **MR. NOVAKOVICH:** Second.

24 **MR. BARNES:** It's been moved and seconded that the
25 Consent Agenda, as amended, be approved.

1 The remaining item on the Consent Agenda is
2 Approval of Special Commission Meeting Minutes dated January
3 28th, 2020. If there's no discussion, we'll vote.

4 All in favor, please say "Aye".

5 Any opposed?

6 The Ayes have it, 3 - nothing. All right. Thank
7 you.

8 The next item on our agenda under Presentations,
9 it's my understanding we have Stephanie Button here with the
10 Historic Downtown Kennewick Partnership. Tana, would you
11 like to introduce this, please?

12 **MS. BADER INGLIMA:** Yes thank you. Stephanie is
13 making her way to the podium. But Stephanie contacted Tim
14 and I. She is the new executive director of for the HDKP.
15 Oh, I'm sorry. I've got to get used to the new technology.

16 Stephanie Button has made her way to the podium.
17 Stephanie is the new executive director for the Historic
18 Downtown Kennewick Partnership. She reached out to Tim and
19 I. We met with her, and then she had indicated that she's
20 trying to make presentations and bring people up to speed,
21 the partner organizations on what the HDKP is doing, what
22 their new vision is for downtown. And I know she has some
23 of her people with her, so I'll let her introduce them. And
24 then she has a PowerPoint presentation for us.

25 **MS. BUTTON:** Thank you so much, Tana. Yes, my

1 name is Stephanie Button, and I am the new executive
2 director here. So I'm doing the rounds in Kennewick and in
3 the Tri-Cities to introduce the Historic Downtown Kennewick
4 Partnership to our community and also follow up with many of
5 our long-standing partners, since there's a new sheriff in
6 town. And I would like to introduce my staff that is here.
7 Amber Maiden is our marketing coordinator. Also, the
8 present of our board, Jay Freeman is also here in
9 attendance. So thank you to them for coming, and thank you
10 to the Port of Kennewick Commissioners, and of course, to
11 the staff for giving me this time to speak today.

12 So without further ado. Downtown Kennewick is a
13 dedicated -- we are Downtown Kennewick's dedicated advocate.
14 And that's the main thesis that I wanted to present today in
15 my presentation. With new leadership, both at the staff
16 level and within our board -- because we recently had some
17 new board members join us; we're looking to fill a few more
18 positions -- I wanted to give an update on our practices,
19 our culture as an organization moving forward, and of
20 course, a reminder that we are a volunteer-driven
21 organization. The majority of our organization is built on
22 our volunteer board members, as well as our volunteers and
23 members within the community. We are only a staff of two,
24 with a very ambitious program schedule. For instance, we do
25 over 64 events a year.

1 But moving on. One of the themes that we are
2 working on is this idea of working with our community of
3 being strong listeners and partners and making sure that
4 we're doing everything in our power to bring people to
5 downtown, help them rediscover our downtown community, and
6 working with our pre-existing partners to make it a
7 revitalized district of exciting opportunities. And in that
8 vein, how do we do what we do with the historic partnership?

9 We are part of the Main Street National Center. I
10 won't go too much in depth about what that program is, but
11 essentially, it's organized at the State level here through
12 the Washington Department of Archeology and Historic
13 Preservation. They then contract that program through the
14 Washington Historic Trust, and then through Main Street --
15 the Washington Main Street Program.

16 So last year, in 2019, we did have a site visit by
17 the State Director, as well as a National Program Officer.
18 So that would be Breanne Durham from Washington, and Norma
19 Ramirez from the Main Street. And this is kind of a brief
20 summary of their site visit.

21 So what they did is they met with staff, they met
22 with board members, they met with stakeholders in the
23 community. And this is some of their recommendations and
24 their advice and opportunities for growth.

25 Visually, where you see the checkmarks, those are

1 things that we have begun correcting or that we are in the
2 process of working on.

3 First, we're very excited about the assets and
4 opportunities of our district, that we are rebuilding a
5 solid foundation from an organizational perspective. They
6 saw great momentum. They saw a lot of recent investment in
7 the downtown in the form of private and public investments
8 and buildings and general street scape investment. And they
9 were really excited about the innovation of food and wine
10 resources coming to the district.

11 I've said the word "district" a few times. We
12 report to the Main Street, from Washington to Dayton -- or
13 excuse me, from -- yeah, Dayton to Washington Street, and
14 then from Canal to First. That's what we report on as our
15 main core. But, of course, we don't just view downtown as
16 that very narrow historic core of buildings and businesses.
17 We actually define our down street as bridge to bridge and
18 from waterfront to 10th.

19 So within our long-term district strategy, we're
20 very much invested in connectivity, accessibility, and
21 having easy egress for guests, visitors, workers and
22 residents to easily commute to and from the historic core to
23 the waterfront and, of course, to the civic district where
24 the museum, the school, and the City Hall are located.

25 Some recommendations and observations that they

1 had were in rebuilding some of our relationships and our
2 organizational infrastructure for our books. Those are
3 progress that we've made. We've redefined our financial
4 structure. We have QuickBooks Online. We're able to work
5 smarter, not harder on all of our internal processes.

6 And something that they saw was defining the
7 partnership. We are the Historic Downtown Kennewick
8 Partnership. We're not just a membership organization. We
9 really see ourselves as a facilitator. We work with our
10 partners, going back to the first slide where we work with
11 and not for.

12 The biggest celebration, reasons to celebrate,
13 kind of the take-away that we got from our site visit was
14 they saw that HDKP was a group of dedicated individuals who
15 weren't afraid of making tough decisions. In the last two
16 years, we've had to make some very tough decisions. And
17 we're a group of individuals who very much care about our
18 downtown and the future of our community. There's a sense
19 of energy in our town downtown right now, and they look
20 forward to seeing us as an organization leading the charge
21 in Downtown Kennewick.

22 So Downtown Kennewick by the numbers -- these
23 actually come from 2019. I look forward to the opportunity
24 to report 2020 numbers as they come in throughout the year.
25 But essentially, we saw \$1.7 million in capital improvements

1 in the last 18 months, four new or in-development projects,
2 most recently the opening of the Layered Cake Studio space.
3 We're eagerly anticipating the '19 development. And we are
4 still at about 90 percent occupancy in the Main Street
5 District, that earlier historic core that I described.

6 We saw a 5 percent increase in membership, and we
7 continue to grow that trend in 2020. We saw over 2,000
8 volunteer hours, and we received two grants, one from Banner
9 Bank, and one from the Benton County Historic Preservation.

10 How are we funded? How do we do what we do? We
11 are dedicated to continuing to revitalize, grow, and
12 diversify our revenue. But of course, a lot of that does
13 come from B & O tax. Very briefly, that is a business and
14 occupancy tax through the Main Street Tax Incentive Program,
15 where if you pay B & O tax, or you pay utility taxes in the
16 State of Washington, through this tax credit program, you
17 can self-direct some of those taxes to a Main Street
18 recipient, such as us.

19 In the first quarter, we were able to collect a
20 little over \$95,000 worth of B & O contributions. There's
21 about \$2.5 million at the State level for the 34 qualifying
22 Main Street communities, and we are well on track for
23 hitting our goal. We have about a little over \$20,000 left
24 to collect in our first quarter estimates. And like I said,
25 we're on track to being able to receive all those funds.

1 Sponsorships and partnerships. So I have the word
2 "partnerships" there, and I'm going to use this handy little
3 focus tool. So "partnerships," you might have historically
4 have read that as "memberships." And this is part of the
5 culture shift within our organization. We still have a
6 membership program, but internally, and then through the
7 year, externally, we will be calling our members our
8 partners. That's really what they are. When you are a
9 member of our organization, you're not just receiving
10 benefits, you being a member, you are impacting and creating
11 benefit for our community.

12 So viewing our members as partners, and just
13 because you're not a paying partner of the membership
14 program doesn't mean you're still not a part of our
15 community. And in our culture, we are dedicated to being
16 more inclusive to all of our members, partners and residents
17 to businesses in the Downtown.

18 Then finally, sponsorships. This year we're being
19 a lot more aggressive in our sponsorship program. We've
20 created new sponsorship levels at our Farmer's Market, as
21 well as revised some of our sponsorship levels at one of our
22 largest venue -- or event raising -- or fund-raising events,
23 Classy Chassy. So we look forward to growing our
24 partnerships and raising more funds so that we can continue
25 to provide the resource programming and promotion to the

1 Downtown district.

2 Earlier, in opportunities for growth, I mentioned
3 organization and internal operations, cleaning up our books
4 and fortifying our foundation as an organization. So we've
5 really spent the last year improving how we operate at an
6 administrative level. And part of that includes new
7 resources, such as MAESTRO and QuickBooks Online, that are
8 allowing us to have a better understanding of the
9 information that we collect, how to quickly access it,
10 understand it, so that we can actually be a resource for
11 outside interests, if they want to know anything about the
12 Downtown. It helps us continue to organization our members,
13 the inventory of Downtown. So if you are a developer, if
14 you are interested in bringing your business downtown, this
15 database is going to allow us to be more effective in
16 communicating the opportunities that are here in our
17 community.

18 And that is because Downtown Kennewick is
19 evolving. We've been a growing community since our
20 inception in 1904 in, of course, the early days of the Port
21 of Kennewick. And Downtown Kennewick, in the last 20 years,
22 has seen a real change in the street scape and in the
23 buildings and the facades.

24 My personal favorite, of course, is that we've
25 got, you know, the impact to the feel of Kennewick Avenue

1 with Layered Cake. And of course, we're very excited by the
2 increasing art coming to downtown, both in the sculpture and
3 in the traffic box wraps, a partnership with the City of
4 Kennewick and with SDCU. And we look forward to more
5 changing development in the Downtown.

6 We understand that change is coming, not just to
7 Downtown Kennewick, but to the Tri-Cities, and we are
8 prepared to step up and help strategically guide it in the
9 Downtown with all of our partners, like the City and with
10 the Port. We really very much enjoyed our chance to speak
11 with staff, with Tim and Tana, and we look forward to
12 growing that partnership with our respective staffs working
13 together towards our goals of revitalizing and growing our
14 Downtown community.

15 Other partners that we're very excited are our
16 growing partnership with the Visit Tri-Cities, as well as
17 the regional chamber. We even added to their business
18 resource listing. And we will be participating in the My
19 Tri 2030 planning. I recently joined the Life Committee,
20 where we will be working on opportunities and solutions to
21 increasing the quality of life for all citizens within our
22 Tri-Cities community.

23 We're also dedicated to continued connectivity to
24 Downtown and to the Waterfront. In particular, we're very
25 interested in helping support the continued connectivity

1 efforts on the Washington Street Corridor, as well as
2 looking at opportunities for further connectivity, whether
3 it's sidewalks or street scape or ebikes or whatever. We're
4 interested and excited to partner on those as they grow and
5 come to fruition.

6 Another opportunity for growth is in story telling
7 and communicating what the partnership is and what we do
8 exactly. And so we developed this iceberg graphic, that
9 analogy that with an iceberg, you really only see the upper
10 third of what that iceberg is. And this is what we wanted
11 to develop to demonstrate, really, the full encompassing
12 programs that we execute. So very visibly, of course, we
13 produce the Farmer's Market. We produced the car show,
14 Classy Chassy.

15 We are responsible for the street scape, the
16 holiday trees, Flag Plaza, ribbon cuttings, Discover the
17 Charms, but there's a lot beneath the surface. And that
18 really takes up a lot of what we do, and really, the heart
19 of our partnership and our process. Things like Downtown
20 advocacy, resource cultivation, connecting partners and
21 businesses to business relations within the district and
22 outside of the district. Data collection, analysis
23 reporting, facilitating, place-making.

24 And I do want to talk about resource cultivation.
25 So we're currently in the process, through our economic

1 vitality committee, of creating a series of quarterly
2 business development workshops. More information is coming
3 soon, but those are geared towards providing resources and
4 education to our Downtown businesses, our small and medium-
5 sized businesses, so that they can grow successfully in our
6 community, and hopefully never have to leave our community
7 or are able to capitalize on the coming growth.

8 So the biggest thing that I wanted to communicate
9 is that our Historic Downtown Kennewick Partnership, we have
10 heart. We're a group of dedicated individuals. We're
11 business owners. We're building owners. We're residents.
12 We're dedicated. We volunteer our time and our effort.
13 We're not afraid to make tough decisions. We generally care
14 about our community, and we are ready to step up and be
15 leaders and continue to work with our partners and grow our
16 relationships with our partners so that our entire district
17 can benefit.

18 We know that Downtown Kennewick isn't an island,
19 and that it depends on the larger community and coordinating
20 and collaborating with them so that we can all be
21 successful.

22 So thank you so much. And if you have any
23 questions, I would be happy to answer those.

24 **MR. BARNES:** Stephanie, I want to thank you very
25 much for a very informative presentation. Your enthusiasm

1 for Historic Downtown Kennewick Partnership is very clear
2 and very easy to read.

3 **MS. BUTTON:** Thank you.

4 **MR. BARNES:** I see a lot of mutual interest here.
5 So thank you very much for being here today. I'll open it
6 up for questions from the commission.

7 Again, Stephanie, thank you very much. We really
8 appreciate it.

9 **MS. BUTTON:** Thank you. And we very much
10 appreciate the Port's involvement and in having Tom Moak
11 appointed to our board as an additional liaison opportunity.
12 So thank you, and we'll do our part to continue keeping you
13 all informed and doing the good work.

14 **MR. BARNES:** Thanks again.

15 Okay. Moving to our next presentation on our
16 agenda. Today we have LoAnn Ayers, and I believe LoAnn's
17 with the -- is it United Way?

18 **MS. AYERS:** Yes, indeed.

19 **MR. BARNES:** Okay. Great. I do have a brain cell
20 working. LoAnn was unable to join us two weeks ago when we
21 had our special commission meeting. I'm glad that you're
22 recovered from the flu. That's no fun. And I've seen this
23 presentation once before, and it's very interesting. So
24 we're happy that that you can join us today. And thank you
25 very much.

1 **MS. AYERS:** Thank you.

2 **MR. BARNES:** And did I miss an opportunity for --
3 Tana?

4 **MS. BADER INGLIMA:** You did an excellent job. My
5 name was there, but you've made a great introduction for
6 LoAnn. And although she's with United Way, I think she's
7 here to talk about the census and why that is so important
8 to the community and to encourage everyone to get behind
9 that.

10 **MS. AYERS:** Thank you. Well, it's great to follow
11 Stephanie's presentation, because Downtown Kennewick is a
12 microcosm of what's happening all around our bi-county area.
13 Growth, opportunity, accompanied by challenges. And just
14 because Don's seen it before, I'm going to have to kick it
15 up a notch, Don. Because United Way is just one of many
16 partners that are working together across the bi-county
17 area, to increase the census count. In 2010, at our last
18 census, Benton County was undercounted by 26.4 percent, and
19 Franklin County by 31 percent.

20 So what that means is for the last decade, our
21 community has had less representation, and it has had less
22 resources than we deserve. So a group of dedicated
23 volunteers got together about a year ago and said, So what's
24 the plan? And many organizations like mine have not
25 budgeted funds for census work. It's not that it wasn't a

1 surprise, we were just busy in our swim lanes.

2 So my little organization at United Way -- we have
3 a small staff. All of our donor dollars already are
4 earmarked for a specific community impact, and we don't have
5 the capacity -- the surge capacity to really work on the
6 census. But I was able to apply for a grant and a contract
7 and brought in about \$300,000 to help support census work.
8 And in the last 10 days, I've hired 11 part-time people to
9 work with specific populations.

10 Now, why is the census important? You know, one
11 of the things we do at United Way is we collect data. I'm a
12 data nerd. And we look at what's happening across the bi-
13 county area that affect the health and safety of people who
14 are living here or working here now, because that's
15 important to really look at our current pipeline and our
16 current customers and our prospective customers, as well as
17 the workforce pipeline.

18 What's been interesting in the two years that
19 we've done this is in metrics related to children and youth
20 -- and we did the second upgrade in August -- in almost
21 every data point related to children and youth, we lost
22 ground in one year. That does not bode well for sustainable
23 Tri-Cities.

24 So, for example, I'm going to see if Don
25 remembers. Hey Don, so test. I'll throw it out. You know,

1 life's success really is hinged on a lot of things, where
2 you grew up, your role modeling in your life, nutritious
3 foods, support from birth forward. But a lot of that comes
4 to fruition when kiddos enter kindergarten, because that's
5 the start of their formal education. And kindergarten has
6 changed since most of us in this room have gone to
7 kindergarten. Some of you may have kids or grandkids who
8 are in that mode or have recently been there.

9 Kindergarten now is like first grade used to be.
10 So in the first two weeks of school, they assess all
11 kindergarteners on six areas of readiness, things like
12 social emotional readiness. Can they share? Communicate
13 with others? Do they recognize letters and numbers? Can
14 they hold a pencil?

15 And in our bi-county area -- okay, Don, this is
16 the test. And I think, Skip, you heard me as well -- what
17 percentage of kindergarteners -- the last data we had was
18 fall of '18 -- entered kindergarten ready on all six
19 parameters? It's a double digit. Any guesses? Anybody can
20 help Don and Skip. Double digits, what percentage of kids
21 entered kindergarten ready?

22 **MS. BADER INGLIMA:** 64.

23 **MS. AYERS:** Too high. We'd love it to be that
24 way. 64, too high. Another guess?

25 **UNIDENTIFIED SPEAKER:** 34.

1 **MS. AYERS:** Yay, too low. 38 percent. Okay. And
2 that number is flat and has not made any gains in three
3 years that we've been measuring. And in fact, if you're
4 from a family in poverty, it's one out of every four kids.
5 Now why does that matter? Because on third grade, when they
6 measure reading and language skills, about 40 percent of
7 those kids who enter kindergarten not ready will not be on
8 grade at grade 3, and just over 30 percent will not graduate
9 from high school.

10 That's the future of customers and the work force
11 in our bi-county area. So for those of you who are
12 interested in data, I bring that up because we have an
13 amazing array of public, private, and faith-based
14 organizations that help support families, whether it's
15 learning parenting skills -- you know those kids don't come
16 with instruction manuals. And maybe you're a busy, two-
17 parent household where you're both working. Maybe you grew
18 up and you did not have good parenting in your life, but you
19 want the best for your kid.

20 So we have organizations that work with parenting
21 classes, to help kids get ready on all levels of readiness
22 from the moment of birth forward. It's not when you go in
23 June to pick up the sign-up sheet for fall enrollment into
24 kindergarten.

25 We have our organizations, things like Head Start,

1 early learning programs that, again, are supported by
2 philanthropy, faith-based groups, and public dollars to help
3 with success once they're in school. Homelessness grew
4 among our K-12 students by 9 percent a year ago fall. Across
5 the bi-county area, 9 percent more kids were homeless than
6 in the year previous.

7 So there's a lot going on in our community. But
8 if we just look at that one metric of what's happening to
9 our future, there are opportunities for us to continue to
10 work together. And it's important because that blending of
11 funds is in jeopardy. We are now projected, in the 2020
12 census, to be at over 40 percent undercounted.

13 Think about what's happened in our community,
14 across the nation, in our society in the last decade.
15 There's a heightened sense of fear of information privacy
16 and cyber security. There's a fear of government systems
17 and active systems and distrust in government. There are
18 more people here in our bi-county area who come from diverse
19 backgrounds who may be refugees or immigrants or not here
20 legally. And everyone, everyone who's here deserves to be
21 counted. And it's important that they are counted, because
22 every person counted means \$2,300 per year in federal money
23 alone to our bi-county area.

24 So not counted -- if you don't answer -- and I
25 know Stephanie's going to answer. But if Stephanie didn't

1 answer, that would be \$23,000 we don't get.

2 **MR. BARNES:** Over 10 years.

3 **MS. AYERS:** Over 10 years.

4 Now 40 percent of a community of 300,000, bi-
5 county area, that's real money. And so I'm going to send
6 information around. I'm going to start here with Amber.
7 This is information about kind of some of the data points
8 that United Way tracks. We share this information. We have
9 a detailed 21-metric report called a community report card
10 that we share out with businesses and government entities.
11 It's just the highlights.

12 And then the census -- so unfortunately, I didn't
13 bring enough. I didn't expect such a wonderful crowd. But
14 we have a website that's available right now. It's
15 BFCensus2020.org. Information and tool kits are available
16 there for you to message out to your employees. For those
17 of you who are lucky enough, and maybe every other person --
18 and then I'll bring some more.

19 On the bridge side, there is a listing of the top
20 20 federal programs. And they -- oh, you brought yours. Don
21 gets a gold star today. So things like Head Start, free and
22 reduced lunch, supplemental food and housing for low-income
23 families. So kind of the sustainability of our community.
24 But things like crime victim assistance, support for special
25 needs. The third most dollar-intensive federal program is

1 college student loans. Kind of important to our future.
2 And then roads and bridges and transportation. And even
3 more important to our community with the passage of the
4 State initiative on gas tax -- on tabs. Excuse me.

5 So it makes a big difference whether you're a
6 business, looking at how you get product to and from
7 customers, how we transport our persons and our families to
8 go visit family, how do we get to work, roads and bridges
9 and infrastructure, how we support the sustainability of our
10 community and supplement the needs. Because our needs won't
11 go away, even if we have a short count. They'll continue to
12 grow, because we're a normal community.

13 So any person who is here, March 12th, the website
14 opens. We want people to know why is it important. That's
15 the small type information on the bridge side of the
16 brochure. Those programs that affect your life and your
17 business. How do you answer? Go on the website. If your
18 address is known, you will get an official government
19 looking envelope in English mailed to your address. You'll
20 open it, and it will say go to the website. Don't Google,
21 because they're worried about your own ghosting. So people
22 getting a dot-com, or something other than a dot-gov. The
23 nefarious activity has begun.

24 Last fall, when paid census takers were verifying
25 flying addresses -- so the cities and counties provide a

1 list of new housing developments and redevelopments, and
2 then paid government census people go out and say, Ah-ha,
3 yes, this street has this many houses, and this is the
4 address range. This apartment complex has 42 units. This
5 is the address range.

6 During that same time frame in our bi-county area,
7 we had reports of two people with clipboards and IDs, going
8 door to door, taking the census and asking Social Security
9 numbers. The census will never ask for your Social Security
10 number, your mother's maiden name, your full Social Security
11 number. They will never threaten you. They will never ask
12 to enter your home. That's not real. So we want people to
13 really understand what's real, why is it important, how can
14 they answer safely, and what's not real.

15 So we'd encourage to you spread the word now. You
16 are advocates in our community. You can make a difference.
17 One person, \$23,000? Where else can you get 10 minutes of
18 work that results in \$23,000. I mean, that's a good ROI,
19 right?

20 And if you want resources or a presentation, just
21 go onto the website. That's BF Census2020.org. We'd be
22 available to answer any questions.

23 **MR. BARNES:** LoAnn, thank you very much for your
24 presentation again. I really enjoy your enthusiasm for
25 this, and it means lot to our community.

1 Are there any questions from the Commission?

2 I do have one question. You mentioned that it's
3 forecast that our community could be undercounted by up to
4 40 percent. How does this compare, say, nationwide?

5 **MS. AYERS:** It really varies by the demographics
6 and the sociographics of a community, and how many hard to
7 count and how many rural they are. So it's a pretty
8 complicated algorithm. And actually, I've been tracking
9 this since April of '19, and our numbers have gotten worse
10 in projection of response rate, not better. So by golly,
11 we're going to change that.

12 I hope that the Port can at least put something on
13 their home page directing people to the census, a message
14 out to your employees. If you have an employee newsletter,
15 we can help equip you, and those other businesses that are
16 in the room. We really want to make sure people know who's
17 supposed to be counted, when, and why it's important.

18 **MR. BARNES:** Thank you. Any other questions?
19 Tana, please?

20 **MS. BADER INGLIMA:** You said that you were going
21 to -- thank you. I forget I'm supposed to put my microphone
22 on -- that the traditional way was to receive something in
23 the mail. That will still happen?

24 **MS. AYERS:** Yes. So if you don't respond, -- it's
25 about contact number 3. In communities that had a high

1 response of Spanish language responses in 2010, they'll get
2 a bilingual paper version. But just think about the first
3 two counts will be in English -- contacts.

4 **MS. BADER INGLIMA:** We'll still receive a notice
5 in the mail, and then it's encouraging us not to do the --

6 **MS. AYERS:** Correct.

7 **MS. BADER INGLIMA:** Fill out the form, but do it
8 online.

9 **MS. AYERS:** Correct. That's an efficiency
10 measure. We're just a more complex society. It's fast,
11 it's a secure link, and it's cost effective.

12 **MS. BADER INGLIMA:** But for the more rural
13 communities, they'll still be doing the mail out.

14 **MS. AYERS:** If you don't respond, even if you're
15 in the middle of the city, you'll get a paper version. If
16 you don't respond, door knockers. But they're expecting
17 less than a 10 percent response rate for door knocking. We
18 have two challenges, stranger danger, and lack of qualified
19 census employees. So we're about 200 short in Benton-
20 Franklin County in census takers right now.

21 Good questions. Again, BFCensus2020.org. Lots of
22 resources. We also have a FaceBook page that posts, every
23 day, little factoids that you can share out in English and
24 in Spanish.

25 Thank you very much.

1 **MR. BARNES:** Thank you, LoAnn. Thank you very
2 much.

3 Okay. Before our meeting started, Tim mentioned
4 that we have Councilman Alvarez here from the City of
5 Richland. Perhaps -- let me back up. The Port of Kennewick
6 made a decision at our last Commission meeting to enter into
7 a partnership with the City of Richland on the Columbia Park
8 Trail renovation project. And Tim felt that, perhaps, we
9 could have a little brief update at that? Would that be all
10 right, Tim?

11 **MR. ARNTZEN:** Yes, certainly, Commissioner. Thank
12 you. And this is primarily for the benefit of Councilman
13 Alvarez, and also for the public.

14 Port District encompasses -- Port of Kennewick
15 District encompasses a good portion of the City of Richland.
16 And we've had a longstanding partnership with the City of
17 Richland. And there's a couple of things that we've been
18 working on that might be of interest.

19 We have provided \$800,000 of Port of Kennewick
20 funding to the City of Richland for the Columbia Park Trail
21 project. And that's a multi million dollar project. It
22 will improve the Island View area. For those of us that
23 have been here for a while, we always remember it as the
24 Richland Y. But the Island View area will benefit from
25 improvements. There are going to be undergrounding power,

1 kind of putting it on the street diet, some of the new
2 principals of new urbanism, making it more efficient for
3 both vehicles and pedestrians.

4 So it's a really neat project. We first worked
5 with the City to pledge some of the Port's rural county
6 funding. That's an allocation that we get from Benton
7 County for worthy economic development projects. So we're
8 looking at passing through some of that funding. But it
9 just didn't appear that that funding source was available
10 for this project. So Port staff went back to the
11 Commission. The Commission decided it was an important
12 enough project that we used some of our general funds. So
13 we are transferring the \$800,000 in the City of Richland.
14 And as the public works director, Pete Rogalski said, I
15 don't care where you get the money from, as long as we --
16 you know, it all spends the same. So we appreciate Pete's
17 candor. That's a very important project. We've been
18 working on it for a couple of years. It's going to be nice
19 to see that that project finally comes to fruition.

20 One of the other things that we're working on now
21 is what we call the Next Decade Plan, where Port staff is
22 working with City of Richland staff to try to get, as I
23 explained in the last Commission meeting, a box full of
24 ideas, some ideas that we could do together, Port of
25 Kennewick and City of Richland, on projects that would

1 happen both within the Port District and within the City of
2 Richland, that are important for the public.

3 We're at the point now where the staff is working
4 together to try to get that box full of ideas. And what
5 we'd like to do is bring them back to both sets of elected
6 officials so you can put them up on the big board, see what
7 projects appear to be important, not only to the elected
8 officials of both bodies, but to the public. And then we'll
9 kind of sift through them. And I would expect that over
10 time, as we focus in on these projects, we'd come up with
11 some that are shorter term, maybe mid term, and then longer
12 term. We get them in the Next Decade plan. What we're
13 trying to do is identify projects so we don't have to just
14 kind of pull ideas out of the thin air, you know, in a
15 reactionary fashion. So we'd like to work together to come
16 up with some ideas. Again, I think public involvement is
17 going to be important in this.

18 I think there will be financial requests for some
19 of these projects over time. I think that's something that
20 I believe the Commission's aware of. And we can look at
21 that as we go forward with our budgeting. That's another
22 reason why you want to take a 10-year, you know, advance
23 look. So you don't have a great project that comes up, but
24 we say, Oh, gosh, we're in a two-year budget cycle, and we
25 didn't put any money in for that. So as we go forward, we

1 can look at these projects, see which makes sense, and see
2 whether or not the Commission would be willing to put a
3 potential funding match in for these projects.

4 So those are just two of the things that we've
5 been working on. I'll just thank the Commission for this
6 opportunity, and I'd be willing to answer any questions if
7 that would be helpful.

8 **MR. BARNES:** Any questions? Very good. Thank you
9 very much.

10 Okay. Moving on to the next item on our agenda,
11 we move to New Business. Item A, Purchase and Sale
12 Agreement with Santiago Communities and Oak Street,
13 Resolution 2020-03.

14 Amber, please?

15 **MS. HANCHETTE:** Thank you, Commissioners. So for
16 your consideration today is A purchase and sale agreement
17 from Santiago Communities. They have put in an offer to buy
18 property in the Port's Oak Street Industrial Development
19 Area of Kennewick. So back in the fall, late fall, a
20 representative from Santiago came in to do a presentation
21 for the Commissioners on the use of the property. They are
22 looking at developing an affordable home community of
23 manufactured homes. Approximately 200 homes would be cited
24 in this area.

25 The map on your screen kind of shows the proximity

1 from Clover Island to the area. This gives you a little bit
2 more detail on what they're proposing. It's about 26 acres,
3 a little bit more. Three parcels off of Third Street, not
4 too far from here. The parcels are in two different
5 jurisdictions. And one of the parcels, the four and a half
6 acre parcel that is on the upper right side here, is a life
7 estate. So it does have an encumbrance on it, which
8 includes a life estate. So there's a residence on it. The
9 Santiago folks are offering to purchase all three of these
10 parcels and accept the life estate to go with it as well.

11 At one of our last Commission meetings, all of the
12 Commissioners she went through several items that were
13 related to this purchase and sale, and those have been
14 incorporated into the document as well. Some of the
15 highlights that I just wanted to run through with you --
16 included in your packet was a copy of the agreement itself.
17 The acreage, the purchase price -- that was one thing that
18 we had discussed at one of our previous meetings, was the
19 purchase price, whether to include the art policy -- the
20 Port's art policy in that. So Commission had agreed to the
21 lower rate and breaking out the difference between the
22 purchase price and the art policy, which we have done in
23 this purchase and sale agreement.

24 So the art policy has been broken out at \$21,205,
25 and the purchase price that they are proposing is \$810,250,

1 is what they are proposing. This would be a dry line
2 purchase. It will be through their development, hooking to
3 City services for water/sewer. And the Port would retain
4 the water rights that are on that property, which is
5 approximately just a little bit less than 50-acre feet of
6 water rights.

7 There is an agricultural lease that we have on the
8 -- the 16.8 acres and the 5 acres. There's an ag lease that
9 would remain in effect until closing, and at that time would
10 either terminate or be transferred to the new buyer. And
11 again, the buyer has agreed to assume a life estate that is
12 on one of the parcels.

13 Now, because they have, currently, a industrial
14 zoning for these parcels, they have requested a 18-month --
15 approximately that length of a feasibility period, so that
16 they can do some due diligence that includes getting comp
17 scheme amendments through the County or the City. They've
18 got zoning changes to do. They've got some work on their
19 part. We have included in the agreement that they would do
20 the applications, go through the process to meet with the
21 jurisdictions, and that the Port would sign any applications
22 -- review and sign any applications prior to the
23 submissions, as we are still the property owner.

24 The closing date of September 1st, 2021, which
25 includes that longer feasibility period. The Commission,

1 also, at our previous meeting, voted to -- or I should say
2 agreed by consensus to waive the buy-back option. That is
3 at your discretion. Then we have also included a deed
4 restriction. Right now, we understand that they want to use
5 this to do a residential development, affordable housing,
6 but should, within a five-year period, choose to change that
7 use for whatever reason, then they would need to come back
8 and discuss that -- make that request to the Commission. So
9 I did want to highlight that as well.

10 We do have a resolution included, but at this
11 time, I'm happy to answer any questions you have. This is
12 up for your consideration at this point.

13 **MR. BARNES:** Thank you very much, Amber. I have
14 one question, please, regarding the retention of the water
15 rights. I've heard people say in the past that if you don't
16 use water rights, you run the risk of losing those. When
17 you're retaining water rights from a property that I think
18 would mean to most people that the intention would be that
19 those water rights be transferred to some other property.

20 Are there any discussions regarding the
21 disposition of these water rights that will be retained with
22 this? Or is there property that the Port owns that those
23 rights would could be transferred to? Or is there any
24 buyer, or -- I mean, is there any information you could
25 share at this time regarding the water rights?

1 **MS. HANCHETTE:** Sure. You're correct. It's a
2 "use it or lose it." So I believe you have five years in
3 which to transfer those water rights. So you don't have to
4 make an immediate decision at this point, and there are
5 other properties within the Port's portfolio that you could
6 transfer those water rights to. There are a number of
7 discussions going on right now related to water rights, that
8 will be coming back to Commissioners at another meeting. It
9 encompasses not just this property, but possibly other
10 properties as well.

11 **MR. BARNES:** Okay. And the retention of the water
12 rights, I mean, that five-year clock likely would not start
13 until closing?

14 **MS. HANCHETTE:** That is my understanding.

15 **MR. BARNES:** Okay. Thank you. Any other
16 questions of Amber? Commissioner Moak?

17 **MR. MOAK:** Yes, thank you. Do you know what the
18 zoning is of the property to the west of these two parcels?

19 **MS. HANCHETTE:** Larry, go ahead.

20 **MR. PETERSON:** The property directly to the west
21 is owned by the City of Kennewick as their future site for
22 their sewer treatment expansion, and it is zoned industrial.

23 **MR. MOAK:** The entire western part of that,
24 including like down there on Third?

25 **MR. PETERSON:** Which is being highlighted here,

1 that vacant land which the Port sold, and the part of the
2 land that is shown in brown further to the west is zoned
3 industrial. There's a portion of the land along Third,
4 which is actually unincorporated, and the zoning is
5 controlled by Benton County.

6 **MR. MOAK:** Thank you. How much are we making off
7 the ag leases on those properties?

8 **MS. HANCHETTE:** It's minimal. \$125 an acre, I
9 believe -- or for 21 acres, it's minimal.

10 **MR. MOAK:** One of the other discussions that we've
11 had when we had this previously was the real estate
12 commission and how that was going to be played. Can you
13 explain what you came up with and how that either sets
14 precedent or reflects precedent that the Commission has had
15 before? Or can you sort of give us a flavor for how --
16 because I'm not sure what -- I know there was a lot of
17 different discussion up here at this table.

18 **MS. HANCHETTE:** Sure. So as I interpreted the
19 discussion previously, this is unique. So this is a little
20 bit different. Improved versus unimproved. There are some
21 older structures. There are barns and corrals. There's a
22 home on one of them. And my interpretation of our previous
23 meeting was that all three parcels would be considered
24 improved, and that is how we have structured the commission
25 for the real estate agent that brought this offer to the

1 board.

2 **MR. MOAK:** Thank you. No further questions.

3 **MR. BARNES:** Okay. There are no further questions
4 of Amber? Okay. Because it is anticipated that the Port of
5 Kennewick would take action on this item, it creates an
6 opportunity for public comment. If anyone would like to
7 make a public comment regarding this item, we'd ask that you
8 please move to the podium, please state your name and
9 address for the record, and please limit your comments to
10 this subject and three minutes.

11 Okay. There's no public comment. The Chair will
12 entertain the motion.

13 **MR. NOVAKOVICH:** Mr. President, I move approval of
14 Resolution 2020-03 authorizing the Port's Chief Executive
15 Officer to execute all necessary documentation associated
16 with the land sale to Santiago Communities, Inc., and to
17 take all other action necessary to close this transaction,
18 and further ratifies and approves all action by Port
19 officers and employees in furtherance hereof.

20 **MR. MOAK:** Second.

21 **MR. BARNES:** Okay. It's been moved and seconded
22 that we approve Resolution 2020-03. Commission discussion?
23 Commissioner Moak?

24 **MR. MOAK:** Yes. Thank you. Over the years, in
25 our work plan, we have had -- our goal was to sell some of

1 these properties that we are no longer using, no longer felt
2 that they had met our needs. And I think we see, in this
3 community, as well as elsewhere, the need for affordable
4 housing and for housing at the lower end. This adjoins a
5 mobile home park, and so it's not inconsistent with what is
6 down there. And so I think this is a good thing for the
7 community, if this were able to transpire. It would be good
8 for the Port in providing us some income to pursue other
9 projects that we're working on. And so I do support this.

10 **MR. BARNES:** Thank you. Okay. I agree with
11 Commissioner Moak's comments. I think if you look at the
12 focus of the Port of Kennewick right now, it's clear this we
13 have a huge project on our hands at this field. We're
14 trying to do some things that are here along Columbia Drive.
15 We've heard in recent meetings how it would be challenging
16 to have a larger number of projects. It would, in many
17 ways, dilute our effort to make meaningful improvement on
18 projects that are at the top of the list. So for those
19 reasons, I support this as well.

20 Any further discussion? Okay. It's been moved
21 and seconded that we approved Resolution 2020-03. All in
22 favor please say "Aye".

23 Any opposed?

24 Motion carries 3 - nothing. Thank you.

25 Okay. The next item on our agenda are two items

1 that were removed from the Consent Agenda. If you don't
2 mind, we can take those two items together. They are
3 approval of warrant register dated February 11, 2020, and
4 approval of direct deposit dated February 4th, 2020.

5 If I may begin, I have a question regarding one
6 item. I think this is on the warrant register. And the
7 item that I have a question about, I'd like to direct this
8 question to Mr. Kooiker, please. It's an item for payment
9 to Michael Love Law Firm. Can you please provide some
10 information regarding that item?

11 **MR. KOOIKER:** Yes, I certainly can. And I think
12 Lucinda can probably help me, too, or Tim as well. But this
13 is a payment for legal counsel retained by the Port for the
14 complainant in the legal -- or in the citizen complaint
15 process.

16 **MR. BARNES:** Can you please restate that? This
17 counsel -- I'd like to restate what I think I heard. This
18 counsel, Michael Love Law Firm, was retained by the Port for
19 what purpose?

20 **MR. KOOIKER:** For the complainant in the citizen
21 complaint. It's to protect the complainant.

22 **MR. BARNES:** It's my understanding that this
23 expenditure would not be supported or justified by rules of
24 policy and procedure?

25 **MS. LUKE:** That's incorrect, Commissioner. Those

1 rules were reviewed and embedded prior to the retainer of
2 Mr. Love for representation.

3 **MR. BARNES:** I'm reading Section 18.3 of our rules
4 of policy and procedure, which states, "The Port can provide
5 legal representation as may be reasonably necessary to
6 defend a claim for lawsuit filed against an official
7 resulting from any conduct, act, or omission of the
8 official, which act or omission is within the scope of his
9 or her service or employment with the Port." To my
10 knowledge, there's been no claim or lawsuit filed against
11 the complainant, and so I would argue that our rules of
12 policy and procedure do not support this expenditure.

13 **MS. LUKE:** And I'll be happy to have our special
14 counsel address that back to you at the next meeting.

15 **MR. BARNES:** At this time, I move that the
16 proposed payment to Michael Love Law Firm be struck from the
17 warrant register.

18 **MR. MOAK:** Second.

19 **MR. BARNES:** It's been moved and seconded that the
20 proposed payment to Michael Love Law Firm be struck from
21 this warrant register. Any Commission discussion?

22 All in favor, please say "Aye".

23 **MR. MOAK:** Aye.

24 **MR. BARNES:** Aye.

25 Any opposed?

1 **MR. NOVAKOVICH:** Nay.

2 **MR. BARNES:** One Nay.

3 Two Ayes, one Nay.

4 Okay. Now up for approval is the revised direct
5 deposit and E-Payments dated February 4th, 2020, and warrant
6 register dated February 11th, 2020. The Chair will
7 entertain the motion.

8 **MR. MOAK:** I'll move approval.

9 **MR. BARNES:** Second.

10 It's been moved and seconded that we approve
11 direct deposit and E-Payments dated February 4th, 2020 and
12 warrant register dated February 11, 2020 as revised. Any
13 further discussion?

14 All in favor, please say "Aye".

15 Any opposed?

16 Motion carries 3 - nothing. Thank you.

17 The next item on our agenda Continuing Reports,
18 Comments, and Discussion Items of this appeal. Larry,
19 please.

20 **MR. PETERSON:** Yes, and I intend to give you an
21 update visually, discuss the timeline, the tasks that are in
22 front of the Port, and delve into a little bit of detail of
23 what some of those tasks might include.

24 This is a blow-up of the rendering that was
25 created in April of 2018 focusing on the hangars, the area

1 between Deschutes, the new connection made, the water
2 feature starting point, and working to the northeast,
3 crossing over a road now to be known as Azure and Octagonal
4 Fountain, three existing hangars, the curb on Deschutes,
5 along with now the street to be known as Crosswind Boulevard
6 heading to the northeast.

7 This is a shot from February 4th directly
8 overhead. I'll focus, on the next slide, on some of the
9 differences. This was a slide that unintentionally captured
10 some of the differences between an existing City street, the
11 street that is owned by the vehicle, and a pedestrian is an
12 unwanted visitor at best, and the transition into Vista
13 Field, where the pedestrian and the car are on near equal
14 footing.

15 As an example, the five-foot standard sidewalk
16 throughout the City of Kennewick identified in the dark
17 black, the portion of Crosswind Boulevard, first five feet
18 being identified as black, the additional seven feet that
19 the Port is constructing creating the 12-foot-wide sidewalk
20 identified in red. So the standard sidewalk, which will be
21 at Vista Field, would be five feet. We're talking about
22 City standards. This field is significantly different.

23 Here's a view looking to the south, southeast,
24 looking at Azure and Constellation Way, back towards the
25 hangars and the start of the fountain. And the Octagonal

1 Fountain that will be in the middle of Azure and
2 Constellation Way. Colored concrete to be poured -- some of
3 which was actually poured today, which I will have the
4 scoring pattern resembling the tortoise shell.

5 Different view, different perspective of the same
6 general area, focusing in on the Espinola Way -- Azure. I've
7 been calling it Espinola for five years. It will take a
8 while to get out of that habit. Azure, the street -- the
9 shared residential street that runs through the site.

10 And getting down to 25 or 30-foot elevation, the
11 street lights have just started to be replaced. This is a
12 16-foot-tall street light. It will have an arm extending
13 out from the roadway approximately five feet. Typical
14 street lights are up to 35 feet in height. These street
15 lights will be in line with the tree canopies, much lower
16 than typical street lights. They're spaced more frequently
17 because the road and narrower, and spaced a little more
18 often. There's not an issue in terms of illumination or
19 safety type. They meet a national design criteria.

20 **UNIDENTIFIED SPEAKER:** (Inaudible.)

21 **MR. PETERSON:** This is a video taken from the
22 hangar area along the Deschutes, working -- running down the
23 water features. If you were following the course of the
24 water -- and I apologize now for the last four seconds of
25 the video.

1 There are steps leading down into the water in
2 some places, allowing crossing on both sides. The depth of
3 the water is anywhere from 6 to 18 inches. This is the
4 roadway bridge and pedestrian bridge that was crossed. There
5 are any two pedestrian bridges that are in view, as we work
6 our way to one of the two raised or table top intersections
7 where the pedestrian will own that central crossing. This
8 is a four-way stop, and they're already starting to embed
9 the steel truncated domes. Rather than the yellow bumpy,
10 these are cast iron. This is the part I apologize for. Now
11 we're back. Terminating in the pond in the central part,
12 which is now named Daybreak Commons.

13 There's a second video on the next slide. This is
14 a view from Grandridge Boulevard and the Convention Center
15 in the upper right-hand corner, and we are now working our
16 way down what used to be Grandridge Boulevard, but is soon
17 to be renamed Cross Wind Boulevard. This is the first four-
18 way stop intersection, which is referred to as the scissors,
19 as it cut off a section of Grandridge Boulevard, rather than
20 just being a driveway, off of the City's main network.
21 Vista field pulls the City network into the site.

22 Working our way to the east-west street, crossing
23 Cross Wind Boulevard here, that will be known as Vista field
24 Boulevard. We're working our way to the southeast, working
25 our way upstream along the water feature. Two pedestrian

1 bridges coming into view. Every one of these squares in the
2 sidewalk that looks like a dark black box, there's a street
3 tree, spaced every 30 feet. 128 street trees along the main
4 three roadways had been dedicated to the City, another 28
5 along Azure, and then numerous street trees in the areas
6 between the roadway and water feature and the connection
7 back to Deschutes. This used to have a four-foot berm, and
8 it was a banked curb with the NASCAR curb. Now that's been
9 taken away, and we have a direct connection into the site.

10 This morning, the designer of the water feature,
11 Rick McGuire, from the LA area, was up with his co-design
12 team member, Gary Hall. We were out walking the site,
13 working through the details of the water feature. We turn
14 that on in mid March. But we needed to see all the plumbing
15 that was in the vault, the filters, and all that. We can
16 read plans. We wanted the person who designed it to come up
17 and put his hands on it and give some direction, potential
18 direction to the contractor, because this is such a unique
19 element.

20 I do want to call to your attention the rays of
21 light in the background. Sometimes you just get lucky. So
22 whether it was meant to be or not. Mr. McGuire, he's been
23 part of the design team since 200 -- late 2016 or early
24 2017, working with Hall & Associates and Parametrix.

25 I'm done with the visual part. Now to give you

1 the timetable. This is put together -- can't stress enough,
2 this is a draft timeline identifying the major tasks, not
3 each and every step. This was presented in the Commission
4 package. I realize it was small on the screen. That's what
5 the zoom feature on a PDF is for, to get down to the
6 details.

7 We're trying to indicate here where each and every
8 -- what we're indicating here each and every Commission
9 meeting for 2020 with the specific dates, colors for
10 particular tasks, whether they are green for construction,
11 blue for design-type questions, red for major policy, brown
12 for marketing, and the small X indicating when we look to
13 bring some of the information to the Commission, and a large
14 doubled X being a date necessary for a decision, to keep the
15 process rolling.

16 Quickly moving through the list, construction of
17 the top two items. We're near completion on the
18 construction, although it would be into June before the City
19 officially accepts all the improvements. They're going to
20 have to take a couple months to review all of the elements
21 that were created and double check the "as built" drawings
22 that will be submitted. We don't have record of what was
23 built and installed. There's also a planning process to
24 create lots of record that follow along.

25 The policies questions, or the next batch, deal

1 with the project team, the property owners' association,
2 some use considerations, architectural considerations,
3 property pricing, real estate commission policy, and a
4 market approach, and then the creation of marketing
5 materials. All of those issues need to be addressed before
6 the Port goes out for an RFP. How much do you want for the
7 property? What should go where? We have a lot of thoughts
8 that have been collected over the last five years related to
9 design. There's been some consideration on pricing. The
10 mechanics on the property owners' association, or the 85
11 percent stage. But all of those elements to get to the
12 point we're actually marketing the site. This is a proposed
13 timeline. This is the first the Commission has seen this.
14 To get to the point we're marketing the site, all of these
15 steps need to happen before we can go to the public and
16 market.

17 The timeline that we're dealing with here is a
18 little different, and I included a memo in the package. It's
19 just a little different than what the private sector may
20 typically do. Vista Field is not typical. It's a new
21 product in the community. You know, you talk with one
22 person through this process who indicated, actually, the
23 time line that's proposed here seems to make sense, because
24 the product is so different. It doesn't sell on a piece of
25 paper. We can show renderings. But the concept of the

1 skinny streets, the wide sidewalks, the water feature, some
2 of these elements need to be in place where you can
3 physically walk the site as opposed to just look at a
4 rendering and buy into the concept. So the time frame that
5 is involved here identifies we're going out with an RFP in
6 September, and receiving those results in November, bringing
7 the result of that RFP process of the Commission in
8 December. That is a draft timeline.

9 The XXs in each column, if the Commission -- I'd
10 like to have some discussion on the timeline. The tasks --
11 all tasks necessary to reach the finish line are identified
12 here and there, many steps within some of these bars. We
13 didn't try to capture reading through the different tasks.
14 But these are the main elements. This is the timeline that
15 was proposed as a starting point. I do not believe it is
16 just as easy as moving it back three months. This is an
17 optimistic timeline as presented.

18 If the Commission gives some direction, guidance,
19 comment, to move forward, we can then use this timetable,
20 predictable. What would be on the Commission agenda? What
21 could you expect to discuss and when? Much of this is
22 predicated upon the discussions we had in January about the
23 team approach, because the team will be necessary to help
24 gather some background information and bits and pieces on
25 the architectural and the use considerations. Some items

1 that we discussed over the last five years, we'll bring to
2 the Commission for consideration, a vote up, down, or
3 direction.

4 I had to start somewhere. I don't know if Tim
5 wants to add anything or --

6 **MR. BARNES:** Tim, you want to add anything,
7 please?

8 **MR. ARNTZEN:** Well, I would. Thank you. This --
9 I saw a chart of this earlier. And this is the one that I
10 referenced last meeting that causes me to lose sleep,
11 because there's really a lot of things that have to be done.
12 In addition to Vista Field, we have other projects as well.
13 So Larry could really overlay a couple of other timelines
14 for the Columbia Gardens and all of our other projects as
15 well.

16 So this is a very, very large task in front of us.
17 If I were to direct all of our resources towards Vista
18 Field, I think it would still be a tough bill for us. But
19 as I said, we have to direct resources, staffing, finances,
20 and other projects as well. So this is a very, very big
21 undertaking. And with all due respect to the Commission,
22 that's why I do get concerned when there are new projects
23 that we're talking about, because this is a very, very full
24 dance card, if you will, on the existing projects that have
25 been issued to Port staff by the Commission.

1 So you know, we just have to keep everything in
2 perspective here. Vista Field isn't everything that the
3 Port does. It is a major project, of course, but we have to
4 be good partners to our other jurisdictions. So I just want
5 to throw that out there.

6 I think the point that Larry is addressing is
7 there will be issues brought by staff to the Commission. We
8 hope to have time for the Commission to discuss them, and
9 maybe staff could bring back additional research. And then
10 at the next meeting, a subsequent meeting, the Commission
11 would give staff direction -- executive direction on each of
12 these topics. So for each of them, there's going to be a
13 presentation of the topic, some information, hopefully
14 enough for the Commission at some point in the near future
15 to make a decision, and then a direction to staff. So kind
16 of the faster we can get the issue to the Commission, get
17 feedback, get direction from the Commission, then I can have
18 staff implement each of those issues that will be brought to
19 you sequentially over time.

20 So it's just kind of one of those things that, you
21 know, like bring it to you, hopefully we have the
22 information you need, process that one, check it off the
23 list, and then we will continue to bring you other projects.
24 So it's going to be kind of a perpetual motion, if you will,
25 on any of many of these projects, over time, at Vista Field.

1 So I appreciate the memo. I told Larry today,
2 after I read it, I said, You know, there's a lot of
3 information that Larry boiled down and put into a one-page
4 memo in this chart. I really appreciate that.

5 **MR. BARNES:** Thank you. Questions of Larry or
6 Tim?

7 **MR. NOVAKOVICH:** Just a comment. The Army sent me
8 to Fort Lee, Virginia to attend a two-year logistical
9 management college. And Larry, this is a logistical
10 nightmare that I think you sorted out very, very well. So
11 I'm very appreciative of your work and what you've done. And
12 I just hope this Commission appreciates that, and I hope
13 this Commission will pay attention to when things need to
14 get done that we make decisions timely so you can move
15 forward with this project without any delay.

16 So thank you for your work.

17 **MR. BARNES:** Commissioner Moak?

18 **MR. MOAK:** Yes, thank you. I can certainly see a
19 lot of effort has gone into putting this together. I think,
20 you know, establishing who is lead on these projects, I
21 think, are very important, and who's part of each of these
22 teams. You know, I think it's the very understandable. And
23 I expect there is going to be slippage over time on one or
24 more of these. I don't know if it's going to be opposition
25 level, but I think life gets in the way, including other

1 projects and how long any of these things take. Things come
2 up, you know.

3 So what I would like is that, maybe periodically,
4 whether it's every couple months or whatever, that we see a
5 revised chart of what the stages are, what things have been
6 accomplished. You know, part of it is to celebrate as we
7 move through some of these items and check them off the
8 list. We've been very successful back then for -- you know,
9 if it takes more time so that we can continue to see where
10 we are, I mean, I think, yeah, there's a lot of decision
11 points that this Commission is going to have to take. I
12 think, you know, making sure that we're on target for all
13 those, I think it is good. So I really appreciate all the
14 work that's gone into this.

15 One question I have on the team, you know, and I
16 noticed the name Matt Lambert as a member of the team. I
17 wonder what Matt's job is going to be with respect to
18 working on this, because he has not, to my knowledge, been
19 involved with the project before the Cascadia Loop.

20 **MR. PETERSON:** Well, speaking with Liz and Senen
21 about Miami's involvement, they reminded me that Matt
22 Lambert is one of their owners, just like Senen. And he's
23 based out of Portland. And Matt was involved, and in fact,
24 attended -- was here for the entire charrette process. So
25 they were asking, should Matt have some reintroduction to

1 the project? And I want to make sure -- I realize it's on
2 the record -- they weren't suggesting that maybe the DPZ
3 Cascadia arm with Michael and Lawrence be faded out and the
4 DPZ official representative, Matt Lambert take that role.
5 But Matt, they were suggesting, if possible, Matt's
6 reintroduction would help have additional DPZ presence and,
7 basically, help the budget go further. As Liz and Senen are
8 high-priced and long distance, Matt could also be a
9 connection back to the Miami homebase and the ownership core
10 of DPZ without the expense and three-hour time difference on
11 each and every matter.

12 **MR. MOAK:** Thank you.

13 **MR. BARNES:** Thank you. I agree with the comments
14 made by my fellow commissioners. I really appreciate the
15 detail the thought that's gone into this, Larry. And I
16 appreciate Commissioner Novakovich's comments and concerns
17 about being able to respond in a timely fashion and make
18 decisions. At the same time, I appreciate what Commissioner
19 Moak says, and I harken back to the original -- some of the
20 original discussions that we had about Vista Field. The
21 mantra back at the start of the project was, Let's get this
22 right, not necessarily right now. And I think that's served
23 us very, very well.

24 I think that we've made tremendous progress. I
25 don't think there's been -- there have been too many delays

1 or anything. Thankfully, we've had a mild winter this year.
2 But I do appreciate the thought and the effort that's gone
3 into this. And I think it's going to be very important, as
4 we go forward, to continue to have great communication
5 between our staff and the Commission, to be able to have
6 this information, be able to have it in a packet, be able to
7 -- I like the fact that on many of these items, there are
8 more than one single X. So to me, that indicates that this
9 topic will be brought up and discussed with the Commission,
10 not on a single occasion before we hit the double XX or
11 decision, but there are going to be a couple of times for
12 exchange of information, thoughts, and ideas between staff
13 and Commission. I think that's really important going
14 forward.

15 So I really appreciate all the thought, all the
16 effort, all the energy that's gone into this. I think that
17 where we are right now is a tremendous accomplish. But
18 we've only just begun. So thank you.

19 Do we have any other questions -- any other
20 remarks, Larry or Tim?

21 **MR. PETERSON:** The bad news is I have a few more
22 slides. Because now we have a few Xs in particular columns,
23 so now it's time it talk about an item or two that's
24 identified. Although I will be honest, my main focus today
25 was the timeline. But if we had an item that was identified

1 as for discussion today, I at least wanted to touch upon it.
2 So five or 10 minutes of discussion. I was not expecting a
3 lot of --

4 I don't have materials to ask or represent on
5 items that are shown with an X, such as use considerations,
6 but I just wanted to touch what that might encompass and
7 mention that the team will be helping us with that and what
8 the next steps will be, what you can expect going forward.

9 I did intend, as I made PowerPoint presentations
10 to the Commission, you might be asking to stop seeing this
11 slide at some point in time. But I was proposing to use
12 this each and every time to give us an update of where we're
13 at to see if we are on track and what has happened. This
14 didn't come together by just my computer. This was all
15 staff in the building providing input. And so reality, just
16 some of the time frames involved with this, the initial
17 draft was maybe a tad more optimistic, or wholly
18 unrealistic, working from a -- what I thought might be a
19 perceived deadline, and simply stacking it ass backwards
20 versus what, realistically, do the steps need, and where
21 does that bring this in terms of an RFP process and an RFP
22 receipt.

23 There are, I believe, five items that have an X in
24 this column, one that relates to where the fork in the road
25 -- so what's the old phrase? When you come to the fork in

1 the road, take it. So we did a PowerPoint and we discussed
2 many items. Now it's going to make some decisions. The
3 five items I'm going to briefly touch on today, the project
4 team, the use considerations, the architectural
5 considerations, property pricing, and hangar reuse.

6 From the team, you've seen this before. This was
7 discussed quickly in December and in a little more detail in
8 January, and received some pretty quick direction on
9 reviewing it from the Commission, that the team approach was
10 the route to pursue. We've had some contact with all of the
11 folks identified on this list as far as the continued
12 participation, willingness to be part of this team going
13 forward. And if I can speak for Sam Nielsen, Gary Hall, our
14 project engineers, they're excited to be involved. Michael
15 Mahaffey and Lawrence Kumar, the DPZ Cascadia folks, are
16 also excited to see this through to the next steps.

17 I believe Tim got some communication from Liz and
18 Senen that also indicated that they were happy to be asked
19 to be part of the continuation of any of the projects. They
20 helped the community with the charrette to hand the plan
21 off, and someone else takes it. And they are excited to be
22 involved with the next step to Vista Field, the concept of
23 new urbanism coming to Eastern Washington.

24 So the team concept was thrown out. Now we've
25 confirmed all the players are willing to sign up and be on

1 the team, and we started negotiating what some of the
2 pricing might be. At the next Commission meeting, or
3 possibly the meeting in March, where the X is on the chart,
4 we will be back to give you some update on the status. Many
5 of these contracts are smaller in scale, and the price is
6 well within Tim's delegation of authority. But here in the
7 general direction to the Commission, the team approach with
8 these players is something that we wish to pursue. We
9 believe that gives Tim and the staff the direction to start
10 piecing players together.

11 The use considerations -- and some of these
12 questions aren't new, but this is what we looked to present
13 to you in a couple weeks after we've had some discussion
14 with the team members. This is new information. The
15 Commission packet only had the memo and the timeline.

16 Some of the general questions, the concept of
17 starting near the hangars and Azure Boulevard was stressed
18 during the charrette. We have 20 acres that will be open
19 for development. Many lots spread from Deschutes all the
20 way up to Grandridge Boulevard or Cross Wind Boulevard. It
21 was our focus, as was discussed during the charrette, to
22 start with the nucleus lease in and around the hangars, or
23 is any one of the 20 acres available for sale. That's a
24 policy question that will need to be asked and answered
25 before the marketing materials go forward.

1 Also, when it comes to uses, there's a broad
2 grocery list of land uses allowed under the the urban mix
3 use. Large lot residential is excluded, as are industrial
4 warehousing type uses. But along the Azure area, and along
5 the water feature, are the particular uses that the
6 Commission wishes to see. We can be specific when we're
7 crafting our RFP. What exactly is it we asking for?

8 The interest level is strong over here from the
9 private factor. What would the Commission consider a
10 success as the concept of all uses can go everywhere in the
11 mix of use, in the flexibility being a great design
12 capability. We've heard that. What do we really want to
13 see? So we're going to bring some of those questions back
14 to you with some suggestion and direction from the team
15 members, possibly heavily weighed in with some input from
16 DPZ on that.

17 There's a question about the art center site. And
18 from a use standpoint, we'll be bringing you the status
19 update on the two plus acres that's been reserved for two or
20 three years with the art center, since the formal MOU was
21 executed back in March of 2017. That's a piece to know, how
22 does that fit in the use puzzle? Is that a use that we're
23 expecting to see constructed? What might their timeline be?
24 What uses would compliment in and around that site? What
25 work -- is there a different direction for that? That is a

1 major use that we need to know before the marketing effort
2 moves forward.

3 These are some of the high level questions, we
4 hope to bring you details. Today we're not hoping to get
5 into back and forth discussions. We have very little
6 information for you. But if there's a comment along the
7 way, we're all ears.

8 The next one being architectural considerations.
9 This is also one with the team that we will be discussing as
10 a mini concept identified in the charrette documents related
11 to architectural themes, one of those being industrial chic,
12 realizing that we are next to industrial buildings on the
13 Deschutes side. Should there be a quick and fast break in
14 building material and design? Or should some of those
15 industrial nature of the metal buildings, should that
16 transition into Vista Field? There were lots of different
17 design elements throughout the site, and being sympathetic
18 to the brick and glass that is on the convention center
19 building, as we get closer to that site. So what are some
20 of the architectural themes or ideas for Vista Field? Or is
21 there purposely no adopted style.

22 From our renderings and the folks we've talked
23 with, people see Tuscan or they see Greece in our
24 renderings. Is that what the Commission wants? What is our
25 theme? What is the field? As we have heard from many that

1 look to build, they're focusing on the use and asking the
2 question, What do you want me to skin the building with?
3 What do you want it to look like? So those are some
4 questions we have to dive into.

5 We have a very broad menu, and is it time to say
6 anything on the menu is acceptable? Or do we need to focus
7 on a particular style, possibly a particular style for
8 certain areas. I think Michael and Lawrence, between the
9 two of them, have about 11 different opinions on that. So
10 we're going to refine that along with the DPZ Miami folks
11 and bring you a whole bunch of items on the plate for you.
12 So your suggestion and direction in realizing this is a
13 public project and a public entity, there may be some time
14 for some call or input from the citizens as far as what they
15 want to see.

16 Although we -- as the Port District, as a Port
17 entity, we've heard from the citizens for the last five
18 years, what they'd like to see. Rather than starting from
19 scratch, this might be a gathering of all the information
20 that has been generated over the last five years and
21 presenting that in a format that the Commission can give
22 some direction on.

23 Property pricing. We had some discussion on
24 January 14th related to the pricing and the appraisals. Some
25 of the questions that could be asked, we've had a chance to

1 talk to a real estate professional that does not only
2 appraisal work, but also marketing evaluations. Many of the
3 questions that we asked can be addressed through a market
4 evaluation, as it's tough to price a product that doesn't
5 exist in your community, hasn't been sold, and there's
6 nothing to compare it to. But we can get an idea of what
7 are market conditions for, other residential apartment
8 commercial type uses in the community. What's their
9 pricing? What's their time on the market? What are the
10 land costs? We'll bring that bundle of information to the
11 Commission and try to find something that is comparable or
12 useful in terms of starting the price.

13 There is also a policy question that the
14 Commission will be making of, Where do you want to start? Is
15 it -- what's your preference for waiting to get a particular
16 price? Is it more important to see activity or to hit a
17 certain price, realizing that if the first two or three
18 sales come through and the price is deemed to be a tad low
19 by the Commission, we can always move that pricing up. If we
20 end up pricing a tad too high in the market and no one
21 responds, what is the basis. So that's, we believe, some of
22 the pieces of the market analysis that will at least give
23 you a snapshot of where everybody else is in the community
24 so we can help get an idea of where Vista Field may fit.

25 Hangar Reuse and Discussion. This also fits in in

1 advance of the marketing activities, because if we're
2 marketing the areas along Azure and the water feature, what
3 are we telling these prospective buyers? Will there be
4 restaurants in those two hangar buildings that they may have
5 to compete with or to compliment? Maybe they wouldn't want
6 to have the 62 apartments near those two restaurants, or
7 maybe they would want to be the only restaurants in the
8 area. So making some determination of what happens with
9 those hangars is necessary before we begin marketing, as
10 that is a significant asset. The private sector is going to
11 want to know what's going to happen with those buildings. Is
12 that something to compliment or conflict with their
13 proposal?

14 The memo that Tim will be discussing next talks
15 about a team -- the approach, and I believe a larger 2020
16 discussion on the overall projects also gets into the hangar
17 discussion. I just wanted to touch on those. We may have
18 to -- we may be talking about the hangar reuse issue a
19 couple of items down the agenda.

20 That's it for this set of --

21 **MR. BARNES:** Thank you, Larry. This is all great
22 information, great material. You know, just as depicted on
23 your timeline here, these items are items that we need to
24 think about, we need to consider.

25 One request that I would have that would be very

1 helpful, it would have been -- I would have loved to have
2 had your PowerPoint, a copy of that, so I could jot down
3 some notes about some of your remarks as you're making them,
4 and then maybe I could go back and give some more time and
5 some more thought to that. So when we get a PowerPoint in
6 the future, may I please have a -- may we please have a
7 paper copy of that, just so I have something I can jot some
8 notes on and make some comments on, so that next time, maybe
9 I can retain that thought and share it with you next time?

10 **MR. PETERSON:** Happy to accommodate.

11 **MR. BARNES:** Thank you. Commission, questions?
12 Comments? Commissioner Moak?

13 **MR. MOAK:** I don't want it in paper. I want it
14 all electronic, so I don't have to worry about where my
15 paper is.

16 The thing that I would request is, you're so
17 embedded in this and you know all these streets and where
18 they are. I can't even figure out where Street A and Street
19 B were. So I'm wondering if we could have a better document
20 somewhere that shows where these streets are, and so we
21 start getting in our mind in the same way as you do. I know
22 where Cross Wind is -- and we're not there today -- part of
23 it. But the rest of them, I can't remember which is which.
24 So but Azure, it sounds like, is an important street. I
25 ought to know something about it, and I don't.

1 **MR. PETERSON:** I can include that along with the
2 timeline in each and every presentation both to the
3 Commission and the public. I sometimes forget, I am so
4 close to it, I think I know where every tree in the forest
5 is located. So --

6 **MR. MOAK:** You probably named about 128 trees.

7 **MR. BARNES:** Okay. I mean, the top foremost
8 message I hope you hear from at least one seat on this
9 Commission is that this is excellent work, very much
10 appreciated. Your attention to detail and everything is
11 commendable. I mean, this is a huge project. You're not
12 going anywhere, right? We want you around for a long time.
13 So from this side of the table, I'd like to thank you very
14 much for all your thought and your work that's gone into
15 this to get us to this point. I'm just looking for a little
16 better way that I can have it, digest it, and keep some of
17 it.

18 So thank you very much.

19 **MR. PETERSON:** You're welcome. And again, it's a
20 team approach. I happened to have the microphone and the
21 clicker today. But there were several pieces behind both
22 the questions. Tana doesn't get any blame for my lame
23 graphics and my PowerPoint. But the content -- not the
24 production quality, is many people's help on this.

25 **MR. BARNES:** Thank you. Now, are we continuing on

1 the management and implementation memo? Is that -- we're
2 still on the same topic?

3 **MR. ARNTZEN:** Yes, sir. That would be my
4 intention. So I'll try to keep it brief. Larry kind of
5 gave a high level fly over -- pun intended. So what I've
6 got is a brief presentation related to what I call the Vista
7 Field management and implementation approach, how we would
8 go about responding to the inquiries related to the
9 property, how we would take it from cradle to grave. That's
10 such a harsh term -- but from start to finish.

11 So if you have a developer-builder come in, ask
12 for information, how would we start at the very start to
13 have a sitdown with that builder, and then how would we
14 reach the conclusion of bringing the project to the Port
15 Commission saying, We believe that this is a valuable
16 project. So this is an overview of how I, as a manager of
17 would kind of reshuffle the deck to get the people on the
18 ground here that can help us move this thing forward. So it
19 is very much a management and implementation approach.

20 Previously, mainly for the benefit of the public,
21 we looked at two different approaches. One would be to hire
22 a highly-compensated individual to be the project manager.
23 They'd likely be bringing somebody in from outside of the
24 community, putting him or her in charge of the process. They
25 would interface with Port staff. But that would be -- you'd

1 have one person outside of the Port organization that would
2 handle everything. That is done in some other communities.
3 That's done in Rosemary Beach, Florida, which is one of the
4 earlier new urbanism communities.

5 We looked at that approach. It's a fairly high
6 price tag. We were hearing that the compensation level
7 might have to be \$150,000 to \$200,000 per individual. Then
8 the question is, Well, will there be benefits on top of
9 that? How well would that person dovetail with the Port
10 team? How well would that person work with the community,
11 if he or she was outside of the community?

12 So I had a chance it think about an alternative
13 approach, which I shared with the Commission previously. And
14 that might be an approach of where we build a team around
15 handling this project. We have talked about it internally
16 at the staff level. We think it's a viable option. We
17 shared a little bit of information with the Commission. My
18 interpretation is that we had a pretty good meeting, where
19 the Commission seemed interested in this team approach. And
20 I think -- well, I'm not saying, yeah, that's what we want
21 you to do, Mr. Manager. I think the Commission said, We
22 like the sound of it. Can you bring us more information.
23 And I believe I said to the Commission that I will bring you
24 more information on a periodic basis. And I want to start
25 with maybe some bite-sized chunks, because I don't have all

1 of this formulated in my head. It's a very complex process,
2 and I'll give you a couple of examples.

3 If I think, in my head, I have a person within my
4 organization that can maybe shift duties, I don't want to
5 say that publicly until I've talked with that individual and
6 had an analysis of, Can that individual really do it? Does
7 he or she want do it? What would the compensation look
8 like? So we're not really at that point yet. So I'm kind
9 of at an interim staff where I've got more detail that I
10 would happily share with the Commission and the public in
11 this meeting. I will name a few names, and I will leave a
12 few names out of there, just identified by position. And
13 I'll try to identify whether I think this position would be
14 filled by a current Port employee or a contractor or,
15 potentially, in one case, a new hire.

16 But that is the overview I will proceed down, kind
17 of, my checklist. But I'll just pause here briefly and see
18 if there's any questions or comments at this point.

19 **MR. BARNES:** Questions or comments at this point?
20 Please proceed.

21 **MR. ARNTZEN:** Thank you. So we start with the
22 project manager. And that is the person on staff -- my
23 suggestion would be Amber Hanchette. She's our director of
24 real estate and operations. I think she would be an
25 excellent point of first contact related to this project.

1 And there might even become a time where we would have an
2 office or a satellite office onsite to make it easier for
3 builder-developers to access this person, access the Port as
4 an institution, to come in and look at plans, to get
5 handouts of what we think our building requirements might
6 consist of.

7 So my first thought would be that Amber would be
8 our first point of contact. She would also dovetail with
9 planning, which would be Mr. Peterson, because I think those
10 two, while they would have different roles, those roles have
11 to be very, very complimentary. I can envision where in
12 maybe not the initial meeting, but an early meeting, that I
13 would have Amber and Larry, so I can have both real estate
14 and planning in that same meeting. Because I think a
15 builder, at very early meeting, is going to have questions
16 that could be answered by the real estate person and then
17 some questions that really need to have a planning
18 perspective.

19 So that would be the first thing that I would like
20 to mention, is I think that we would bring a project manager
21 in. That appears, to me, to be someone that we have on
22 staff.

23 If that's the direction we go in, Amber is going
24 to have to give up some of her current day-to-day operations
25 to fulfill the obligations that we would assign to her at

1 Vista Field. For that, there's going to be some backfilling
2 of other maintenance personnel. There would have to be a
3 person that would potentially move from exclusively in the
4 field to 80 percent in the field and 20 percent in the
5 office, filling out papers and forms and doing bid documents
6 and so forth.

7 Now, I know I've kind of taken that one out of
8 sequence. The other thing is we might need an assistant to
9 the project manager. We have an individual here that has
10 been very helpful with the Marina. She's learned quite a
11 bit about the real estate world, leasing and tenants and so
12 forth. So I think that we could maybe assign one of the
13 current employees part-time to assist Amber with the
14 administrative role at the Vista Field project.

15 And the beauty of doing this is, I don't have to
16 know exactly how many hours I'd need a person up at Vista
17 Field if it's an existing employee, because we can just kind
18 of see how it goes. This person might be spending the
19 majority of the time here doing current duties, and then we
20 have enough flexibility where the new person could spend
21 some time at Vista Field, and we learn how much time we
22 really need up there.

23 So it's kind of a situation where we could grow it
24 as we need it. I'd hate to hire a new person and then find
25 out, well, I only really needed somebody 20 percent of the

1 time at Vista Field.

2 Next, we work down, we talked about the project
3 planner and coordinator. That would be Mr. Peterson, as I
4 talked about. We've talked about bringing in the DPZ team.
5 Now, I want to draw a distinction there. We have DPZ Miami,
6 with the principal, one of the founders of the firm, Liz
7 Plater-Zyberk, and the current manager, Senen Antonio. Both
8 of those people have been instrumental in the planning
9 process for Vista Field up to this point.

10 I'd liken this a little bit to a franchise. If
11 you own a franchise business, you want to make sure that you
12 have the branding of the franchise. In this case, we have
13 the branding of the franchise with DPZ Miami. We have
14 access back to headquarters. So any questions that we need
15 answered at a larger policy level from the DPZ folks, I
16 think is a natural to come from DPZ Miami.

17 It's also, I think, a really beneficial situation,
18 not only for DPZ, because they'd be compensated, but for the
19 Port of Kennewick, because to my knowledge, there's not a
20 lot of other projects worldwide that have kept the presence
21 of DPZ MIami in the project. Typically, DPZ Miami will come
22 in, they'll do the shred, they may help for a year, and then
23 they kick the project over to the developer, and DPZ Miami
24 may not ever be involved again.

25 In our case, having their continued involvement, I

1 think, keeps us abreast of many of the new developments that
2 are coming, not only from a national perspective, but from a
3 worldwide perspective that funnels through the DPZ Miami
4 office.

5 So for all of that, you can see that I've left a
6 blank on how much we would pay them. The number hasn't been
7 fleshed out. But it's actually a very modest number. I
8 think when we get a chance to fill that number in for you,
9 you might be surprised on how reasonable the costs will be
10 to keep DPZ Miami evolved.

11 And then next on the list would be a role that we
12 call the town architects. And that would be Michael
13 Mahaffey and Lawrence Kumar. They've been with us for well
14 over five years. That's what we call DPZ Portland. There's
15 an offshoot from the DPZ Miami. They're in the Portland
16 area. It's relatively easy for them to come to our project.
17 And they would have an ongoing role, probably a more
18 substantial role than DPZ Miami, in the role of town
19 architect. That's a position that many projects have, both
20 public and private, going forward. Those are the folks that
21 spend a certain amount of time on the ground at the project,
22 and they bring in the expertise of architects and planner.

23 So I wouldn't ask Larry and Amber to, say, Review
24 these plans that Builder A has submitted. That would most
25 likely be something that Michael and Lawrence would help us

1 review, because they have that special expertise in the
2 architectural and planning field. Again, a lot of this is
3 going to be where there would be overlaps between Port
4 employees and among contractors. So I'm not going to just
5 say that when plans come in, only Michael and Lawrence will
6 look at them. We'll have a lot of people looking at them.
7 But the primary purpose, I think, of Michael and Lawrence
8 would be the role of the town architect.

9 It would help us when a proposal comes in, help us
10 work through the collaborative design process. And in a
11 nutshell, the Commission, I don't think, wants to hear from
12 a builder, I'm going to build an apartment building, and
13 I'll pay you 10 bucks a square foot. I think the Commission
14 wants to see, Okay, what is it going to look like? Is it
15 going to fit in with the surrounding plans? Does the
16 builder know new urbanism? Is he or she willing to learn
17 new urbanism, if they don't know it already.

18 So there's a lot of things for the town architect
19 to do, more than just report to the commission, I got you an
20 apartment, and they're going to pay you 10 bucks a square
21 foot.

22 Moving on, we have a role for the town engineers.
23 That would be Gary Hall, locally of Hall Engineering, and
24 Sam Nielson from Parametrix. I think Sam's out of the
25 Portland office. Those folks have been out here on the

1 ground with this project babysitting it. And they have
2 proven themselves, like most others on the team here.
3 They've proven themselves in the work that they have
4 previously done, the exemplary work that they've previously
5 done for the Port.

6 Construction management, another familiar face,
7 David Robison of Strategic Construction Management. We put
8 him down as a construction manager. But there's a lot of
9 thing that David brings to the table. He's had 40 plus
10 years in the building industry, primarily in the San
11 Francisco Bay area. You've seen a lot of it from the
12 builder's point of view. He's been very helpful for us on a
13 number of projects, Oak Street, et cetera, et cetera.

14 And David also had -- he has a lot of respect from
15 the Kennewick city manager and the Kennewick planning and
16 engineering and fire department staff. He was on the
17 committee to help pick the new fire chief. So while we
18 continue with the wonderful partnership with the City of
19 Kennewick, as technical issues arise, David Robison has been
20 very efficient and effect in helping the Port of Kennewick
21 and City of Kennewick sit down and resolve many of these
22 issues that pop up in the field.

23 One of the potential new hires we might have to
24 bring on board for this is another maintenance technician.
25 You've heard my discussion of potentially moving Amber, the

1 director of that department, over, maybe backfilling with
2 one of the senior maintenance people. It might create a
3 role, either now or in the near future, to bring in another
4 maintenance technician, because over time, there will be
5 more development at Vista Field. We will have obligations
6 to people buying at the property, the citizens that are
7 using the property, that I think have an exceptionally high
8 level of maintenance. You're putting in a water feature.
9 You're putting in street trees. You're putting in common
10 areas. And I think there will be a level of expectation
11 from the community that those areas are maintained.

12 Until we form an owners' association that would be
13 funded by dues as people purchase property, until we form
14 that, we're going to be doing all of this ourselves. The
15 question is how long will that be? Will it be six months?
16 Will it be a year? We're uncertain of how long that will
17 be, so we might need to at least be thinking about bringing
18 in a new maintenance technician.

19 And in addition, when you hand over the
20 maintenance to a contracted firm, if something isn't done
21 correctly, I don't know that the public's going to call a
22 maintenance firm. They're liable to call the Port
23 Commissioner. And the Port Commissioner is liable to call
24 the manager, who then is liable to call my employees and
25 say, Go out there and take a look and see what the problem

1 is with the pump at the water feature not working. So while
2 we can contract out much of the maintenance to a
3 professional organization, I still think there's going to
4 have to be some troubleshooting. The Port staff will be
5 called upon to continue with.

6 So that's, I guess, the modestly short version. I
7 will stop here and see if the Commission has questions. What
8 I think I can tell you -- I've not put a budget to this yet,
9 but I think that we can bring the team approach in for a
10 level that is commensurate with the property manager
11 approach. I think those numbers might be roughly the same.
12 I think that we get a better product with the team approach.
13 But again, I haven't really put detailed numbers to this.

14 And again, that's one of the other reasons why I
15 am concerned about financial commitments that we might make
16 in the future going forward. Because really, if we just
17 take a number for this team approach, that's something that
18 is unbudgeted. So I would have to say to the Commission
19 that we'd have to find a funding mechanism for this. And I
20 think we'd -- hopefully, we'd want to be very approving in
21 other commitments, because I think this is a priority. And
22 I'd hate to have a really, you know, very sophisticated team
23 approach that can work, but we just don't have the ability
24 to fund it.

25 So that would be the last caveat I've thrown out,

1 as I got the detail numbers with this. And currently, we do
2 not have a budget for this.

3 So I'll stop at this point.

4 **MR. BARNES:** Questions or comments for Tim?

5 **MR. NOVAKOVICH:** I like this, Tim. I think you
6 did a really good job here. I think putting -- I don't know
7 how in the world you're going to put a budget to this, but I
8 think that would be interesting to find it sometime. I
9 really like this better than getting a single person at a
10 high level salary to bring them in from the outside to try
11 to learn how to do all this stuff. I think you've got a
12 great start on putting together a team that would do a
13 really good job for us at Vista Field. So thank you for
14 your work on this.

15 **MR. BARNES:** I think we had an excellent
16 discussion about the team approach versus project manager
17 approach at one of our recent meetings. And to me, this
18 step or this progression to the team approach is pretty
19 natural, because we're not going to go from a workload
20 that's here and, in a very short period of time, where we
21 get a significant step up. I think this will be a gradual
22 ramp up in the workload, to try to accommodate it with our
23 existing staff, with the people that we know who have the
24 capabilities and the expertise and have demonstrated that
25 they're sound, reliable people on the team, I think, to

1 elevate them into positions of greater responsibility and
2 then bring in people to help support.

3 So I support this. But at the same time, I think
4 the discussions that we had at the last meeting regarding
5 the team approach versus the project manager approach is
6 that, you know, this is a project that's very ambitious for
7 a very small staff. I think it makes sense to say that
8 we're going to monitor this situation going forward. And I
9 just think that makes a lot of sense.

10 So I think this is the logical progression. The
11 next step to take makes a lot of sense, many different
12 levels. So I support this. And I think staffing is well
13 within your delegation of authority. You're sharing
14 information about your plans and this -- and then you
15 mentioned the budget. You mentioned finances of this team
16 approach. And so I've already voiced my questions and
17 concerns about budget. I mean, that, to me -- you know, we
18 need information about the budget. I mean, we do need to
19 have that as part of these discussions. I mean, to have
20 this discussion without really knowing where we are, it's
21 useful. It's meaningful, and it's -- you know, we're
22 providing a direction to go. But I mean, kind of the
23 missing piece is the budget element. So thank you.

24 **MR. ARNTZEN:** Sure. And if I could follow up a
25 little bit, one of the things that you might hear me say

1 over and over again is talk about a paradigm shift. And
2 here's what I mean with that. Typically, the Port would
3 fund a major capital construction project every, say, 18
4 months. So we'd take our budget and we'd say, what type of
5 building do we need to build? Would it be a winery building
6 that we can lease out? Would it be a new building that we
7 would lease to the yacht club? What would it be?

8 What I would ask the Commission to consider is
9 looking at maybe a major shift in the way the Port of
10 Kennewick does business. We have a lot of properties now.
11 The buildings that we've built require maintenance and
12 operations. The ground surrounding those buildings, whether
13 it's at the wine village or Vista Field, over time, we'll
14 have 100 green acres at Vista Field that you have to
15 maintain. So I'd like the Commission to consider a paradigm
16 shift. Maybe more of our budget is moved into the
17 maintenance and operations field as opposed to building
18 another building. And I think that we might find that that
19 is a direction that we have to go in.

20 Number 1, you don't like rural government. I
21 remember when we had less employees here than we do now. But
22 as our mission grew, we had to more people. I remember when
23 I started working here, we didn't have a single maintenance
24 person. If something broke, we would go fix it ourselves or
25 contract it out. So we have grown, because I believe our

1 mission has grown. So I want to prepare the Commission for
2 looking at when we're doing our budgeting to say, we need to
3 move more money, potentially, from capital funds, from
4 building things, to people that could be maintaining those
5 things, or like in the work plan. We're going to have to
6 have some intellectual people that will help us with Vista
7 Field. So I will call it a paradigm shift, for lack of a
8 better term. I'll try to bring that up a number of times.

9 I think as we get into our new budget -- we're on
10 a two-year budget -- so when we start to get into our new
11 budget, you're going to see me saying, here's the numbers
12 that I think I need for the team approach. Here's maybe
13 where we go as we shift some funding from capital to
14 operations. But again, budgeting is clearly a policy
15 decision made by the Port Commission. So that's really in
16 your wheelhouse. And what the staff can do is bring you
17 information that might support the property decision on
18 this. But I'm just flagging it for you, that we may have to
19 look, out of necessity, at building a few less things and
20 shipping more money into the operation and maintenance.

21 But you know what? That's really not a bad thing.
22 Because sometimes the public will criticize us for using
23 government money to build something, like a winery that we
24 lease. Did they might say, Well, gee, I could have stepped
25 up and done that. In my opinion, the Port has been really

1 good at building things to be a catalyst, to say -- at
2 Columbia Drive -- we believe in this enough that we're going
3 to put a couple million dollars and some buildings, and over
4 time, then the public says, Ah-ha, we now see your vision.
5 Port, will you please back off so I can buy some property
6 and build something private sector. We're real close to
7 that at the wine village, and we're probably really close to
8 that in Vista Field.

9 So as you as Commissioners say, Hey, I'm going to
10 take some money from building things and move it over into
11 the operations side, the public might actually applaud you
12 for that. So just a number of ways to look at it, but I'd
13 like to flag that for you.

14 **MR. BARNES:** Thank you. Okay. Any further
15 discussion on this agenda topic? Oh, Commissioner Moak?

16 **MR. MOAK:** Yeah, just in response to that last
17 comment. Part of it is, though, we have rural county
18 capital funds that can't be used for -- that's one of the
19 concerns I had at the last meeting, where we needed
20 discretionary funds for a capital project because we were
21 unable to use capital project.

22 So I mean, part of it is we are also talking, and
23 at some point, we're going to go into it, and we're going to
24 be talking about what are we going to do with our rural
25 county capital? If we don't do capital projects, you can't

1 use rural county capital funds, either. So that's a
2 dilemma.

3 **MR. ARNTZEN:** And I appreciate that comment,
4 because you almost lead me right into the next memo I'd like
5 to present.

6 **MR. BARNES:** So is this the conclusion of Port's
7 comments and discussion Items A, number 1?

8 **MR. ARNTZEN:** Yes, it is.

9 **MR. BARNES:** Thank you. You know what? Let's
10 take a recess. We'll take a seven-minute recess until 4:00
11 p.m.

12 **(Whereupon, a break was taken.)**

13 **MR. BARNES:** We will reconvene this regular
14 meeting of the Port of Kennewick Commission.

15 Moving to the next item on the agenda, continuing
16 on Reports, Comments, and Discussion Items. And we have
17 Item B, Columbia Gardens Update.

18 Larry and Amber, please.

19 **MR. PETERSON:** Briefly, I want to give you the
20 timeline for Columbia Gardens, very similar format to what
21 you saw on Vista Field, although a few less tasks on the
22 list.

23 Here we go. Columbia Gardens, we have some
24 construction that we're finishing up. We've actually
25 received the certificate of occupancy for the building. We

1 will look to bring a final resolution to you as a contract
2 authorized by the Commission that requires Commission
3 acceptance. That follows the "as built" process in the City
4 accepting a few details and the punch list process. We look
5 to bring that to you in the late part of March. The double
6 XX in green on the top row is the construction that's
7 complete. But there's still a little bit of paperwork that
8 goes with the process before we bring that for the final
9 completion of the construction.

10 And indicating right below that, although Amber
11 has some update on the tenants, especially the day they move
12 in, doesn't mean we're done with them, especially with a new
13 building. So we're allocating some time for the tenants to
14 get used to the space that they're inhabiting.

15 Next item is a bathroom shipping container that
16 was included in the budget, an 8 by 20 shipping container
17 that formed the bathroom down at the Columbia Gardens
18 adjacent to the food truck area in that industrial field,
19 where we're using that shipping container. That's more of a
20 process than a policy question. Those policies questions
21 were made when the budget was fixed 18 months ago.

22 Then the next batch are the similar discussions
23 that we had in Vista Field of a property owners'
24 association, or some mechanism, to fund the maintenance of
25 that private street. We don't have such a critter on Clover

1 Island as the land leases or the revenue stream to fund the
2 snowplowing, the covering of the costs for a light
3 illumination. But when we have the land sales at Columbia
4 Garden, the one-time revenue, how will we continue that
5 through the dollars necessary to maintain that Columbia
6 Gardens Way, as it is not a City street? It has the non-
7 City requirements of Clover Island, but without the long-
8 term revenue of land leases as sales are candidates. We need
9 to talk about that mechanism, a simpler machine than what
10 we're looking to incorporate at Vista Field is the concept
11 we're working with now.

12 Architectural Considerations. We have two
13 buildings of different styles down there. They share a
14 metal roof, but we have a 20-foot-wall stucco, more of an
15 industrial feeling building for the wine tasting facility,
16 the wineries that were created in 2017, and then the brand-
17 new tasting room building that has a cabin feel, more of a
18 craftsman type small home design. What is our criteria when
19 we go to market those sites? What should we be telling the
20 users that they should or should not have the buildings look
21 like? What's the pricing? And the real estate commission
22 policy piggybacks what you have at Vista Field. When we're
23 discussing the overall change, if any, of that commission
24 policy, what would be the application to Columbia Gardens,
25 and then the creation of some marketing materials and

1 getting the properties out to the private sector for their
2 input.

3 So similar timelines and tasks before we get to
4 that marketing phase, as we're showing generally in, I
5 believe, August of this year. So there's a few steps to
6 answer, a little quicker than Vista Field, still some
7 similar questions answered. How much? What do you want it
8 to look like? What might be some of the uses, as we have
9 that same urban mixed use zoning that has quite a bit of
10 flexibility. We have some questions to bring back to the
11 Commission. And again, we'll bring it to you in bite-sized
12 pieces, modifying taking the input we receive and bringing
13 that back to you.

14 Different team members on this. We're proposing
15 the Appraisal Group Northwest to help us with some pricing,
16 and O'Day's & Associates, who's helped us with the West
17 Richland racetrack site, to help pull some of the
18 architectural and property owners' association ideas
19 together for us.

20 That's it for the timeline. And I can turn it
21 over to Amber.

22 **MS. HANCHETTE:** Thank you, Commissioners. Did you
23 have any -- pause right here -- any questions for Larry on
24 the timeline?

25 **MR. BARNES:** I don't see the timeline in my

1 packet; is that correct?

2 **MR. PETERSON:** This timeline was not included in
3 the packet. Vista Field was the focus. That was an
4 opportunity, since it was created, to share where we're at.

5 **MR. BARNES:** Thank you.

6 **MS. HANCHETTE:** Very good.

7 **MR. MOAK:** I have one question on the timeline. I
8 remember the public asking when the dedication was going to
9 be for the tasting room building?

10 **MS. BADER INGLIMA:** We don't have a date yet.

11 **MR. MOAK:** What labor are we looking? Is that a
12 spring thing? Is that a --

13 **MS. BADER INGLIMA:** Well, I don't want to steal
14 Amber's thunder. She'll give you an update on tenants. And
15 then once we have that information, and they know kind of
16 where they're settled in, I'm going to need to coordinate
17 with the City and the County and the Port and all of the
18 folks that made investments in that, and then work with the
19 wineries and come up with a date.

20 The conversations I'm having with them, it looks
21 like maybe March or April.

22 **MR. MOAK:** Okay.

23 **MS. HANCHETTE:** So with that, they are very
24 excited to move in. We now have two signed leases for each
25 tenant. They have their keys. And today, they are both

1 moved in, by this time of day. They're bars. So we have a
2 lot of excitement going on.

3 The contractors are probably 90 percent finished
4 on the punch list. I met with them and our architect
5 yesterday to walk through the punch list. They're doing to
6 a good job. They've got a few odds and ends still to do.
7 They're looking forward to getting that wrapped up, also.
8 But the tenants are both marching forward. So yes, they
9 posted on their social media.

10 Cave B has on there that they hope to start some
11 soft openings the first of March. They have been both
12 planning, for quite a while now, on purchasing whatever
13 equipment that they need, getting their permits in place.
14 Gordon went down, and I think she's already put in -- Amanda
15 McBride is their tasting room manager. So she is taking the
16 lead on a number of items for them. Linda Moran is going to
17 be the tasting room manager for Cave B.

18 So both tasting room managers are doing quite a
19 bit of the work to get ready, get the product in, get the
20 furnishings in, get their utility accounts set up, because
21 it's a new building on a new road. So we're having a few
22 challenges with making sure everybody knows what the
23 addresses are. But like Larry said, we'll be working
24 through all of the growing pains of getting a new tenant
25 into a new space in the next few weeks.

1 So it's looking really good. It's looking really
2 good over there.

3 **MR. BARNES:** Okay. Thank you very much. Questions
4 for Amber and Larry?

5 I just want to say thank you very much. This is
6 an exciting step. I had occasion to try that function. I
7 had occasion to speak with some of the folks from Gordon
8 Brothers and they were really, really excited about the
9 prospects of getting in, getting established, and getting up
10 and running. So thanks for all that work. I really
11 appreciate it.

12 **MS. HANCHETTE:** And they are very grateful to the
13 Commission for such a beautiful building and a quality
14 space. I mean, they have thanked us over and over again for
15 the opportunity and such a great location.

16 **MR. BARNES:** Okay. Moving on. The next item on
17 the agenda, Item C, the 20190-2020 work plan memo, Tim,
18 please.

19 **MR. ARNTZEN:** Thank you. I will try to be brief.
20 I know we're kind of going long with this meeting. For the
21 public's sake, the Port Commission has a two-year budget,
22 and we also do a two-year work plan that dovetails with the
23 budget. So if you see a line item in the budget of X, Y, Z
24 building, you would also see a narrative in our work plan.

25 The work plan is, I would say, a highly functional

1 document. It's maybe 20 pages. It's produced by our
2 planner. And Larry, I don't want to hurt your feelings.
3 It's a highly functional document, but it just doesn't look
4 very pretty. It's not something that you hand out to the
5 public and say, Oh, my gosh, this is great, look at all the
6 pictures, look at the pictures in there and the lighthouse
7 and all that.

8 So what we wanted to do was to make some
9 suggestions to the Commission on how we could maybe revise
10 our work plan, so not only can it be prettier, and there can
11 be a summary version that Commissioners can take with them
12 and hand out to the public that would be not only helpful to
13 the Port staff, but useful to the public, so they can look
14 and see, Okay, here's what the Port's up to for the two-year
15 budget cycle.

16 So I think the Commission did agree on that point.
17 They said, Sure, we like the fact that we'll make it
18 prettier. But rather than making the 20-page document,
19 maybe sift it down so you have an executive summary that is
20 a pretty document that Commissioners can take and hand out
21 to the public. So more in the line of transparency. So
22 when you see Commissioner Barnes at an event, as he's Port
23 President, he could have a pocket full of these and hand
24 them out to the public. So I think that's the first thing
25 that we agreed on.

1 And then some of the other things that we talked
2 about and hope, from manager to Commission, is that what I
3 tell you today makes sense. We can kind of maybe say, this
4 is the last really in-depth look at the amendment to the
5 work plan. I'll take your comments back, and then we can
6 come back, maybe at the next meeting or the meeting
7 thereafter, with the resolution so the Commission can say,
8 Yeah, the eight or nine things that Tim presented are the
9 things that we want to do. Let's pass a resolution saying,
10 Please amend the work plan. So it would be the second year
11 of the two-year work plan the Staff is suggesting might be
12 amended. And then we could have that going forward.

13 The public might say, Well, why are you amending
14 the work plan? You have a two-year budget. You have a two-
15 year work plan. There have been some changes that have been
16 upon us, some fairly major changes. One is that the Port
17 Commission received an offer to purchase 93 acres of
18 property down in West Richland. And that was really nowhere
19 on our radar screen. But we pursued that one. It took a
20 number of months to follow up with. So we now have a work
21 plan that talks about a 93-acre piece of property we no
22 longer own. We have a substantial amount of money that has
23 been pledged for the payment of that property. So that
24 could affect our budget as well.

25 So there's been some changes along the way. And

1 I'll work through what I think are the major elements of the
2 work plan, suggest the changes that I would make. And I
3 want to remind the Commission that you saw this for the
4 first time on December 10th. We find of kind of walked you
5 through it. So the topics are pretty much the same. I'm
6 not going to repeat maybe what we concluded in that first
7 meeting. But with my memo, I've taken and highlighted and
8 bold-faced what I think were comments that staff has
9 received from the Commission subsequent to that time. So
10 I'll just focus on the things that I think we're going to
11 potentially change.

12 The next point beyond just what the appearance of
13 the work plan would be is I am to report to you on the
14 waterfront master plan. And I see that as a separate agenda
15 item. So I'll just tell you briefly here, and when I get to
16 that, I might tell you in a little bit more detail.

17 Briefly, Staff is going to be working with Maker's
18 Architecture, the planning firm that would help us with the
19 Clover Island master plan to enhance the scope of work. I
20 think Commissioner Moak was the primary advocate last
21 Commission meeting for, can we expand the master plan to
22 talk about the wine village area. I think, actually, we
23 talked about Columbia Drive and creating a segue into
24 Downtown Kennewick. So that's the change that the Staff
25 would propose for the Clover Island master plan, the

1 waterfront master plan. If I could, I'd like to address
2 that as the separate agenda topic.

3 The next item in my memo related to the amendment
4 of the master plan, Duffy's Pond. Initially, we reported --
5 well, let me back up. The real concern, the thing that we
6 had to fix with Duffy's Pond it is -- well, in the picture
7 you see here, the pond is, I guess facing the screen, the
8 right side of the screen right by the winery buildings. It
9 would be the north. It's a shallow pond. It's a Corps of
10 Engineers drainage pond.

11 Over the years, the Port, working with the City of
12 Kennewick, with State and Federal agencies, have cleaned it
13 up. It's now a pretty nice-looking pond. It used to have
14 car bodies in it, junk thrown in it. It's now a really neat
15 wildlife area. The City has built trails along it. But
16 there's one problem. It is such a shallow pond, and it
17 creates a lot of algae that gets on the water, primarily in
18 July and August. When the algae dies, decays, it has a
19 negative odor. Then you're out there drinking wine, and you
20 say, Gee, what's that interesting smell? That's the issue.

21 Initially, Staff looked at it, and we talked with
22 consultants that really know their business. We were told
23 that you have to create additional water depth, about two to
24 three feet in that pond in certain areas so you can have
25 aeration. That would solve the algae problem. That was the

1 traditional approach. And when we talked to the Corps, when
2 the term "dredging" comes up, you can't believe the number
3 of impediments that come out.

4 I initially reported to the Commission, I said, I
5 really think that this is a non-starter. And I remember
6 Commissioner Barnes said, Well, I get it, but are there
7 other things that we can do in the interim? Since then,
8 we've had a walkabout, as they say, around the pond with
9 State, Federal, City agencies. There has been a
10 reconsideration on the part of the Corps of Engineers to
11 perhaps allowing the Port and the City to use natural
12 herbicides. We used those in the harbor to treat the
13 milfoil. I think the City of Richland does it as well.
14 Occasionally, you can treat the milfoil in the river in an
15 environmentally safe method. Well, the Corps told us if we
16 wanted to try to get permits to do that to the pond, it's in
17 a different category, and that is at least a four-year
18 backup of getting approvals to potentially use these natural
19 herbicides.

20 We think that there might be some positive
21 development on that. So if we could continue to pursue
22 that, we might be able to come back to the Commission and
23 say, If we all agree that the problem was the awful smelling
24 water in July, August, and September, if we agree that was
25 the problem, we believe we have a fix for that. It's going

1 to be probably a magnitude of 10, 20, 30 times cheaper, and
2 it might be something that can be done yet this year, rather
3 than waiting for many, many years of permitting.

4 So we think -- we're not sure yet, but we do think
5 that there's enough information so we might take
6 Commissioner Barnes' suggestion and say, Hey, redefine the
7 objective slightly, and then see if we can pursue that. I
8 believe the Commission said, if that's the direction the
9 Staff goes in, why don't you go talk to the tenants up
10 there, the winery people, the food truck people, and ask
11 them what types of things can we do for a modest investment
12 to make their businesses better, to make it more attractive
13 for the public.

14 So I guess this is where I want to pause and say,
15 Commission, if you want to slightly modify this goal and
16 toss it back out there, taking the comments that I heard
17 from you a meeting or two ago, I do think that this could be
18 reshaped and be made viable. The only thing I can tell you
19 is I don't ever think we're going to get to dredge that
20 pond. But if we say, what was the real problem we were
21 trying to solve, it was the stench of the pond.

22 So I guess I'll pause. My recommendation would
23 be, like I said, repackage the goal, with the comments I
24 heard from the Commission, with the potential willingness of
25 local, State and Federal agencies to allow us to pursue an

1 alternate course, throw it back out there and let us go
2 after that one.

3 **MR. BARNES:** Commissioner comments? Commissioner
4 Moak?

5 **MR. MOAK:** I agree. I think as you talk to more
6 people, and you said I would get a different feel, it sounds
7 like there might be a better way to do things. But you
8 know, I also have a concern. You know, there's branches
9 that have fallen down into the pond, and other things, other
10 than this stench. You know, is any of that able to be done
11 and cleaned up in just the whole general area around the
12 pond?

13 **MR. ARNTZEN:** Well, I'll answer your question in
14 this fashion. Ironically, the agency, the State agency that
15 said, Yeah, you can cut some of this brush down that is
16 blocking the view, you can do that. It was a huge approval
17 from an agency, because normally if you go -- -- there's a
18 guy in Pasco that cut a tree down in front of his house to
19 get a better view of the river. They said, No, now you've
20 got to go plant two more trees in front of that. Those are
21 the people that tell you can't cut any of the brush.

22 Hannah and Amber got them to approve us cutting
23 some of the brush so we could enhance the views. But they
24 said, Now you throw some of that into the pond to create
25 wildlife habitat. So I think the short answer is probably

1 not.

2 **MR. MOAK:** Thank you.

3 **MR. NOVAKOVICH:** I think it's great, Tim. I think
4 it's a matter, though, do we have the resources to allocate
5 to that, both Staff time and financial.

6 **MR. ARNTZEN:** Well, I'm going to answer yes,
7 because it was initially put out there as a goal. And I've
8 had great support from my staff members. So basically, the
9 short answer is, yeah, it's been a goal. It looks like it
10 might still be a goal. So there would be no new allocation
11 of resources to this one if we wanted to stay on the list.

12 **MR. NOVAKOVICH:** I think it's great. I think we
13 ought to keep it on the list.

14 **MR. BARNES:** And I appreciate -- I mean, this is
15 encouraging to hear that there -- the problem was
16 identified, kind of the traditional way of addressing that
17 problem involved the D word, "dredging." That's not
18 palatable to the Army Corps of Engineers, but if there's
19 another way to address the problem, then, yeah I would
20 support that.

21 So thank you very much. This is encouraging to
22 hear this. And if we can, you know, keep this on the list,
23 continue to, you know, look for ways that work within our
24 budget and within our resources, look for ways to enhance or
25 improve Duffy's Pond, that's a win for the community. That's

1 a win for the tenants that are there close by. And that's
2 something the staff can be proud of and take credit for.
3 It's well deserved.

4 **MR. ARNTZEN:** Thank you. Then we'll go ahead and
5 keep it on the list. And again, I was to the point of
6 personally being very frustrated with this. But Tana and
7 Amber primarily plowed ahead with this. And when I was
8 about ready to just give up and say, We can't do it, these
9 two people kept the pressure on, and we got that. It was
10 almost like a Hail Mary Pass that was actually completed in
11 the end zone. So I give credit to these two to just get
12 this as a possibility going forward.

13 So we'll amend it and keep it on commission.

14 Thank you.

15 Moving ahead, for the sake of time, the next one
16 is the Vista Field calendar. I don't know that we need to
17 go into a lot of information here, because I think Larry's
18 done a very, very exemplary job of providing a very detailed
19 calendar. So I think just the point of this memo would be
20 that we're going to continue to bring you calendar items
21 related to Vista Field, and probably decision-making items
22 along the way as well.

23 So I'll go to -- the next item on my memo of
24 potential modifications to the work plan would be the Vista
25 Field Hangar remodel. I know we've talked about it many,

1 many times, some way in the past, some recently. And here's
2 what I think I've heard from the Commission. I believe
3 there was a consensus that this appears to be a good
4 project. There's a lot of unknowns with it. And here's
5 what I would propose.

6 I would like to see if the Commission would like
7 to add this as a goal. I have mechanisms in place to pursue
8 it. What I would like to do is work with a contractor. One
9 of the people on the DPZ team is willing to come in and help
10 us with this. What I'd like to do is have him sit down with
11 the Commission and say, What do you think the hangars ought
12 to be? Restaurant? You know, black box? Whatever. And
13 then take that vision, talk to the public, work through the
14 whole process of figuring out what these hangars might be,
15 what engineering -- architectural engineering might need to
16 be accomplished, what a budget might be.

17 So this is something we have talked about. I
18 think, really, the only difference between now and when I
19 brought it to you earlier is I did hear from Commissioner
20 Barnes that there's interest in the opportunities zone, how
21 can that potentially dovetail in.

22 So what I'd like to do, is if the Commission
23 approves of this, I'd like to maybe cost the opportunity to
24 go in and build an element in here, and maybe not
25 necessarily in the hangar project, but the discussion did

1 come up with on the hangar project. So I want to say that I
2 think does need to be addressed.

3 So with this one, I would like to see if the
4 Commission would like to have us, you know, put our foot on
5 the gas pedal and get this information in front of you so
6 you know everything about those hangars, what they should
7 be, what they could be. There would be discussion from the
8 real estate community, from the business community as to
9 their impressions of what they could be. Because what we've
10 heard loud and clear is creating vibrancy. And a
11 development is really the next step right after putting the
12 infrastructure in.

13 So I would suggest that we formally add this as a
14 goal. I can sit down, and the contractor I'd like to bring
15 on board is David Robison. It would be a fairly significant
16 project. Like I say, The first thing he'd do is sit down
17 with the Commissioner, talk about your visioning. And we
18 can move it forward.

19 The objective would be to get, potentially, a two-
20 year plan, 2020, of doing all of the renderings, th
21 eestimating of the budget, working with finance to find out
22 what the available sources of funding would be. Commissioner
23 Moak, this is coming back to your comments related to rural
24 county funding. I think that's a natural funding source for
25 this. And then, potentially, in 2021, start building these

1 things.

2 So I'll pause here. I think that the Commission
3 has heard this a number of times, so it's not a new
4 discussion. But I just want to see formally if this is a
5 direction we want to go in. I do have David Robison ready
6 to go on a contract, if that's a direction we'd like to go
7 in. It would be a fairly involved process, so that's why I
8 want to make sure that we're ready to do it.

9 Now, I can expect a question from Commissioner
10 Novakovich asking, Do you have the staff, time, and the
11 resources to do it. The answer, they don't have the staff
12 time do it, but David Robison has the ability to take on
13 some bite-sized chunks from us. So I have talk to him about
14 it with Larry, and I think that would be a question you
15 might ask. I'd say at the staff level, we probably don't
16 have the ability to do a lot of it. We could do 20 percent
17 of it. That's where sometimes you backfill in with the
18 contractor.

19 So I'll pause and see if this is something you'd
20 like to officially get on the radar screen.

21 **MR. BARNES:** Well, if I could take the lead here,
22 this opportunity zone designation is very intriguing to me.
23 And I think I voiced that before. The challenge to me, from
24 the Port perspective, the challenge is to know what
25 improvements to make to these hangars. If we're going to

1 sit down with a very competent capable guy like David
2 Robison to try to design a set of tenant improvements for a
3 specific business and then try to find that business, I
4 think that's a little challenging, not really knowing -- I
5 mean, we could make a decision about what business we want
6 in there, and then kind of design the basic improvements
7 that would fit that business.

8 The thing that I like about the opportunity zone
9 possibility is I don't think it would take as much of our
10 staff resources -- that is in time. But it has some
11 tradeoffs. If we're going to go the opportunity zone path,
12 a sale to the private sector might be in order where the
13 private sector would be able to take advantage of these
14 opportunity zone benefits, or a long-term lease, just of the
15 building in its current condition to the private sector.

16 But the private sector would bring their idea. The
17 private sector would bring specific tenant improvement
18 requirements that would meet their business needs. It would
19 take a lot of the guesswork out of it from our side of the
20 table.

21 So I'd like to continue to -- you know, at the
22 same time, I may be outvoted 2 - 1 on this, and so -- but I
23 just want to voice that possibility with the opportunity
24 zone. If we're going to design something for a possible
25 tenant, we have to know exactly what that tenant needs. If

1 you turn that around and say, We have a box here, it's an
2 old hangar, bring us your idea, bring us your proposed,
3 either long-term lease rate, or if you need to acquire it --
4 I don't know if the Port would need to sell it -- but then
5 we'll work with you on these tenant improvements.

6 Those tenant improvements, the uncertainty of what
7 those are, will be removed, because the tenant knows exactly
8 what they would need to make their business successful
9 there. And then we may have a selection or a choice to make
10 between two or three -- you know, a number of proposals from
11 possible end users there, as opposed to trying to do it
12 ourselves and then going and finding the one that fits the
13 improvements that we made.

14 **MR. ARNTZEN:** I think, Commissioner Barnes, the
15 way I would answer that is I'm not an expert on opportunity
16 zones. I know Amber has done more work on it than any of us
17 here at the Staff. What I would tell is within the
18 parameters of what we might be asking David Robison to do,
19 to fold some of that analysis in. And the reason why I'm
20 bringing up opportunity zone under the hangar discussions --
21 because I think that's initially where you brought it in,
22 because that kind of project to project made the most sense.
23 When I get down to the next bullet point on my memo, the
24 rural county analysis, I think maybe that's why where we
25 tuck the opportunity zone analysis in, because in my mind,

1 it is -- I don't want to say primary -- but it has a lot of
2 financial components to it.

3 So should the Commission say, Tim, get your
4 finance people to look at the rural county analysis, that's
5 where I would dovetail the opportunity zone analysis, but
6 yet recognizing that there does need to be some analysis of
7 it in the hangar project is as well.

8 So it's one of those things. The opportunity
9 zone, I think, needs to be split up in and stuck into two
10 future projects going forward. So I guess the way I would
11 answer it is should the Commission say, Yeah, go do the
12 hangars, and of the next one, Yeah, we need an analysis of
13 the rural county funding, I would then say to the Commission
14 that, Your opportunity zone analysis will be conducted as
15 part of those two projects. And I really don't know, at
16 this point, which one it fits in better with with. But I'd
17 also have to tell you, it may not be as in-depth analysis as
18 you want, Commissioner Barnes.

19 You know, pricing on, Gee, David, I'm going to pay
20 X amount, and I need you to -- you know, I'm not sure what
21 his deliverables would be, or if we tucked it into the
22 financial component. But I can tell you that it would be my
23 plan to do a reasonably thorough review of the opportunity
24 zone analysis. Again, it may not be to the level that, you
25 know, you think we need to do. We could potentially enhance

1 it.

2 But I guess where I'm starting from is we haven't
3 really done anything on your request for opportunity zone
4 funding. So I think this would be a chance for me, as
5 manager, to say, Commissioner Barnes, I hear you loud and
6 clear. I think we can put it in there as a scope of work
7 for somebody.

8 **MR. BARNES:** One thing I know about opportunity
9 zones is that I know I don't know very much. You know, I
10 can't sit here and tell you even what I would like to see,
11 because I think it's still evolving. And you know, some of
12 the specific things that you have to do to take advantage of
13 this are still being determined. So I know I don't know
14 what I need to know. But the concept, seems to me, to be
15 something maybe worth looking into.

16 **MR. ARNTZEN:** Commissioner Moak?

17 **MR. MOAK:** Thank you. I guess what's expected of
18 the opportunity zone, to me, it's up to the developer and
19 the buyer of a property to decide to use the opportunity
20 zone. I mean, it's to the owner for whom that tax benefit
21 would derive. I mean, so to me -- let's say we decided to
22 sell, you know, or we put out an RFP for these hangars that
23 we want a developer to kind of give us their ideas on what
24 should be these -- what we'd like to put in these hangars.
25 And we work with them on that.

1 I mean, I think it's for them to decide if they
2 want to utilize the opportunity zone and the tax benefits
3 that come with that, and probably all the paperwork that
4 goes in order to get there, and not for the seller or for
5 us. So I guess my feeling is, I mean, it's in the
6 opportunity zone. It's for them to see that and to kind of
7 do that. To me, it would be for us as to whether we wanted
8 to offer this to the private sector for them to purchase
9 them, rather than keeping them in our own portfolio. You
10 know --

11 **MR. ARNTZEN:** Thank you for this opportunity. And
12 I think the discussion between the two Commissioners leads
13 me to believe I'd like to at least stick a toe in the water
14 on this, because I can't say which one of you is right. I
15 don't know that Amber has enough information. So what I'd
16 like to propose is we maybe do a cursory review, because
17 Commissioner Moak, you might be entirely correct. But I
18 can't tell you that at this point.

19 So if we look at the hangar project and the rural
20 counting funding analysis, I think we can slip the
21 opportunity zone analysis in there and just pick a number,
22 say, maybe for three or \$4,000, we can get somebody
23 competent on this to write us a two-page memo that might
24 answer all a lot of these questions. Because I think you
25 two, the comments I've heard from you, really demonstrate

1 the reason why I might need it as a manager, because I can't
2 respond in an intelligent manner to you on that one.

3 **MR. MOAK:** And I know as much about opportunity
4 zones as Commissioner Barnes, probably.

5 **MR. BARNES:** I really appreciate your comment. I
6 mean, the opportunity zone won't -- I mean, the Port doesn't
7 pay income taxes. The Port already owns the land. I don't
8 think the opportunity zone tax benefits accrue to the Port,
9 from my understanding. So I mean, it's a great point that
10 Commissioner Moak makes, why should we be spending a bunch
11 of time and effort trying to understand this. But at the
12 same time, all of Vista Field is within an opportunity zone.

13 To have some general understanding of what those
14 benefits might be -- I mean, might be, not to dive in and
15 become experts and know every intricate detail of it, but to
16 have some general idea of how these could benefit to the
17 people we'll be doing business with, I think would provide
18 us --

19 **MR. ARNTZEN:** If I was just asked off the cuff
20 here, I would say I don't think it's going to help us much
21 on the hangar remodel. But I think the analysis might help
22 you for the properties that we have for sale next to the
23 hangars, where you could have a memo where you could hand it
24 to the builders and say, if you haven't already checked with
25 your tax people, here's something that might be very

1 beneficial.

2 So like I say, it may or may not help with the
3 hangar project, but it might be a question that we want to
4 ask sooner or later. And I think if the Commission says, go
5 for it on the hangars, go for it on the rural county
6 analysis, I think that's really easy to slide in there, to
7 have that analysis done. Because great questions. I mean,
8 that's the crux of the debate. Will it be helpful to us or
9 not. And I don't know the answer to that.

10 **MR. MOAK:** I do think that the hangar development
11 and redevelopment is an important factor in the vibrancy of
12 Vista Field. So certainly, I do want to see work done with
13 the -- that's why I asked where is the private sector. The
14 thing that troubled me a little bit was on Larry's chart,
15 which said we weren't going to even start talking about that
16 until October, the way I saw that on your chart, which the
17 hangar remodel was not until October.

18 Is that correct, what I read?

19 **MR. PETERSON:** The items for hangar, the policy,
20 direction, and scope, were suggested we actually touched on
21 today, and given a Commission decision on direction by May
22 12th. So it's a focus of February through July, again, in
23 trying to answer those questions, what's going to happen
24 with the building before we went out --

25 **MR. MOAK:** I misread that, then. Thank you.

1 **MR. NOVAKOVICH:** If I could say something. I
2 think the question here is do we keep the Vista Field hangar
3 remodel as a goal. And I think we need to. And I think
4 Commissioner -- I think Tim probably summed it up the best,
5 is yes, we keep it as a goal, and we look at how we do that.
6 We look at rural county capital funds in the opportunity
7 zone and give us some feedback on it. But I think the
8 question that he had was do we keep it as a goal. And I
9 think, from what I'm hearing, the answer to that is yes.

10 **MR. ARNTZEN:** Thank you, Commissioner. I think
11 this gives us a perfect segue into the next topic, rural
12 county capital fund strategy. And for the public, that's
13 economic development funds that were generated by a .0809
14 tax assessed against -- I guess passed through to Benton
15 County. There are surplus funds in there, and Benton County
16 has graciously agreed to broker it out to jurisdictional
17 partners, including the City of Richland.

18 The Port of Kennewick has been successful i
19 applying for some of these funds for some of our development
20 projects. I think we used some o the wine village and some
21 of the infrastructure there. I get a kick out of this,
22 because at staff meetings we say, I'd really like to know
23 more about the rural county fund. And Larry, my planner --
24 he's my finance guy -- says, how much money is in there. And
25 the reason why I like that is it should be a very simple

1 question, but it's not. And I'll tell you why. Because we
2 have, quote, unquote, pledged some Port of Kennewick funds,
3 \$500,000 along with \$500,000 matching funds from the City of
4 Kennewick. So Councilman Alvarez, maybe we could -- we have
5 pledged a total of a million dollars for the infrastructure
6 at the Willows property, and that was based on a potential
7 end user that we had. I think it was based on getting the
8 Federal ADA grant, which we didn't get.

9 So there could be a million dollars out there
10 floating around, and we might say, Well, what's the status
11 of that? And that's where I kind of get a chuckle out of
12 there, because it's there, but it hasn't been officially
13 approved by Benton County. It's been identified. And so I
14 think the question would be -- that I'd like to be able to
15 report back to the Commission -- can we get that funding
16 back. I think the answer is yes. But then we need to go
17 talk to our development partner, City of Kennewick and say,
18 Hey, Marie, we want our money back, and Tim's got a great
19 idea, we'd like to have your money, too, for economic
20 development. That's where we're going with it. And Marie
21 probably suspects that.

22 Those are some of the questions why I can't just
23 tell you how much money we've got in our account. Another
24 interesting one is we utilized some creative financing for
25 the City of West Richland when we sold the racetrack

1 property. They were going to pay us with some cash, and
2 they were going to pay us with a pledge of some of their
3 future rural county funds. And when we went to Benton
4 County to explain this, the County Commissioner said, yeah,
5 you can do that, but we're not going to officially say you
6 can do it right now. We want to wait until we see another
7 award winning application, Port of Kennewick, on something,
8 and then we'll confirm that you can do it.

9 I believe the County said, Tim, what kind of an
10 application might we see? So when they put me on the hot
11 seat in front of the County Commission, I said, Well,
12 potentially the Vista hangars. And that seemed to resonate.
13 So that's why I get a chuckle, because my planner's right.
14 There should just be, Nick, tell us how much money we've
15 got. But Nick and I are correct as well, because which
16 category? You know, how many tin cans in the backyard to we
17 got to go dig up to amass our funds, kind of, you know,
18 colloquial speaking.

19 So the money's there. The other interesting point
20 is if at some point people stop coming through from the
21 County, we need to be aware of that. So I'd like to ask the
22 Commission to consider authorizing us to do an analysis of,
23 how much money, you know, past, present and future? How
24 much money have we received that is kind of somewhere out
25 there that's maybe being allocated to projects that are no

1 longer feasible going forward? How much money do we
2 currently have in our account? And then how much money
3 might we likely get from City of West Richland? How much
4 money might we likely get, provided the program continues on
5 to its end date, which is in a couple more years.

6 And then, the interesting part is where might
7 those funds be utilized. So I think that's where I'd like
8 to go with the rural county analysis. I mean, it does get a
9 little bit complicated when we talk about the whole
10 parameter of it. And then also, remember, we're going to
11 tuck in a little bit of analysis on the opportunity zone. So
12 that's what I'd like the Commission to consider, to give me
13 the authority to direct staff, to get in Nick and say, hey,
14 we need to move you over here to do some of this stuff. And
15 Commissioner, you're going to ask, Hey, do we have the staff
16 who can do it?

17 This might be a little bit of a stretch for us,
18 but I think we have to do this it this way. Because there's
19 going to come a day, and it might be soon, where Benton
20 County says, we're turning the tap off on this funding. So
21 this might be one where I say, I'm going to have to pull
22 Nick off of some other projects and put him on this one,
23 because that's how important I think it is.

24 So I'll pause here and see if you have questions
25 or comments related to this. Remember, the way I look at

1 it, I think the hangar remodel, and the rural county funding
2 probably go pretty well together, because if I were asked,
3 where do you get the money for the hangars, assuming we
4 don't have rural county funding, I'd say, I don't think we
5 have it. So I think these two really need to be discussed
6 together.

7 So I'll pause at this point.

8 **MR. BARNES:** Commissioners, questions? Comments?

9 **MR. NOVAKOVICH:** I'd just comment to you about
10 that's a proper allocation of resources to do that. So
11 yeah, I appreciate the way you're thinking about that. I'm
12 totally in favor of that move.

13 **MR. BARNES:** Commissioner Moak?

14 **MR. MOAK:** Yes, thank you. I think, also, that
15 isn't it that only a certain amount of funds can be expended
16 in a given year or given biennium, or whatever, that you
17 can't -- I mean, you can't take a whole bunch and spend it
18 tomorrow, right? I mean, you have to have it spread out
19 over some years or whatever?

20 **MR. ARNTZEN:** Well, I'll ask Nick to correct me if
21 I'm wrong. But I think, let's just say we identified that
22 we have \$3 million in there from past accruals to what we've
23 got now. I think we can spend all of that. And so I don't
24 think if you only accrued \$400,000 in this calendar year,
25 you can only use that. I think you can bank it up. And

1 I'll defer to Nick on that.

2 **MR. KOIKER:** Yeah. No, I think you're correct.
3 I've never heard that. That's a first for me.

4 **MR. MOAK:** But you can't -- I mean, isn't that a
5 seven-year span or whatever, that it was going to be?

6 **MR. KOIKER:** Maybe what you're thinking is you
7 can't use future revenues.

8 **MR. MOAK:** Yeah.

9 **MR. KOIKER:** So you can't go to the County and
10 say, Hey, we have \$500,000 today. We want to do a million
11 dollar project, because they're going to say, well --

12 **MR. MOAK:** So you can't do everything. I mean,
13 you've got to spread it out, to a certain extent, over the
14 seven years. And at some point, that does expire, whether
15 the County takes it away from us or not. But at some point,
16 they're not replenishing that money. Is that right?

17 **MR. ARNTZEN:** That's absolutely correct. At some
18 point, the money will cease coming in. And I used to
19 remember that date, but I forget a lot of things. So I
20 believe once there's no longer funding coming in, it doesn't
21 mean if you haven't used it by that time, it goes away. I
22 think there can be some grace period to use it. But I don't
23 want to put too much on the record, but these are rural
24 county funds. We're not rural counties any more. So again,
25 I don't want to put too much on the record.

1 But there's a lot of things out there where I
2 think it would behoove us to go through and say, how much
3 money do we have, and where could we use it in a relatively
4 short time frame. Because, you know, all good things come
5 to an end.

6 **MR. MOAK:** It certainly will. I mean, we have
7 depended on that. I mean, we couldn't be doing a lot of the
8 things we're doing today if it weren't for the rural county
9 capital, from ours, as well as from our partners at the City
10 of Kennewick who has contributed some of theirs to our
11 project. So we're just very fortunate to have been able to
12 utilize what we have, and that we've got great projects that
13 we want to use it on. That will be gone at some point. And
14 I think understanding what we can do with that and when is
15 kind of really important.

16 If you're thinking about, Okay, we've got to shift
17 more money into operations and capital, and you were
18 deferring capital and trying to look at where -- then maybe
19 you have \$1,000 this year, or \$2,000 or \$2 million, or
20 whatever it is in 2024, or whatever, then that's when we are
21 going to do X project. I mean, I think there's a lot of
22 thinking that's going to have to go into what we do, when we
23 do and how we do it.

24 **MR. ARNTZEN:** I agree. You've delivered the
25 second half of my speech, is that, it's not just going to be

1 Nick showing you a spreadsheet. I think there's going to be
2 a lot of thought put into this.

3 **MR. BARNES:** So I agree with the comments made
4 earlier. I think this would be a good thing to pursue, to
5 get some solid projections as to what might be available
6 through the RCCF. And we can have better plans once we have
7 that information.

8 **MR. ARNTZEN:** Thank you, then, Commission. What I
9 will do is I will move to getting this to the Commission to
10 implement. Because what I saw today isn't, you know,
11 consensus to do this. What I will do is type this up in an
12 easier format that we can look at. Maybe I'll do a
13 resolution. And then we can have this resolution formally
14 amend the work plan, if that would be acceptable. I want to
15 bring it back to you in a formal document that you can see a
16 line by line of what we think we agreed to today. Is that
17 fair?

18 **MR. BARNES:** Is the work plan a resolution to be
19 adopted, so therefore, we would need to officially amend it
20 through a resolution?

21 **MR. PETERSON:** I don't want to jump in front of
22 the attorney here. The work plan was adopted by resolution,
23 and that is the guiding document to look -- so if there was
24 to be a change, it would seem that a resolution would be
25 appropriate.

1 **MR. BARNES:** Excuse me, please. This memo that
2 you prepared is regarding the entire work plan.

3 **MR. ARNTZEN:** It is, yes. But I think, you know,
4 we could potentially say, Well, Tim, there's enough on the
5 record. If you just use that as your authorization, I think
6 we could go forward with that. But to me, I think the
7 cleaner way is I come back and say, Commissioner, here it is
8 typed up in a formal resolution of what I thought I heard
9 you agree to, so then you can look at it and say, We hereby
10 adopt the resolution that formally amends the work plan.
11 That would be the way I would suggest doing it.

12 **MR. BARNES:** And this work plan that we're talking
13 about is the 2019, 2020 work plan.

14 **MR. ARNTZEN:** Yes, it is.

15 **MR. BARNES:** So we're already almost two months
16 into 2020.

17 **MR. ARNTZEN:** Right.

18 **MR. BARNES:** And we're not going to wait until the
19 absolute end of 2020 before we come out with another two-
20 year work plan. This will be a resolution to take us from
21 where we are now to, say, the end of 2020. But then in this
22 September, October, -- August, September, October, November
23 time frame, we'll be working on the new work plan for '21,
24 '22.

25 **MR. ARNTZEN:** That is correct, and your budget. So

1 you're going to have a great opportunity to look at a lot of
2 really important projects. If I can get this stuff done,
3 next Commission meeting, we can feel good about, well, we're
4 making five or six tune-ups to the current work plan. And
5 then maybe in three or four months, you're going to see
6 draft information coming to you on your next two-year work
7 plan. So it could be a really fun time for the Commission,
8 because you'd get to make some decisions on projects that
9 are very important to the public.

10 So yes, you're correct, Mr. Barnes.

11 **MR. BARNES:** Okay. Is there anything further on
12 this item?

13 **MR. ARNTZEN:** No. I think I can take it from
14 here. I do appreciate your willingness to work through this
15 with me. I know there was a lot of information in front of
16 the Commission today with what Larry presented and others.
17 So I do appreciate your commitment to working through, you
18 know, my two issues with me that are very deep with
19 substantive matters. So thank you for your assistance on
20 this.

21 **MR. BARNES:** All right. Thank you for all your
22 work on this. You're right, we have a lot of -- I think
23 we're jugglers. We have a lot of balls in the air, or
24 plates in the air, or whatever we're juggling. Pretty great
25 projects. And so your work on there is very much

1 appreciated.

2 **MR. ARNTZEN:** Thank you.

3 **MR. BARNES:** Okay. Moving down to the next item
4 on our agenda. I believe it's the Item E, Clover Island
5 master plan update. Tim?

6 **MR. ARNTZEN:** Thank you. At the last Commission
7 meeting, I think we had robust discussion on the Clover
8 Island master plan. And what I took away from that was I
9 think was a good discussion. There was all sorts of
10 different viewpoints. And what I concluded is the direction
11 I think the Commission is heading in, it's not really the
12 Clover Island master plan. We might refer to it as the
13 Waterfront master plan. So I don't want to say I was
14 clever, but -- maybe I'm right a little.

15 But I had the cell phone number from Julie, one of
16 the principals of Maker's Architecture. So as I was driving
17 home from the Commission meeting, I called Julie and I said,
18 Hey, here's what I saw in the Commission meeting. And I
19 walked her through what I thought I heard the Commission
20 say, which was, Sure, we want the Clover Island stuff. We
21 also want to see if we can fold in, for lack of a better
22 term, the wine village stuff, you know, all of the property,
23 16-plus acres we own between Waterfront and Columbia Drive.

24 And then I said, I think the Commission's also
25 headed in the direction that they'd like to see some thought

1 even to maybe traffic calming or additional parking on
2 Columbia Drive and some of the side streets. I said one of
3 favorite ones that I think was brought up -- and I know is
4 it's a favorite for the City of Kennewick -- is a connection
5 from Clover Island Drive, down Washington Street to the
6 downtown.

7 So I talked to Julie about that. She said, Yeah,
8 I can do it, but it's going to take more time, and time is
9 money. We talked about potentially expanding the budget.
10 But I told her, I said, This is a project that I really
11 would like us to see -- get it done this year, because we've
12 got a lot of other projects, and this, in my opinion, isn't
13 one that can really languish. So Julie has the ability to
14 put staff on this thing -- you will see Julie as well -- to
15 get this thing done. It didn't throw her for a loop to add
16 on the others.

17 Your budget will go up. You were at 175 for this.
18 I don't want to put too many things on the record. But
19 you're going to go above \$200,000 for this. But you know
20 what? If it's 175 for the island, let's say it goes to 250,
21 and you get the other stuff rolled in, as elected officials,
22 if you say that's the big picture the public wants to see us
23 to do, I can tell you that we can likely find the budget to
24 get that rolled in there.

25 The other thing that I would tell you -- I learned

1 this from my planner -- is for that type of money and for
2 the time frame, we're not going to have the charrette like
3 we did with Vista Field. There will be plenty of public
4 outreach. And some of the best public outreach will be
5 Julie talking to the yacht club without the public around.
6 Because the yacht club may not want to tell you everything
7 they're thinking of in a public meeting. They'll go talk to
8 the hotel group, because they don't want to tell you what
9 their potential expansion plans might be in public about
10 with the trade secrets.

11 They will talk to all of the involved people. And
12 then I would believe there will be a public meeting. So you
13 might get a mini charrette out of this, where Commissioners
14 can walk around the room and here where Ann Frost says or
15 what Mark Blotz says. And you've got to be careful, because
16 Larry doesn't want me to over promise on a process. But
17 there has to be -- there will be a meaningful public aspect
18 of this. So it didn't throw Julie for a loop.

19 The other thing that is very beneficial is we're
20 not starting from scratch. We have a pretty good Clover
21 Island master plan in place from 2004, 2005. That could be
22 updated. We have some really neat planning documents from
23 the Willows project and the Columbia Drive stuff that
24 Professor Platt, from Cal-Berkley did for us, the pattern
25 language stuff that involved a lot of the public. We have

1 some stuff going way back that Steve Mallory did with
2 Arculus.

3 So we do have some other documents. And Julie's
4 aware of that, and she can take a look at that. So it's not
5 like starting from scratch with this. She will have some
6 valuable documents that she can look at, determine, to the
7 best of her ability, what is worth keeping from that and
8 what, maybe, we move on from. So talking with her, I have
9 some positive feedback, in my opinion, to tell you about.

10 **MR. BARNES:** Super. That's great news. Questions
11 or comments for Tim? Commissioner Moak?

12 **MR. MOAK:** Thank you. It shouldn't be a surprise
13 her, because the comments that we had last meeting were very
14 similar to the comments we had when she was here on June 25.
15 I went back and reviewed the minutes. A lot of the things
16 that were expressed by the Commission at that time were
17 things we were talking about. Yeah, it is going to cost
18 more money to enlarge the scope. But if we don't enlarge
19 the scope, I think we're missing the boat, so to speak, on
20 what really is the meeting, which is the tying together of
21 the waterfront properties.

22 You know, I never thought that we needed the type
23 of charrette that DPZ conducted for this project, but I
24 would hate to see -- oh, we talked to Mark Blotz, but that
25 never got published, or we talked to the yacht club and that

1 never got -- and so then when she comes up with a
2 recommendation and it doesn't seem to jibe with what the
3 public said, what the Commissioners heard, because somebody
4 else said, you know, I think it needs to be a balancing of
5 how it's reported out, the information that -- you know, I
6 think it's important. I mean, I think, talking to the yacht
7 club, I'd say it was important in getting those things, but
8 they can't be, well, nobody else knows about. And if the
9 hotel group has ideas for expansion, I'd certainly like to
10 know that.

11 **MR. ARNTZEN:** And in response, Commissioner Moak,
12 Larry and I are going to have a video conference with Julie,
13 I believe, on Friday. And we will pass along any comments
14 we've heard from the Commission to date with her. So I
15 think we'll be well prepared to have this discussion with
16 Julie. You'll get a chance to see her scope of work. And
17 one of the last things I want to do is try to tell you what
18 the process will be, because I'm not a planner.

19 I think Julie knows all three of the Port
20 Commissioners. She knows the community. And I will convey
21 to Julie the sincere desire from the Port Commission to have
22 public input. And I would then say, Julie, what would you
23 propose back to the Commission. So I think how I would
24 handle it. And like I say, we're not going to go forward
25 with this until the Commission sees the scope of work, sees

1 the budget, and says, okay, we're comfortable going forward.

2 And what I'd hope you're doing -- I believe you
3 will -- is say, get a look at this project with all the
4 other with charge slip and time frame that Larry put up
5 there for you and say, if the waterfront master plan was the
6 only thing we had, we could do a lot of detail with it. But
7 based on the other things, we're probably going to have to
8 say, there will be a certain level that will say, that's
9 really sufficient for where we're at now.

10 The other thing I will say, kind of like with the
11 hangars. I've told you I'm planning on handing off some of
12 the heavy lifting to David Robison. On the Clover Island
13 master plan, as much as Larry wants to jump in with both
14 feet, Larry will be a resource that we're relying on Julie
15 and her team to do the heavy lifting, because we need her
16 to, if we're going to balance this with the other projects
17 we have.

18 So in my opinion, if we come to a reasonable scope
19 of work with Julie, we recognize that Julie's going to be
20 running the show, we will provide input, I think we can get
21 you to where Larry showed you on the calendar for Vista
22 Field, I think we can get you there on the other project,
23 and I think we can get you there on the waterfront master
24 plan.

25 **MR. BARNES:** Thank you. Any other comments or

1 questions on this item?

2 Okay. Moving on, the next item on our agenda,
3 Item E, accounts payable, fraud avoidance update. Nick?

4 **MR. KOOIKER:** Yes, thank you. This kind of came
5 up -- yesterday I kind of briefed the staff with some issues
6 we've seen in the community, and Tim thought we should add
7 it to the agenda so I can update the Commission on things
8 that we do. So everybody knows -- if you haven't already
9 seen the news, one of our development partners, Benton
10 County, fell victim to an accounts payable scheme, otherwise
11 known as a social engineering scheme, which basically is a
12 fancy term for somebody stole money from you, via ACH
13 payment.

14 So anyway, that's why I'm briefing you today.
15 Benton County fell victim to this, and then also the City of
16 Ellensburg, Franklin County, and a big one five years ago,
17 but everyone remembers it still. That one lasted for about
18 20 years, and that's a pretty long one. But -- and P and L,
19 I believe, in the same type of thing.

20 So anyways, I just wanted to kind of update the
21 Commission on that. This one hit close to home. Not only
22 was it a Benton County. They're a development partner of
23 ours. But also, the contractor was Behling Construction,
24 which they do a lot of work for us. So I have looked
25 further into this one just so I can -- I mean, as an

1 auditor, you want to be looking farther into what happened
2 to try and figure out, you know, what controls you have in
3 place to mitigate something, a risk.

4 The first thing, the most important thing, is
5 training. I mean, I think, not only myself, but -- I attend
6 a lot of training, highly trained for fraud. So red flags
7 are many things. You know, a squirrel jumps out, and I jump
8 anymore, because it's -- there's little things that are
9 indicators that I'll see that most people wouldn't. And
10 then also my staff, they go through extensive training for
11 this kind of thing. So I think that's probably the most
12 important thing. And then we have a procedure in place to
13 vet any new vendor. Not only a new vendor, but if we have a
14 vendor that wants to change her address, that's obviously
15 another indicator there.

16 So just this morning, Jennifer came in with an
17 email from somebody that, hey, they want to change their
18 address. We go through the process of vetting this. I
19 said, Well, you call them at a different phone number, not
20 the one in their email thread. We looked at the email
21 address and called them directly, and then I emailed
22 somebody at the vendor that I personally know through
23 business. The Port doesn't have to verify that person
24 exists, because we never heard of them before. And then
25 last but not least, obviously, we have insurance for this

1 kind of thing. But I hope to not have to use it. I mean,
2 insurance is exactly what it is. I think it's good for us
3 to have, but it's one of those things that I hope we don't
4 have to use here.

5 The other thing I'll just say is that, you know,
6 these are little things that, you know, people might say,
7 you know, what takes the finance department so long for
8 this. Well, I mean, just vetting a vendor, taking that
9 extra 15 minutes to go through the process of calling them,
10 I may email the director vendor directly as well, and call
11 them. I mean, we go through all this stuff to protect the
12 Port. It's not that we're trying to make it slower. But I
13 think sometimes these are underappreciated, to be honest. I
14 think we'd gone through a lot of training, and no one's even
15 thought of this until people got money stolen.

16 But the other thing to do is I still personally
17 sign every check that leaves the Port. Every single check I
18 sign, I verify the address on it. That's a big -- just
19 another fraud type deal. You know, like I said, this is
20 important to us. We're keeping an eye on this. Also, we
21 don't do ACH payments. And that's -- all the ease of an ACH
22 payments, that's another thing that I haven't -- I've stayed
23 old school on that. I just don't -- there's so many risks
24 involved, and I couldn't ever be comfortable with that. So
25 we still issue paper checks.

1 Does anybody have any questions on that?

2 **MR. BARNES:** No. I appreciate all your work in
3 that area. I mean, I think everyone in this room has
4 received some sort of a crazy email or suspicious email. You
5 see them frequently, and then you hear of people that fall
6 victim to them, elderly people, you know, businesses,
7 prominent businesses, cities, all sorts of things. So I
8 appreciate your attention to detail on this, all the work
9 that you do to protect and be the excellent steward of tax
10 payer funds that the Port of Kennewick is. Thank you very
11 much.

12 Other questions or comments? Commissioner Moak?

13 **MR. MOAK:** Yes, thank you. Have you ever paid a
14 bill to Bannon Construction?

15 **MR. KOOIKER:** No.

16 **MR. MOAK:** Good. You know, I just happened,
17 yesterday, in fact, I was reading a PowerPoint put together
18 by the State Auditor's Office from the Pierce County Housing
19 Authority where they had lost money, but it was like the
20 old-fashioned way. The CEO/CFO had embezzled and basically
21 had sent monies and was doctoring, you know, invoices and
22 whatever. And I was reading through that, and one of the
23 things that they said is that it's more likely that this
24 sort of thing happens with experienced staff who has been
25 with the company for a long time than it is with somebody

1 new. And this was a CFO that had been there for, like, 20
2 some years. Oh, he would never do that, right?

3 And you know, there's no oversight by the CEO. You
4 know, nobody was asking questions. You know, there was a
5 silo mentality within the organization, you know, and I
6 think it was millions and millions of dollars that was lost.

7 So after reading that and reading some of the
8 conclusions by the State Auditor's office, and whatever, you
9 know, I appreciate very much someone -- Commissioner Barnes'
10 comments from last meeting is that all these things happen,
11 and they sometimes happen whether it's through the way that
12 it happened with Benton County or the way that it happened
13 with the Pierce County Housing Authority, by people,
14 probably very good people. And people never would have
15 suspect anybody at Benton County -- you work for Benton
16 County -- that they would fall prey to something like that.
17 And you know, you think, hey, they have -- the auditor, you
18 know, for Benton County, conveniently was not available to
19 comment.

20 But you know, how do these things happen? Well,
21 sometimes they just do, because we don't take the time that
22 you are identifying because, well, we don't need to. We're
23 busy, right? You have too much on your plate. You don't
24 have time to do those sorts of things, because Commissioners
25 are making you do this and that and whatever. It's very

1 important, I think, to follow through on those sorts of
2 things, and I commend you for that.

3 **MR. BARNES:** Any further comments or questions?

4 Thank you very much, Nick.

5 Okay. The next item on the agenda, we have
6 Commission Rules of Policy and Procedures Section 4. Whose
7 item is this, please?

8 **MR. ARNTZEN:** Well, I will speak to it, if you'd
9 like. The issue was, I guess, referenced to me. It's an
10 interesting one, because I have a little bit of independent
11 knowledge of it. So I'll just start talking about what I
12 think that the inquiry might be related to, and then if
13 other commissioners want to come in.

14 The former CEO of TRIDEC -- who's now retired -- I
15 believe talked with a Port Commissioner related to the
16 amount of dues the Port of Kennewick is paying TRIDEC. And
17 then I heard that the new CEO would be joining the former
18 CEO and was going to have a series of meetings with Port
19 Commissioners. When somebody asked me, was that
20 appropriate, in my opinion, I said, well, you know, I'm not
21 sure I'm going to jump in the middle of this, but I don't
22 know that it's appropriate. And I'll tell you where I'm
23 coming from with it.

24 When Agency A has a CEO, and Agency B has a CEO,
25 those two CEOs generally talk together. They say, okay,

1 here's the issues, let's see if there's a resolution to
2 this. One of the oldest rules in the book, so to speak, is
3 that the CEO of one agency does not go to the electeds of
4 another agency and start talking about business or policy.

5 And using my good friend Marie Mosley, Kennewick
6 City Manager, as an example, if I pick up the phone and
7 called up Councilman Terrelli and say, Chap, let me buy you
8 a cup of coffee; I want to talk to you about some rural
9 county funds; I've got a great project, my next phone call
10 would be from Marie. And I've seen Marie when she's really,
11 really mad at things I've done. And she would most likely
12 be very upset with me and say, hey, Tim, you know the
13 protocol. We're all in the same game. Managers, whether
14 you're a Port manager, City manager, TRIDEC, same game. I
15 don't go around Marie and talk to her electeds. I wouldn't
16 expect Marie would go around and talk to you guys, other
17 than Hi Commissioner Barnes, How was your last airplane
18 flight? You don't talk to electeds about substantive
19 matters.

20 You know, I guess naming names, Carl has done this
21 in the past. And if a manager just does it in the past, I
22 guess it's my assumption that he's going to do it in the
23 future. Am I happy with it? No. Where I decided to step
24 in and say, this issue bothers me, is when I heard the new
25 CEO was going to talk to Commissioner Barnes, because I had

1 a sitdown with the new CEO. We had a wonderful meeting, and
2 we talked about dues. And we talked about why, in my
3 opinion, our dues were at a certain level, and the Port's
4 might have been at a different level. We had a great
5 conversation.

6 We concluded that if he gets the job, he's going
7 to come back and and talk to his good friend, Tim, and we're
8 going to sit down and we're going to have a great
9 discussion, manager to manager, and we're going to talk
10 about what TRIDEC does for the community, what TRIDEC does
11 that directly benefits Port of Kennewick, our visions
12 together as managers, and we might be able to come up with
13 something that we could bring back to both of our boards and
14 say, hey, let's show you how smart the two managers are.
15 We've got a great compromise.

16 So that's kind of what got me on this. I
17 don't want to make a huge issue of it. But when I heard
18 that the former manager and the new manager were going to
19 double-team Commissioner Barnes without any notice, that's
20 kind of when I said, wait a second. So again, I don't know
21 that this is that big of an issue, but I believe that there
22 was some incentive for me to talk about this at the
23 Commission with you. So again, I can't stop the old Karl or
24 the new Karl. Apparently, they hire people that are only
25 named Karl at TRIDEC. I can't stop the new Karl from

1 talking to you. But I will tell you that that kind of
2 violates one of the oldest protocols in the book and really
3 got my hackles up because the new Karl and I talked, and we
4 agreed that we were going to try to resolve it manager to
5 manager.

6 So that's, I think, where I'll stop. It's a
7 little bit of a difficult topic for me, because as electeds,
8 you can talk to anybody you want to. I can't stop you from
9 talking to Marie Mosley. But I can go to Marie and say,
10 Marie, that's kind of breaking ranks. Nobody's ever done
11 that.

12 So I'll stop right now and just see if there's any
13 comments.

14 **MR. BARNES:** Well, all I can say is, you know, I
15 take these matters seriously. I want to adhere to these
16 rules of policy and procedure to the best of my ability. And
17 I did receive a request to meet with the old Carl, and I
18 accepted the invitation. Then it was moved, and I accepted
19 the invitation. And then it was like, well, he's really
20 busy. It's the end of his -- and I pretty much understood
21 what I thought he would want to talk about, you know, when
22 he says, hey, I'd really like to talk to you. And it's just
23 past the end of the year.

24 So my mental preparation going into that was,
25 well, I can speak as an individual Commissioner, but I

1 cannot speak to this issue representing the Port of
2 Kennewick. That's not my -- I can't do that. You want to
3 talk to me about something, I'll listen. But I can't --
4 unless I'm authorized to speak on behalf of the Port of
5 Kennewick on the issue, I'm not going to do that.

6 And there's nothing to present -- I'm on the
7 TRIDEC executive committee. If they want to talk to me, I'm
8 there. But I think my position is going to be pretty clear.

9 **MR. ARNTZEN:** Sure. And Commissioner Barnes, I
10 wanted to be very clear that I'm not referencing anything
11 that I think any one of the Commission did inappropriate.
12 I'm a million miles from that. Again, this is not really an
13 issue I would have brought up on my own volition. But I
14 just think because there is this attempt to talk to
15 Commissioners, that I wanted to bring it up. Because I'll
16 tell you, from my perspective, I thought it was very unfair
17 to put Commissioner Barnes in that situation of, you know,
18 Hi Don, Carl and Karl are here to talk to you, you know.
19 Yeah, exactly. So that's kind of where my interest lies in
20 this. So it's not to try to say, gee, I don't want you to
21 talk to Carl, because I never told the old Carl to not talk
22 to you because he's done it before and he's going to do it
23 again.

24 But I just wanted to throw this out so there can
25 be -- you know, just get it off my chest, because, you know

1 --

2 **MR. BARNES:** It's communication. It's
3 communication between staff and Commission, and I really
4 appreciate it. I mean, we should be able to have these
5 candid discussions about any number of things. And I really
6 appreciate this.

7 **MR. ARNTZEN:** And, you know, again, I don't care
8 what our TRIDEC dues level is, and I don't care that, as a
9 board member, I think TRIDEC can talk to you. But again,
10 like I say, I just thought it was really unfair when I was
11 under the misinterpretation that the new Karl was going to
12 be there. It's just not fun to have a two-on-one
13 conversation when those two are doing the talking and they
14 expect you to do the listening. So that's where I was
15 coming from.

16 **MR. BARNES:** There's a lot of that, I think, that
17 goes with the territory of being a Commissioner. But I
18 mean, to have this reminder, to have this discussion, I
19 think is very healthy, very good. And so I appreciate it.

20 **MR. NOVAKOVICH:** I think probably where where this
21 came from is when we had our last meeting in the Bechtold
22 boardroom, I'm walking in. There's nobody in that hallway
23 going in there. All of a sudden, Karl comes out of his
24 office, corners me, and starts talking about dues. And it
25 was very awkward. What I should have done -- and it's my

1 fault -- I should have said, you know, if you have something
2 there, you should be talking to Tim, not to me. That's
3 something that needs to come before the Commission. Talk to
4 our staff, and all three Commissioners can get the same
5 message, rather than talking to me.

6 He also mentioned to me that, we're going to sit
7 down and talk to Commissioner Barnes, too. So I think
8 that's probably where this started. But I think we've got
9 this Commission Rules of Policy and Procedures, and I think
10 it would behoove us to read those very carefully and to
11 adhere to them so we don't have any issues. And that was my
12 fault. I mean, I talked to him, and talked to him about
13 dues and said, look, you know -- same thing that you said --
14 I can't make any decision for the Commission. But what I
15 should have said is talk to Tim. Don't talk to me.

16 **MR. BARNES:** Okay. Anything further on this?
17 Commissioner Moak?

18 **MR. MOAK:** Yeah. Because you are on the board, I
19 think it's inappropriate for Karl to talk to you about
20 things. But I think if it sounds like that it's really --
21 the purpose is to gang up on a policy issue, I don't think
22 that's right. And it certainly was not right for him to
23 corner Commissioner Novakovich, who is not on this board.
24 You know, and so I think there's a little bit of a
25 difference. But also, I totally agree that it should be

1 staff to staff. And there is a chairman of the board, I
2 think, would be the appropriate person who should corner
3 you, if that were the case.

4 But I really think if -- I mean, unfortunately,
5 TRIDEC likes to operate in secret. They're not a public
6 agency, you know, and they don't have a fixed dues
7 structure, and they don't -- you know, I don't want to be at
8 the platinum level; I want to be at the silver level, you
9 know. And we'll see where all this goes with the new Karl
10 and hopefully working with you. But I mean, I really do
11 think that we should not be engaging in those policy issues.
12 And I think Commissioner Barnes should say, I don't speak
13 for the Commission. And as well you he knows, sometimes he
14 doesn't have the majority of the Commission on his side
15 anyway. None of us do.

16 But I think, you know trying to -- I mean, where
17 it looks like trying to hammer him on things anymore than
18 either the other two of us is not the appropriate way for
19 agencies, specially partner agencies, to be working with us.

20 **MR. BARNES:** Thank you. Anything further?

21 **MR. ARNTZEN:** No, thank you.

22 **MR. BARNES:** Okay. Let's move on, then. Next on
23 the agenda. Commissioner Meetings, Formal and Informal
24 Meetings with Groups or Individuals. Commissioner Moak?

25 **MR. MOAK:** Yeah, I attended a downtown Kennewick

1 breakfast, where LoAnn Ayers talked about the census. It
2 was 38 percent.

3 **MR. BARNES:** Thank you. Commissioner Novakovich?

4 **MR. NOVAKOVICH:** I also attended the same
5 breakfast. I attended the Hispanic chamber luncheon. And I
6 was to have a teleconference with the trust board on Friday.
7 However, I got a notice early Friday morning about it had
8 been cancelled because of the flooding in Pendleton. So I
9 sent a message to Bobbie Connor, who's the director of the
10 museum, and asked her what was the museum -- what was the
11 shape of it? And she responded just right before this
12 meeting and said, "Museum and museum family all good, just
13 river roads are a nightmare. Bridges and culverts have
14 disappeared from driveways. Lots of top soil relocated, and
15 half the lamprey root stock died in tubs. Others escaped to
16 muddy waters and rivers and fields. Cleanup will take quite
17 a while. Thanks for asking and offering."

18 **MR. BARNES:** Thank you. I had one phone call,
19 I'll call it a brief meeting over the phone. I received a
20 phone call from Benton PUD Commissioner Barry Bush asking if
21 I had read the article in the paper about the very large
22 wind turbine farm planned south of town. I told him I had
23 seen it. He asked for an audience at the Port Commission. I
24 directed him to contact Tim.

25 Okay. On to the next item, Non-scheduled Items.

1 Let's start with Amber, please.

2 **MS. HANCHETTE:** I have nothing today. Thank you.

3 **MR. BARNES:** Nick?

4 **MR. KOOIKER:** Nothing. Thank you.

5 **MR. BARNES:** Larry?

6 **MR. PETERSON:** You've heard enough from me.

7 Nothing.

8 **MR. BARNES:** Lucinda?

9 **MS. LUKE:** Nothing this afternoon. Thank you.

10 **MR. BARNES:** Thank you. Tim?

11 **MR. ARNTZEN:** Nothing, really. But I guess I'm
12 not sure how I would respond to Mr. Bush, because we did
13 have discussions about this way, way back when. And if the
14 consensus of the Commission was to have the manager handle
15 it, I'll handle it. Is that the consensus? You're okay
16 with how I handle it? Because also what I thought I heard
17 was you don't want anybody with a real or perceived issue
18 coming in front of you and directing you to provide a
19 resolution. So I will handle the request from Mr. Bush to
20 the best of my abilities.

21 **MR. MOAK:** Anything's welcome to get a few minutes
22 a thing.

23 **MR. ARNTZEN:** Thank you.

24 **MR. BARNES:** Okay. Tana?

25 **MS. BADER INGLIMA:** Nothing today. Thank you.

1 **MR. BARNES:** Bridgette?

2 **MS. SCOTT:** Thank you, Commissioners. Yes, I do
3 have one item. As you can see, Nick -- well, Lisa was here.
4 Lisa and myself were not supposed to be at this Commission
5 meeting, and yet, we are. Travel plans have changed. So
6 prior to us leaving, I had arranged for the court reporter
7 to come in, make sure our meeting was recorded while we were
8 gone. And also, I introduced you to Mitch Peterson. He's
9 with CompuNet, our new vendor for our AV system.

10 We have been having a few issues left over since
11 it was initially stalled. So Mitch came in to watch and see
12 how our system was working, if our microphones were coming
13 on like they were supposed to, the volumes, those kinds of
14 things. So we are still working on a few issues and bugs,
15 but that's why he was here, so he can help us figure those
16 out and come up with a game plan.

17 So and because I am here, I also wanted to give
18 you a brief update on posting our Commission meeting audio
19 recordings on our website. So since I was talking with
20 Mitch, one of the issues that we have is our recording
21 system does not have a pause button. So every time we have
22 a break or every time, it's just a completely new file so
23 for today's meeting, we probably would have at least three
24 files to post for one meeting, and that's unacceptable. So
25 I'm working with him on that issue, as well as a few others.

1 So with regards to posting our audio, I am working
2 with our on-call IT consultant, Cody Lewis, and we are --
3 we've reviewed many local agencies and ports to see if they
4 do record their meetings; if they do, what software they use
5 to post them on their websites.

6 We have look at 17 different agencies, and five of
7 them record their meetings. One of them actually uses a
8 televised option. So at this time, we're looking at four
9 programs. And we are researching the amount of time it will
10 take to implement it, the costs, the available features.
11 There is one program that I am very interested in, and it
12 would also help us with our agenda and meeting preparation
13 as well. So I thought that might be a good option for us.

14 Currently, Lisa, after each Commission meeting,
15 spends about a third of her time transcribing our minutes,
16 which is a lot of the time, honestly. So we are doing a
17 cost analysis to see if it's better to outsource, like a
18 court reporter to do our minutes for us, or maybe possibly
19 the new software that we can find can help us do our minutes
20 and agendas more efficiently as well.

21 So we probably will need or we will need
22 commissioner guidance as we come up with ideas and suggest
23 suggestions ever how to do our minutes and how we may be
24 able to change, I guess, the length of our minutes,
25 depending on which action we do.

1 So Tim and I discussed this a little bit. Did you
2 have anything you wanted to add?

3 **MR. ARNTZEN:** No. I just wanted to say that,
4 Bridgette gave us a brief update in the staff meeting
5 yesterday. Every Monday before a Commission meeting, I have
6 a staff meeting. I asked Bridgette, at the time, do you
7 want to give an update to the Commission. She said, no, I
8 don't really have very much to report. And then later she
9 came to me and said, you know, I've been thinking about it.
10 I could give them an update. And I'm glad she did, because
11 it's nice to know that she's doing some things. I'm sure
12 it's a process that we will figure out. But I wanted her to
13 walk you through some of the steps that we've been taking to
14 get us to where we can present a final opportunity to the
15 Port Commission. So I'm very proud of her with all the work
16 that she's been doing on this.

17 One of the other things that we've got to work on
18 is when we have the recordings out there, then we also have
19 to look at how do our minutes dovetail with the recordings.
20 Because we've ben doing more or less verbatim minutes, and
21 then one of the options could be could we move to action
22 minutes, because if you've already got the recording up
23 there, my staff maybe could go to action minutes. So we're
24 looking at options like that.

25 You know, I know it's getting late, but one of the

1 concerns that I have is if you have two detailed versions of
2 what went on, there's always going to be an opportunity for
3 a discrepancy. So if we're putting the verbatim audio out
4 there, and I'm having verbatim minutes done, you know, it
5 might be, well, the audio says Tim is going to go to
6 Seattle, the minutes might have been, Tim is thinking about
7 going to Seattle. I just want to make sure we're not
8 getting ourselves into a catch-22 of, Ah-ha, the minutes
9 don't reflect the recording. So there's a lot of things we
10 have to think about with, you know, public transparency, the
11 Records Act. Sometimes there's friendly records requests,
12 sometimes there's not. There's a lot of trap doors in
13 things that you do intending to be transparent. So we have
14 to take a look at how our minutes might dovetail with the
15 recording.

16 Like I say, we get to the finish line, but I just
17 wanted to let you know that we're actively working on this
18 so the Commissioners will think, well, the staff's been
19 doing other things. So I appreciate Bridgette giving me
20 that detailed update.

21 **MR. BARNES:** Thank you. And continuing with non-
22 scheduled, Commissioner Novakovich?

23 **MR. NOVAKOVICH:** I was at a council government
24 executive board meeting at lunch today, and Vicky Gordon was
25 telling me about, she was going to get the keys to their

1 place at the new building at the Columbia Garden. She sent
2 me this picture just right when I came into the Commission
3 meeting of their new bar. So I thought I'd just throw that
4 up there and show you that she's not only excited about it,
5 but she's also wanting to share what she's going to do in
6 it. Anyway, I just wanted to throw that up and show you
7 that.

8 The other thing is that Franklin County
9 Commissioners, Brad Peck and Bob Koch, were both at this
10 meeting at lunch, and Brad Peck, Commissioner Peck, was
11 talking about how he made a public records request of
12 Bridgette, and she took forever -- actually, he said she
13 never did respond. Then he quickly said, No, she responded
14 very quickly, and I don't know how Tim ever stole that from
15 us. But he really appreciated you. So I just wanted to let
16 you know that.

17 **MS. SCOTT:** Thank you.

18 **MR. BARNES:** Thank you. Commissioner Moak?

19 **MR. MOAK:** I'd just like to recognize the passing
20 of Rita Mazur, the former Richland City Councilperson. I
21 know that, before I was ever involved with this Commission,
22 I know she was a representative from Richland to the Port of
23 Kennewick. She took very seriously, her liaison role. Of
24 course, we were doing a lot of projects, with the Spaulding
25 project, especially, in Richland. But being here at Port of

1 Kennewick was very important to her during that time. I
2 remember her telling me that.

3 **MR. BARNES:** Thank you. And Bridgette, thank you
4 very much for the update on the Port's efforts to make audio
5 recordings of our Commission meetings available on our
6 website. I really appreciate that work, and I hope that we
7 can find a way to make that happen soon. I know we have a
8 lot of things on our plate. But again, I appreciate your
9 work in that regard, and I hope that the Port of Kennewick
10 can find a way to make that happen soon.

11 And the second item I want to talk about, again, I
12 want to circle back and talk again about budget updates. At
13 the last meeting, we talked about where maybe I would get
14 together with Nick and visit with him about what that might
15 entail. And I gave that some more thought while I was out
16 of town, and I came back and I said, you know, I don't
17 really know what -- you know, I couldn't sit down and tell
18 you, I'd like to see this or this or this or this. I don't
19 know all the accounts. I don't know.

20 So I would, again, like to contact and say how
21 much I feel in the dark when we're talking about things like
22 land sales, when we're talking about things like these big
23 construction projects and future projects, when we're
24 talking about resource allocation, finances of the team
25 approach versus the project manager approach, we're talking

1 about the waterfront master plan, what that may or may not
2 cost. You know, I know we're busy. I know we're busy. But
3 I just feel like I'm totally in the dark when it comes to
4 anything budget, anything finance.

5 And so I'd again request a budget update, and I'd
6 like to formally request that that be placed on the agenda
7 for the next meeting. If it's an overwhelming task, I hope
8 it's not. I trust that you're looking at the budget and
9 that you know where we are. And I just hope that you could
10 provide information that you believe or that you see as
11 appropriate for commissioners to look at. And I would like
12 to see it on a frequent basis. I'd still like to see it
13 monthly, especially as we're moving into the the end of the
14 year, as we prepare for a new budget because of all the
15 projects and everything we have going on.

16 So again, I'd like to formally request the budget
17 update. And I'd like to you to determine -- you determine,
18 please, what's appropriate for the Commission, and then we
19 can start there and go forward. So I'd like to formally
20 request that for our next meeting, and I would, again, like
21 to see those on a monthly basis.

22 Okay. That's the end of non-scheduled items. I
23 guess since I made a comment, I went last, I'd like to
24 provide an opportunity for anyone else to make a comment
25 under non-scheduled.

1 Tim?

2 **MR. ARNTZEN:** Thank you, Commissioner Barnes. Yes,
3 I've been working with Nick. I thought there had been some
4 dialogue between you and Nick related to the budget. And
5 what I've -- so I guess I'm a little bit surprised to hear
6 that it's a request again, because I thought there had been
7 dialogue between you and Nick.

8 What we would like to propose is Nick is going to
9 prepare a new view of the budget. He'll sit down with me,
10 walk me through it, and I will ask a number of questions. I
11 will say, Do you think this is going to highlight some of
12 the things that Commissioner Barnes might ask about? I will
13 also say, How much time did it take you to do this? How far
14 off course is this taking you? Because I've got to tell
15 you, it's been a little bit confusing for Nick when he's
16 asked to produce something, but there's no specifics as to
17 what he would be required to produce. And this is a rather
18 unusual request. In the 17 years I've been here before,
19 we've never been asked to do this.

20 It would be a formal action of the Commission to
21 ask us to do something different. I didn't want to really
22 get to the point and say, hey, can we vote on it. And I
23 think at the last Commission meeting, I said that I would
24 work to try to get a document that might satisfy the request
25 that you're making and also be something that staff could

1 produce. Again, I'd like to make sure that it's not
2 something that is overly time consuming, because, you know,
3 I've got Nick out there preventing us from having \$725,000
4 worth of illicit invoices come through. I need him to be
5 doing the analysis on Vista Field.

6 So what I'd like to do -- and I thought Nick had
7 communicated this to you -- that we would get you something
8 and show it to you and say, is this sufficient. So that's
9 where I'd like to end up. So I guess I'm just a wee bit
10 surprised that it's being brought up as a directive to
11 direct staff to produce it at the next meeting, because
12 that's confusing to me. I thought we were going down a
13 different path.

14 **MR. MOAK:** I thought I understood that Nick was
15 doing it and was going to --

16 **MR. BARNES:** Mr. Moak --

17 **MR. MOAK:** -- present it at the next meeting, that
18 that was what we had discussed.

19 **MR. KOIKER:** Yes, I disclosed that at the last
20 meeting as well.

21 **MR. BARNES:** So that says it's on the agenda for
22 next meeting. And again, I'd like to reiterate my request
23 for more frequent updates. I just feel like I'm in the
24 dark, and we have so many by things going on. And I
25 understand the workload. I understand the workload. But I

1 think that there's information that I feel would be
2 essential to make any sound decisions.

3 We made a decision to spend \$800,000 of non-rural
4 county capital funds with the City of Richland, and we made
5 that without any understanding of where that is coming from,
6 what the impact would be on the budget. You know, I'm not
7 trying to be unreasonable. I go to other board meetings
8 with, Tri-Cities, the Regional Chamber, clubs that I belong
9 with. Almost monthly, there's an update on the budget,
10 where we are. You know, every decision that we make has a
11 fiscal impact. And I just feel uncomfortable continuing to
12 make these decisions without having some idea of where we
13 are.

14 **MR. ARNTZEN:** Well, again, I'm not here to quarrel
15 with you, but at the last Commission meeting, I believe the
16 other two Commissioners said they were happy with the amount
17 of information we were producing. If there's going to be a
18 directive to staff, I believe it has to come from the
19 Commission as a unit. What I thought you and Nick had
20 communicated with by email was that there would be an effort
21 on staff's part to bring you something, to look at a draft
22 and say, is this going to satisfy what you want.

23 So I guess I'm probably as confused as Nick is as
24 to what you want. I've got to reiterate --

25 **MR. BARNES:** Well, me go back and look at the

1 email. I thought --

2 **MR. ARNTZEN:** In the 17 years I've been here,
3 we've never been asked to produce monthly budget reports.
4 That, frankly, is going to take a lot of time, probably not
5 going to produce a lot of new information for you. But if
6 the Commission directs us to do monthly budget reports, I'll
7 pull him off of other projects and put him on monthly budget
8 reports. It's that simple.

9 **MR. NOVAKOVICH:** I think the question here is what
10 do you want Nick to give up doing if he's going to spend
11 time doing this. And what you're asking for is basically
12 like asking a car dealer, sell me a car, without telling him
13 what you want. I think it's impossible for him to give you
14 what you want without giving him some parameters of what you
15 want to see.

16 **MR. BARNES:** Well, one of the last budget reports
17 we had was a two-page one like this. So if I could get that
18 periodically -- it's what I got the last time. Zero
19 information, I mean, any information I get, any additional
20 information I get is above zero. I mean, to get it every
21 six months -- I appreciate getting it every six months.
22 There's no question about that. But when you look in the
23 rearview mirror for the last six months, if you look at
24 everything that's taken place here, and now we're being
25 asked to make decisions like we were at the last meeting

1 with Richland, an \$800,000 decision, with no cost benefit
2 analysis, no budget analysis.

3 I mean, we're doing it in good faith. I'd like
4 some credit for having faith and confidence in the staff.
5 I'm not questioning the competence or the ability or any of
6 that. All I'm saying is I feel I'm in the dark.

7 **MR. MOAK:** I think the manager identified where
8 the money was coming from in the budget for the Richland
9 project.

10 **MR. ARNTZEN:** Well, yes, that is correct. You
11 know, we're not trying to play hide the ball here. So what
12 I've heard is that two of the three Commissioners appear to
13 be satisfied with the information that we're providing. This
14 is a standard level of information that we've provided. In
15 17 years, I worked for eight different Commissioners. This
16 comes as somewhat of a surprise, Commissioner Barnes, to
17 hear that I believe you said you're getting virtually zero
18 information from us.

19 **MR. BARNES:** I'm getting it every six months. I'm
20 getting it every six months. I appreciate that. I
21 appreciate it every six months. I'd like it more
22 frequently, if possible.

23 **MR. KOIKER:** I think part of the resolution from
24 the prior meeting, too, was not only the budget preparation
25 for the February 26th Commission meeting, but we also

1 conversed about you coming to my office, and we'd have a
2 face to face for hours, if you want, to discuss the budget.
3 And I have not had that happen yet.

4 **MR. BARNES:** No. I sent you an email, and I said
5 how I felt, and we just talked about one Commissioner
6 getting information that the other two aren't receiving. And
7 I feel uncomfortable going in and asking for information
8 when we just discussed that -- so, sir, I guess if the other
9 two Commissioners are happy getting budget information
10 information every six months, I'll stand down.

11 **MR. ARNTZEN:** Well, I might offer a suggestion. If
12 we could allow Nick to produce the information for me, walk
13 me through it, I will ask him a series of questions, like I
14 said earlier, Do we think this would be helpful for the
15 request Commissioner Barnes has? I'd ask him the time
16 commitment. I'd be able to share that with the Commission.
17 And like we mentioned at a previous Commission meeting, I
18 think we can solve this problem of Commissioner Barnes
19 getting additional information that the other two
20 Commissioners don't have, if Nick has an opportunity at each
21 Commission meeting to walk you through the budget that he's
22 produced.

23 I think it's unfair to ask Nick to spend two or
24 three hours per Commission meeting on a document that he
25 doesn't even get to read into the record at a Commission

1 meeting. That would solve the problem of you having
2 information that the other two didn't have.

3 So we're trying to figure out what it is you'd
4 like to to have. I think the trial balloon, if you will,
5 that Nick will float with me, say, I think this is
6 sufficient. We could bring that at an upcoming Commission
7 meeting, when we have it. And I would request that Nick has
8 an opportunity to share that publicly with all three
9 Commissioners, so if there are questions, we can address
10 those publicly with all three so there isn't a level of
11 information that one Commissioner has that the other two
12 don't have.

13 Again, if the guy's going to be ordered to produce
14 the work, I think he ought to be given an opportunity to
15 share his work product publicly.

16 **MR. BARNES:** Again, I want to be reasonable here,
17 but I just think that -- well, again, if my fellow
18 Commissioners are happy with every six months, I'm outvoted
19 2 - 1, as Commissioner Moak mentioned earlier.

20 **MR. MOAK:** I think that, you know, this last year,
21 we've had several big transactions. So it's just unusual.
22 We sold property at Southridge; we sold property at West
23 Richland. I mean, it's unusual, sometimes, to have some of
24 these big dollar values, you know, well, so what do we do
25 with that. And maybe -- I mean, I don't know that the day-

1 to-day bills are that important. But I think, you know,
2 what are we doing on these bigger issues. You know, a big
3 project like Vista Field, are we over budget or under
4 budget. To me, those are the things that I'm interested in,
5 you know, the bigger ones.

6 I don't know what -- you know, in terms of what
7 Commissioner Barnes says, but I think where we have these
8 big discrepancies maybe, what was in our work plan that we
9 were drafting.

10 **MR. BARNES:** And I think going forward, if you
11 look at the transactions that the Port of Kennewick will
12 have going forward at Vista Field and Columbia Drive, I
13 think there's going to be a lot of activity.

14 But again, I don't want to be a unreasonable here.
15 I don't want to sit here and say, oh, I want to be a
16 nitpicker, and I want to look and add up every column and
17 check it and everything. I'd just like a better feel for
18 where we are at the Commission level. And I don't, for me,
19 -- that information every six months is not frequent enough.

20 **MR. MOAK:** Well, let's see what the budget
21 presentation is next month, or next meeting, and then maybe,
22 you know, we'll see where we stand from there.

23 **MR. BARNES:** Okay. Any other discussion regarding
24 this item?

25 **MR. ARNTZEN:** Well, not to belabor the point, but

1 please be clear as to what you'd like me to instruct Nick to
2 do.

3 **MR. BARNES:** Well, I believe he prepared an
4 excellent budget presentation that was given at the July 9th
5 meeting. And I don't know -- I mean, that's why I think I
6 tried to say -- and if I bungled it, all I tried to say is
7 if you help me, just give me the information that you think
8 is sufficient to give me a Commission level overview of the
9 budget, that's all I'm looking for. I'm not looking for
10 extra work, extra detail, any of that. I'm confident that
11 you're looking at these budgets all the time. I feel very
12 confident that you can say, well, this is within budget, or
13 we're doing fine here. I mean, there must be some
14 information we're looking at to be able to make that
15 statement. That's all.

16 I'm not -- if I give my wife the checkbook and
17 she's got it for six months and that's the only time I see
18 it, I'm nervous. I'm sorry.

19 Anything else on this item?

20 **MR. MOAK:** Well, I think your wife is a great
21 person, and I think she should spend as much of your money
22 as she can.

23 **MR. ARNTZEN:** With all due respect, I'm still
24 unclear as to what direction the Commissioner would like to
25 give me.

1 **MR. BARNES:** Well, may we please see the budget
2 presentation that's scheduled for the next meeting?

3 **MR. KOOIKER:** So the presentation I'm about
4 probably 70 percent through is the same presentation with
5 different numbers. Is that okay? That's the six-month
6 scheduled presentation. But I'd really prefer not to do
7 that every month.

8 **MR. BARNES:** Well, yeah. And I've got to say, I'm
9 looking at the presentation made in July, and there was
10 discussion in here regarding the yield curve inversion, the
11 unemployment rate, budget philosophy, some considerations
12 and things operating -- you know, the federal unemployment
13 rate or the local unemployment rate or the yield curve,
14 those types of things, I'm not interested in.

15 **MR. NOVAKOVICH:** Maybe you need to look at that
16 budget and just line the items that you'd want to --

17 **MR. BARNES:** These two pages were fantastic. This
18 is the operating budget, though, and then I would imagine
19 there's a capital budget as well that has to do with the
20 extraordinary items like land sales and construction
21 projects, as a separate budget.

22 So is that --

23 **MR. KOOIKER:** Well, I'll continue to produce what
24 I was planning on, at this rate, and if that makes you
25 happy, we'll go from there.

1 **MR. BARNES:** I'll be happy. I'll be happy. I
2 know I'll be happy.

3 **MR. KOOIKER:** Okay. Well, if you're happy, I'm
4 happy.

5 **MR. BARNES:** Great.

6 **MR. NOVAKOVICH:** Then we're all happy. Can we
7 have public comments and adjourn this meeting?

8 **MR. BARNES:** Sure. Okay. The next item on the
9 agenda is the second opportunity for public comment. If
10 anyone would like to make a public comment, please move to
11 the podium and state your name and address for the record.
12 And we'd ask that you limit your comments to three minutes.

13 No public comment? Is there any other matter to
14 come before the Commission? Meeting's adjourned.

15 **(Whereupon, the meeting adjourned at 7:47 p.m.)**

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1 CERTIFICATE

2
3 I, Ileia C. Perry, do hereby certify that I
4 reported all proceedings adduced in the foregoing matter
5 and that the foregoing transcript pages constitutes a
6 full, true and accurate record of said proceedings to the
7 best of my ability.

8
9 I further certify that I am neither related
10 to counsel or any party to the proceedings nor have any
11 interest in the outcome of the proceedings.

12
13 IN WITNESS HEREOF, I have hereunto set my
14 hand this 11th day of February, 2020.

15
16
17 

18
19 _____
20 Ileia C. Perry
21
22
23
24
25



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

FEBRUARY 25, 2020 MINUTES

Commission President Don Barnes 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: Don Barnes, President
Skip Novakovich, Vice-President
Thomas Moak, 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 Finance Officer
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator
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 Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

PUBLIC COMMENT

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated at the previous Meeting, Commission and staff discussed adding the Commission Meeting audio recording to the Port Website and that the audio would replace the written minutes. Mr. Burdick believes this is a mistake because there are issues with audio recordings and can be problematic, at best. Additionally, Mr. Burdick believes it would be a mistake to go to action minutes, because the discussions are really valuable.

No further comments were made.

CONSENT AGENDA

A. *Approval of Direct Deposit and E-Payments Dated February 19, 2020*

Direct Deposit and E-Payments totaling \$79,980.58

B. *Approval of Warrant Register Dated February 25, 2020*

Expense Fund Voucher Number 101873 through 101915 for a grand total of \$410,146.86

PORT OF KENNEWICK SPECIAL COMMISSION MEETING

FEBRUARY 25, 2020 MINUTES

DRAFT

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

PRESENTATIONS

A. *Friend of the Port*

Ms. Bader Inglima explained the process of how the Friend of the Port is chosen and introduced Liz and Mark Thompson of ET Estate Sales as Friend of the Port for 2019.

Liz Thompson thanked the Port for the work they have done in the area and stated it was the Port's revitalization of the area that prompted them to invest in the building.

B. *Budget Review through December 31, 2019*

Mr. Kooiker presented a six month budget review from July of 2019 through December 2019.

Discussion commenced between the Commission and staff.

NEW BUSINESS

A. *Kennewick Waterfront Master Plan*

Mr. Peterson outlined the differences between the Makers Clover Island Master Plan scope and the Kennewick Waterfront Master Plan scope for Commission consideration.

Discussion commenced between the Commission and staff.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Moak moved for approval of Resolution 2020-01, authorizing the Port's Chief Executive Officer to execute the contract with Makers architecture & urban design, LLP for master planning consulting services regarding the development for the Kennewick Waterfront for the sum not to exceed \$248,288.00. Further, all action by port officers and employees in furtherance hereof is ratified and approved; and the Chief Executive Officer is authorized to amend the 2019-2020 capital budget to reflect the \$75,000.00 project allocation; the Chief Executive Officer's annual goals are amended to identify completion of the public outreach process as the threshold for attainment; and the port Chief Executive Officer is authorized to take all action necessary in furtherance hereof; Commissioner Novakovich seconded.*

Discussion:

Commissioner Moak has one question related to the scope and it deals with social media. The scope says "per Port policies, no social media will be used for this project." Commissioner Moak stated what is the Port policy that we have against social media? Commissioner Moak does not believe or remember that that Board has taken a position opposing social media. Commissioner Moak could not find it in our policy manual.

Mr. Peterson will address that question and then pass it on to Ms. Bader Inglima for further explanation. The scope does, and the staff had a discussion with Julie Bassuk of Makers, because

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they had some ideas about how they could use social media, ie. Facebook, Twitter, and all kinds of outreach. Staff indicated because of concerns on record retention, metadata, the Port of Kennewick is not on social media and if one of our contracted sub-consultants was doing that work, would there be a responsibility for retention of those records and metadata. Being cautious when it comes to public records retention and specifically metadata, since the Port does not use Twitter, Instagram, or TikTok as a Port, our consultant also identified that they would not be using that because of the concern. We contract with them, is it not a responsibility of the Port to produce that record if requested. Mr. Peterson deferred to Ms. Bader Inglima or others who would like to augment what he is sharing.

Ms. Bader Inglima stated Mr. Peterson covered that the Port does not have a social media presence. The Port has our website and in the past when we did the outreach with the Charettes for Vista Field, we promoted the Charettes using our partner's social media, but any record retention record maintenance, we used email to capture that and those emails went directly to Mr. Peterson. He was able to capture all of that data, so that we would have that as a public record. Staff has been cautioned by our legal counsel that we have not entered into that foray as of yet.

Commissioner Moak thanked staff for that answer, but it does not answer his question. It says, "per Port policy," do we have a policy that bans social media? He does not think we do. Commissioner Moak thinks staff has said we don't do it, but he does not know that we have a policy and this says "per port policy."

Mr. Arntzen stated maybe that is an inaccurate description produced by Makers. Mr. Arntzen believes the point was, that we would use our usual and customary practice.

Commissioner Moak understands that and would accept that, but is it appropriate to substitute that language?

Mr. Arntzen would think so and asked Mr. Peterson if that would work.

Mr. Peterson stated there are no concerns with modifying that word to say practices as opposed to policy.

Commissioner Moak stated for the record, he thinks the Port should have a social media policy, a lot of government jurisdictions do have social media policies and have an active social media presence. Commissioner Moak thinks we should on something like this, but he also realizes that it isn't something you change in a day. Commissioner Moak is concerned when it says policies and that policies is this Board up here rather than that Board over there and our practice is certainly to not do social media. Other than that, Commissioner Moak thinks this is a good thing to do, and he has been certainly excited about this for some time and he thinks tying in with Clover Island with the Wine Village and all the other projects on Columbia Drive that we have identified there and the public outreach that is identified, with both private sector and public sector. Commissioner Moak thinks the Port award today, the Friend of the Port, specifically talks about the importance of the private sector along Columbia Drive and what is happening

PORT OF KENNEWICK SPECIAL COMMISSION MEETING

FEBRUARY 25, 2020 MINUTES

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on Columbia Drive. Commissioner Moak really thinks putting together this project really helps, hopefully pull together a lot of folks that are interested in this whole area and have been interested for some time. To looking at where we are going with this, and it will help govern our development for the next number of years. Mr. Chair is it appropriate to seek to amend the word policy to procedure at this time.

Commissioner Barnes stated it is consistent with discussion that we have had to this point.

MOTION: *Commissioner Moak moved to substitute the word practice for policy in the section dealing with social media in scope of work;*

In Makers scope of work, the word policies will be changed to practices:

Page 3 under Section 1B;

Page 6 under Assumptions;

And any other section that references social media policy will be used related to this project.

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

Discussion Continued:

Commissioner Barnes voiced earlier, added to this resolution is language amending our CEO's Goals and Objectives and he appreciates that, but at the same time, note that the very next item on our Agenda is Amendment of the 2019-2020 Work Plan and CEO's Goals and Objectives. His preference would be to address all changes and amendments to the CEO's Goals and Objectives at the same time under the next Agenda Item.

MOTION: *Commissioner Barnes moved to amend the Motion, by striking these words: "the Chief Executive Officer's annual Goals are amended to identify completion of the public outreach process as the threshold for attainment." Motion Dies for lack of second.*

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

RECESS

Commissioner Barnes called for a recess for at 3:37 p.m. until 3:43 p.m.

Commissioner Barnes reconvened the meeting at 3:44 p.m.

B. Amendment of the 2019-2020 Work Plan and the CEO's Goals and Objectives;

Mr. Arntzen outlined the proposed amendments to the 2019-2020 Work Plan, which have been discussed several times in previous meetings.

Discussion commenced between the Commission and staff.

PUBLIC COMMENT

No Comments were made.

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MOTION: *Commissioner Novakovich moved approval of Resolution 2020-04 amending the 2019-2020 Work Plan and associated Goals and Objectives as set forth in the Resolution and Exhibit A and Exhibit B; and that all action by port officers and employees in furtherance hereof is ratified and approved; Commissioner Moak seconded.*

Discussion:

Commissioner Moak thinks the Work Plan is a living document and he thinks as things change, as we look at things, he thinks it should be reflected in our Work Plan. As it is, some of these are very good changes to our Work Plan, and moving forward on a number of different areas that has been important not only to the Commission, but he thinks the public. Commissioner Moak thinks it is important to have that reflected in our Work Plan and move forward on those and he appreciates the discussion.

Commissioner Barnes agrees with Commissioner Moak's comments and our Work Plan is a living document and we do not need to look too far back in the rear view mirror to see evidence of that. The Port had a Work Plan that had addressed the Tri-City Raceway property, but he thinks a significant opportunity presented itself, an opportunity to work with very good partner, even though he voted against that sale because of the price, in the end, Commissioner Barnes thinks it was an excellent thing to do. The Port made the changes and decided to do that, in spite of the fact that the Work Plan said to do Y instead of X. But it is a living document and Commissioner Barnes thinks that also illustrates that the Port is aware of evolving change in our community and we are capable of making changes that are in the best interest of the Port. Commissioner Barnes thinks that change we made, the decision we made with the Tri-City Raceway was in best interest of the Port and the City of West Richland. Commissioner Barnes supports these changes.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. District Wide Project Timeline

Mr. Peterson introduced the Port of Kennewick 2020 timeline for major projects, including Vista Field, Columbia Gardens, 1135 USACE Project, and the Kennewick Waterfront. Additionally, Mr. Peterson presented the two year time line for 2020-2021 for major projects for the Port.

Discussion commenced between the Commission and staff.

B. Vista Field

Mr. Peterson updated the Commission on several items regarding Vista Field, such as the Property Owners Association, the Realtor Commission, Marketing Plan and the corporate Hangar Reuse.

- 1. Construction Update***
- 2. Task Status Update***

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David Robison of Strategic Construction Management updated the Commission on the letter the Port received on February 25, 2020 from the Arts Center Task Force letter regarding the Vista Arts Center.

Discussion commenced between the Commission and staff.

Commissioner Barnes requested that the Arts Center Task Force be placed on the Agenda for the March 10, 2020 Commission Meeting.

C. Columbia Gardens Urban Wine & Artisan Village Update

1. Food Truck Plaza

Ms. Hanchette updated the Commission on the Food Truck Plaza.

2. Task Status Update

Mr. Peterson stated if acceptable, due to the time, he will update the Commission at the next Meeting.

3. Phase Two Ribbon Cutting Ceremony

Ms. Bader Inglima reported that the Ribbon Cutting for the new wine village building will take place on March 27, 2020.

D. Posting Commission Meeting Audio Update

Ms. Scott briefly updated the Commission on posting the Commission Meeting audio on the website.

Discussion commenced between the Commission and staff.

E. Congressman Newhouse Update

Commissioner Novakovich recently attended a meeting with Congressman Newhouse regarding Hanford, the dams, and the 1135 USACE Project.

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

Commissioners reported on their respective committee meetings.

G. Non-Scheduled Items

Commission and staff reported on non-scheduled items.

PUBLIC COMMENTS

No comments were made

COMMISSION COMMENTS

No comments were made.

**PORT OF KENNEWICK
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ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 5:21 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

BOARD OF COMMISSIONERS ACKNOWLEDGEMENT

The attached transcript provided by Naegeli Deposition & Trial of the February 25, 2020 Commission Meeting is approved and will be kept as a permanent record of the meeting.

1 Our next item on the agenda is an opportunity for
2 public comment. At the Port of Kennewick, we have two
3 opportunities for public comment, one at the beginning of
4 the meeting, one at the end of the meeting. If you would
5 like to make a a public comment, we'd ask that you please
6 move to the podium, please state your name and address for
7 the record, and please limit your comments to three minutes.

8 Would anyone care to make a public comment? Mr.
9 Burdick, please.

10 **MR. BURDICK:** Boyce Burdick, 414 Snyder Street,
11 Richland, Washington. At the previous Commission meeting,
12 there was a discussion about putting the audio records
13 online so they could be accessed easily. And also, I think
14 there was discussion that these audio recordings might
15 replace the written minutes. I think that would be a
16 mistake. Audio recordings are problematic at best.
17 Typically, you don't know who is speaking, whereas if you
18 look at the written minutes, you get the name of each person
19 before each paragraph and what they've said.

20 So I guess, also, the topic of action minutes also
21 stuck its ugly head up, and I think that's also a mistake. I
22 think the discussions that we see in the written minutes are
23 really valuable.

24 Thank you.

25 **MR. BARNES:** Thank you very much. Are there any

1 other public comments? Thank you.

2 Okay. The next item on on our agenda is the
3 consent agenda. These items are considered routine in
4 nature, usually taken by one vote of the Commission. Any
5 item can be removed, placed down the agenda or tabled for
6 another meeting by two-thirds vote of the Commission. Do we
7 need to have any items removed from the consent agenda?

8 The Chair will entertain a motion.

Clerk's Note: Mr.
Novakovich

~~MR. MOAK:~~ Mr. President, I move approval of the
10 consent agenda.

Clerk's Note: Mr. Moak

11 ~~MR. NOVAKOVICH:~~ Second.

12 ~~THE COURT:~~ Okay

13 **MR. BARNES:** Okay. It's been moved and seconded
14 that we approve the consent agenda. Today our consent
15 agenda is comprised of approval of direct deposit and
16 epayments dated February 19th, 2020, and approval of warrant
17 register dated February 25th, 2020. If there's no
18 discussion, we'll proceed to vote.

19 All in favor, please say "Aye".

20 Any opposed?

21 The Ayes have it, 3 nothing. Thank you.

22 The next item on our agenda, presentations. Friend
23 of the Port, Tana and Tim, please.

24 **MS. BADER IGLIMA:** Thank you, Commissioners. I
25 appreciate that. As you know, in the past, we have done a

1 Friend report for probably a decade now. It's an
2 opportunity for staff to come together under consensus and
3 determine somebody that's kind of gone over and above what
4 is kind of normal activity in benefit of the Port district.
5 And this year, by consensus, the staff decided that ET
6 Estate Sales would be the one that we would recommend you
7 recognize. And there's a reason for that.

8 Liz and Mark Thompson are here today for ET Estate
9 Sales, and they brought their team with them. And in a
10 moment, I'll let her introduce everybody.

11 Do you want to do that right now?

12 **MS. THOMPSON:** Either way.

13 **MS. BADER IGLIMA:** Okay. Let me tell you why
14 we're so excited that they're with us today and why they've
15 brought such a great crew. They understood the Port's
16 vision for the Columbia Gardens redevelopment. A number of
17 years ago, they chose to move to a building across the
18 street from the wine village, because they wanted to be part
19 of the synergy and the redevelopment and the transformation
20 of East Kennewick and the historic waterfront. So they
21 supported the Port's vision from day one.

22 They made personal investment in that
23 neighborhood. They moved their business, and they created a
24 retail opportunity at ET Estate Sales that complements what
25 we're doing with the wine village development. And their

1 business, since it opened, has also attracted some
2 additional retail to that end of town.

3 But not only that, they took it upon themselves
4 recently, because they have such pride in ownership of the
5 revitalization of East Kennewick, that when we had a recent
6 spate of some very bad graffiti, not just on their building,
7 but all up and down Columbia Drive. And they hit just about
8 every building, fortunately, not our wine buildings, but the
9 ones across the street, a number of the buildings with some
10 very ugly, very visible graffiti.

11 Liz contacted me and said, Hey, how do we get this
12 cleaned up? And rather than waiting for the City's Graffiti
13 Abatement Team -- which they do have a program in place, but
14 it might take a day or two -- Liz said, No, we want to take
15 this on and we want to get it cleaned up right away. So I
16 gave her some contacts. She reached out to the other
17 neighbors. And they sent their team out to clean up, paint
18 over, power-wash and clean up the neighborhood.

19 So we felt that that was above and beyond, not
20 only were they good neighbors making personal investments,
21 they have really -- their prompt and civic-minded action
22 really is helping us with the place-making that we're doing
23 with Columbia Gardens, and they're helping us with that
24 sense of urban revitalization. They have taken ownership of
25 it and are making visitors proud, being able to come down to

1 that area.

2 So with that, I'll let Liz say -- she's got a
3 chance to introduce her people, and then I think we can kind
4 of --

5 **MS. THOMPSON:** I would just like to thank the Port
6 Commissioners --

7 **MS. BADER INGLIMA:** Can we get you up to the mic
8 so we can record that?

9 **MS. THOMPSON:** I would just like to thank the
10 Commissioners and the Port and the staff, all the hard work
11 that you guys have done. It's been amazing to see the
12 transformation. And it really was the decision for us in
13 buying the building. If it would have been status quo down
14 here, we would not even have looked twice at the building we
15 purchased. So I just want to thank everybody. I know how
16 hard you guys have worked. It takes dedication. It's taken
17 a long time, and we really, really appreciate that.

18 And with that, I'm just start here in the front
19 row and introduce some of our team. Jessica -- please stand
20 up and wave real quick -- and then we have Devon Gardner,
21 Lisa Ritchard, and then come back behind with Trevor,
22 Curtis, he's the one that helped us clean up the graffiti,
23 Curtis Malone, my husband, Mark Thompson, and in the back
24 row, he helped clean up the graffiti, Jess Messenger and his
25 girlfriend.

1 And thank you for having us here today. We
2 really, really appreciate it.

3 **MR. BARNES:** Thank you. Liz and Mark, could you
4 please come forward and join me?

5 **MS. BADER IGLIMA:** And I think, Liz, did you want
6 to have the team up there as well?

7 **MS. THOMPSON:** Do we have enough room?

8 **MR. BARNES:** We'll make room.

9 **MS. THOMPSON:** You've probably got room for the
10 other Commissioners, too. Mark is going to manage this
11 whole thing.

Clerk's Note: Mark Showalter of PS Media

12 **MR. BARNES:** I'd like to, first of all, say how
13 much the Port appreciates having a private sector partner
14 make a significant investment in our area, not only an
15 invest in money, but also time, and then be dedicated and
16 committed to the neighborhood through actions.

17 So I'd like to read the plaque that we'd like to
18 present to you today. There says, "The 2019 Friend of the
19 Port award presented to Liz and Mark Thompson, ET Estate
20 Sales, in recognition of your efforts to transform Columbia
21 Drive through personal investments, a commitment to
22 excellence and tenacity in making East Kennewick and the
23 Columbia Gardens Wine and Artisan Village an inviting
24 destination."

25 On behalf of all three commissioners, I'd like to

1 thank you very much.

2 **(Whereupon, a picture was taken.)**

3 **MS. BADER IGLIMA:** Liz and Mark, thank you, and
4 your entire team, we really appreciate it, as the
5 Commissioners have said. We also have a plaque that's the
6 same that will be hanging on our wall. So you will join our
7 Friend of the Port walls with a plaque here on the wall in
8 recognition of everything you've done.

9 So thank you.

10 **MR. BARNES:** Okay. Thanks again very much, for
11 joining us today.

12 Okay. Moving to the next item on our agenda, we
13 have budget review through December 31st, 2019. Nick?

14 **MR. KOOIKER:** Thank you. This is our six-month
15 budget review, if you can remember the last one back in
16 July, July 9th, I believe.

17 For reference, in your packets, you will see a
18 one-page, it's like a profit and loss statement, otherwise
19 known as an income statement. It shows the Port's revenues
20 and expenses through December 31st, '19. And then also, you
21 will see the PowerPoint presentation, which I have built the
22 capital budget into that presentation. I've kind of
23 condensed that down to make it, you know, simpler because
24 then it sticks together, whereas making it easier for the
25 Commission.

1 So I guess I'll just go ahead and get started
2 here. So this is a graphic that I came across about a year
3 ago. GFOA is Government Finance Officer's Association of
4 America and Canada. They're a highly regarded -- you know,
5 they're an entity that basically teaches finance people like
6 me. They're highly regarded for training and resources. And
7 this is where I go to reference many things like this. Like
8 running the financing for Vista Field, I went through a lot
9 of guidance with them and followed checklists and things.

10 So GFOA has provided this to me. And I think this
11 is just kind of relevant for any entities. This is kind of
12 just the guidance for us. And I show this, also, because I
13 prepared this presentation based upon what I think the
14 Commission wants to see, which is at the top of the pyramid,
15 so the leadership of the Port Commission. Really, the level
16 of data they are looking to see is higher-level summary
17 data. Middle management in the green there, that's probably
18 more budget meetings I have with Tim. I give Tim more
19 detail, but still not extreme detail. And then lower bottom
20 of that pyramid, these are meetings with directors and
21 people at the Port, like Amber. We'll discuss down to the
22 penny repairs for buildings, by line items, and various
23 different costs like that.

24 So anyways, I based this presentation, based upon
25 the top, just trying to keep it at a higher level.

1 So the first thing I always start with is some
2 economic data. And I try to kind of gear this not only to
3 the Port's -- how it can impact the Port, but also, things
4 that are kind of interesting to the average person, just
5 kind of interesting things we can take with us through the
6 budget process or even this presentation.

7 This one, I found this pretty interesting. The
8 national unemployment rate, the state unemployment rate, the
9 local Benton County rate. The national and State
10 unemployment rates all went down in the last six months, but
11 the Benton County unemployment rate went up, which I found
12 kind of interesting.

13 So to put a few notes on the bottom here, the
14 national unemployment rate is the lowest it's been in 50
15 years. And I think people underestimate that, but that's a
16 pretty big deal. And the State, you can see that 10.4
17 percent -- all of us remember living through that last
18 recession -- but 10.4 percent. Now we're at 4.3. And the
19 Benton County unemployment rate is 5.4. Six months ago, I
20 think it was about 4.9. It was still higher.

21 I didn't know until recently -- I went to the
22 economic forum last week with other staff and a commissioner
23 here -- and a presenter -- I don't know how to say her name,
24 Ajsa Suljic. She's kind of highly regarded as the local
25 Benton County economist. And one thing I caught from her

1 was that she thinks the reason why the County is higher than
2 everybody else in the State is due to the fact that we have
3 a very young work force. So basically, there's more people
4 going into the work force, therefore, the unemployment rate
5 is a little bit higher, just because the pool is increasing
6 faster than everybody else. And that's the first time I've
7 heard that, because I have never really been able to pin
8 down what the reasoning for that technically is.

9 Recession. I always kind of include this, and I
10 don't mean to be a Doomsdayer. But about six months ago, I
11 mentioned the yield curve is negative, and that -- or it was
12 inverted. I'm sorry. So that means short-term rates are
13 higher than long-term rates. And that's always been a
14 predictor of a recession. And I'm not trying to scare
15 anybody, but this certainly should be on our radar.

16 And the bullet I have there, I found this, the
17 Federal Reserve Bank of Cleveland shows the probability of
18 recession, at the highest in August 2020, 43 percent. And I
19 bring this up just, you know -- I think it's something, the
20 recession could have a slower effect on the Port, or a
21 delayed effect. And I just think it's something we need to
22 think about when we're doing the budget here in eight
23 months. I just think it's -- when we're forecasting
24 revenues, our revenues are highly dependent upon private
25 businesses, and some of those private businesses could be

1 impacted. So I think it's something that -- Part of the
2 problem with us is our revenues can drop, and our expenses
3 will still stay the same, because we're still supporting a
4 higher level of services ongoing. So I bring that up.

5 This one, I think, hits everybody in this room.
6 And this one, I kind of -- I was trying to correlate home
7 prices with household incomes. The chart on the left is --
8 the chart on the left is home prices. In '09, we were down
9 to, like, 190. Today, we're up at about 320, I believe. So
10 home prices have gone up 70 percent since 2009, or 7 percent
11 per year. And the biggest increase has been in the last
12 four years, and that's 32 percent since 2016.

13 What I was hoping I would see, as I was gathering
14 this data -- and I got this data from, as you can see at the
15 bottom, the Association of Realtors and Ajsa, I guess I
16 would call her. The chart on the right, I got that data
17 from her. But I was hoping I would see a similar
18 correlation on the right-hand side. But as you can see, you
19 don't. So income has only risen 3 percent since '09,
20 whereas home prices have gone up 70 percent. And I don't
21 know about you guys, but I see a problem. I mean, I don't
22 see how this could be sustainable.

23 How does this relate to the Port? I mean, we've
24 noticed our construction costs have gone through the roof. I
25 mean, trying to predict, when we bid a project, what it's

1 going to be six months from now, has become almost
2 impossible, if not impossible, as, really, trying to pin
3 jello down. And this does relate to us, because it can
4 impact us in the future.

5 So our budget philosophy -- this is a resolution
6 the Commission passed -- originally in '14, we amended it
7 just this last year or two years ago. I always put a few
8 bold points in here that I think apply to where we're at.
9 The first one is eliminating, or transferring to private
10 sector, holdings which provide minimal benefit to the Port
11 or our constituents. This I brought up because the Port
12 Commission recently sold the South Ridge property and the
13 West Richland Race Track, with thoughts being that somebody
14 else could probably develop in the near term, or in a better
15 way the Port didn't have the ability to right now.

16 The second one, accurately predict funding
17 sources, I thought this was relevant. We're going to talk a
18 little bit about the RCCF funds, the 9/10ths of 1 percent
19 sales tax funds from Benton County. We've been thinking
20 about this. We now have a plan in place how we're going to
21 utilize this money. And then also, you know, just part of
22 the problem, kind of in the past, we've had a lot of
23 partners, the City of Kennewick, Benton County. And this
24 other people's money is a great revenue for the Port, but
25 it's been hard to forecast. So we can be thinking about

1 this in our budget the next go-around.

2 The next one I think is always important,
3 evaluating economic development based upon results to be
4 derived district wide versus project specific. This, I
5 always come back to Vista Field. I mean, just because Vista
6 Field is in Kennewick doesn't mean it won't have a positive
7 effect on Pasco, West Richland, Benton City and Richland as
8 well. So we just want to keep that in mind.

9 And then the last one I always put in here, just
10 because the staff -- the Port staff is consistently doing
11 more with less. And I realize this is part of working in
12 government, that we're asking more of less. But it's
13 getting more and more in Vista Field. I think the
14 operations, you know, once that takes over, is going to be
15 further amplified, the stress you put on staff.

16 So as I mentioned a few Commission meetings ago, I
17 just want to put some disclosures out there. So I'm being
18 asked to put a year-end budget report together, and I just
19 think the Commissioners need to know that those numbers will
20 change, because we accrue are accounting. So for example,
21 in the check run today, there's expenses in there, like the
22 payment to Musser Brothers, for example, I accrued that to
23 November, because the auction was in November. So that
24 \$9,000 you paid for the South Ridge auction isn't in our
25 revenues and expenses. So I just want to point that out.

1 This presentation is through last Commission
2 meeting's check run. So any check run you see or any check
3 you see in the warrant today is not included. And part of
4 that was because I've been preparing this presentation for a
5 couple of weeks.

6 **MR. BARNES:** I have a question, please. We're on
7 an accrual accounting basis?

8 **MR. KOOIKER:** That's correct, yeah.

9 **MR. BARNES:** But your reports are cash-based?

10 **MR. KOOIKER:** No, that is not correct. So we're
11 on accrual-based accounting, and this sheet I give you is
12 accrual-based accounting.

13 **MR. BARNES:** Okay.

14 **MR. KOOIKER:** The only thing that's cash-based is
15 the bank account balance.

16 **MR. BARNES:** Okay. So the Musser Brother payment
17 was accrued in November.

18 **MR. KOOIKER:** Right.

19 **MR. BARNES:** So if it was accrued in November,
20 then it is in --

21 **MR. KOOIKER:** It's not in here because we paid it
22 today. If it was paid on February 11th, it would have been,
23 yes. Does that make sense?

24 **MR. BARNES:** No.

25 **MR. KOOIKER:** So the \$9,000, I accrued that back

1 to November, but the check run didn't happen until today.

2 **MR. BARNES:** So the \$9,000 obligation to pay them
3 -- we knew the \$9,000 payment was coming back in November,
4 right?

5 **MR. KOOIKER:** We didn't know what the amount was.

6 **MR. BARNES:** Oh, okay.

7 **MR. KOOIKER:** Because actually, the contract says
8 we're going to pay them \$15,000. I'm glad we didn't,
9 because they sent us a bill for \$9,000. So we don't accrue
10 it back until we get an invoice for it.

11 **MR. BARNES:** Okay. Okay. So we knew there would
12 be a payment coming, but we didn't know the amount.

13 **MR. KOOIKER:** Right.

14 **MR. BARNES:** So when you're doing debits and
15 credits, you can't -- you didn't have a specific amount that
16 you could enter in as an accrual or as an accrued entry in
17 November.

18 **MR. KOOIKER:** Right. Yeah.

19 **MR. BARNES:** Oh, okay. Thank you very much.

20 **MR. KOOIKER:** Yeah. So I mean, yeah, just keep in
21 mind, this check run -- and we'll do one more March 10th, or
22 whatever the next Commission meeting is -- we'll still be
23 accruing some back. You know, we got a bill, I think it was
24 the HVAC company, and they did their work in August.

25 **MR. BARNES:** Oh.

1 **MR. KOOIKER:** And for whatever reason, I don't
2 know why --

3 **MR. BARNES:** Free credit for five months.

4 **MR. KOOIKER:** That is, you know. But it's amazing
5 how long we invoiced this. So I should send an email out to
6 some vendors saying, hey, we need to get these -- to make
7 our financial statements accurate, I want to accrue that
8 back to last year, so please send me a bill. And it's not
9 that we're not going to pay it, it just -- it makes our
10 financials inaccurate if I close the books and it accrues
11 something to 2020 that we shouldn't have. So if that makes
12 sense to the board --

13 So on that note, Commissioner Barnes, like the
14 third bold I put there, the land sales. So we received \$1.8
15 million, roughly, on December 31st. That's in the bank
16 account balance, but it doesn't show up on your profit and
17 loss statement. Because it's in the bank, but we haven't
18 recognized the revenue yet, because we're still accruing
19 expenses for that land sale.

20 **MR. BARNES:** The land sale wouldn't be an item
21 that would be on an operating statement.

22 **MR. KOOIKER:** It will be. It will go under non-
23 operating revenues.

24 **MR. BARNES:** Okay. Okay. Thanks.

25 **MR. KOOIKER:** But like I said, that Musser

1 payment, I'm capitalizing that payment, because we had to
2 pay that to sell the property. So by GAP standards, we have
3 to capitalize that payment.

4 **MR. BARNES:** And then amortize it over what
5 period?

6 **MR. KOOIKER:** That's right, yeah. So we'll go
7 back and recapture all the cumulative depreciation that we
8 put on that property. And we hadn't done an entity yet
9 because we're still accruing expenses back.

10 **MR. BARNES:** Okay.

11 **MR. KOOIKER:** So anyways, I just want to bring
12 that up. And then the second bullet, you know, these are
13 draft form. I just told you the numbers will change
14 anyways, I guarantee it.

15 Clifton Larson Allen, we've hired them again to do
16 another three-year contract with the Port. And they
17 independently audit our financial statements. We have to
18 submit our financials by the end of May to the auditor's
19 office, and then Clifton Larson Allen -- I've already got on
20 them on the schedule. They'll be here the third week of
21 June, right after the finance conference. And they'll
22 probably be done in August, is my guess. So we're already
23 planning ahead on that one.

24 So a couple of considerations to be thinking
25 about, when looking at this data. The fund balance, like I

1 said -- and I specifically put on there what that includes,
2 because I figured the Commission would probably ask that
3 question. The \$8 million includes the \$1.8 million from the
4 raceway land sale and from South Ridge. So that money was
5 in there December 31st, literally, from the escrow company.

6 The second bullet, Vista Field, I want the
7 Commission to understand that just because the phase 1A work
8 with Total Site Services is winding down, I think other
9 things are going to come up, just smaller little things. I
10 mean, we see this with the wine village. Just because
11 you're done with the buildings, there's always things that
12 come up that were either planned or not planned, you know,
13 that we'll have to pay for. So just keep that in
14 perspective.

15 The third bullet point is regarding the loan. I
16 have delayed taking a draw on the financing. My plan is to
17 take a draw on that here shortly. I have delayed that
18 because I don't want to pay interest, unnecessary interest
19 to the bank with tax payer money. But I have to take the
20 final draw by June. So I just want to point that out.

21 **MR. BARNES:** Excuse me again. When you say the
22 final draw, would the final draw take it all the way up to
23 the \$5 million authorized?

24 **MR. KOIKER:** Yes.

25 **MR. BARNES:** Or is there some less than \$5 million

1 total final draw that's being considered?

2 **MR. KOOIKER:** Well, what I'll probably do is take
3 a lesser draw. I'll probably take a total of two draws, is
4 kind of what I'm thinking. I've been watching our cash flow
5 really closely, but as you can see, our bank account balance
6 -- and actually, after January, our account balance is down
7 to about \$7 million. And the Commission keeps two and a
8 half in reserve. So all of a sudden, that leaves us with
9 4.5. And it really helped us, we put that \$1.8 million in
10 the bank. So that allowed me to cash flow Vista Field and
11 those total sites for payments longer.

12 What I don't want to do is pay 2.85 percent when
13 our money at the bank is earning 2 percent. So I really,
14 you know, carefully considered when to take a draw. I mean,
15 most districts would have taken \$5 million when they got the
16 bond. But we strategically haven't done that, just trying
17 to save everybody money.

18 And to take a draw, it's not easy for me. It's a
19 lot of paperwork. I have to fingerprint stuff, you know,
20 notarize it and all kinds of stuff. So it's not like just
21 going in and getting a loan, unfortunately.

22 So the last thing I want -- we're 15 percent
23 through the budget cycle, revenues and expenses. But again,
24 that's -- it's a little confusing, because the expenses
25 technically aren't fully accrued yet.

Clerk's Note: 50%

1 The Shoreline project -- and I referenced this
2 last budget presentation back in July. But Tana has been
3 bulldogging this effort since I've worked here, and before
4 that, I think.

5 Right, Tana?

6 **MS. BADER IGLIMA:** Mm-hmm.

7 **MR. KOOIKER:** So you know, it's been a while. And
8 she's really pushed us along. There have been delays on
9 their part. But I think the Port needs to recognize that,
10 you know, this is a lot of other people's money, mainly the
11 Corps' money. And if their estimates are off, we need to
12 either say, hey, we're going to come to the table with extra
13 money or, we're not going to do it. So I think we need to
14 keep that in mind. Because I mean, we like to be able to
15 utilize partners, and I think that would be a big -- a
16 negative thing if we weren't able to do that project when it
17 came up. So I just want people people to remember that.

18 The second one is Vista Field. I reference that
19 again. I know Tim, at the last meeting, referenced -- or
20 wrote a memo placed on implementation team from Vista Field.
21 I think, you know, we haven't pinned costs down, exactly
22 what that will be. But just keep that in mind. Again, keep
23 that in mind. And then when we budget in eight months, we
24 really need to have that refined.

25 The third one is insurance reimbursement. And I

1 have been on top of the insurance company about getting paid
2 our \$582,000. And I finally -- I've had email
3 correspondence with them, and they called me last week and
4 said, well, we had a software glitch, and they never paid
5 us. So it's things like that that we're doing that, you
6 know, people don't see that. But you know, we will get paid
7 this money. I mean, I haven't had to involve counsel,
8 because I've heard that was just an error on their part. It
9 wasn't that they weren't trying to pay us.

10 And then the RCCF money, I already mentioned this,
11 but coming into the plan with this money is a really
12 probably a more pressing issues for the Port Commission than
13 some people might realize, just because of the timeline that
14 they put on it. And that money is accruing every month. So
15 we need to think of a plan to use that.

16 Next slide, Operating Revenues. This is just -- I
17 hate to say this, kind of the boring, day-to-day operations
18 of the Port. So revenues, we're at almost \$1.3 million for
19 the first half of the biennial. You know, these are things
20 like marina payments, so somebody comes to the front counter
21 and pays their lease. Our operating leases, these are, you
22 know, Ice Harbor Brewery, people like that.

23 We're 55 percent collected. But you've got to
24 remember, I booked the full year for the hotel land lease
25 and then the yacht club building. So those aren't material.

1 It will still -- I mean, it's only a couple percent. So
2 that will still put us a little -- about 3 percent above.

3 **MR. BARNES:** Excuse me, please. When you say 55
4 percent collected, that's 55 percent of the biennial budget
5 that's been collected to this point?

6 **MR. KOOIKER:** That's right.

7 **MR. BARNES:** Okay. Thanks.

8 **MR. KOOIKER:** And I'm glad you point that out,
9 because "collected" doesn't necessarily mean that we have
10 the money in our bank account, but we've actually recognized
11 that revenue. Because we're on modified accruals. So I'll
12 recognize the revenue, you know, like the yacht club lease
13 essentially bill in our books. It's a four-year lease at
14 that point.

15 **MR. BARNES:** Okay.

16 **MR. KOOIKER:** So whereas, you know, normal private
17 business is to do accrual, they do full accrual. We're
18 modified accrual. So it's exciting, complicated.

19 **MR. BARNES:** It sounds exciting.

20 **MR. KOOIKER:** Yeah. Expenses, Operating Expenses.
21 We're about \$2.4 million or 46 percent. A budget, this is
22 exactly, you know, where I like to be, just a little bit
23 below 50 percent, the benchmark. You know, we put money in
24 the expense budget for Vista Field and the Shoreline, and as
25 you can tell, the Shoreline isn't -- it's been delayed,

1 nothing on our part, but on the Corps'. So we are below our
2 benchmark, probably for those reasons, because we plugged
3 in, I can't remember exactly, but it was a significant
4 amount of money. Because the Shoreline maintenance, people
5 don't realize what that costs. And the irrigation costs --
6 I mean, just the area where City water, that's, you know --
7 it gets expensive and taking care of it.

8 So that's it for operating. Any questions on that
9 report?

10 Okay. Non-operating Division. So the best way to
11 sum up non-operating things is operating is our day-to-day
12 operations, capital is our building buildings, and non-
13 operating is everything else. Our revenues are 35 percent
14 collected. But this is incredibly misleading, because our
15 revenues -- like when I request a draw from the bank, that's
16 going to be a non-operating revenue. So if I call the bank
17 and say, we want \$2 million, all of a sudden that \$6 million
18 is going to be \$8 million tomorrow, or whatever day. So
19 operating revenues, what I'm trying to say is don't take too
20 much -- the 35 percent doesn't necessarily mean as much as
21 you might think it would. We're not -- a lot of this is
22 based upon our own discretion, is what I'm trying to say.
23 And when I get that \$582,000 from the insurance company,
24 probably this week, that will show up as non-operating
25 revenue. The RCCF money is non-operating revenue.

1 What I've noticed, too, is the interest revenues
2 are higher than we expected. The yields, like I mentioned,
3 are 2.06 percent. That's something that we did not -- when
4 we budgeted, our interest income was slim to zero. So
5 that's good. I mean, we made more money on our money in the
6 bank than we expected, but that also increased our operating
7 revenues.

8 Expenses. We're at 42 percent. You know, we're a
9 little low on that. But we also have ribbon cutting
10 ceremonies coming up. And those are -- you know, as great
11 as they are, they do cost the Port money, which I think
12 they're a good expense. But I think we'll have increased
13 expenses for the remainder of the year from that.

14 And this is the budget that most people seem to
15 care the most about. You know, this is our capital budget.
16 This is our construction budget, otherwise known as. The
17 first column is the project, and I've kind of summarized
18 these. The budget amount, this is -- this amount includes
19 the rollovers from last budget cycle, and also, any
20 adjustments the Commission has made in the last year. I've
21 made those adjustments in here. The third column is the
22 actual expenses through the 2/11 check run. Just like Vista
23 Field, that doesn't include the \$311,000 paid today to Total
24 Site Services. And then the remaining is just the formula,
25 the budget minus actual.

1 Shoreline. We're at \$1.5 million. That's our
2 budget. That's a million that we, the Commission, had
3 transferred from the -- where did we -- yeah, that's right.
4 And then the \$500,000 would be the RCO grant. That's where
5 the budget number came from. We spent \$253,000. We have
6 \$1.2 million remaining. And you know, at this point, that's
7 probably about right. I think the commitment on the Port's
8 part, from the paperwork they've given us, is about a
9 million dollars at this time. So we do have a little bit of
10 wiggle room in there already. Hopefully, we don't need more
11 than that.

12 Second one is the Clover Island master plan. We
13 budgeted \$175,000. We spent about eight with Makers, with
14 the initial work they did. That leaves us at 167. And then
15 I think, for the Commission's consideration later on in the
16 agenda -- well, I guess that's next, probably. Right,
17 Larry? The latest proposal from Juliet Maker, she thought
18 it would be more like \$250,000, is what she thought would be
19 the estimate for work. So I've put a memo in there where we
20 could potentially get the extra \$75,000. But I haven't made
21 the adjustment in here because you guys haven't approved it.

22 Vista Field. As you can see, you know, out of
23 that almost \$3 million remaining -- and obviously, you've
24 taken out the \$300,000 payment today that we made -- we owe
25 Total Site Services, I believe, about \$1.5 million.

1 **MR. BARNES:** After the payment?

2 **MR. KOIKER:** Right, I believe, off the top of my
3 head. So there is potential. You know, when we bid this
4 project, you have to remember the Port bid this project
5 right after the 421, the wine village buildings, and that
6 really took us a lot of time. So we were very conservative
7 with our budget. We forecasted a higher contingency,
8 especially for the water feature. We were building this
9 water feature that nobody else in this community has built.

10 I mean, at one point, Larry was telling me that we
11 have subs come in from California for the water feature, or
12 there was that potential, because nobody here had the
13 expertise. So we were very conservative with our bidding,
14 just because we had gotten beat up on that. So there could
15 be a little surplus here, but you also have to remember,
16 there are things that are going to -- like I mentioned
17 earlier, beyond the total site contract. And then, you
18 know, there are things that could come up, like a gateway
19 type feature, for example, the hangar buildings. You know,
20 there could just be many other things that were tagged up
21 items.

22 The next one down, the Vista Field Traffic
23 Impacts, Owner Association, Town Planner. I was advocate
24 for the first one, the traffic impacts, just because the
25 City of Kennewick is going to make the Port -- help them

1 with modifying the intersections in and around Vista Field
2 and the feature. I thought it would be prudent to park
3 money there, just to kind of mitigate our risk. If they
4 come just wanting a million dollars next week, then, you
5 know, we want to build that in.

6 So I've grouped them altogether. Our budget is
7 \$335,000. We paid \$66,000. That's primarily -- well, it's
8 all for the Owners Association, about 66 grand we paid. So
9 that's like the use of Foster Garvey and Ben Floyd,
10 primarily. So we do have a balance in there, but I think,
11 you know, that's -- we won't have any surplus there.

12 The next one is kind of interesting. And like I
13 said, the Vista Field loan payment originally is 550, and \$550,000
14 I've dropped it to \$500,000 500, because the Commission moved \$50,000
15 with the tasting room budget, I believe. And I think we
16 might have an extra -- I think our total outlay this year
17 will be \$450,000. So we will have a surplus there. And I
18 have also printed out, if the Commission wants to see it --
19 or if anybody wants to see it, for that matter, because I
20 know this is really exciting -- but I have a new
21 amortization schedule for the bank based upon a draw
22 schedule the next three months. And that's where I get the
23 \$450,000 from. That includes principal and interest.

24 So if anybody wants to copy of that, I can pass it
25 down. Would you?

1 **MR. BARNES:** Would you?

2 **MR. KOOIKER:** Let me see if I can find it here.

3 **MS. BADER IGLIMA:** Do you have multiple copies?

4 **MR. KOOIKER:** I didn't know people were going to
5 be that interested. I just have one for Commissioner
6 Barnes.

7 **MR. BARNES:** Anybody else want one?

8 **MR. KOOIKER:** So Columbia Drive, our \$2.4 million
9 --

10 **MR. BARNES:** Didn't I see this last July?

11 **MR. KOOIKER:** It would have been different,
12 though, in July. Yeah.

13 **MR. BARNES:** Okay.

14 **MR. KOOIKER:** So because I -- I didn't know we
15 were going to sell South Ridge. I didn't know we were going
16 to sell, you know, the raceway. So I have the cash flowing
17 in the best I can, without taking unnecessary money from the
18 bank. As much as I like bankers, I don't like to pay them,
19 if I can.

20 Columbia Drive, we're at \$2.4 million budget line
21 item. We spent about \$2 million. So we've fully paid Ben.
22 So the tasting room is fully paid for. So there's a surplus
23 there, but there are things we have pending that are going
24 to come out of that. For example, I grouped together the
25 tasting rooms and the \$150,000 for the Duffy's Pond project.

1 So the \$150,000 is in the \$2.4 million, just to simplify
2 things. So that will have to come out of the \$400,000.

3 And then, also, too, I know Larry and Amber were
4 working on -- they ordered a bathroom for down there, a
5 public bathroom. I know we've ordered that. We haven't
6 paid for it. You know, it will still come out of there. And
7 then I know Amber has a couple of other -- signage. So I
8 think -- shade structure. Yeah. I mean, there's a list of
9 smaller type things that need to come out of that \$400,000.
10 So I wouldn't expect that we'd have a major surplus there.
11 If it is, it's going to be very minor.

12 And then the last one is Columbia Park Trail
13 improvements. And this just happened last Commission
14 meeting -- or two Commission meetings ago where the Port
15 agreed to allocate money in our capital budget from RCCF. So
16 you know, in lieu of RCCF, we put it in our budget. So I
17 put that number here. That's it for the capital budget.

18 The RCCF Fund. This one is not easy. There's a
19 lot of moving parts to the RCCF Fund. There's many factors.
20 As you can see, our balance at the end of November -- and
21 that's not a typo -- November was about \$2.2 million. That's
22 what we accrued, and then they reimbursed us \$497,000.
23 You've got to remember, that's only the Port's portion. So
24 they actually reimbursed us more than that, because our
25 Columbia Drive utility project was City money, half -- 550

\$550,000

\$550,000

1 to the City, 550 to the Port as well. So that doesn't
2 include the City's money. This is just our balance. And --
3 Go ahead.

4 **MR. BARNES:** I'm sorry. Then the sale of the old
5 Tri-City raceway property would mean that we have or were
6 scheduled to receive some of West Richland's RCCF funds.
7 That would be handled the same way?

8 **MR. KOOIKER:** That further complicates things,
9 yes. And you know, that's -- yeah. And I don't know how we
10 go about doing that. I know their balance right now is
11 about \$725,000 of what they haven't used, West Richland's
12 fund. When we access that, how we access that, you know,
13 needs to be up for discussion. I mean, that's part of the
14 RCCF plan that Tim and I have been talking about we need it
15 implement.

16 The other thing is we have half a million dollars
17 in there, as in with the City of Kennewick for the Willows
18 project. So we need to figure out what we're going to do
19 with that. So that's kind of encumbered on that \$1.7
20 million.

21 The other interesting dynamic is -- and nobody
22 thought about this, including myself, at the very beginning,
23 when RCCF was first started and everybody was saying
24 disbursement agreements, the way it's written is it caps
25 everybody at 550. And then Tim negotiated that the City

\$550,000

1 pays us 3 percent for administration of the project, which
2 is great. But you know, nobody, including the County and
3 the City, thought about, well, it caps at 550, so once they
4 paid us 550 of the City's money, they capped to me at 497.
5 That's \$53,000 that, you know, basically stayed in our fund,
6 stayed in our RCCF fund. So the State owed the Port 53
7 grand, but it's now sitting there at the County because I
8 can't request reimbursement for that because it's not
9 matching money. It's just our money.

10 So there's many, many things to consider with this
11 RCCF fund. And then also, I think one thing that we didn't
12 -- I mean, the sunset was 2023, but I know they had talked
13 about 2023 is when the revenue stops, but how many years do
14 you have to spend the money. These are all things that
15 should be part of that analysis. So that's something that
16 Tim will be working on, and I'll be part of that.

17 So the air policy fund, that is one the Commission
18 passed about three years ago. And I just kind of felt like
19 this was kind of something that was in the cloud that nobody
20 really knew what that number was, so I wanted to memorialize
21 what we had in this fund. You've got to remember, the Port
22 only has one technical fund. We don't have separate bank
23 accounts anymore. So for me, like the opportunity to fund
24 the art policy fund, you know, I keep track of that via
25 spreadsheets. So I wanted to memorialize that in the

1 presentation. That's what I think -- unless somebody else
2 corrects me -- is in our art fund or our future art project.
3 And this is how I came up with that.

4 So since we passed that resolution, I went through
5 every land sale of the Port -- every piece of land the Port
6 sold. And the only one where we technically collected, it
7 was from the City of West Richland. And I think the way the
8 policy is written is at the discretion of the Port
9 Commission, because this can be a negotiable item between
10 the buyer and the seller. So that's the only one that, to
11 my knowledge, would apply.

12 This is the opportunity fund. As you notice, this
13 is exactly the same as it was back in July. The Commission
14 hasn't utilized this fund any more than they had approved
15 prior to that. Parametrix, we contracted with them for
16 traffic calming on Columbia Drive.

17 Larry, do you want to give them a quick update in
18 this, where we're at?

19 I asked Larry to --

20 **MR. PETERSON:** The traffic calming project
21 reviewed the 397 intersection with Columbia Drive, possible
22 improvements to the side streets off of Columbia Drive.
23 Bruno Street has been drawn up and submitted to the City of
24 Kennewick and is awaiting the review on the traffic
25 engineer's desk for the last two or three months. That

1 project hasn't had any expenses accrued to it -- there, I
2 used one of the fancy words -- hasn't had any expenses
3 accrued to it in the last three months. It is waiting for
4 City of Kennewick traffic engineer review.

5 **MR. BARNES:** Thanks.

6 **MR. KOOIKER:** Thank you, Larry. So I'll just move
7 on here.

8 So this line, I kind of thought maybe just put a
9 couple of interesting items -- well, interesting to me --
10 that the Commission maybe doesn't realize or hasn't heard of
11 this. But investment interest, we received investment
12 interest on a monthly basis from the County. We are in the
13 County's investment pool. And the idea behind that -- and
14 luckily, I was -- before the Port, I was with the County
15 when we developed the investment pool. So I kind of have
16 knowledge of that. The idea is that when we pool money
17 together from multiple districts, you get better investments
18 with a higher rate of return, therefore giving the smaller
19 districts more return in terms of dollar amounts.

20 The yield on this was 2.06 percent, as of January.
21 And I'm thankful that we did this, because I was looking
22 today. The Washington State investment pool is at 1.67
23 percent. So we're actually receiving more interest than we
24 would be otherwise. And I have talked to many other finance
25 managers for the Ports in the State. We all work together.

1 And this one, you know, is debatable, because I have thought
2 about being our own bank, where basically the Port can -- I
3 can go out and get our own banking services, but the kicker
4 is we have to invest our own money. And so I probably need
5 to hire somebody to manage our investments and, you know,
6 have somebody on a full-time platform for that.

7 The advantages, I can directly have a bank, and I
8 can probably get better services from a bank if I contract
9 directly with, say, Key Bank or whatever. I can get more
10 services at the front counter for -- like, accepting credit
11 cards would be easier. The problem now is that we bank with
12 the County, and they bank with Key Bank. So there's three -
13 - so I guess I've analyzed this in full, and I'm really
14 about to the point where I want to tackle being my own
15 investment manager or being the bank. And I've heard mixed
16 reviews to the Ports. Some think it's great, and some don't
17 want to deal with it.

18 There's a lot of risk, too. You know, if you
19 manage your own investments, you have to find a custodian
20 that you trust, you know, as a safekeeping fund for the
21 money. There's just a lot more risk to the Port. So right
22 now, our investments are yielding higher than the State pool
23 in the County investment pool, which I think has been good
24 for us.

25 The second one I also -- leasehold tax. So many

1 of you probably know what this is. But this is something we
2 get from the County every other month. It's kind of weird,
3 because we collect leasehold tax, and we owe property tax,
4 12.84 percent. We send it to the State, and then two months
5 later, they send it back to the County and they
6 distribute it to all the special purpose governments based
7 upon a formula. And as you can imagine, the reason why they
8 do this, it seems kind of convoluted and bureaucratic. But
9 the State keeps most the money before they send it back. So
10 that's really how it works. I just want to point that out.

11 This is something we track that we report monthly,
12 when I'm starting to collect monthly report quarterly to the
13 State. So it's just kind of interesting tax people haven't
14 heard of.

15 **MR. BARNES:** And the leasehold excise tax, as I
16 understand it, that's a tax that the Port receives on all
17 lease payments for from every Port tenant?

18 **MR. KOOIKER:** That's right. Yeah.

19 **MR. BARNES:** Okay.

20 **MR. KOOIKER:** Okay. So I also mentioned -- or I
21 also want to bring up property taxes. So I mean, our actual
22 levy is off a little bit from our budget amount, but it's
23 not material. The reason for this is it could be different.
24 Actually, it is different now, since January has already
25 happened. But what happens is they have adjustments to the

1 tax rolls. You know, seniors apply for exemptions that go
2 back three years, or if a mobile home gets destroyed or
3 whatever -- a current use, that's when a farmer has been
4 paying the full tax rate, and somebody tells them that, hey,
5 you can get a reduced tax rate, and the County can go back
6 three years and refund them. So that adjusts our levy.

7 Every single month, we go through a process. We
8 get reports from the County, and we have to adjust our
9 ledger to be -- you know, based upon their adjustments. They
10 also have what's called an administrative refund levy, which
11 is levied. The intention is, is that if there's a large
12 refund, it would be paid out of this fund, because they
13 don't want to hurt the special purpose by reducing their
14 taxes on a one-time basis by a huge amount.

15 At the bottom there, you can see this chart, which
16 I couldn't figure this out, so Tana did it for me -- thanks,
17 Tana.

18 **MS. BADER IGLIMA:** Mm-hmm.

19 **MR. KOOIKER:** The 49 percent of the bond, that's
20 Kennewick, so people in the City of Kennewick. That's where
21 we get the bulk of our tax revenue from, almost half of it.
22 The 22 percent is Richland, and the 9 percent is West
23 Richland, and the 20 percent is Benton County. And then
24 Benton City is under 1 percent of the Port's tax revenue.
25 And this is based upon the '17 levy, just so you know. The

1 County does not update this every year. I've requested it
2 for '19, but I haven't received it yet.

3 Okay. So we're basically at the end. At this
4 point, I think I was going to ask the Commission, was this
5 helpful, guidance from the board. I think before I do that,
6 I might just -- I put together what could potentially be
7 like a quarterly budget update, a more frequent budget
8 update, but not as much detail. This is something that I've
9 gone through, and I think I could manage this and have --
10 manage it so it wouldn't take as much time. I mean, I could
11 present this on a quarterly basis without too much increased
12 staff time.

13 Tim and I have been talking a lot about this, so
14 I've prepared something. So this is what it could
15 potentially look like, just like before and all those times.
16 I'll give you this profit and loss statement every quarter,
17 plus the capital budget, and then just give you short
18 operating, non-operating, and capital. And I thought that's
19 something that, at a higher level, could be useful for the
20 board, you know.

21 So I guess now we'll go back and ask the
22 Commission if they have any questions or -- you know, I
23 guess for me, I just want some guidance of, is this
24 acceptable? Or where should we be going, or some direction
25 from the board would be helpful.

1 **MR. BARNES:** Well, if I may begin, I think this is
2 excellent. I mean, the amount of information here is
3 tremendous. It will give me something to look at. You
4 know, I kind of went through -- I like what you just -- I
5 didn't understand, in the packet, what was in -- I didn't
6 completely understand right away, and now it's pretty clear,
7 what you're suggesting as a more frequent update is
8 significantly paired down. That matches exactly what some
9 of my thoughts and comments that I had while you were making
10 this presentation.

11 I mean, I don't know that you need to be out
12 looking at what housing prices are doing or whether or not
13 the yield curve is inverted or, you know, that kind of
14 stuff. I'm more interested in the paired-down information
15 that you're proposing where it's just, here's the operating
16 budget, the non-operating, the capital funds, and here it
17 is. If we could get that on a more periodic basis, or a
18 more frequent basis, I'd be really happy.

19 It's clear to me that the finances of the Port of
20 Kennewick are in superb hands, just under excellent guidance
21 and stewardship. I'm just looking for a little more
22 frequent information so I have that, you know, that warm,
23 fuzzy feeling a little more frequently than every seven
24 months or every six months. That's all I'm saying.

25 I think this is excellent.

1 **MR. NOVAKOVICH:** Nick, I think you've done an
2 excellent job. I have a question, though. What's our
3 current levy rate?

4 **MR. KOOIKER:** Actually, because of '20, it's 28
5 cents per thousand. **MR. NOVAKOVICH:** 28?

6 **MR. KOOIKER:** 28 cents.

7 **MR. NOVAKOVICH:** And that's dropped how much in
8 the last 10 years?

9 **MR. KOOIKER:** You know, off the top of my head, I
10 can't remember. In the last couple of years, it's 33 cents.
11 I want to say it was at 39 cents, maybe.

12 **MR. NOVAKOVICH:** That's what I thought. Yeah.
13 Because I remember -- and then I'm looking at -- this is
14 just remarkable, what we've done. Because I'm looking at
15 the total assets here on your financial highlights sheet of
16 62 and a half million. I'm remembering assets, when I came
17 on this Commission, was only about \$18 million. So you've
18 done a remarkable job for the tax payers.

19 I do have a question, though. I know Commissioner
20 Barnes wants this information, but I don't know that the
21 Commission as a whole has ever had a vote or anything on
22 having you do this. So I don't know if preparing it for one
23 Commissioner is a smart move? I'm just questioning, because
24 I don't ever remember voting on having to do this forever.

25 The other thing is if this is done, and you do

1 present it and the Commission, you know, votes to have you
2 do this -- which I think would be appropriate, to give you
3 direction -- I think, then, at that case, that there's no
4 reason that a single commissioner needs to go to you and
5 talk about to get information other than what's given in
6 this meeting, so that one Commissioner doesn't have
7 information the other two don't have. These are just
8 questions I have.

9 **MR. BARNES:** Commissioner Moak?

10 **MR. MOAK:** Yes. I think this kind of information
11 is very helpful, like, annually. I mean, some of these --
12 like, the unemployment rate or variety of things, I think,
13 you know, traditionally, I think these are things that are
14 important to know, as they affect our Port. And so I think,
15 you know, even though sometimes, my eyes glaze over because
16 I don't understand the difference between cash accounting
17 and accrual accounting, and all these various things, like
18 some do. I do think it's important that we see some of
19 these annually.

20 When you get into the quarterly report, you know -
21 - and certainly, I don't require photographs. You know,
22 that isn't important to me. I mean, I guess I -- you know,
23 the page that's identified as financial highlights -- it's
24 not numbered -- is the one that I like. To me, that gives
25 me a better idea. And whether they're in writing or, you

1 know, in some of your slides -- you do have them in writing
2 -- you know, some of the notes that reflects, you know, what
3 is happening in some of these various accounts or whatever,
4 or, you know, if something says we're way under, well, we're
5 going to expend that in the next year, or we expect to stay
6 under, you know. And certainly, we do spike the capital
7 projects. But I mean, it sounds like, from what you're
8 recommending, that on a quarterly basis, that we're going to
9 see two or three or four slides. Is that correct?

10 **MR. KOOIKER:** That's correct. This is what I'd
11 recommend.

12 **MR. MOAK:** I mean, so that was a good one, and the
13 one that we had that said Financial Highlights. But -- and
14 so, you know, I think a reduced one quarterly I don't think
15 is out of range. I think knowing, you know -- and I think a
16 lot of it, to me, that was most helpful was your discussion
17 about what these numbers meant, not what the -- the numbers
18 are numbers. And as you have talked about in your financial
19 presentation, a lot of it aren't the real numbers, because
20 all the bills haven't come in, this or that or that and
21 whatever. So I mean, it gives us an idea. And I think your
22 comments related to what those really mean, what's in there,
23 has been more helpful to me than seeing any of the slides.

24 So that's my comments.

25 **MR. BARNES:** Again, getting back to Commissioner

1 Novakovich's comment about, you know, whether or not the
2 Commission has decided if this needs to be quarterly or
3 biannually or whatever, I would just like to point or call
4 the attention to our own rules of policy and procedure, and
5 the section of our rules and policy and procedure that have
6 to do with agenda planning, which says that, "Items may be
7 placed on either the business agenda or consent agenda. Any
8 title may be placed on the preliminary Commission meeting
9 agenda by any Commissioner or by the executive director."

10 And then we could get into, well, if an item is
11 requested that a Commissioner place this on the agenda, then
12 we could, I guess, get to the point of the meeting where
13 we're at approval of agenda, and that, by two-thirds voting,
14 could be removed from the agenda. But I don't know that we
15 need to go in circles like that.

16 I really think it would be important -- it's
17 important to me to have more frequent budget updates, more
18 frequent than every six months or seven months. I would
19 like to go to with once every two months, and have that
20 update be comprised of the financial highlight page that
21 Commissioner Moak mentioned, and then the capital projects
22 page, and then keep it fairly short like that. And then if
23 you have any comments or anything to add, anything to flag,
24 anything to -- you know, that might merit special attention
25 or special discussion, then there's an opportunity to

1 discuss that every two months.

2 And if it's not -- you know, I don't know how
3 difficult it is to produce this financial highlight page and
4 the capital projects page, but I would like to see that
5 every two months, if that would be, you know, not the full
6 blown thing where we're talking about everything you've
7 discussed, but just to have an opportunity to go over these
8 things, get it in a printed version, and then flag anything
9 or highlight anything that comes up in a two-month period
10 that would be worth Commission consideration or discussion.

11 **MR. KOOIKER:** Yeah, I mean, I guess that's a
12 policy decision by the board. You know, I think what I
13 don't want to do is underestimate -- I mean, I do have these
14 numbers at my fingertips, but putting them in a format where
15 you've got 20 people in the room and they become public
16 record, I go through every number four or five times. I
17 have Tana review the PowerPoint. Sometimes she uses
18 Rochelle, you know, as a subcontractor. I think there is a
19 cost to the Port. And if that's okay, then I think the
20 Commission just needs to know that. But you know, making
21 something ready for public consumption is different than me
22 sitting with Amber and going through our stuff. I'm just
23 saying, there is a major difference.

24 The last couple of weeks, this is what I've been
25 doing, is this. So I just think, you -- do I have this

1 report all the time? Yes. But before I come to a
2 Commission meeting, I will go through and make sure that
3 there's no formula missing or whatever. I just want to
4 bring that up, because --

5 **MR. BARNES:** Well, I think you've made that very
6 clear, that these are accrual or -- I think the term you
7 used was modified accrual?

8 **MR. KOOIKER:** That's right.

9 **MR. BARNES:** Modified accrued basis. And it says
10 right on the report, "Unaudited and In Draft Form." You
11 know, I really like this information. I'd just like --
12 every six months, to me, was not frequent enough. I think I
13 made that very clear. And I'd really appreciate having an
14 opportunity to see this something like every two months.

15 Tim, please?

16 **MR. ARNTZEN:** Yeah. I have spent quite a bit of
17 time talking with Nick. One of the things that we wanted to
18 propose -- and it was included in the memo that I typed up -
19 - was to go quarterly. So if you ask me, can we do it every
20 two months, how much additional work that will be, I'd have
21 to say I need to sit back down with Nick, because our
22 proposal was to give this information to you quarterly. That
23 was something that we thought we could arrive at without
24 pulling Nick off of too many other projects. Because there's
25 some big projects that he's on, and my concern is that if we

1 go to something more than quarterly, there is a finite
2 amount of time. And you know, come to you, when I talk
3 about the Vista Field team, we're probably going to have to
4 do some additional work in the finance department. I may
5 need some additional help there any way.

6 So my point is right now, Nick and I have agreed
7 that, yeah, we think that should the Commission ask for it
8 quarterly, that we could do that without really pulling him
9 off of too many other projects. I just don't know, at this
10 moment, if I can answer on the floor, what having him do
11 them every two months would do. So I would just point that
12 out.

Clerk's Note: Mr. Moak

13 ~~MR. BARNES:~~ And I would be satisfied with
14 quarterly. I mean, I think you offered quarterly. We
15 haven't had a chance to see, well, what is a quarterly
16 report going to be and what information is going to be
17 there. And I'd like to see it for a year, to see a
18 quarterly report. Then we can determine whether that's
19 sufficient. I think we should accept that and move an.

20 **MR. NOVAKOVICH:** I would agree with Commissioner
21 Moak on that one. The other question I have -- and Nick,
22 you pointed it out and you explained it here -- a lot of
23 these numbers, I'm just afraid, because it happens quite a
24 bit and we're seeing it quite a bit in the news and
25 everywhere else, that you turn these numbers out to the

1 public and they can take things out of context and
2 misrepresent them, if they don't understand the background,
3 they don't understand that some income isn't in here, or
4 some expenses aren't in here. It could create a mess in the
5 public.

6 I think I would agree with Commissioner Moak, is
7 quarterly -- maybe try quarterly. Personally, I don't think
8 that's even needed, if we go with quarterly. But somehow it
9 has to be extremely simple, that the public can understand
10 it. And you understand it, and you explain it to us. But
11 if they just pick up a piece of paper, or pick it up online
12 or get it in the newspaper and look at some numbers, we
13 could be answering a lot of questions forever, which is
14 going to take up more time.

15 I think something the Commission needs to realize
16 is we have limited resources of finance and staff, and how
17 do you want to apply those? Do you want to apply them to
18 Vista Field, or do you want to apply them to answering
19 questions from the public about financial figures. Do you
20 want to apply them to preparing financial reports that we
21 got along fine with without having them, except semi-
22 annually?

23 I think that's a real question that needs to be
24 answered. What's the highest and best use of the resources
25 we have.

1 **MR. MOAK:** I should hope more people would be
2 asking about Vista Field and Clover Island, or any of these
3 projects. I think they're signature projects, and I think
4 that I would hope that people would be asking.

5 **MR. NOVAKOVICH:** Well, I agree with that, the
6 projects. I'm worried about answering the numbers on the
7 financial reports.

8 **MR. MOAK:** Well, I haven't heard people asking
9 questions about the financial report. People want to see
10 Vista Field happen. I don't think they're looking at --

11 **MR. BARNES:** From my point of view, I mean, there
12 is a price of transparency. I mean, one of the things
13 that's most important to me at the Port of Kennewick is that
14 we be transparent. I mean, we let the public know what
15 we're doing. And this -- I mean, the risk of having people
16 misinterpret or not fully understand some numbers that are
17 labeled, Draft, Unaudited, I would accept that. That's part
18 of being transparent. That's part of providing information
19 on the public on the expenditure of tax payer funds on big
20 projects that are for our community.

21 So I will accept -- I will agree with the
22 quarterly report. Let's go from there. I'm thankful that
23 we're getting a more frequent report. Every six months, in
24 my view, was not enough. And again, I really appreciate the
25 time and effort that you put into this. I hope you didn't

1 take this as a personal -- you know, personal assault or
2 affront or anything. It's not that at all. I really enjoy
3 and appreciate having this information. It's reassuring to
4 see these numbers, to see where we are relative to our
5 budget.

6 You know, if you look, we're just past 50 percent
7 of the way through this 2019, 2020 capital projects number,
8 and the remaining balance there is a huge number. There's
9 no total on that, but -- so we're in great shape. I mean,
10 we're doing these big projects, but we're not on the edge of
11 the cliff on the edge of disaster. I mean, and that's
12 another message that the public, I think, would enjoy
13 seeing.

14 **MR. ARNTZEN:** Commissioner Barnes, thank you. I
15 am optimistic that we can get to a point where we have the
16 Commissioners happy with the amount of information we
17 provide. I liked the walk-through today. And I know this
18 was the six-month one. Your quarterlies will be a little
19 bit less. But I was just watching -- it's really funny when
20 you hear terms of cash, and then you hear accrual, modified
21 accrual, I appreciate the questions we got from the
22 Commission. The thing I like is all three Commissioners got
23 to hear the questions and hear the answers.

24 My staff got a really great walk-through as well,
25 and hopefully, the public had a chance to see this. So I'm

1 a huge fan of whatever Nick produces. I'd really like it to
2 see the light of day, because it is interesting. We just
3 need to figure out how much of it. And I like the fact that
4 all three Commissioners get it, because then as the manager,
5 I know when we conclude this meeting, if we have four or
6 five questions still out there, that we will go get answers
7 and bring back next meeting. Or you know, I really like the
8 fact that all three Commissioners get to be a part of the
9 process. So you know, once the gavel taps at the end of the
10 meeting, we know that we've provided the information.

11 So for me, this was a very helpful process. I
12 think we'll just continue to fine-tune it. And should we
13 get through it and say, hey, you know, there's a consensus
14 from the Commission that we want a little bit more
15 information, we can go in that direction. But let's try
16 quarterly. I appreciate the flexibility. We'll see how it
17 works. I'd like to get feedback from the Commission.

18 By I was kind of watching the process and thinking
19 that, in my opinion, this was working smoothly. So thank
20 you.

21 **MR. BARNES:** Thank you, Tim and Nick. Thank you
22 very much. Excellent. I mean, I'm just -- top rate. I
23 appreciate it. And I appreciate the comments of fellow
24 commissioners. I mean -- it does represent a little bit of
25 a change. You know, not to belabor this any further, but

1 you know, Tim, you've made a couple remarks, you've been
2 here 17 years and you've seen a lot of things at the Port of
3 Kennewick. Well, if you look at what -- and Commissioner
4 Novakovich just pointed out, what were the assets? What was
5 the balance of the assets 10 or 15 years ago? Substantially
6 less than what it is now. What were the projects going on
7 10 or 15 years ago? Substantially fewer, substantially
8 smaller than what we have going on now.

9 The Port of Kennewick has changed. We're
10 evolving. So thank you for this.

11 **MR. KOOIKER:** Well, and I appreciate the clear
12 direction from the board. I also say, like, if you look
13 back in history, when I first started working here, I mean,
14 we did do quarterly financial updates. The Commissioners
15 cried, Mercy. They were like, No, no, no, that's too much
16 for me to look at.

17 **MR. BARNES:** So that was Tammy, though. No.

18 **MR. KOOIKER:** Yeah, but what I'm trying to say is
19 we're trying to be dynamic with whatever the Commission
20 needs today. I mean, so I appreciate having direction
21 consistently that we can move forward with.

22 **MR. BARNES:** But thank you. I mean, to me, it's
23 very, very clear the Port of Kennewick has excellent
24 leadership and excellent management in this area. Thank
25 you.

1 Okay. Moving on to the next item on our agenda,
2 we are going to new business. Kennewick Waterfront Master
3 Plan Resolution, 2020-01. Larry?

4 **MR. PETERSON:** Yes, for your consideration today,
5 a general report and two resolutions have been prepared with
6 different scopes of work for a master planning effort
7 conducted by Makers Architecture Urban Design for the Clover
8 Island and Columbia Drive area, or known as the historic
9 Kennewick Waterfront District.

10 Our 2019, 2020 work plan identified \$175,000 for
11 master planning along the historic Kennewick Waterfront
12 District. Staff started discussions with Makers
13 architecture, the firm that had completed the 2005 Clover
14 Island Master Plan about updating that master plan and
15 talking about scope of a project and budget.

16 When we talked about the outreach that the Port of
17 Kennewick would like to see in this process and the need to
18 discuss issues such as parking, design, and other use
19 considerations, \$175,000 didn't go far enough to also
20 include many of the properties along the Columbia Drive
21 corridor. So there would either need to be a reduction in
22 the public outreach portion of the process or finding some
23 additional dollars.

24 Knowing the transparency that the Port of
25 Kennewick likes to maintain in the engagement with the

1 citizens, we asked Makers to provide an alternative scope
2 that would allow a two-day public -- open public charrette,
3 which is identified in the scope, and also include
4 considerations for the Kennewick Waterfront areas, the
5 Columbia Drive Willows, the Columbia Gardens, the Cable
6 Greens, and even the Washington Street corridor.

7 So there are two separate resolutions, one
8 focusing just on Clover Island for a cost of \$174,971.
9 There's a second resolution of \$248,000, which would be all
10 of the work on Clover Island plus the work on the near shore
11 area of the Columbia Drive Cable Greens, Columbia Gardens
12 and incorporation of the Washington Street corridor concept
13 the City of Kennewick is putting forward.

14 The mechanics would be, if you would -- there's an
15 option to choose one or two of the resolutions identified as
16 Clover Island or Historic Kennewick Waterfront. The firm
17 Makers served the Port well in the creation of the Master
18 Plan. And I look back on the implementation. The Port
19 undertook implementation of that Master Plan and of the
20 upland projects. 12 out of the 15 upland projects have been
21 completed to date. We had marching orders included in the
22 Master Plan, a very useful implementation schedule. Both
23 had time and approximate dollar amounts.

24 And then the in-water projects, nine of the 11 in-
25 water projects have been completed. So it was time to ask

1 the next question -- or the question of what's next on
2 Clover Island. And also, we heard from the Commission about
3 how to tie in the efforts that have occurred over the last
4 decade on the Columbia Drive corridor, from the pattern
5 language, from some of the design work that Arculus did, the
6 concepts that they created in 2011, some of the work that
7 Gary Black did with Integrated Structures Incorporated on
8 the visioning for the Columbia Gardens, and also to
9 incorporate in Columbia Basin College Culinary Institute,
10 initially located in the Willows, and now looking to have
11 migrated to the Cable Green site.

12 A lot of concepts have been developed for the
13 Columbia Gardens, but nothing cohesively pulled together. So
14 when working with Makers, we asked that that scope include
15 pulling together all of the previous activities, also
16 pulling in the traffic calming that was mentioned earlier,
17 and the connection to Downtown Kennewick through the City of
18 Kennewick's Washington Street corridor design concepts.

19 Almost done. I'd just let you know, this does
20 differ from Vista Field where we had a blank slate. Much of
21 -- we're approaching this, and the scope is written, the
22 concepts of Clover Island being the communities, waterfront,
23 recreation, hospitality. That is a concept that -- we
24 didn't treat this as having a blank slate, nor a blank slate
25 when it comes to Columbia Gardens or the Willows site. There

1 have been some planning and concepts, much background
2 information. So rather than starting from scratch, which
3 includes a significantly broader scope of review, we asked
4 Makers to put together an effort that would consolidate the
5 planning activities over the last decade, rather than
6 starting from scratch.

7 So in front of you are two different resolutions,
8 the mechanics would be involved -- if you elect to go
9 forward, to select one or the other resolutions. And I will
10 note, the budget identified \$175,000 for this effort. Since
11 we had a budget update today, I asked Nick if the Commission
12 wished to select the larger project or the larger scope of
13 \$248,000, where might those funds come from. He provided a
14 memo with some suggestions. That's not the only option, but
15 wanted to let the Commission know, there is some -- there
16 are some different columns from which those dollars could
17 come from. So that's been included. So there are two
18 resolutions, a scope of work attached for your
19 consideration.

20 **MR. BARNES:** Commission, comments or questions?
21 Commissioner Novakovich.

22 **MR. NOVAKOVICH:** With the additional \$75,000,
23 would that impede any other projects that we have
24 negatively?

25 **MR. KOOIKER:** As far as the budget goes, or as far

1 as time goes?

2 **MR. NOVAKOVICH:** Time implementation of the
3 project.

4 **MR. KOOIKER:** That's probably a more Larry
5 question, then.

6 **MR. PETERSON:** One thing I did want to point out,
7 I had a comparison and the contrast. The additional scope
8 of work would add four months to the overall project. So if
9 it was a Clover Island only based activity, it's an eight-
10 month master plan, as proposed by Markers Architecture and
11 Urban Design. If the additional near shore waterfront was
12 added, that would add four months to the project.

13 The dollars, again, one option for the funds Nick
14 identified was simply reallocating \$50,000 from the Vista
15 Field loan repayments, as we haven't even initiated the loan
16 yet. That doesn't defund a project. So it doesn't pull --
17 the additional dollars aren't being pulled from another
18 priority project you identified. If you were to select the
19 larger scope, that would add four months to the master plan
20 process, making it a year-long effort.

21 **MR. BARNES:** Commissioner Moak?

22 **MR. MOAK:** If we do select the larger project, are
23 we making that decision to take the money that you have
24 identified? Or is that a subsequent decision, either by
25 destination or by staff, where that comes from?

1 **MR. PETERSON:** I'm going to defer to either Tim or
2 Nick on that. I just want to let you know that there were
3 options for those dollars.

4 **MR. ARNTZEN:** Sure. Commissioner Moak, if I could
5 jump in. That is the source of funding that I would
6 recommend. I've talked with Nick about that. And with all
7 the moving pieces of the budget, we think that that is a
8 fairly safe source for this funding. So, you know, I
9 suppose the Commission could come in and say, well, we want
10 to pull some from here and here and here, but typically, I
11 view the Commission as flying at \$30,000 at the policy
12 legal. Typically, I think you say, we'd like A or B. And
13 then if it's B, I think you would rest assured the staff can
14 find \$75,000. I don't want to use the term "budget." To
15 us, it's real money. But that would be our proposal where
16 it would come from.

17 **MR. MOAK:** I mean -- well, it's couched as, well,
18 this is one idea. This is really the idea that you really
19 want, because it really doesn't take the money from other
20 projects that we're --

21 **MR. ARNTZEN:** Yeah, I think -- put it this way. We
22 didn't do an in-depth analysis of every place it could come
23 from. I think Nick spent some time with it in that he said,
24 Here's where I recommend it coming from. I walked through -
25 - I got a review of the budget prior to you getting it here

1 today, and I concluded, along with Nick, thta I think we're
2 safe taking from the two sources. But again, I mean, if the
3 Commission said, for one reason or another, we don't like it
4 coming from there, we could come back with maybe a couple of
5 other sources.

6 **MR. MOAK:** But you're not looking yourself to go
7 look for other sources. You feel this, right now, is the
8 best --

9 **MR. ARNTZEN:** That is correct. Yes.

10 **MR. MOAK:** Okay. Thank you.

11 **MR. BARNES:** So in other words, if Nick gives the
12 recommendation that he sees these two sources as the best,
13 then, I mean, I'm going to rely on what he says, after what
14 I've seen today.

15 **MR. ARNTZEN:** Sure. Thank you. And that's kind
16 of where we're at. I mean, I really don't know -- I guess
17 my thought would be that the Commissioner might say to me,
18 Mr. Manager, that's what we hired you for. I don't want to
19 spend my Saturday morning over, you know, the cup of coffee
20 trying to find \$10,000 here or \$10,000 there. I suppose the
21 Commission could do that if you wanted to. That's probably
22 not the realm that the Commission likes to deal with. I
23 think you're, like I say, 30,000 feet. You make the larger
24 decisions of do we want to spend the extra \$75,000 for that.

25 So that's how I would answer your question;

1 Commissioner Moak.

2 **MR. MOAK:** Thank you.

3 **MR. BARNES:** Do you have something else,
4 Commissioner Novakovich?

5 **MR. NOVAKOVICH:** That takes care of the finance
6 part of it. What about staff resources? Is that going to
7 impede our projects we have --

8 **MR. ARNTZEN:** Well, I appreciate that. And as
9 much as Larry wants to dive into this project and own it --
10 and I appreciate that. We've got a planner that really --
11 he spends a lot of time thinking of making sure that every
12 project we do is the best -- I'm going to be relying on
13 Makers to do the heavy lifting on this. And it's not that
14 they're an unknown commodity. They've been here before.
15 They know the neighborhood. Larry and I had a two and a
16 half hour conference call with Julie last Friday. And they
17 are very, very capable.

18 So I will tell you, as manager, I need Larry over
19 at Vista Field. I want to see dust on his shoes when he
20 comes in every morning, meaning he's been walking Vista
21 Field. So we will rely on Makers to do the left heavy
22 lifting. But as usual, I will promise you that every staff
23 member here will keep a second set of eyes on it. But I
24 don't envision this taking us from our objective of getting
25 Vista Field going.

1 **MR. NOVAKOVICH:** Okay. And then Tana's comments,
2 either last meeting or the meeting before, about the 1135
3 project, does Julie understand that that's ongoing and that
4 what she does may have some lasting effects on that project,
5 or that project may have some effects on what she proposes?

6 **MR. PETERSON:** Julie Bassick from Makers is aware
7 of the focus and the scope identified. This is a master
8 planning effort looking at upland activities, not looking at
9 the near shore or in-water activities. Because of the
10 concern about confusion or doubling efforts, replanning for
11 an area already being designed by the Corps of Engineers.

12 **MR. NOVAKOVICH:** Good. Thank you.

13 **MR. BARNES:** I have a question. In your
14 presentation, Larry, you know, you went over the scope of
15 work -- the two different scopes of work. One scenario
16 would require a budget modification. But then in your memo,
17 you also addressed the issue of the CEO's annual goals
18 related to this activity. Would you care to comment further
19 on that?

20 **MR. PETERSON:** Yes. I believe the identified goal
21 was completion of the Master Plan in 2020. And if the
22 Commission was to select the larger scope that runs into
23 2021, the resolution, as it's written, changes the
24 definition of success from completing the Master Plan to
25 completing the public outreach portion of the Master Plan.

1 That way, there's both an exception for the Commission on a
2 management method, but you're changing what you manage, as
3 opposed to completed the document to completing of the
4 public outreach process.

5 **MR. BARNES:** Okay. Well, I would note, you know,
6 my preference would be, if we're going to talk about CEO
7 goals and objectives -- which is the next item on our agenda
8 -- my preference would be that we address it under that
9 topic, as opposed to having it tag along here on this
10 resolution. Just a preference.

11 Any further Commission comments or questions?

12 Okay. Because it's anticipated that the Port of
13 Kennewick may take action on this resolution, it creates an
14 opportunity for public comment. If anyone would like to
15 make a public comment regarding this item, we'd ask that you
16 please move to the podium, please state your name and
17 address for the record, and please limit your comments to
18 three minutes. Would anyone care to make a public comment?

19 Okay. No public comment. Commission discussion?
20 Any further Commission discussion?

21 The Chair will entertain a motion.

22 **MR. MOAK:** Mr. Chair, I move approval of
23 Resolution 2020-01, authorizing the Port's Chief Executive
24 Officer to execute the contract with Makers Architecture and
25 Urban Design LLP for master planning consulting services

1 regarding the development for the Kennewick waterfront for
2 the sum not to exceed \$248,288. Further, all action by Port
3 officers and employees in furtherance is ratified and
4 approved, and the Chief Executive Officer is authorized to
5 amend the 2019, 2020 capital budget to reflect the \$75,000
6 project allocation, the Chief Executive Officer's annual
7 goals are amended to identify completion of the public
8 outreach process as a threshold for payment, and the Port
9 Chief Executive Officer is authorized to take all action
10 necessary in furtherance hereof.

11 **MR. NOVAKOVICH:** I second that motion.

12 **MR. BARNES:** Okay. It's been moved and seconded.
13 I won't repeat the entire motion. Commission discussion?
14 Commissioner Moak?

15 **MR. MOAK:** Yeah. There is one question that I had
16 related within the scope, and it deals with social media. It
17 says, "Per Port policies, no social media will be used for
18 this project." And I guess what is the Port policy that we
19 have against social media? I guess I don't believe I ever
20 remember that the board has taken a position opposing social
21 media. I couldn't find it in our policy manual.

22 **MR. PETERSON:** I will address that, and then I'll
23 pass it onto Tana. The scope does -- and that was one
24 identified, we had a discussion with Julie with Makers,
25 because they had some ideas about how they could use social

1 -- FaceBook and Twitter and all kinds of outreach. And we
2 indicated, because of concerns on record retention,
3 metadata, the Port of Kennewick is not on social media, and
4 if one of our contracted subconsultants was doing that work,
5 would there be a responsibility of retention of those
6 records and metadata.

7 Being cautious when it comes to public record
8 retention and, specifically, metadata, since we don't use
9 Twitter, Instagram, TikTok -- I don't know, I'm not a social
10 media guru -- since we're not using it as a Port, our
11 consultant also identified that they wouldn't be using that
12 because of the concern. The contract with them, is it not a
13 responsibility to produce that record as requested. And I
14 can defer to Tana or others that might want to augment what
15 I'm sharing.

16 **MS. BADER IGLIMA:** Larry covered that. We do not
17 have any social media presence. We have our website. And
18 in the past, when we did outreach with the charrettes for
19 Vista Field, we promoted the charrettes using our partner's
20 social media. But any record retention, record maintenance,
21 we used email to capture that. And those emails went
22 directly to Larry, and he was able to capture all that data
23 so that we would have that as a public record.

24 But yeah, we've been cautioned by our legal that
25 we have not entered into that foray as of yet.

1 **MR. MOAK:** Thank you for that answer, but it
2 doesn't answer my question. It says "per Port policy." Do
3 we have a policy that bans social media? I don't think we
4 do. I think staff has said we don't do it, but I don't know
5 that we have a policy. This says "per Port policy."

6 **MR. ARNTZEN:** Maybe that is an inaccurate
7 description produced by Makers. I think what the point was
8 that we would use our usual and customary practice.

9 **MR. MOAK:** I understand that. And I would accept
10 that. But is that appropriate to substitute that language?

11 **MR. ARNTZEN:** I would think so. Larry, does that
12 work for you?

13 **MR. PETERSON:** No concern with modifying that word
14 and saying "practices," as opposed to "policy."

15 **MR. MOAK:** Okay. Just for the record, I think we
16 should have a social media policy. I mean, a lot of
17 government jurisdictions do have social media policies that
18 have an active social media presence. And I think we should
19 on something like this. But I also realize that isn't
20 something you'd change in a day. I am concerned when it
21 says policy -- policies of this board up here, rather than
22 that board over there. And our practice certainly is not to
23 do social media.

24 Other than that, I think this is a good thing to
25 do. I've been, you know, certainly excited about this for

1 some time. And I think tying in Clover Island with the wine
2 village and all the other projects on Columbia Drive that we
3 have identified there, and the public outreach that's
4 identified with both private sector and public sector, and I
5 think, you know, we've seen the Port award today --
6 apparently the Port, specifically, you know, that talks
7 about importance of the private sector along Columbia Drive
8 and what is happening on Columbia Drive. I really think
9 that putting together this project really helps, hopefully,
10 pull together a lot of folks that are interested in this
11 whole area and have been interested for some time.

12 We're looking at where we're going with this, and
13 it will help cover our development for the next number of
14 years.

15 Mr. Chair, is it appropriate to seek to amend the
16 word "policy" to "procedure" at this time?

17 **MR. BARNES:** I think that would be consistent with
18 the discussion that we've had to this point.

19 **MR. MOAK:** Then I would move to substitute the
20 word "practice" for "policy" in the section dealing with
21 social media in the scope of work.

22 ~~**MR. NOVAKOVICH:**~~ Second.

Clerk's Note: Mr. Barnes

23 **MR. BARNES:** Okay. So we have a proposed
24 amendment on the floor. Let's deal with the proposed
25 amendment. It's been moved by Commissioner Moak and

1 seconded that in the Makers scope of work -- it appears to
2 be on page 3 under section 1B, in the last sentence, the
3 word "policies" will be changed to "practices" so that the
4 last sentence reads, "Per Port practices, no social media
5 will be used for this project."

6 **MR. NOVAKOVICH:** It's also on page 6.

7 **MR. BARNES:** It's also on page 6.

8 **MR. NOVAKOVICH:** Under Assumptions.

9 **MR. BARNES:** Under Assumptions. Same change on
10 page 6 under Assumptions.

11 **MR. BARNES:** Okay. It's in the middle. And that
12 sentence reads, currently -- well, the word "policies" will
13 be changed to "practices." So that sentence, under the
14 bullet point, will read, "Given the Port's practices, no
15 social media will be used related to this project." And if
16 the Commission's missed that in another spot in the scope of
17 work, we'll ask staff to please --

18 **MR. MOAK:** I think that is the only two that I
19 saw.

20 **MR. NOVAKOVICH:** Yeah.

21 **MR. BARNES:** Okay. All right. It's been moved
22 and seconded that the scope of work for the Makers contract
23 change the word "policies" to "practices" with respect to
24 social media references. Any further Commission discussion?

25 Okay. It's been moved and seconded that we change

1 the word "policies" to "practices" with respect to social
2 media references. All in favor of the amendment, please say
3 "Aye".

4 Any opposed? The amendment passes 3, 0.

5 If I may, I voiced earlier, added to this
6 resolution is language amending our CEO's goals and
7 objectives. And I appreciate that. But at the same time,
8 note that the very next item on our agenda is amendment of
9 the 2019, 2020 work plan and CEO's goals and objectives. So
10 my preference would be to address all changes and amendments
11 to the CEO's goals and objectives at the same time, under
12 the next agenda item. So I would move to amend the motion
13 by striking these words, "The Chief Executive Officer's
14 annual goals are amended to identify completion of the
15 public outreach process as the threshold for attainment."

16 Is there a second? Okay. That proposed amendment
17 dies for lack of a second. Any other discussion regarding
18 this item?

19 Okay. It's been moved and seconded that the Port
20 adopt resolution 2020-01 authorizing Port CEO to execute a
21 contract -- or the contract with Makers in the amount of
22 \$248,288, with further provisos that I won't repeat, if
23 that's all right. All in favor, please say "Aye".

24 Any opposed say "Nay".

25 The Ayes have it, 3, nothing. Thank you.

1 All right. Next item on our agenda, continuing
2 under New Business. Amendment of the 2019, 2020 work plan
3 and CEO's -- you know what? How about a recess. Let's
4 recess for five minutes. Let's shoot to reconvene at 3:43.

5 **(Whereupon, a break was taken.)**

6 **MR. BARNES:** The Port of Kennewick Commission,
7 moving to the next item on our agenda, continuing under New
8 Business, we have amendment of the 2019, 2020 work plan and
9 CEO's goals and objectives, proposed resolution 2020-04.
10 Tim?

11 **MR. ARNTZEN:** Thank you. Commission, I'll try to
12 move through this quickly, because I think you've seen the
13 discussion related to the work plan a couple of times
14 already. And I think that we have the work plan and the
15 goals kind of dovetailing. I think the primary document is
16 the work plan, and in my opinion, as long as the work plan
17 and the goals are consistent with, you know, no anomalies, I
18 think we're good.

19 So what I'd like to do is walk through the
20 proposed amendments to the work plan. Again, I think the
21 discussion has been had a couple of times. I'll try to hit
22 the high points. If there's things that I've missed or
23 you'd like more discussion, please stop me as we go. Or at
24 the end, I could certainly discuss things that we've missed.

25 So what I've done is try to boil it down to, it

1 looks like, six items for the proposed amendments to the
2 work plan. I'm working off of the document entitled Exhibit
3 A, which would go to your resolution.

4 General. We've talked about producing an
5 executive summary to the work plan. And I don't think that
6 really requires a lot of discussion. But because we're part
7 way through -- you know, halfway through our '19-'20 work
8 plan, what we might propose is to fancy things up for this
9 next work plan we will be doing for '21-'22. And the
10 interesting point is we're going to start to bring the
11 Commission ideas and some potential budget numbers real
12 soon. So you're going to get a chance to work on your next
13 work plan that might be the fancy version.

14 So I guess I really don't see us making an
15 executive summary for this one that's only going to be for
16 the balance of this year. So that would be, certainly, at
17 the discretion of the Commission.

18 And I'll pause briefly to see if there's any
19 feedback on that.

20 **MR. BARNES:** Commission feedback?

21 **MR. ARNTZEN:** Okay. Thank you. And we did learn
22 from the Commission that there seemed to be interest in the
23 executive summary, but not making a magazine, if you will,
24 of the whole thing. So we have learned that from the
25 Commission. Thank you.

1 Waterfront Master Plan -- and this is one that we
2 just processed. We talked about it in detail. And I think,
3 really, the only thing that we might need to consider is
4 making sure that we have all of our paperwork consistent,
5 where the resolution that was just passed, the amendment to
6 the work plan, and the goal is modified. I think the
7 important thing is to provide the additional 120 days. And.
8 In my opinion, I really think you get a better product.

9 Again, I was privvy to the two and a half hour
10 phone call with Julie, and in my paperwork -- I circled it,
11 I don't want to go back there -- but it was something like
12 an open studio charrette. When she said that on the phone,
13 I asked her to repeat that, because I just got done telling
14 the Commission, hey, we're not going to do a charrette like
15 we did at Vista Field. Well, we're not. But I wanted to
16 her to talk about the open studio charrette, because that's
17 a really interesting concept.

18 So that's really what -- another of the major
19 features you get in the Master Plan. I was excited to hear
20 that, because I know all three Commissioners, and in my
21 opinion, particularly Commissioner Moak, likes that process.
22 And I do, too. So I think we can have some fun with that.
23 But again, I just want us to say, let's get the resolution
24 we just passed, our work plan, and our goals to align. So
25 that would be the main one for the Waterfront Master Plan,

1 in my opinion an acknowledge that we're going to have the
2 extra 120 days. I think it would be well used.

3 So pause briefly.

4 **MR. BARNES:** Commission comment?

5 **MR. ARNTZEN:** Thank you. Duffy's Pond. This is
6 another exciting one for me because Tana and Amber are
7 working with Emily from the City of Kennewick Corps of
8 Engineers. This has kind of had a renewed life, if you
9 will. I remember Commissioner Barnes was the one that was
10 reluctant to take it off of the original work plan and
11 goals. At that point, I didn't see any way forward. But
12 walking the pond with the right people, I think there's a
13 path forward. So I'm very excited about this one. I think
14 we're going to have some deliverables for the Port
15 Commission this summer. And I've talk to the winery owners
16 about it. I said, I think we can get that algae eliminated.
17 They're very excited.

18 So that's item number 3. We've kind of repackaged
19 the work plan, the corresponding goal to talk about what we
20 think is current information related to Duffy's Pond. And
21 last night, I went to the Kennewick Man and Woman of the
22 Year presentation. I had a chance to talk to Emily. Emily
23 Estes-Cross is with the City of Kennewick. Good friend of
24 ours. She's in charge of Parks and Recreation. And we had
25 kind of a chance to talk again about how that is critically

1 important for the City to help us with the pond, and she
2 pledged her support on that. So I feel really good about
3 goal number 3.

4 Vista Field Hangar Remodel. This is a big one.
5 I've been working with Nick and Larry and others on this,
6 Amber, I think this is one that's really potentially going
7 to shape the next -- I don't want to say next phase, but
8 your next deliverable at Vista Field. I think this can be a
9 big one. We have in the room David Robison, who's on
10 contract with us on this project. He's going to work up a
11 plan that we can bring back to the Commission to show you
12 what the options might be. And almost like the Makers
13 project, David isn't going to put pen to paper until he sits
14 down with the Commission and says, Let's just talk without
15 any documents in front of us. What do you envision those
16 places being? So you're going to get to have the first bite
17 of the apple, so to speak, on this. But I think it's going
18 to be a very big and important project.

19 And I want to mention the Rural County -- I'm
20 sorry, the Opportunity Zone Analysis. While that does
21 dovetail in with the hangar remodel project, we're going to
22 address it, I think just administratively, under the next
23 goal. So back up a second to goal number 4, Vista Field,
24 Hangar Remodel. I'm optimistic that that's going to be a
25 hallmark project that the community will see when that one

1 gets completed. So I want to stop here and see if the
2 Commission has questions or comments for me on that.

3 **MR. BARNES:** Commission questions or comments?

4 **MR. ARNTZEN:** Thank you. Rural County Capital
5 Fund Strategy. I kind of got a kick out of the slide that
6 Nick showed, because you look at it and you say, well, Nick,
7 you've done it. That slide tells you everything. And then
8 the question comes up about the race track funding. And
9 Nick did a great job discussing that, but there's also the
10 political level to that, because Benton County said, gee,
11 Port of Kennewick, we love you, you put in some really great
12 projects, but we're not going to give you carte blanche on
13 this one. What we want to see is an application coming in
14 showing us how you're going to use that particular money,
15 and if the application is a good one, like we know it will
16 be, then we're going to move the money into your category.

17 So there's a number of, you know, moving parts to
18 the Rural County Capital Fund analysis. I think once Nick
19 and I work through it for you, we can put it up on some
20 spreadsheets, I think it will be pretty clear to see. But
21 that are number of interesting components. The other one he
22 mentioned is City of Kennewick and Port of Kennewick. We
23 threw about a million dollars in the hat for putting in
24 infrastructure at the Willows. That was contingent upon a
25 federal EVA grant, which we didn't get, unfortunately. So

1 you know have -- and I shouldn't say it like this -- but
2 there's a million dollars out there, you know, in the clear
3 blue sky that we need to go bring back in and see where the
4 Commission would want to allocate that.

5 So there are a lot of moving parts to that. I
6 think once we get a chance to sift through and bring you
7 several options, hopefully, the information we bring back
8 will be useful, interesting, clear and succinct.

9 So I'll pause here at this one. And then also the
10 Opportunity Zone Analysis.

11 **MR. BARNES:** Commissioner Moak?

12 **MR. MOAK:** Yeah, I'm just also reminded of, the
13 Mayor of West Richland says, we were going to use their RCCF
14 money? Go use it someplace with somebody who's going to
15 double your money. You know, and so that -- you've got to
16 use it where you can leverage it. And we've been stuck with
17 the City of Kennewick, unable to leverage that quite well,
18 you know, and sort of understanding that not every
19 jurisdiction has been that generous in working on projects
20 that benefit both the community as well as the Port.

21 **MR. ARNTZEN:** Right. And part of the rules, if
22 you will, from Benton County is they want to see two
23 entities partner. So rather than just handing a check to
24 two entities to do separate projects, Benton County and
25 State law encourages people to partner up, because a lot of

1 times when you're doing a bigger project, there's just not
2 enough money in each jurisdiction's column. So Benton
3 County give you more points if you're partnering.

4 I've been -- I don't want to say summoned, but
5 I've been invited to the Kennewick Woman of the Year's
6 office tomorrow morning, our good friend, City Manager Marie
7 Mosley. She's got a couple ideas of how the Port can help
8 the City. So it is a two-way street. And this is going to
9 dovetail in, because part of her request might be for some
10 interesting ideas related to Rural County Funding. So the
11 process is moving along. Again, staff doesn't make
12 commitments. I'll be interested to hear what Marie says. We
13 can come back and talk about it. But I'm assuming that this
14 will probably dovetail in under the Rural County analysis.

15 So I'll pause again, see if we have comments or
16 questions.

17 **MR. BARNES:** Comments or questions?

18 **MR. ARNTZEN:** Okay. So that works through the, I
19 guess, the substance. I have just thrown in number 6. And
20 in fairness to the Commission, I don't think you've seen
21 this one before. But I believe that the work that we all --
22 Commission, staff, public -- have put into the work plan, it
23 really should be recognized as a keystone document that will
24 give staff very strong guidance from the Commission. So you
25 know, maybe there's a nice way that we can say that you

1 expect your staff to hone in on the work plan and to not
2 deviate from that. And if we get new bright ideas, those
3 new bright ideas might have to be secondary to the keystone
4 document of the amended work plan.

5 So thank you for your time. I've walked through
6 Exhibit A. You also have in your packet, Exhibit B. This
7 is Nick's, I guess his chart form of the memo that I've put
8 together for you. I believe the information is consistent.
9 I think this just shows kind of the way that people look at
10 the world. My world view is putting things in writing. I
11 think Nick's is putting them on charts and spreadsheets. So
12 hopefully, you'll find that Exhibits A and B are consistent
13 with themselves and that the whole package we've provided is
14 consistent with the agenda report and resolution.

15 Thank you, Commission.

16 **MR. BARNES:** Thank you, Tim. Commission questions
17 or comments?

18 **MR. NOVAKOVICH:** Just a comment. I like your
19 number 6. I think that this goes right along with what I've
20 said. It's a proper allocation of resources. And if we
21 have things on our plate that we're working on introducing,
22 other things that may take away from what we have and what
23 we've promised to the public is detrimental to the Port of
24 Kennewick. So I really appreciate you putting that one in
25 there.

1 **MR. BARNES:** Okay. It's anticipated the Port of
2 Kennewick Commission will take action. That creates an
3 opportunity for public comment. If you'd like to make a
4 public comment regarding these proposed changes to the 2019,
5 2020 work plan and 2019, 2020 CEO goals and objectives, we'd
6 ask that you please move to the podium, state your name and
7 address for the record.

8 There are no public comments. The Chair will
9 entertain a motion.

10 **MR. NOVAKOVICH:** Mr. President, I move approval of
11 resolution 2020-04 amending the 2019, 2020 work plan and
12 associated goals and objectives as set forth in resolutions
13 Exhibit A and Exhibit B, and that all actions by Port
14 officers and employees in furtherance thereof is ratified.

15 **MR. MOAK:** Second.

16 **MR. BARNES:** Okay. It's been moved and seconded
17 that we'll amend the 2019, 2020 work plan and associated CEO
18 Goals and Objectives. Commission discussion? Commissioner
19 Moak?

20 **MR. MOAK:** I just think that, you know, the work
21 plan is a living document. I think as things change, as we
22 look at things, I think it should be reflected in our work
23 plan as it is. Some of these are very good changes. I
24 think the work plan, moving forward on a number of different
25 areas that I think are very important to not only the

1 Commission, but I think the public. So I think it's
2 important to have that reflected in our work plan and move
3 forward on those.

4 I appreciate the discussion on this. Thank you.

5 **MR. BARNES:** Thank you. I agree with Commissioner
6 Moak's comments. Our work plan is a living document. We
7 don't have to look too far back in the rearview mirror to
8 see evidence of that. We had a work plan that had addressed
9 the Tri-City Raceway property, but I think that a
10 significant opportunity presented itself, an opportunity to
11 work with with a very good partner, even though I voted
12 against the sale price -- I voted against the sale because
13 of the price, in the end I think it was an excellent thing
14 to do. We made the changes and decided to do that in spite
15 of the fact that the work plan said, you know, do Y instead
16 of X.

17 But it is a living document. And I think that
18 also illustrates that the Port is aware of evolving change
19 in our community. And we are capable of making changes that
20 are in the best interests of the Port. And I think that
21 change that we made, that decision that we made with the
22 Tri-City Raceway was in the best interests of the Port and
23 the City of West Richland. So I support these changes.

24 Any other comment? Okay. It's been moved and
25 seconded that we approve resolution 2020-04 amending the

1 2019, 2020 work plan and associated goals and objectives as
2 set forth in the resolution, Exhibits A and B. All in
3 favor, please say "Aye".

4 Opposed say "Nay".

5 The Ayes have it, 3, 0. Thank you, Tim.

6 **MR. ARNTZEN:** Commission, thank you. And I do
7 greatly appreciate your comments related to, we tried to get
8 it right with the work plan, but there's always things that
9 come up. So thank you for that recognition and explaining
10 that to the public, because you know, we don't want to just
11 appear to be flying willy-nilly. There are some very deep
12 changes that caused us to have to review the work plan. So
13 thank you for this opportunity.

14 **MR. BARNES:** It's a living document, so thank you
15 for your work there.

16 Okay. Moving on to the next item on our agenda.
17 We're on to Reports, Comments, and Discussion items.
18 District Wide Project Timeline, Larry?

19 **MR. PETERSON:** Yes. At the last Commission
20 meeting, the timeline for Vista Field identifying 10, 12,
21 different tasks over the next year was presented to the
22 Commission. And then 10 minutes later, a timeline was
23 presented for Columbia Gardens identifying six or seven
24 tasks to be undertaken for 2020. What we didn't have time
25 at the last meeting was to share the entire district wide

1 list. So I'm asking Tana to put up on the screen the very
2 busy -- and this is not -- we've had a couple caveats. That
3 was not intended to be a user friendly graphic. It wasn't
4 intended to be un-user friendly, but it's function over
5 form. And the idea was to capture all of the major tasks
6 that we have in front of us.

7 **MR. ARNTZEN:** Commission, I want to interrupt for
8 a second. I apologize for all these charts you're going to
9 get from Larry. He loves this stuff.

10 **MR. PETERSON:** These charts are created to help
11 keep on task, as it's not just on my desk at this stage.
12 There are multiple -- between marketing, Amber, the real
13 estate, and maintenance side of activities, Tim, the CEO,
14 and the overview, and then when do we need to bring the
15 policy. I hand this back to the Commission.

16 So we can quickly scroll down this -- slowly, but
17 quickly. This is the Vista Field list that you would have
18 seen last meeting. And then the next section, still in
19 Vista Field, is the hangars. The next section is Columbia
20 Gardens. What you didn't see was some of the timelines for
21 the Kennewick waterfront, both the master plan and the work
22 with the Corps of Engineers for 1135, and then some of the
23 district wide tasks that are coming related to the work
24 plan, the budget, and then the comps get amended.

25 Could you zoom out so the entire document can be

1 seen on the screen. It will not be legible, but Tim, when
2 he first saw this, he was overwhelmed. This is the tasks
3 related to major capital projects that the Port of Kennewick
4 is undertaking in the year 2020. The end result, Vista
5 Field is ready to market, Columbia Garden is ready to
6 market, the Kennewick waterfront -- historic Kennewick
7 Waterfront District master planning process is well under
8 way, and the design work with the Corps of Engineers 1135
9 project is moving toward the bid stage. And the two-year
10 budget has been considered and approved along with the two-
11 year work plan.

12 That's awful busy. But I wanted, also, to keep
13 the Commission to see this. And this is in your packets, so
14 you can blow it up on the screen. But it's to help both
15 staff and the Commission to know what's coming, to help keep
16 us on track, so the Commission can have expectations of when
17 might decisions be needed from you and when might supporting
18 information be provided well in advance of those decisions
19 that are needed.

20 The next timeline is a two-year summary. A little
21 more than the user friendly, but when it was created, I
22 wanted to flag a couple of items for the Commission's
23 understanding. The number of activities reduced
24 significantly. Vista Field is now a total of five tasks,
25 and Columbia Gardens is three. This is also a two-year

1 timeline. But I wanted to call to attention the detailed
2 Vista Field timeline for 2020 identifies marketing
3 activities starting in August -- or excuse me, July, and
4 then working through August and September in receipt of
5 RFQs. What that really plays out to is review of the
6 requests for proposals that we have received, reviewing
7 those proposals in the latter part of 2020, design review
8 process, permitting, and eventually marching towards closing
9 in summer of 2021, and then foundations and private sector
10 goes vertical.

11 So what looks like -- I want no surprises -- the
12 timeline of the 2020 saying we'll be out for RFPs later this
13 summer realistically means the private sector is not going
14 vertical until close to a year later because of the due
15 diligence period in investing several million dollars in the
16 building. The private sector is going to want several
17 months to review that. There's a permitting process with
18 the City. So wanting to flag that. So this is a two-year
19 look with the major projects. And there are, obviously,
20 caveats with this. This is dependent upon staying in
21 sequence. Some of these are best case scenario.

22 And the third note down at the bottom, it presumes
23 the Commission gives direction to proceed with the
24 remodeling of the hangars. If that doesn't occur, then that
25 task is significantly altered. So that's a decision from a

1 major policy. It was a little bit of a lead. If the
2 Commission was to say, remodel those hangars when might
3 construction start on those buildings. So that is included
4 in the packet I wanted to share.

5 Tim said he was overwhelmed and wanted to see the
6 entire task. I used my analogy of, you can talk about
7 remodel the house, or you can talk about study for your
8 masters program or learn a foreign language. This is all of
9 those on one list, and potentially, one might be
10 overwhelmed. But if you break it down -- get Commissioner
11 Barnes to break it down into bite-sized pieces. And that's
12 the intent here, to stay on task. These are big projects.
13 We can take them on if we manage them in bite-sized pieces.

14 **MR. BARNES:** Thank you, Larry. I think
15 Commissioner Novakovich loves this logistic stuff, if I
16 recall correctly. Do you want to begin with comments or
17 questions of Larry?

18 **MR. NOVAKOVICH:** I do. Well, I'd probably have to
19 side with Tim on this. It's probably a bit overwhelming.
20 But thank you for presenting it, because it's going to be
21 some fodder for a whole bunch of study. So good job, Larry.
22 It really lays things out about what has to happen and what
23 our responsibilities are and when. So that helps us plan,
24 too.

25 **MR. BARNES:** Yeah, I'd like to say, I like this.

1 Once I spend some time -- you almost need a magnifying
2 glass, some of the print is so small. But that's okay. I'm
3 getting to that age where I have one laying around. And you
4 start looking at this, a single X and convening with a
5 double X, and the color throughout on the time scale. So
6 you know, you can look -- if you want to look at Vista
7 Field, you can look out at Vista Field and see, well, what
8 are some of the things, how does that timing look. Or if
9 you want to look in a particular month, you can look all the
10 way down and see what might be coming up in a particular
11 month. So I like this. I like this.

12 It's something to look at. And I think this is a
13 living document as well, because I think we'll encounter
14 things that we don't even know about yet that will come up
15 in the re-development of Vista Field. So this will probably
16 become a living document. There will be changes that can be
17 made as needed or as required. And again, I think we're in
18 excellent capable competent hands here, someone that's
19 really into this. So thank you, Larry.

20 Commissioner Moak?

21 **MR. MOAK:** Yeah, I tell you that you have more
22 charts than Nick, you know. But you know, it certainly
23 shows, you know, I mean, the number of moving pieces. And
24 the fact is, Vista Field isn't just Larry. It isn't just
25 any one person. For any of these projects, there's a

1 multiplicity of staff and contractors trying to work
2 together, and yet, all have decisions that need to be done
3 at various times and various places and different things
4 that come before this board. Yeah, I mean, it can be
5 overwhelming to look at, but it also, you know, can give
6 some idea as to the inner connectivity of projects and
7 people and the importance, I think, of what we do.

8 So it's hard getting all this put together and
9 understanding of it. But I think when you -- I think it's a
10 way of, really, a better understanding of what all we've got
11 in front of us and why it's important to keep to the task at
12 hand.

13 Thank you very much.

14 **MR. BARNES:** Any further comments or questions?

15 Thanks, Larry, on to the next one. I see you're
16 on the agenda for the next three or four. So now we're on
17 to Vista Field?

18 **MR. PETERSON:** And now I'm marching down because
19 there was an X on the previous chart in a variety of
20 different columns. I'm going to quickly touch on many of
21 those items. If we create a timeline and identify when
22 we're going to be coming back to the Commission with
23 information -- she's jumping the gun on the graphics. I
24 can't compete with them now.

25 The timeline identified six different -- five or

1 six different items to talk to with the Commission, not a
2 decision at this point, but simply update or share
3 additional information. At this point, these are brief
4 updates.

5 First off, the project team that was identified on
6 the list to bring back to the Commission, we're working with
7 the various subconsultants that have been identified on that
8 Vista Field team, refining some of the scopes. And the key
9 word I want to come away with is this is scalable. Likely,
10 we're going to be using a lot of the assistance from the
11 design folks at DPZ gentlemen when we work through questions
12 in front of the Commission on youth and building exterior
13 and design and such. And then they will scale off once
14 those policy decisions are made and move into a marketing
15 phase. So kind of an ebb and flow.

16 Their work, the need will recede a little bit, and
17 then pick back up when those requests or proposals are
18 actually received. So there's going to be some ebb and flow
19 with the overall team. And that's been what we're trying to
20 define with the scope and get an idea of what that might
21 mean over a calendar year to come up with some expectation
22 of time and dollars.

23 Skipping to the Property Owners Association, that
24 was the next one to quickly touch on. We're at about the 85
25 percent stage. The document's written. The mechanics are

1 there. We're working with Ben Floyd of White Bluffs
2 Consulting, and Doris Goldstein to plug in some lots, plug
3 in some front footages, basically run a model a couple of
4 times to make sure or understand what the pricing would be.
5 So it's one of those, know your product and know your
6 customer.

7 Rather than just a 10-page document that, here's
8 how the Property Owners Association functions and can be
9 maintained, let's run it through so we know what a
10 individual owner on a \$4,000 square foot lot with a single-
11 family house would be expected to pay on an annual basis.
12 Let's have an understanding of what a property owner that
13 has 16 or 24 apartments would be expected to pay under this.
14 And we can ask the question, is there a bust in the numbers?
15 Does this make sense to help from the marketing side. It
16 will also help identify if there's an error in the equation
17 or the thinking.

18 One of the things on the Property Owners
19 Association, you have to start with an initial budget, the
20 way the mechanics are written. It can be adjusted to
21 actual, as we work through time. So if we're wrong to begin
22 with, we're not locked into undercollecting and having to
23 pull out of the Port's pocket for decades to come. But we
24 don't want to shock the buyers in Vista Field with the first
25 year being a \$10 annual payment for homeowners dues and say,

1 oh, we were wrong, it's really \$200 a year. If we started
2 out saying \$125, they can build that into their overall
3 finances. No one likes to be surprised financially. So
4 we're going to test the Property Owners Association.

5 That's not a -- we can bring in results, but at
6 this point, really policy questions. It's just a, let's run
7 some of the mechanics that -- the mechanism was created
8 mostly by Doris Goldstein. I believe Liz's college
9 roommate. So we have an attorney who understands the new
10 organism fairly well that has subcrafted this, and tweek it
11 to Vista Field. It's been used in the California and
12 Florida model, but we want to make sure it works for us.

13 Real Estate Commission Policy. The last time this
14 was adjusted was 2006. At the time, we had a significantly
15 different portfolio. We have land extensive industrial
16 properties, mostly in the rural areas. And the Commission
17 policy was established to try to entice the private sector
18 to look and show our properties. Because of the portfolio
19 change we have and the desirability of our properties -- and
20 I believe much of the desirability is not just location, but
21 it's also the entitlements that you've worked to put in
22 place, the zoning regulations and the development agreement.
23 It's time to revisit that. It may still be deemed
24 appropriate, but it's time to revisit that.

25 Also, we can pull together in one cohesive place,

1 the art policy, which is sitting separate. That can be
2 folded in. Here's what a realtor can expect for
3 compensation; here's what a buyer could expect to pay, and
4 is that added to or -- is that added to the agreed-upon
5 price? Or is that proceeds taken from the agreed-upon
6 price? We can pull our real estate policies into one
7 document. That's in a working draft format, and that's
8 mostly in the camp with Amber and Nick. Nick's been kind of
9 busy the last couple of weeks putting together the budget
10 update. But that's starting again.

11 Marketing, identified in the overall timelines to
12 look to go out for an RFP later this summer. That involves
13 a lot of marketing effort beforehand. You don't just put an
14 ad in the newspaper. There's a lot of material that needs
15 to be compiled. There's also a question, what are we doing
16 in the interim. And right now, the answer is, we are taking
17 people's contact information, we're directing them to the
18 website for the sake of consistency, and we will be able to
19 reach back out to them when we're ready for the RFP. We're
20 avoiding showing the property to any one individual. It's
21 that concern of did someone get their nose under the tent
22 before the other. We're trying to remain consistent.

23 So the efforts are, capture their name and contact
24 information, and direct them to our website, which has quite
25 a few documents, both on the planning documents, the updated

1 construction documents, not only to keep them engaged, but
2 also build some excitement as the new look of our website
3 and the documents that exist there, the graphics, the
4 renderings, provide some information that they want to --
5 the prospective buyer wants to dig a little deeper out
6 online as the collaborative design process, the development
7 agreement. They can see the details and mechanics.

8 Hangar Reuse. As recently touched on, in the
9 previous item with the goals and objectives, we have engaged
10 Strategic Construction Management or David Robison to review
11 and start pulling together the concepts of use. And this is
12 focused on what could go into the building, considering the
13 constraints that the metal framed buildings have, what might
14 the cost implications be of those uses, what might the
15 interest from the markets that he's taken the pulse of some
16 of the real estate professionals in the community. Some of
17 the contractors get an idea of general construction costs.

18 There's also -- the first stop I believe he made
19 was with Amber, the Port's real estate professionals, to say
20 who's been calling and knocking on the door the last two
21 years? What interest level have you had to this date? So
22 David is pulling together many different pieces of that
23 puzzle so we can get an idea. What might the hangars cost
24 if they were a certain type of use, and what might be the
25 interest level for that use? So we can bring that back. We

1 can tell you, if they were all converted into restaurants,
2 is there demand for six individual restaurant spaces out
3 there? What would the budget cost be for that? What would
4 the parking implications be for that? Trying to pull some
5 of those together to give the Commission an idea before
6 being asked to move considerably forward on a project to
7 spend X millions of dollars to create -- how much money to
8 create what, and if we build it, will they come and who will
9 they be.

10 A site Reference Maps. You can pull those up.
11 That was asked at the last Commission meeting. And I can --
12 you might see these on a fairly regular basis, not this map
13 so much, as this is the larger area identifying the streets,
14 Crosswind Boulevard and Grandridge, pulling to the site,
15 along with Vista Field Boulevard, the street that was known
16 in the plans as Espinola Way, but now identified as Azure --
17 That was not a slip; that was an intentional mention of the
18 name -- and than the new little name of Constellation Way.
19 This is to give the Commission a general idea of how we tie
20 in the overall network.

21 The next map is site specific. The second page
22 would be -- this second drawing shows that Phase 1A
23 infrastructure improvement areas, the yellow identifying
24 approximate locations of lots or properties that could be
25 made available to others, and the light purple, light blue

1 shading for the hangars in the general area in and around
2 the hangars that if the Port was to proceed with remodeling
3 the buildings, that that general area would need to be
4 retained under Port ownership to assure some parking is
5 available.

6 Now, the large green block in the middle of the
7 project, that would be a future site for Daybreak Commons. I
8 wanted to call it Central Park. I lost. Daybreak Commons
9 is the name for that future park. So that is not a salable
10 chunk. That is actually a piece that we need significant
11 investment. We'll be asking the private sector to locate in
12 and around that central park, and the private sector will
13 say, when is that central park coming, what will it be. If
14 you want me to build around this amenity, I need the
15 amenity.

16 So we've given you some general idea of what's
17 available. The next time that we see this map, it might
18 have some block sizes or some acreage to give you what's in
19 play. But roughly, of the 20 acres gross that we have, we
20 have about 14 -- 13, 14 acres of net land. Some of that
21 will be needed for common or joint use parking area. We can
22 start breaking this down. You should expect to see this map
23 over and over with different levels of detail from a
24 reference standpoint. But there are the names of Azure and
25 Constellation Way and road names that are to be established

1 here shortly.

2 It was to be the last one, but it will be the
3 second to the last one. Crosswind Boulevard implementation.
4 The City created that name and added it to their quiver back
5 in November of '18, and they established February 21st for
6 the day when that name would become official. It is
7 official on all of the 911 information networks that, you
8 call for an address, they know where Crosswind Boulevard is.
9 No one told the City sign shop that they needed to make new
10 signs, so it still said Grandridge Boulevard, and they're
11 frantically cranking out those signs, and they will be
12 installed later this week, as the sign must match what the
13 911 folks are looking for.

14 I'm not sure how long it's going to take your
15 handheld device to start registering that as Crosswind
16 Boulevard, as that might be a three-month to nine-month
17 cycle for that overall update. But soon, even your handheld
18 device will be looking for Crosswind Boulevard and will take
19 you to the right location.

20 Those are the ones that are identified on a check
21 next to Vista Field to at least touch on today with the maps
22 and the Crosswind implementation, not being on the list. I
23 just wanted to share.

24 We had one other item that came up today. It'
25 definitely related to Vista Field. It's a policy question.

1 It's a land use question. We've asked or hinted that we
2 will be talking with the Art Center Task Force about the
3 two-acre site -- two to two and a half acre site that's been
4 reserved through an Memorandum of Understanding back in
5 March of 2017, what the status is, are they ready to move
6 forward. That agreement expired in March of 2019, but we're
7 not done with the infrastructure yet, so we asked those
8 folks, what is their status.

9 We have contracted with Strategic Construction
10 Management to reach out to the art center folks and seek an
11 update, what's their status. We have David Robison here to
12 give you an update on what he's found. We've also received
13 a letter from them. We received it today. It's dated
14 February 20th, but we received that letter today from the
15 Art Center Task Force, giving us their status.

16 **MR. ARNTZEN:** Commissioner Barnes, if I could, I
17 got a briefing from David yesterday, along with Larry. And
18 our preferred course of action was to have a chance to
19 noodle on this a little bit more and bring this issue to you
20 two weeks from now. But we just received this letter from
21 the Art Center Task Force, and I think that kind of changes
22 our view of this. One of the things I wanted to avoid was
23 to have a letter dated February 20th. So it's important for
24 the Art Center Task Force to get a letter out. Five days
25 have already gone by from the date of the letter to when we

1 received it. So I wanted to be cognizant of the information
2 that the task force wanted to share with us.

3 So it's a little bit of a rush to put it on the
4 agenda. Like I said, I think we might have had a better
5 chance to prepare, but things are fast moving. So I wanted
6 to get this in front of you today. So the presentation that
7 you're going to hear might be a little bit unrehearsed, so
8 to speak. I mean, I'm on the phone with David right around
9 lunch hour, asking if he can get his nice clothes on and
10 come on down and talk with the Commission. We were thinking
11 that we could do this two weeks from now.

12 So I'm not sure we get to a decision point with
13 this, but I want David to have unfettered access to the
14 Commission and the public to kind of describe, in his own
15 words, where he thinks we're at. And then maybe we could
16 ask the Commission if you think you're at a decision point,
17 or if we would take a little bit more time with this. So
18 again, kind of a fun thing, because we can react quickly to
19 something that came in today. So you'll get kind of the
20 unvarnished review of this matter.

21 **MR. BARNES:** Okay. And just for the record, on
22 our agenda, we're still under Vista Field, and this would be
23 the task status update? Is that --

24 **MR. PETERSON:** That is correct.

25 **MR. BARNES:** Okay. Welcome, Mr. Robison. It's

1 always great to see you. Thanks for being here.

2 **MR. ROBISON:** Thank you very much. It's always
3 good to see you, Commissioners. And of course, I appreciate
4 the opportunity.

5 As Tim alluded to, you know, we only got this
6 letter today. But we've been meeting with the task force.
7 Whether this letter was generated because of our meeting
8 with the tasks force or generated in advance, knowing this
9 meeting was coming forth, I really don't know. But the
10 letter is, in fact, appropriate, quite frankly.

11 So I'm going to talk a little bit about what our
12 role and goal was. To start with, we quickly put this slide
13 slow together for you to give a lot of history associated
14 with this. So we're going to talk about where we've been,
15 where we are, and of course, from there, some
16 recommendations for where to go.

17 So a little bit of history. In 2014, charrette
18 concept relocation of the corporate hangar, kind of the
19 bonus to the site, and the FBO on buildings for BAC. August
20 2015, an off-site roadway extension for down hundred
21 scissors. You know, kind of history there. It was 2017,
22 the Art Task Force came consultants. LMN released the Art
23 Walk concept for the building recess from the street.

24 End of March 2018, you can see revised at central
25 area to accommodate the Art Center Task Force. And so just

1 kind of a little bit -- that was about the first time they
2 really started committing to it. A letter of intent was
3 executed March 28th, 2017. And that letter of intent
4 acknowledged that there would be a closing on the properties
5 by March 28th, 2019. The Art Center Task Force must show 75
6 percent funding, secured or committed, and that they
7 complete reports for both feasibility of purchase and use.
8 And of course, that letter of intent really has expired as
9 of March 31st, 2019.

10 I want to talk a little bit about that timeline
11 that you're looking at there. Part of the overall plan or
12 associated work with Vista Field, Commissioners noted long
13 ago that you would build this from your resources, that this
14 wasn't going to be a tax or a levy or a bond associated with
15 developing this particular property. And so the letter of
16 intent essentially said they would get their monies and
17 funding to provide the abilities to build this.

18 Now, what are the statuses associated with what
19 the Art Center Task Force is doing today? Well, they have
20 since responded to an RFQ for the old City of Richland City
21 Hall site. The City of Richland's facts sheets noted,
22 "Seeking mixed use for the site," and so they actually
23 reached out and said, hey, how about considering our
24 facilities on your properties, City of Richland.

25 They discussed a site near the reach for the

1 Richland Public Facilities District. And they are still in
2 conversations with them and have said that they essentially
3 would hope in the early stages of getting some sort of
4 letter or agreements in place with them.

5 They also have been considering the Three Rivers
6 Campus and didn't elaborate much on that. They did indicate
7 they still have significant support, mid Columbia Symphony,
8 Valley Master Singers, and others interested in moving the
9 project forward. But it was clearly stated to me that they
10 do not want to close the doors on Vista Field, but unlikely
11 to revisit in the foreseeable future.

12 Funding Status. ACTF goal is to work with any
13 site if funding is available, anticipate tax or bonding
14 issue by a municipality in order to complete the project as
15 envisioned. Now, if you read the letter that they currently
16 have sent to you, they allude to some other things
17 associated with the property. About the fourth or fifth
18 paragraph down, they essentially talk about the facts that,
19 thus far, they do not have the money, nor do they have the
20 abilities to raise the money unless the municipality steps
21 up with a tax initiative.

22 So what are the recommended next steps? You are
23 embarking on the development of Vista Field, and now, really
24 soon, in the next year, as Larry pointed out, sales of this
25 property and moving forward with investors for people who

1 want to develop this property. And I don't see that the
2 ACTF or its efforts are coming back to Vista Field, unless
3 the Port or Commissioners decide that they want to assist
4 them by putting a municipality or bond in place or raise
5 taxes.

6 So what are our recommendations? Based on the
7 letter you received today and my read of that letter, my
8 recommendation would be, essentially, that you would thank
9 them for their efforts, appreciate the fact that they've
10 done their best and essentially put closing to the loop
11 associated with the relationship and move forward. Either
12 you're not willing to do a tax or are willing to do a tax
13 for them in that letter, but release the property to the
14 Port staff to market to other developers. And that is our
15 recommendation or our opinion, based on what we've learned.

16 This was very quickly put together today, as Tim
17 alluded to. The letter, you know, pretty much talks about
18 some other things related to the property, which I'll let
19 Larry jump in a little bit, if he'd care to. But I will
20 simply say this about their take on that. In the early
21 stages of this project, you can modify those puzzle pieces
22 anyway you like to fit this property. It's still viable, if
23 they have the resources and the Commission decided to do so.

24 Any questions? That was very quickly presented to
25 you.

1 **MR. BARNES:** Questions of David?

2 **MR. NOVAKOVICH:** Just a question. This letter was
3 dated February 20th. Was this letter dated before or after
4 you talked to them?

5 **MR. ROBISON:** This letter is dated after I talked
6 to them.

7 **MR. NOVAKOVICH:** After you talked to them.

8 **MR. ROBISON:** Or excuse me, before. It's February
9 20th is what they dated it. But I met with them -- I'd have
10 to look at my calendar, but I met with them about 10 days
11 ago.

12 **MR. NOVAKOVICH:** Okay.

13 **MR. ROBISON:** So it might have been just a day or
14 two after I met with them.

15 **MR. BARNES:** Other questions? Comments?

16 Thank you.

17 **MR. ROBISON:** Larry, do you want to address
18 anything on the property?

19 **MR. PETERSON:** Could you put up the other
20 PowerPoint.

21 **MR. ROBISON:** Thank you. And I'm certainly going
22 to say here if you have other questions.

23 **MR. PETERSON:** The letter really touched on two
24 items. First, the Vista Field site is no longer viable
25 because you moved the roads around on us. And secondly, it

1 says it really only works if we can find an entity that will
2 bring \$20 million of public funds to the table. That's a
3 policy question on the funding and the deviation from the
4 2014 public process where we heard about funded private
5 sector and no new taxes for Vista Field.

6 The one that I'd like to address is site specific,
7 because that falls into my camp and the staff's camp. And
8 to let the Commission hear from the staff's perspective, the
9 deal that you cut with the art center folks was we would
10 reserve them a prime spot across from the future park that
11 would meet their needs, approximately two to two and a
12 quarter acres. That occurred.

13 What the letter identified very quickly was the
14 site that -- this was the original layout, and this was the
15 configuration at that time that had all kinds of parking to
16 the south and buildings set back quite a ways so we could
17 have what was called liner buildings, as we were concerned
18 about what the facade of the building might be. It might be
19 a blank wall, so the idea of pushing the building back to
20 somewhat hide it. And then the letter indicated taking that
21 exact same rendering and showing, here's your current
22 alignment. You cut off all my parking in the back; you even
23 cut off a portion of the building. That's not accurate.
24 That's not an accurate reflection.

25 What happened -- this is the site identified, in

1 fact, on DPZ's generated rendering that created this. The
2 staff went and met with the DPZ folks. Liz then sent in
3 Michael Morris to refine this central area. And the concern
4 of housing initially adjacent UPS, the variation was to move
5 the parking to south of this facility down along the fence
6 line, so it's about 175 feet. There are public passageways
7 through the buildings. This was thought that this could be
8 employee or performer parking, where the customer or
9 visitors still have parking around the facilities. So it
10 was effectively just moving the parking to the south, and a
11 slight variation, moving the building to the north to allow
12 the exact footprint that the art center folks had been
13 talking about for years.

14 We met with them. And here's kind of a graphic --
15 this was the concept of, move the parking down along by UPS
16 and slide the building to the north. This was following the
17 meeting in New Orleans with the DPZ folks in May, the
18 renderings that were shared with the entire public on April
19 19th, 2018, before the commencement of the construction
20 documents was directed.

21 Then in the summer of '18, from July through
22 November, a series of meetings were held with the Art Center
23 Task Force folks, myself, some of our design professionals
24 and the LMN Architecture team, the Art Center Task Force
25 consulting team, to revise a layout. This was actually

1 crafted by Port staff, the idea of moving that exact
2 footprint to the north, and even received a response from --
3 "The Art Center Task Force facilities committee met last
4 night and very much liked your idea of reducing the size and
5 extent of the liner buildings and moving this forward."

6 This, as of April -- excuse me, as of November of
7 2018, we thought we had a site that was accepted -- more
8 than thought, we believe we had a site that was acceptable
9 and a layout that was acceptable to the Art Center Task
10 Force folks. We continued and proceeded with designing the
11 roads and the alleys to match this, still reserving the site
12 and having both parking onsite and south by UPS. So we
13 believed we were acting in good faith, that the site that we
14 were working towards creating still met the needs of the Art
15 Center. So I was stunned and actually hurt to see that we
16 didn't deliver on the site that we had committed or promised
17 to.

18 **MR. BARNES:** Yeah, Larry, I hear everything you're
19 saying. I think everything you say is well taken. And I
20 think it's understood. If the parking around this facility
21 was what was holding up the development or the -- you know,
22 the progress of the development of this facility, if it was
23 a minor parking layout, I have every confidence that we
24 could resolve something like that in fairly short order. I
25 think the primary message that I'm receiving here that says

1 that they concluded that there is insufficient private
2 funding capacity in the Tri-Cities to support a project of
3 this size, and they need supplemental funding of \$20 million
4 from a public entity.

5 If they had the funding, if they had the
6 resources, if they had the ability to build this, I have
7 every confidence that our staff could work with them on a
8 parking issue and resolve that. I just don't believe that a
9 parking issue -- at least from where I sit -- I don't see
10 that that's a major issue.

11 **MR. ROBISON:** Thank you, Commissioner. You hit
12 the nail on the head. And that is why we tried to put this
13 together so quickly today, because the letter, in a sense,
14 is incorrect in its statement. And we thought it was
15 important that we address this and not let it sit for
16 another week or two and try to organize something with more
17 continuity. So Larry has his slides; I have my slides.
18 Bottom line is, we wanted to make sure you got this
19 information the very moment we had it. So I apologize that
20 it isn't more polished.

21 But the fact of the matter is, the bottom line,
22 they don't have the money. We need to put this property out
23 there and let staff get this property back out on the market
24 and get it ready and prepared, as they're putting all the
25 other properties together.

1 **MR. BARNES:** Yeah. Well, I mean, this is fast
2 moving. The LOI has been expired now for --

3 **MR. ROBISON:** Two years come this March.

4 **MR. BARNES:** Yeah. So --

5 **MR. ROBISON:** One year. Excuse me.

6 **MR. BARNES:** Yeah, one year come this March. And
7 so I don't know that two weeks is a huge difference in this
8 time frame. You know, I can't speak for my other two
9 commissioners, but it's great to have this sort of fast
10 breaking news, to have it as soon as you have it. And I
11 really appreciate the effort that you and Larry went through
12 to pull some information together to give us a really
13 accurate picture of where we are.

14 Personally, I'd like to see this on the next
15 agenda, if we're going to take some formal action. We have
16 some time to think about it or whatever. I don't know that
17 it needs much time. But you know, enough time has
18 transpired since the expiration of the LOI, I don't know
19 that two weeks really matters. We're not ready to market
20 this property in two weeks in any event. But do my fellow
21 commissioners have any feelings about this?

22 **MR. NOVAKOVICH:** Yeah, let's do that, because -- I
23 would really like to see them locate there. I mean, I think
24 they tried. But there comes a point where you've got to
25 either fish or cut bait, and the fact that, you know,

1 raising \$2 million, I don't think this Commission or this
2 board needs to take a look at raising taxes. I think we
3 declared quite loudly that we weren't going to do that to
4 develop Vista Field. If we were to do that just for one
5 entity, I think we'd really be criticized pretty heavily.

6 So yeah, I totally agree. Let's put this on the
7 agenda to take some formal action.

8 **MR. BARNES:** Commissioner Moak?

9 **MR. MOAK:** Yeah. I mean, we're not the regional
10 or the Kennewick Public Facility District. That's the
11 district that was created -- the districts that were created
12 to build major public facilities, regional public facilities
13 such as this. You know, I've supported a performing arts
14 center in Richland and Pasco and now in Kennewick. I'm was
15 to support a regional public arts district or public art
16 center somewhere, because I think this community needs it
17 and continues to need it, no matter where it is. And I will
18 personally be supportive of that. I was hoping it would be
19 at Vista Field. I think there were a lot of discussions
20 about the synergy of Vista Field and the art center that
21 would have been absolutely phenomenal. But we weren't going
22 to give them the \$20 million.

23 They're not able to raise it. And so, you know,
24 they do need a public entity who has the capacity to do that
25 and to convince the public that that's something that could

1 be done. And that hasn't happened. We can't wait, I don't
2 think -- I mean, this is a key piece to -- that's why we
3 wanted had art center there, because it was such a center
4 piece to Vista Field. And when we're going out and trying
5 to market these other properties and to know what is that
6 center piece going to be, and how is that going to effect
7 everything else -- so I mean, I think the sooner we move on
8 and -- I mean, the Art Center Task Force has worked very
9 hard over the last several years, I think, and you know, to
10 have a synergy that they could convince Kennewick or Pasco
11 or Richland or someone to help them.

12 But for our sake, we do need to move forward. And
13 I think, in two weeks, I think we need to give staff very
14 clear direction that way.

15 **MR. BARNES:** So agenda item for two weeks? Is
16 that all right, Tim?

17 **MR. ARNTZEN:** Absolutely. Now, I have a question
18 from our media department. If we are fielding comments from
19 the public about this, would we have the ability to discuss,
20 essentially, the information that was discussed in this
21 meeting, such as we believe that -- we take exception with
22 the clause in the letter that says that the parcel is too
23 small. Are we able to advance that as our viewpoint?

24 **MR. MOAK:** I mean, there never has been any -- I
25 mean, nobody's come and talked to this Commission and said,

1 Don't do what we did with this. I mean, there have been
2 plenty of opportunities since -- you know, that they could
3 have done that. So I mean, I think that if that's the case,
4 then I think we should be laying out the same case that we
5 have made, in my mind.

6 I wouldn't want to harp on -- I mean, you know, if
7 media comes in, they're going to talk about that, I'm sure.
8 But I mean, the fact is they don't have the \$20 million. And
9 we've got an important piece of property that we need to
10 market. I mean, if I thought that I could raise the \$20
11 million without that for them, I'd say, well, yeah, let's
12 reserve this for them. I don't think they're anywhere close
13 to getting a city or whatever for a public facilities zone.
14 I mean, I think that's the major reason why they're not
15 going to be there, and I would focus on that.

16 **MR. BARNES:** Commissioner Novakovich?

17 **MR. NOVAKOVICH:** Tim, I think the simple answer to
18 your question is yes. I think we need to defend our
19 position in that what they're claiming in this letter is not
20 accurate. I think that's what you were looking for.

21 **MR. ARNTZEN:** Right. And obviously, we went to be
22 very professional in our response. I'm not going to
23 instruct Tana to prepare a media report. But if we are
24 asked, I think what I'd like to do is refer it to Tana, who
25 is our public relations person, and we can talk about it in

1 a fairly accurate way.

2 I understand where the Commission is coming from.
3 We genuinely hoped this project would work. And who knows?
4 Sometimes when a deal doesn't come together today, maybe it
5 comes together tomorrow. So I think we maintain a friendly
6 relationship, because there's bound to be other things that
7 might happen. This may not be the end of the line for our
8 paths to cross.

9 **MR. MOAK:** I mean, it could be a Phase 7, or
10 whatever, could it not be, that, you know, on Kellogg Street
11 or whatever. Could that not be, if push came to shove at
12 some point?

13 **MR. ARNTZEN:** Well, I don't want to respond for
14 the planner, but for my vision, I think that if there's a
15 great idea -- and connect with respect to the parking. If
16 it's just about the parking, we can find you different
17 parking. I think if the issue is, hey, we have funding now,
18 I think this staff would jump on this and say, Okay, let's
19 see if we can find a piece of property, even if we have to
20 kind of move the curtain a little bit. We'll take the
21 Commission and say, Can we find you some property. I'm
22 telling you, this staff would look at that. We wouldn't
23 close the door. And I'd say, Hey, I really have a great
24 idea I'd like to take to the Commission.

25 **MR. BARNES:** That would be the attitude I'd want

1 the staff to take. Thank you.

2 **MR. MOAK:** I agree.

3 **MR. BARNES:** Thank you. Thank you, David. Thank
4 you, Larry.

Clerk's Note: David Robison

5 ~~**MR. PETERSON:**~~ Thank you very much for your time
6 today.

7 **MR. BARNES:** All right. Next item on our agenda,
8 moving on here, Columbia Gardens Urban Wine and Artisan
9 Village update. Amber?

10 **MS. HANCHETTE:** Yes, thank you, Commissioners. So
11 I would just like to give you an update on the tasting room
12 building that is under construction, finished construction,
13 actually, and let you know that both of the tenants are
14 working very, very hard to get open in the next couple of
15 weeks. Permitting is where they're at right now, with the
16 Liquor Control Board. We've just got a few little punch
17 list items still outstanding on the construction site. But
18 as far as the Liquor Control Board goes, they are really
19 working diligently on that, as well as their health
20 department requirements.

21 Then as far as what I have for you on the screen,
22 I would like to give Commissioners an update on our food
23 truck pilot program that we started last year. And I want
24 to just mention that I have no graph -- I have no charts, I
25 have no percentages. So -- sorry. I think you've had

1 enough of that today.

2 When we started our food truck pilot program, it
3 was almost a year ago. So we kicked off in the spring of
4 2019, and our first food truck to roll in was Swampy's
5 Barbeque. Ron was very excited and just chomping at the bit
6 to get in, and he brought with him a custom barbeque that he
7 also had made here by a local downtown weld company. So we
8 moved in that first food truck, and then we had two more
9 businesses that followed, the Chow Wagon, with the
10 Mediterranean food, and then Frost Me Sweet Mobile Desserts,
11 with their cupcake trailer. Both very, very excited to be
12 part of Columbia Gardens and the Food Truck Plaza.

13 And given that we had started our Food Truck
14 Plaza, we already had a dessert in that area of Columbia
15 Gardens. But we also had another dessert business that
16 really wanted to be part of the downtown Kennewick
17 waterfront. So as an experiment, we put Rollin' Ice Cream
18 on Clover Island over by the White House plaza. And go
19 figure, that ice cream at the top of the boat ramp in the
20 summertime was a huge hit. She did very well in that
21 location, loved that location. She promoted it like heck,
22 that she was on Clover Island at the lighthouse.

23 This is an example of a FaceBook post that she had
24 showing the lighthouse through the mother of reinvention.
25 So she just did a ton of marketing that her location was

1 down here. And people were down here all the time taking
2 advantage of her hours. Her hours were more in the evenings
3 and the weekends, because that's when families can come out
4 and enjoy ice cream and kind of wander around the island.

5 Some that turned out to be kind of fun, something
6 that we weren't anticipating. We weren't really set up,
7 from an infrastructure standpoint, to have her down there,
8 so we made sure she had some power and some picnic tables
9 that we picked up at Home Depot, and she had her own
10 umbrellas and some cute little plastic chairs, and she made
11 it work to the point where she wants to come back again this
12 summer and be on the island again.

13 So when I say there are no percentages, no charts,
14 no graphs, really, these are lessons learned and
15 observations that are very personal to me, because I was
16 working the program very hard for the last year. And so I
17 wanted to just kind of run through a few of these lessons
18 that I observed.

19 The mobile food businesses in our community have
20 to make money. That's their number one goal. You know,
21 they're small businesses. They're single operators. They
22 might have a family member working with them. They might
23 have some minimum wage folks working for them. Most of the
24 times they work that truck themselves because it's very
25 costly for labor otherwise. You know, it eats up their

1 profit.

2 So where are they able to make their money? Well,
3 they make money off of catering, take their truck to a
4 catering event. They're given a guaranteed fee. They know
5 how many people are going to be there, so they've got a
6 guaranteed income. That's one of their revenue streams.
7 Other would be public events, wherever there is a large
8 group of people. Usually they have to pay a fee to be
9 there. But that would be big things, like boat races and
10 the fair. But then we have seasonal events, Sunset at South
11 Ridge. We have Food Truck Friday. We have Live at 5:00 in
12 Richland. So there are a lot of different public events
13 where they know there's going to be a large concentration of
14 people spending money on food.

15 Another way they make money is on a set location.
16 There are folks in different stages of their business. If
17 you're a new business operator, maybe you need to go to
18 those public events. Maybe you need to move around a little
19 bit to get your name out there, get the word out, let people
20 know who you are, and get familiar with your food. There
21 are other operators who have been there, done that, or
22 they've got more than one mobile food business, and they
23 want a set location. For instance, Swampy's, he can operate
24 his catering out of his truck, but still leave his truck
25 there because he can take food elsewhere in other vehicles.

1 There are other set locations in the Tri-Cities.
2 North Richland has a big weekday food lunch crowd. So a lot
3 of those mobile businesses will go out to North Richland on
4 weekdays. Business parking lots, you see around town where
5 a food truck will be set up in a business parking lot, just
6 kind of a random location. A lot of times they don't charge
7 them to be there. We also see that seasonally, the city
8 parks, every city has a concession program. So food trucks
9 can do a lot of those city park areas where there are kids
10 playing in the park, doing the playgrounds.

11 They also can go to the wineries, sporting events,
12 and some of the seasonal bazaars. Wineries right now are
13 really looking for food trucks, because they don't
14 oftentimes have a restaurant.

15 Some of the other observations that I've found
16 during this first year of our pilot program, with the food
17 truck owners, is that on a set location -- set location
18 meaning, like, Columbia Gardens -- those businesses that
19 were the most successful, Columbia Gardens or White House
20 Plaza, those businesses were very active and extremely
21 aggressive on their social media presence. They were
22 posting every day. They have pictures. They have videos.
23 They tell you what their hours of operation are going to be,
24 whether it's that day or all week. They tell you what the
25 menu is, and then they always have a consistent message. My

1 message is, I am a barbeque guy, I am an ice cream truck,
2 you know, I'm not sharing memes of puppy pictures on my
3 FaceBook page. I'm giving you a consistent message.

4 Also, one of my observations is that their owners
5 are very excited. And they're engaged with their customer.
6 They appreciate their customer. They're out there talking.
7 They're outside of that food truck. They are just mixing
8 and mingling. And they become the personality.

9 Also, their menu is varied. They don't have a
10 single item. With ice cream, it is seasonal, but it's very
11 popular in the summertime. Rollin' has also added other
12 menu items. She sees the need to diversify her menu because
13 if she wants to be open year round, she needs do that. So
14 there's varied menus, as well as their operations are pretty
15 reliable. You can go on and you can find out that they're
16 not going to be closed for three months because they're, you
17 know, vacationing in Mexico or something.

18 The food quality is very high, and they have
19 something unique to offer. So those are some of the
20 observations that I made during this last year with those
21 really successful set locations, why people are coming to
22 see them and why they will drive across town to enjoy their
23 food.

24 And what's kind of interesting is they really
25 support each other. The ones who are very successful don't

1 look at that other food truck operator as competition. If
2 we're all doing well and we're all supporting each other,
3 we're all going to benefit from this. We're going to have a
4 great reputation.

5 Location. So whether our location is on Clover
6 Island -- which is a great location already. We've got the
7 boating traffic, we're got the lighthouse plaza, we've got
8 things do in the summer time. Fabulous location. Our
9 Columbia Gardens location. Downtown Kennewick, in general,
10 has a thriving weekday working population. You can go into
11 our Food Truck Plaza and see all kind of work trucks. I see
12 Twin City Metal work trucks, I see landscaping work trucks,
13 I see all kind of work trucks. There are people walking
14 across at the hawk from other businesses to come eat at the
15 Food Truck Plaza. So we have a thriving, daytime weekday
16 population for downtown.

17 Columbia Gardens, specific, and Port amenities are
18 very attractive to the food truck operators, because we have
19 a lot of the utility infrastructure that they need, the
20 water, sewer, garbage, and electricity we hae down there.
21 And everybody I've talked to, that really pulls them in.
22 That's very interesting to them.

23 One of our location challenges is that we just
24 need time to mature. We need our Food Truck Plaza to be
25 given some time to build our community recognition that it's

1 down here. And that's just going to take -- it's not going
2 to happen over night. So it's going to take a little bit of
3 time to build. It's going to get its own personlity, its
4 own character, and people are going to want to come down
5 here for those reasons. Plus, we've got more to offer. With
6 those constructions coming to completion, the tasting rooms
7 are going to be open here, our existing wineries are open,
8 and there's a lot of special events.

9 From just a management and operations of the food
10 truck is we started out a little stricter. We have -- we're
11 a government entity, so we have rules and regulations, and
12 we have policies we need to follow. So we're pretty strict.
13 Telling people what days we want you to be open, what hours
14 of operation, you can take so many days off in a year. But
15 there are just so many variables, so many variables. These
16 are small businesses.

17 For me to dictate to the ice cream person to be
18 open Monday through Friday, 11:00 to 2:00, when she does
19 better business at night, it seems unreasonable. So it
20 requires a little more flexibility. So that's something
21 that I'm moving toward, is more of a day rate for some of
22 these folks, as opposed to putting them into some kind of a
23 lease. Because they are looking at -- either they're very
24 mobile, or they're semi-mobile.

25 Operating a food truck program is very hands-on

1 and very labor intensive. I'm just going to throw that in
2 there. There's six to 10 businesses that you're still
3 managing. But we are focused on fostering small business.
4 And every time I talk to one of these food truck operators,
5 they're really worried about, Well, you know, are you going
6 to that I can make me do this, are you going to make me do
7 that? And my response is always to them, We want you to be
8 successful. So the Port is here to foster small business
9 and help you be successful. So we don't want you to go out
10 of business because you couldn't meet the expectations of
11 the time. We'll work with you.

12 So the next chapter, real quick, like I mentioned,
13 Rollin' Ice Cream would like to return to Lighthouse Plaza
14 this summer. The tasting rooms are going to be open. That's
15 going to drive more traffic. I've had great response so far
16 to new food truck operators that would like to come in for
17 2020, and we will take a little bit more flexible of an
18 approach. We've got several spaces. We can accommodate
19 people at different hours and different days. We're working
20 on the shade structure for the seating area with some
21 decorative lighting. We've got some permanent picnic tables
22 to install. And we will have another -- a public restroom
23 container down there. And then signage. Signage is going
24 to be huge. So we'll be really working on getting some
25 signage put down there.

1 The last thing I wanted to mention was events. The
2 Commission supported a vibrancy program. So kickstarting,
3 you know, you think about kickstarting something, getting
4 people recognizing what's going on. We need the energy, the
5 enthusiasm and getting the word out there. So the current
6 tenants, Bartholomew and Menorca, took advantage of our
7 vibrancy program to where you to could get a reimbursement
8 on some of your advertising.

9 So in 2019, we had probably -- there is an
10 application process. We had probably less than \$3,000 that
11 we allocated in reimbursements. We have already approved
12 over \$2,000 worth of reimbursements for this year, and we're
13 not even into March yet. So it's starting to get some
14 momentum. They understand the process, because there is,
15 there's an application and you have to do a few little
16 things. But they're already starting to do more events. So
17 those events will bring people in in as well.

18 Also, I wanted to mention that the Southeast
19 Washington Food Truck Association, which has led -- I think
20 the organized started founding member was Ron with Swampy's
21 -- they are putting on a food truck showcase in Columbia
22 Gardens on Saturday, March 21st. So you buy a ticket for
23 \$20 bucks and you get to go around to these different trucks
24 and food operators that he has already -- they're already
25 organizing among themselves. We are helping to promote it

1 through the vibrancy program. But this is something that's
2 being done independent of the Port, with the support of the
3 Port through the location. But it's actually very exciting.
4 It's something that's very independent, hoping it will draw
5 a lot of people down here, and then also give the food truck
6 operators more exposure to Columbia Gardens and what they
7 could possibly do down here as well.

8 So anyway, that was not as fast as I had expected
9 to be, but pretty close. So if if you have any questions,
10 I'm happy to answer them.

11 **MR. BARNES:** Amber, thank you very much. Your
12 enthusiasm is very clear about this, and something the Port
13 of Kennewick should be very proud of.

14 Questions or comments for Amber? Commissioner
15 Moak?

16 **MR. MOAK:** Yes. Thank you very much. I do
17 appreciate that. I know Swampy's is down there daily, I
18 think. Did the other -- I mean, are the rest of them, were
19 they seasonable and you hire them for -- or you have a
20 different process than for 2020? Or what is that process in
21 terms of how -- who's going to be down there?

22 **MS. HANCHETTE:** So we still have an application
23 process. And we've reached out to a number of food truck
24 operators, some that have approached the Port first, and
25 then some who were there last year. For instance, I've got

1 several food truck operators that would be brand new. Or
2 maybe they have a cart or a trailer, or they have even just
3 a table and a tent. We've got the area that we can do, you
4 know, tables and tents in moderation.

5 So Frost Me Sweet, they didn't see huge sales. But
6 you sell a \$3 cupcake, it takes a lot of cupcakes to cover
7 your cost. Their social media presence for their mobile
8 wasn't as strong as maybe some of their other stuff. But in
9 fact, I just got an email from Megan today. She was like,
10 Yeah, we're really interesting in coming back. I'll let you
11 know, once I hire my food truck person for the season, what
12 dates we would like to come back to Columbia Gardens. They
13 didn't leave and say, I'm never coming back. They left and
14 said, I think maybe the timing's a little off for us,
15 because when they have those tasting rooms, they really see
16 that traffic, and that's kind of more -- their sales will
17 come from that.

18 It's just going to be a variety. There's a
19 process. You need to fill out an application, and --

20 **MR. MOAK:** When does the season really begin?

21 **MS. HANCHETTE:** You know, for most of them, March.
22 That's what I'm finding. If they are seasonal -- I have an
23 Asian fusion. He wants to start in March. We have another
24 food vendor in the Tri-Cities that is getting another truck.
25 So they would like a set location. So it's going to be kind

1 of semi-permanent for them. But I don't want to give
2 somebody a permanent spot in case it doesn't work out for
3 us. So you know, we're working on a flexible basis right
4 now.

5 **MR. MOAK:** Thank you very much. I do appreciate
6 that.

7 **MR. BARNES:** Thank you. Questions or comments?
8 Amber, again, thank you very much. It's great work.

9 Okay. The next item on our agenda, we have Task
10 Status Update at Columbia Gardens. Larry?

11 **MR. PETERSON:** Due to the time and the fact that
12 none of the tasks I was going to give you an update on are
13 pressing, if acceptable, I'll share those with you in two
14 weeks.

15 **MR. MOAK:** That's fine with me.

16 **MR. BARNES:** All right. Thank you. Then Tana,
17 Phase 2, Ribbon Cutting Ceremony, please?

18 **MS. BADER IGLIMA:** I just wanted to let everybody
19 know that we have set a date and time for welcoming the two
20 new winery tenants to Columbia Gardens and really
21 celebrating with our partners who helped invest in that
22 Phase 2, the road, the utility, the landscaping, the art
23 work, the parking lots, all of the things that went into
24 Phase 2A and 2B, which is with the new building, which
25 everybody gets excited about, Oh, yeah, the wineries. But

1 there's a lot of back story and a lot of partners.

2 So we've set March 27th, which is a Friday, at
3 2:30 p.m. The wineries will be participating, and the event
4 will roll out much like it did when we celebrated the
5 Bartholomew and Menorca Winery. But this time we'll have
6 four wineries open celebrating two new tenants and the Food
7 Truck Plaza as well. So I have flyers out front, if anybody
8 from the public wants to grab them. We'll also be doing
9 some inserts in the chamber news letter and getting some
10 other messages out to encourage people to attend. So mark
11 your calendars.

12 **MR. BARNES:** Thank you very much. That's a date
13 to mark on the calendar and a date to look forward to.

14 **MS. BADER IGLIMA:** Yeah.

15 **MR. BARNES:** Thank you. Okay. Next item,
16 please. Posting Commission Meeting Audio Update. Bridgette?

17 **MS. SCOTT:** Okay. Another brief update for you.
18 Since I gave some information at the last meeting, I have
19 continued to research and work with our IT consultant in
20 checking out different software companies. In addition,
21 Commissioner Moak sent me an email that had a link to a
22 newspaper article about Grays Harbor County Commissioners
23 posting their audio online. So I did some research on that
24 today and discovered that it is actually one of the
25 companies that we're looking at using. So that was good to

1 see, too.

2 So on Friday, I will be meeting with our IT
3 consultant. We'll be doing demos, reviewing, and hopefully
4 selecting the software that we can start implementing.

5 **MR. BARNES:** Great. Good news. Thank you for all
6 your work in that area.

7 **MR. ARNTZEN:** Commissioner Barnes, if I could?

8 **MR. BARNES:** Yes.

9 **MR. ARNTZEN:** Do we think that the progress we've
10 made to this point in the method of us reporting back, is
11 that satisfactory up to this point for the Commission?

12 **MR. BARNES:** Yeah, I think so. I think we've had
13 an update on this each of the last two meetings.

14 **MR. ARNTZEN:** I just want to make sure that we're
15 progressing. I will share information as we get it with
16 you. And again, our goal, I think, is the same as your
17 goal. We'd like to get this project accomplished and
18 checked off our list. I just wanted to make sure that the
19 Commission is comfortable with the approach that we're
20 taking.

21 **MR. BARNES:** Thank you.

22 **MR. ARNTZEN:** Thank you.

23 **MR. BARNES:** Yes. Okay. The next item on our
24 agenda, we have a Congressman Newhouse update. Commissioner
25 Novakovich?

1 **MR. NOVAKOVICH:** Yeah, considering the time, I'll
2 just be real brief. I attended a meeting that Congressman
3 Newhouse had regarding Hanford and the issues and,
4 basically, what about Hanford after. Well, it turned into
5 more of a discussion about the dams and some really good
6 information that Franklin PUD and Benton PUD responded, and
7 just to let people know that right now, there's probably
8 less than a 5 percent chance of blackouts with the dams.
9 With the dams to be removed, there's probably a 25 percent
10 chance. The dams provide 70 percent of our electrical
11 power. Wind provides about 3 percent.

12 They also talked about the reconveyance and the
13 fact that there would be an article or an op-ed talking
14 about the reconveyance. I stressed the fact about the
15 tribes, and they said, yes, the tribes would be included.
16 And I pointed out the fact that when the presentation was
17 first done to us, we asked the question of the presenters on
18 the reconveyance, you know, have you talked to the tribes.
19 Their answer was yes. Very shortly thereafter, we had a
20 meeting in Pendleton with the tribes, and we asked them had
21 they heard about the reconveyance, and they said, no, they
22 hadn't heard about it. So I wanted to stress that that was
23 happening.

24 And then the other thing, I talked to Josh Lozano,
25 who's Congressman Newhouse's staff person of the 1135

1 project and the fact that we had the A&E funded and under
2 way, but the fact that the construction money had been
3 allocated elsewhere. And he said, oh, that's not good, and
4 he'd keep his eye on it. And they were going to request
5 that they receive all reports on it.

6 So overall, it was a pretty good meeting. It
7 didn't start out to be exactly what what they wanted, but it
8 was still a pretty good meeting attended by a lot of people.
9 And of course, our executive -- friendly executive director
10 from the Port of Benton pretty much dominated the meeting.

11 **MR. BARNES:** Thank you. Questions of Commissioner
12 Novakovich?

13 All right, the next item on our agenda,
14 Commissioner Meetings, formal and informal meetings with
15 groups or individuals. Commissioner Moak?

16 **MR. MOAK:** Yes. I attended the Kennewick Man and
17 Woman of the Year banquet last night, and also, a Benton
18 Franklin Walla Walla Good Roads and Transportation
19 Association meeting where we heard from representatives from
20 transit.

21 Thank you.

22 **MR. BARNES:** And I have no meetings to report.
23 Commissioner Novakovich?

24 **MR. NOVAKOVICH:** I had several meetings with the
25 Council of Government and our Port turning on bylaws for the

1 Council of Government. I attended the economic forum
2 luncheon at Three Rivers, and then had attended the
3 Kennewick Man and Woman of the Year banquet last night.

4 **MR. BARNES:** Okay. Thank you. Our next item on
5 the agenda, non-scheduled items. Let's start over with
6 Amber, please. Non-scheduled?

7 **MS. HANCHETTE:** I have nothing. Thank you.

8 **MR. BARNES:** Nick?

9 **MR. KOOIKER:** Nothing.

10 **MR. BARNES:** Larry?

11 **MR. PETERSON:** Nothing.

12 **MR. BARNES:** Luinda?

13 **MS. LUKE:** I have nothing this afternoon. Thank
14 you, Commissioners.

15 **MR. BARNES:** Thank you. Tim?

16 **MR. ARNTZEN:** Well, unfortunately, I do have one
17 that might take a few moments. Would you like me to get
18 into it now? Or do we work our way through and then come
19 back?

20 **MR. BARNES:** Let's do it now.

21 **MR. ARNTZEN:** Okay. I will start in with the
22 information that I have, which isn't a whole lot. I
23 received a phone call a few days ago from the executive
24 director of the CEO of the Port of Whitman County, Joe
25 Poire, and he asked me if I would present a resolution to

1 the Port Commission for signature related to saving the
2 dams. And I believe the resolution was going to go to our
3 governor.

4 I have known Joe for quite some time. He's a good
5 friend of mine. But it was almost presented like, bring
6 this up, get it signed, and get it back to me, and I said,
7 Well, wait a second. I said, I can't speak for the Port
8 Commission. And I actually found the Port Commission to
9 want to talk about issues and maybe discuss it. And I said,
10 I would not hazard to guess whether they would support it or
11 not, but I might point out to you that there would
12 likely be some discussion. And my good friend Joe said, Oh,
13 don't even want any discussion. I mean, this thing is
14 moving ahead. So more or less, let's just drop it.

15 Then I think our good friend, Commissioner
16 Kammerzall, it's my understanding that maybe he called
17 Commissioner Novakovich -- I don't know if he attempted to
18 contact others.

19 **MR. NOVAKOVICH:** Several times.

20 **MR. ARNTZEN:** But I believe it was yesterday, I'm
21 coming back from something, and there's a little old
22 fashioned phone note of, Commissioner Kammerzall called you
23 and he needs you to call him back. And I'm thinking to
24 myself, Well, wait a second, I don't call Commissioners. I
25 would go back with the executives. But as I'm reading the

1 note, I think it was Lisa that comes in, you know, skids up,
2 Commissioner Kammerzall's on line 1. He's really wanting to
3 talk to you. So I talked with him and I said, you know,
4 just a little bit, because I talked to Joe about it, and you
5 know, I typically report back to executives, not to
6 Commissioners. But he started out with, I don't see it on
7 your agenda. And I said, Right, it's not on the agenda.

8 So here we are. And I don't take a lot of
9 amusement from this, but it is just kind of an interesting
10 situation, because we get a lot of people involved on an
11 issue that I do think needs to go to the Commission. I
12 can't say, Sure, I'll write you a letter, or what have you.
13 So I wanted to have a chance to discuss this with you.

14 As I mentioned, and around the office, Tana
15 reminds me that things that we do that might pertain to
16 resource issues that are important to the tribe, pursuant to
17 our MOU that we have with the tribe, we probably need to run
18 these by the tribe. And Commissioner Kammerzall seemed to
19 know about that, and he said, Well, you have to go get
20 approval from the tribe. I said, No, we don't seek approval
21 from the tribe. But pursuant to our MOU, we do at least
22 call them. I said, At a minimum, it would be manager to
23 manager on the phone about this. I said, From there, it
24 doesn't prescribe the methodology.

25 One of the things that I've learned in dealing

1 with the tribes is you have to be very patient. A very
2 simple question sometimes takes you a significant length of
3 time to route through. One of the things, in my opinion,
4 that our culture doesn't understand about their culture, we
5 like to come in and say, I need an answer now. From my
6 experience, their culture doesn't exactly work that way. So
7 I'm not sure how we would handle this. But if somebody
8 says, I need an immediate answer from the tribes, I might
9 suggest the answer is no.

10 So I'll stop right now. And I do have a related
11 one on this. Somebody from the Franklin PUD wants us to
12 send a representative to a press conference, a joint press
13 conference on March 2nd.

14 So again, I think we've all been here before where
15 we get limited information put up in front of us, and we're
16 asked to -- I shouldn't say rubber stamp -- but we're asked
17 to agree to an issue that is portrayed as a community wide
18 project, you know, that the entire community supports. So
19 I've put the brakes on this.

20 And then with many things -- I do appreciate Tana
21 -- on many things that we do, I think the sensitivity to
22 place a phone call to the tribes is a very important thing
23 that I'm glad she reminds me not to forget. I haven't
24 called the tribes on this, or anything. But these types of
25 issues are the ones that I think the tribe has an

1 expectation that we will at least talk with them on.

2 So I'll pause for a moment.

3 **MR. BARNES:** Thank you. If I could comment on
4 this. I, too, received a phone call from Commissioner
5 Kammerzall asking if, you know, the Port of Kennewick might
6 be willing to place an item on the agenda immediately in
7 support of the dam's improvement. And I say, Well -- I
8 said, you need to talk to Tim about getting it on the
9 agenda. I didn't feel like I wanted to request it be on the
10 agenda.

11 And then I called him back after I received email
12 regarding the invitation from Franklin County and I saw the
13 conversations there. So then I called him back. I left a
14 message and I said, You know, anything like this would fall
15 under our MOU with the tribes, where we would need, at a
16 minimum, to collaborate, to communicate with them about
17 this. This could not be something, in my opinion, the way I
18 read the MOU, I don't think this would be something that
19 could come to the Commission, single meaning, rubber
20 stamped, unanimous approval, signature, and then back out
21 the door. I think that our relationship with the tribe is
22 much more important than that.

23 Any further comments on this issue? Commissioner
24 Moak?

25 **MR. MOAK:** Yeah. Well, I would just say, I mean,

1 I think we've been really -- I think that position that for
2 some time in that I think we drafted a policy or procedure -
3 - I mean, this is out of our wheelhouse, I think. And I
4 think that a lot of people, and I think Port of Whitman, you
5 know, because of the business they're in, they're much more
6 affected by what the dams and whatever is. You know, I
7 understand.

8 And Franklin PUD, I understand their position. I
9 think, you know, my feeling is that the Port should get
10 involved in things that the Port is directly involved in,
11 you know, it has a direct impact on us, but that we're not
12 going to be dragged into whether it's a good idea or not
13 and, you know, into things just because everybody else is. I
14 would prefer, not that because I'm in favor of taking down
15 the dams, I just don't think that we should be having to
16 sign every last thing that -- what the government does or
17 what anybody else does, it's not going to be affected by
18 whether the Port of Kennewick's signature is on a piece of
19 paper.

20 And so my feeling is it's not our business.

21 **MR. BARNES:** Tim?

22 **MR. ARNTZEN:** Thank you. I think that gives me
23 direction. And one of the other things I just wanted to say
24 -- and I know the hour's getting late -- but when we have an
25 agreement with the tribes, an agreement that very few other

1 entities have -- I think the City of Richland has one with
2 the Umatillas, and the City of Portland, Oregon has one. I
3 can tell you, from my discussions with the tribes, they hold
4 that document very sacred. It's a four or five page
5 document. And you've all been to public meetings where the
6 representative from the tribe will talk about Port of
7 Kennewick.

8 I can tell you that those four or five pages are
9 very meaningful to them. And this morning I was thinking
10 about it, saying, Oh, my gosh, those four or five pages
11 limit what we can do. But we knew that going into it. So
12 if we want to brag about the four or five pages that we got
13 that nobody else does, we also have to understand that it
14 requires some things -- again, my own editorial.

15 So I believe what I've heard from the Commission
16 is very consistent with the day that that document was
17 signed and our view of that document as a very important
18 document.

19 The other thing that I will tell you -- I didn't
20 want to go too far here -- but when you sign a document with
21 the tribes, they expect it to be honored.

22 **MR. BARNES:** Thank you. Okay. Continuing Non-
23 scheduled. Tana?

24 **MS. BADER IGLIMA:** Yes, I do. I have just a
25 couple real quick questions of the Commission. One of the

1 things that has come up is the opportunity for the
2 Commission to have new Commissioners' photos done. It's
3 been a while. And I have checked with our photographer, and
4 Mr. Bershears is available either prior to the March 10th or
5 prior to the March 24th Commission meeting, if the
6 Commission is available at that time. If that would work, I
7 can try and schedule. I wanted to find out if there was a
8 preference on that, if you want to do something sooner
9 rather than later, or if you know now whether those dates --
10 either of those dates would work for you. And it would take
11 maybe half an hour, 45 minutes per Commissioner.

12 **MR. MOAK:** Whenever you're going to get a shave.

13 **MR. BARNES:** Whenever I find my razor. I don't
14 know. I don't know that it's a priority. I guess if you
15 want to book the later date, then --

16 **MS. BADER IGLIMA:** So I will work with the
17 Commissioners to try and schedule something around March
18 24th, because I think all of you are typically in town for
19 Commission meetings. That makes it easier if I can just
20 book some appointments with Rich all at once prior to, but
21 not all Commissioners together. So it would be separate
22 Commissioners, different times, prior to the Commission
23 meeting.

24 Thank you. The only other thing I wanted to
25 remind everyone is that tomorrow is the Regional Chamber of

1 state of Ports luncheon. So Commissioner Barnes is going to
2 be our presenter. I hope everybody has a chance to attend.
3 Thank you.

4 **MR. BARNES:** Thank you. Bridgette?

5 **MS. SCOTT:** Nothing further, thank you.

6 **MR. BARNES:** Thank you. You don't want to remind
Clerk's Note: PDC →
7 me of the PEC deadline coming up?

8 **MS. SCOTT:** I thought I'd wait until the next
9 meeting.

10 **MR. BARNES:** All right. I know April 15th is
11 coming. But thank you for the reminders.

12 Lisa?

13 **MS. SCHUMACHER:** Nothing, thank you.

14 **MR. BARNES:** Commissioner Novakovich?

15 **MR. NOVAKOVICH:** Yeah, I have one thing from WPPA
16 legislative committee. The local revitalization financing,
17 House Bill 2804, is still considered necessary to implement
18 the budget. Therefore, it's technically still alive. That's
19 all I have.

20 **MR. BARNES:** Commissioner Moak?

21 **MR. MOAK:** I have none.

22 **MR. BARNES:** And I have nothing. That brings us
23 to our second and final opportunity for public comment.
24 Would anyone like to make a public comment?

25 There's no other business. I know we covered a

1 lot of territory today, and we ran late. But Nick, thank
2 you very much. Amber, thank you very much. Larry, Lucinda,
3 Tim, Tana, Bridgette, Lisa, long meeting, but we covered a
4 lot of territory. I think it was excellent.

5 This meeting is adjourned.

6 **(Whereupon, the meeting was adjourned.)**

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1 CERTIFICATE

2
3 I, Ileia C. Perry, do hereby certify that I
4 reported all proceedings adduced in the foregoing matter
5 and that the foregoing transcript pages constitutes a
6 full, true and accurate record of said proceedings to the
7 best of my ability.

8
9 I further certify that I am neither related
10 to counsel or any party to the proceedings nor have any
11 interest in the outcome of the proceedings.

12
13 IN WITNESS HEREOF, I have hereunto set my
14 hand this 30th day of March, 2020.

15
16
17 

18
19 _____
20 Ileia C. Perry
21
22
23
24
25



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

MARCH 10, 2020 MINUTES

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

Staff Members: Tim Arntzen, Chief Executive Officer (via telephone)
Tana Bader Inglima, Deputy Chief Executive Officer
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, Chief Finance Officer
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator (via telephone)
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

David Robison led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: *Commissioner Novakovich moved to approve the Agenda; Commissioner Moak 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 3, 2020*

Direct Deposit and E-Payments totaling \$88,562.62

B. *Approval of Warrant Register Dated March 10, 2020*

Expense Fund Voucher Number 101916 through 101938 for a grand total of \$40,983.15

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

Commissioner Barnes stated two staff and legal counsel are attending via GoToMeeting: Chief Executive Officer, Mr. Arntzen, Special Projects Coordinator, Lisa Schumacher, and Ms. Luke. Commissioner Barnes stated all three Commissioners are Present.

PORT OF KENNEWICK SPECIAL COMMISSION MEETING

MARCH 10, 2020 MINUTES

DRAFT

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Vista Field*

1. *Arts Center Task Force*

Mr. Arntzen gave an update on the Arts Center Task Force and stated the project and the needs of each party have changed. Before the Commission is a draft letter addressed to the Arts Center Task Force for their review.

Discussion commenced between the Commission and staff regarding the draft letter.

PUBLIC COMMENT

Devin Diaz, 5143 Owl Court, West Richland. Mr. Diaz, Executive Director for the Arts Center Task Force thanked the Port for all of the time that they have invested in the Vista Arts project. Mr. Diaz was hired in November 2019 and his task moving forward is to make the project a reality. Mr. Diaz advised Dr. Wiley to write the letter, as the Letter of Intent expired in March 2019. Mr. Diaz believed that both parties were looking for clarity and a path forward. Mr. Diaz was pleased with the Art Center Task Force letter and he was pleased with the Port's draft letter, which stated that if money is available and everything lines up, that both parties would like Vista Field is an option. From this afternoon forward, having a cordial and positive relationship is both of our goals. Mr. Diaz thanked the Port for the 10 plus years that they have invested in this project.

No further comments were made.

The consensus of the Commission is to approve the draft letter, which will be signed by the Commission President and sent in final form to the Arts Center Task Force.

2. *Construction Update*

Mr. Peterson gave a visual update of the construction progress at Vista Field.

3. *Task Status Update*

Mr. Peterson provided a brief update on the task status chart at Vista Field.

Discussion commenced between the Commission and staff.

B. *Columbia Gardens*

1. *Task Status Update*

Mr. Peterson updated the Commission on Columbia Gardens and will be working with Oneza Associates on a property owners association (POA) and architectural considerations for the development.

Ms. Hanchette stated Gordon Estate Winery held several private events over the past two weeks. Additionally, last weekend was the two year anniversary for Palencia Wine and he hosted an event to celebrate. Ms. Hanchette reported that several more food trucks will be setting up at the Food Truck Plaza in the coming months.

PORT OF KENNEWICK SPECIAL COMMISSION MEETING

MARCH 10, 2020 MINUTES

DRAFT

Discussion commenced between the Commission and staff.

2. Cascade Natural Gas Easement in The Willows

Mr. Peterson reported that Cascade Natural Gas Corporation has requested an Easement at The Willows to enhance the safety and protection of their natural gas piping network in the Columbia Drive and Clover Island area. Cascade Natural Gas will be installing a chaotic protection station in The Willows.

PUBLIC COMMENT

No comments were made.

The consensus of the Commission is to allow the easement at The Willows for the Cascade Natural Gas Corporation.

C. Coronavirus Preparedness

Mr. Arntzen stated as most of you are aware of the situation at this time related to the Coronavirus. Mr. Arntzen is taking the advice of the CDC, local health agencies and the Governor of Washington. Mr. Arntzen and Ms. Luke put together a draft procedure to help us guide us through the day to day operations of the Port related to the Coronavirus and other infectious diseases.

Ms. Luke outlined the draft procedure for infectious diseases related to a safe working environment for Port staff and considerations.

Discussion commenced between the Commission and staff.

Mr. Arntzen stated that he will work on mandating the procedure and continue to monitor the situation.

Commissioner Barnes requested the final procedure to understand what measures Mr. Arntzen is taking with staff and for the Commission to follow as well.

D. Posting Commission Meeting Audio Update

Ms. Scott shared that the Port has contracted with AV Capture All for the audio recordings for the Commission Meetings. Ms. Scott believes it will be available beginning in April and hopes to provide a short presentation on how the program works.

E. Public Disclosure Commission Reporting / No-Conflict Statements

Ms. Scott reported that the Commission's Public Disclosure reports and no-conflict statements are due by April 15, 2020.

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

Commissioners reported on their respective committee meetings.

PORT OF KENNEWICK SPECIAL COMMISSION MEETING

MARCH 10, 2020 MINUTES

DRAFT

G. Non-Scheduled Items

1. Commissioner Novakovich stated there was a hearing on the Local Revitalization Financing (LRF) Bill yesterday and it has been pulled for the year.

Commissioner Novakovich reported that the Port of Walla Walla has encountered graffiti in their restrooms and have already repainted them twice this year.

Commissioner Novakovich stated in the interest of transparency, asked Mr. Kooiker to provide the cost to the tax payers of the Port on the appeal that Commissioner Barnes has made to the citizen's complaint.

Commissioner Barnes stated that is a request by a Commissioner for an item to be placed on the Agenda for the next meeting. Additionally, Commissioner Barnes asked for the cost of the entire anonymous citizen's complaint, the legal costs to the Port for the entire anonymous citizen's complaint to be added to the Agenda for the next meeting.

2. Commissioner Moak stated related to Vista Field he believes the Port will have a formal ribbon cutting, but he would like to see the Port hold another public meeting like we did a few years ago. Commissioner Moak would like to get the public involved and let them ask questions about where we are going and questions related to issues at Vista Field. Commissioner Moak would like to see continued public involvement and try to keep the momentum going. Commissioner Moak thought that the Vista Field meeting the Port had a few years ago at the Bechtel Board Room was a very good update and now that we are moving forward, there are a lot of things going on and he thinks it would be good to involve the community one more time.

Mr. Arntzen clarified with Commissioner Moak about scheduling events, until it is safe to schedule public events.

Commissioner Moak stated absolutely and safety is the first priority. Commissioner Moak clarified that at some point he believes this would be a good thing to do.

Mr. Arntzen appreciates the clarification and will add the item to the list for future topics to bring back to the Commission for consideration.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick reported that the Mid-Columbia Symphony will hold their "Salute to Youth" concert on March 21, 2020 at 7:30 p.m. at the Richland Auditorium

No further comments were made

COMMISSION COMMENTS

No comments were made.

**PORT OF KENNEWICK
SPECIAL COMMISSION MEETING**

MARCH 10, 2020 MINUTES

DRAFT

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:43 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

BOARD OF COMMISSIONERS ACKNOWLEDGEMENT

The attached transcript provided by Naegeli Deposition & Trial of the March 10, 2020 Commission Meeting is approved and will be kept as a permanent record of the meeting.



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PORT OF KENNEWICK
REGULAR COMMISSION BUSINESS MEETING
PORT OF KENNEWICK COMMISSION CHAMBERS
350 CLOVER ISLAND DRIVE, SUITE 200
KENNEWICK, WASHINGTON
TUESDAY, MARCH 10, 2020
2:00 P.M.



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1 **PORT OF KENNEWICK**

2 **REGULAR COMMISSION BUSINESS MEETING**

3 **HELD ON**

4 **TUESDAY, MARCH 10, 2020**

5 **2:00 P.M.**

6
7 **MR. BARNES:** This meeting of the Port of Kennewick
8 Commission will please come to order. If you would please
9 rise, I'd like to -- Mr. Robison, will you please lead us in
10 the Pledge of Allegiance?

11 **MR. ROBISON:** It would be an honor to do, sir.

12 **(Whereupon, the Pledge of Allegiance was recited.)**

13 **MR. BARNES:** Okay. The next item on our agenda is
14 approval of the agenda. The Chair will entertain a motion.

15 **MR. NOVAKOVICH:** Mr. President, I move approval of
16 the agenda as presented.

17 **MR. MOAK:** Second.

18 **MR. BARNES:** Okay. So it's been moved and
19 seconded that we approve the agenda as presented. There's
20 no discussion. All in favor, please say "Aye".

21 Any opposed?

22 Ayes have it, 3 nothing.

23 The next item on our agenda is an opportunity for
24 public comment. At Port of Kennewick Commission meetings,
25 we have two opportunities for public comment, one near the

1 beginning of the meeting and one near the end of the
2 meeting. If you would like to make a public comment to the
3 Port of Kennewick, please move to the podium. Please state
4 your name and address for the record, and please limit your
5 comments to three minutes. Would anyone care to make a
6 public comment?

7 Very good. Thank you.

8 The next item on our agenda is the consent agenda.
9 These items are considered routine in nature, generally
10 taken with one vote of the commission. Any item could be
11 moved from -- removed from the consent agenda, placed
12 further down the agenda for discussion. Are there any items
13 from the consent agenda that need to be moved?

14 Okay. The Chair will entertain a motion regarding
15 the consent agenda.

16 **MR. NOVAKOVICH:** Mr. President, I move approval of
17 the consent agenda.

18 **MR. MOAK:** Second.

19 **MR. BARNES:** Okay. It's been moved and seconded
20 that we approve the consent agenda. At this meeting, the
21 consent agenda consists of approval of direct deposit of any
22 payments dated March 3rd, 2020 and approval of warrant
23 register dated March 10th, 2020. If there's no discussion,
24 we'll vote. All in favor of the consent agenda, please say
25 "Aye".

1 Any opposed? The Ayes have it, 3 nothing.

2 I should back up, just a little bit of
3 housekeeping at the beginning of the meeting. Bridgette
4 informed me that we have two staff members in our legal
5 counsel attending this meeting electronically through, is it
6 Go To Meeting?

7 **MS. SCOTT:** It is, yes.

8 **MR. BARNES:** Okay. So just on the record, we have
9 all three commissioners present. And we have our CEO, Tim
10 Arntzen, and our -- I don't know Lisa's title -- Lisa
11 Schumacher is --

12 **MS. SCOTT:** Special Projects Coordinator.

13 **MR. BARNES:** Special Projects Coordinator. Thank
14 you very much. Tim and Lisa are attending through Go To
15 Meetings. And then, also, our legal counsel, Lucinda Luke,
16 is attending. So welcome all of the Go To Meetings
17 attendees to our meeting.

18 All right. Continuing down the agenda, under,
19 Reports, Comments, and Discussion Items, Item 6A, Vista
20 Field, the Art Center Task Force update. Tim? Please. Tim,
21 are you there?

22 **MR. ARNTZEN:** Yes. Thank you, Commissioner
23 Barnes. Can you hear me okay?

24 **MR. BARNES:** Yes, now I can hear you.

25 **MR. ARNTZEN:** Okay. Sorry. I had you on mute,

1 started to talk and so --

2 **MR. BARNES:** I see.

3 **MR. ARNTZEN:** Yes. Thank you for this opportunity
4 to appear through Go To Meeting. This is the first time for
5 me. It appears to be working reasonably well. So I hope
6 that that continues throughout the meeting.

7 What I'd like to do is just give a brief
8 description of what we have in front of us, the issue, so to
9 speak, and then we have a copy of a draft letter. I just
10 need to take a moment and kind of give the overview that I'd
11 like to pause, take up questions or comments, and then we
12 can talk briefly about the proposed letter.

13 Recently, we had a presentation from one of the
14 Port's contractors, David Robison, Strategic Construction
15 Management. David had a chance to visit with
16 representatives of the Art Center Task Force to try to find
17 out where everybody was at. David gave a presentation last
18 commission meeting. And I think the point we're at is where
19 our paths are more or less diverging. We still have a
20 cordial relationship. I think they're looking in other
21 parts of our community for a potential site for the
22 performing arts center. They have other financial
23 requirements at this time. So I think it's fair to say that
24 the project and the needs we already have changed over time.

25 My understanding from the last commission meeting

1 is that the Commission asked staff to put together a
2 proposal for a letter response to the Art Center Task Force
3 to kind of put the finishing touches on where we currently
4 believe the relationship is at. So that's -- I'll pause for
5 a moment to make sure that I have raised the conditions of
6 the situation in a reasonably accurate fashion, and then
7 provided we get comments or questions and get them resolved,
8 then we'll move into the draft letter that we have in the
9 past.

10 So I'll pause now and return it to Commissioner
11 Barnes too see if we have questions or comments.

12 **MR. BARNES:** Okay. Are there Commission questions
13 or comments, to this point, with Tim?

14 Okay. Tim, there are No commission questions or
15 comments. So please proceed.

16 **MR. ARNTZEN:** Yes. Thank you. So I talked with
17 Tana, and we discussed the possibility of putting together a
18 letter. One of the things I wanted to do was to kind of get
19 a different perspective from someone who hasn't been really
20 close to this matter, such as myself or Mr. Peterson. So I
21 asked Tana to take an attempt at a first draft of a letter,
22 because I think she's been aware enough of the situation,
23 getting kind of briefings from the staff over the years. She
24 had a chance to sit in on Mr. Robison's presentation.

25 So once I had a chance to just say, Tana, could

1 you please help us with a letter -- I just felt it was nice
2 to get it kind of into some hands from somebody that was a
3 step or two back. And when I looked at her first draft of
4 the letter itself, she really captured the situation
5 accurately. You can see it. It's a brief letter. And I
6 think she's encompassed a number of the points in the
7 letter. So I think it was very -- I really appreciate the
8 job that Tana did in taking the first stab at a draft
9 letter. So I'm pleased with it.

10 We discovered a number of the important points. I
11 don't think delved into territory that we don't really need
12 to go into. And it's brief. So I'm pleased with the
13 letter.

14 And then I guess I'd like to pause and turn the
15 topic to the Commission and just have them review the
16 letter, give me comments and so forth. But before I do
17 that, I think there would have been number of ways that we
18 could have approached this. You could have had a letter
19 come out under the signature of the executive. We can still
20 do that. But sometimes when we do that, the recipient might
21 say, Well, that's the opinion of the executive. I wonder if
22 that's the opinion of the Board. So sometimes we've seen
23 that, in the past, where it might almost invite further
24 inquiry from the Board.

25 So we've tried it this way with the signature

1 being under the signature of Commissioner Barnes, as the
2 President, because I think that way it lets the recipient
3 and others in the committee know that, yes, this was sent
4 out by the President of the Board, so it has the stamping,
5 the backing, if you will, of the Board at large, rather than
6 just the opinion of the executive.

7 So Commissioner Barnes, I'll return the issue back
8 to you.

9 **MR. BARNES:** Okay. Thank you. Commission
10 comments or questions, to this point, regarding the draft
11 letter? Commissioner Novakovich?

12 **MR. NOVAKOVICH:** No questions. But I think this
13 is very well written. I think it leaves the door open, if
14 things change in the future. And I think both us and the
15 ACTF need to just move on and see where we end up. But the
16 Port's always willing to listen if funding becomes available
17 to them. So I think the letter is very well written. It's
18 brief. It's to the point and leaves the door open. So I'm
19 very happy with the letter.

20 **MR. BARNES:** Commissioner Moak?

21 **MR. MOAK:** Yeah, a couple of points here. One is
22 that I think very appropriate that it come over the
23 signature of our President. I think so many of the
24 decisions at Vista Field ultimately are policy decisions of
25 this Board, you know. And it isn't just that staff is

1 leading us in some direction, but you know, just about every
2 step of the way have been major policy decisions by the
3 Board. So I think it's appropriate for the President to
4 sign this.

5 I think one thing that is in here that I think
6 it's important to be reminded of, from the very beginning,
7 it was not the intent of the Port to fund the art center.
8 And I think that was very clear from the very beginning. We
9 were going to provide property -- I would just like to say,
10 over the years that we've been working on this, we have
11 spent a good chunk of time, effort, money on behalf -- by
12 Tim, other staff members or consultants, at a variety of
13 levels. We put a lot of investment in here trying to make
14 this work. You know, the Art Center Task Force also put in
15 a lot of effort and work to try to make this work.

16 You know, it was never our intent to fund this.
17 You know, this is a role that's going to be at a government
18 level, either the general purpose government or the special
19 government entity that's tasked to do public facilities. So
20 I think -- yeah, I think Commissioner Novakovich is exactly
21 correct, that it leaves the door open for future
22 partnerships. I think it's very appropriate, and I think
23 it's also the right policy decision.

24 **MR. BARNES:** Thank you. I agree with the comments
25 of my fellow commissioners. I think that from the Port's

1 perspective, I think that the Port was very generous in the
2 amount of time given to the Arts Center Task Force to try to
3 raise the initial funds that would have allowed this -- the
4 commencement of construction or allow this facility to come
5 into being. It's noted in this letter that it's nearly a
6 year ago that the letter of intent expired. And I agree
7 with the comments.

8 The door is still open. I think the initial -- or
9 the primary obstacle in front of the Art Center Task Force
10 for this facility is fundraising. I think it was an
11 ambitious budget, but I think that it was a budget that was
12 arrived at with a lot of input from the community. And I
13 think, you know, the Port, I think gave an excellent piece
14 of property -- dedicated an excellent piece of property to
15 the project at a very reasonable price. I think there were
16 some issues regarding the precise layout and parking
17 relative to the facility, and I'm confident that those
18 issues could have been addressed. If those were the only
19 issues that we had in front of -- or holding up the
20 construction of this facility, I have every confidence that
21 the Port and the Art Center Task Force could have resolved
22 those issues.

23 But I think the bottom line is captured by this
24 letter, that this could be a catalyst at Vista Field. It
25 would be a nice addition. I think I agree with my fellow

1 commissioners. The Port at no point indicated a willingness
2 or an ability to raise public funding for this. The Port of
3 Kennewick represents approximately 30 to 40 percent of the
4 total residents of the entire Tri-City area, and I think it
5 would be unfair to burden that 30 or 40 percent of our
6 residents with much of the funding for a public facility
7 that would benefit the entire community.

8 So I agree with the elements of this letter. I'll
9 be happy to sign it if it's approved. And again, the most
10 important thing here is the door is still open. If there's
11 a way that we can work the Arts Center Task Force on the
12 performing arts facility at Vista Field, I think we still
13 have that opportunity.

14 **MR. NOVAKOVICH:** Mr. President, I suggest that we
15 just approved the letter by consensus, rather than a full
16 motion.

17 **MR. BARNES:** Okay. That's a possibility.

18 **MR. MOAK:** Would you like to open it up for public
19 comment?

20 **MR. BARNES:** I would. I would. I think that
21 would be a great point. Okay. Because the Commission is
22 considering a decision on this issue, it creates an
23 opportunity for public comment. If anyone from the public
24 would like to make a comment regarding this issue, we'd ask
25 that you please move to the podium, please state your name

1 and address for the record. Please limit your comments to
2 three minutes.

3 Would anyone care to make a public comment?

4 **MR. DIAZ:** Good afternoon, my name is Davin Diaz.
5 I'm the Executive Director of the Art Center Task Force. And
6 --

7 **MR. BARNES:** Please state your address. I'm
8 sorry.

9 **MR. DIAZ:** 5143 Owl Court, West Richland, 98353.

10 **MR. BARNES:** Thank you.

11 **MR. DIAZ:** I just wanted to thank you for taking
12 the time and -- all the time invested in this project. I
13 was hired in November of last year. My task moving forward
14 is to make this project a reality. And so it was on my
15 advice that Dr. Wiley wrote the letter, because as you
16 stated, the LOI had expired. I think both parties were
17 looking for a clarity and a path forward. And so I
18 recommended we draft that letter.

19 When we read the draft of the Port of Kennewick's
20 letter, we were very happy and felt it was very positive. I
21 think you're right, Commissioner Novakovich, both our letter
22 and your letter both state that if money is available and if
23 everything lines up, that I think both parties would like
24 Vista Field to be an option.

25 So I think leaving from this afternoon moving

1 forward, having a very cordial, positive relationship is
2 both of our goals. I just wanted to thank you guys, over
3 the last 10 years -- and Tim on the phone and, I guess,
4 legal on the phone -- everyone over the past 10 plus years
5 that have invested in this project for taking it as far as
6 it has.

7 Thank you.

8 **MR. BARNES:** Thank you. Any further public
9 comment?

10 Okay. Then, Tim, if you're still there, I'd like
11 to throw it back to you. If you have any final -- and also,
12 I would like to throw this back to Lucinda. Does Tim or
13 Lucinda have any remarks here before the Commission takes
14 action?

15 **MR. ARNTZEN:** I'll toss it to Lucy, and then I'll
16 do a wrap-up if I could, please.

17 **MR. BARNES:** All right. Lucinda?

18 **MS. LUKE:** Good afternoon, Commissioners. I've
19 reviewed the draft letter. Tana did an excellent job in
20 capturing, you know, the status of the LOI and keeping the
21 door open for future partnerships here. So from a legal
22 standpoint, I don't have any concerns over the draft letter.
23 It appears to be appropriate as prepared.

24 **MR. BARNES:** Okay. Thank you. Tim, it's back to
25 you, then, please.

1 **MR. ARNTZEN:** Yes, thank you. Davin, I always
2 appreciate working with you. I appreciate your kind words.
3 I'm sure the Commission does as well. And I look forward to
4 working with you on many of the other interesting projects
5 in the future that I'm sure both of us might pursue. So
6 thank you, Davin, for your kind words.

7 Port Commission, I think either you do have or
8 will shortly have a copy that you can sign. And I don't
9 think there's really anything further for my part. I
10 appreciate the discussion on this. I think it is a good
11 resolution. So I think all we would need to do to complete
12 this matter would be to have the letter signed. So we'll go
13 out. Should there be any further correspondence or any
14 other details regarding this issue, obviously, staff would
15 bring it to you at the earliest convenience. So bottom line
16 is I think we just sign the letter, and this issue will be
17 put to bed.

18 **MR. BARNES:** Okay. Very good. Thank you, Tim,
19 and thank you, Lucinda. Commissioner Novakovich has
20 suggested that perhaps the way to go here is to approve this
21 by consensus. If that's acceptable, I'm looking at a nod of
22 the head "Yes" from Commissioner Moak, and also from
23 Commissioner Novakovich. And I agree.

24 In closing, I would like to thank Tana for her
25 excellent work in drafting this letter. I think that it

1 very accurately captures the position of the Port. I want
2 to thank Davin for your continued work and effort. We still
3 think that the performing arts facility would be a fabulous
4 addition to our community and the Port of Kennewick. Just
5 from this letter and from the remarks in this room today, I
6 think the Port of Kennewick stands willing to work with you
7 in the future in some manner that makes sense and can fit in
8 at Vista Field.

9 So with that, I would like to conclude by saying
10 that by consensus, the Port of Kennewick Commission approves
11 this letter. It will be signed by the president and go out
12 shortly. So thank you, staff, again, for this work. And
13 we'll move on to the next item on the agenda.

14 The next item on our agenda, continuing under
15 Vista Field, we have a construction update. Larry Peterson,
16 please?

17 **MR. PETERSON:** Yes. As soon as the PowerPoint is
18 ready, we will run you through a visual update at Vista
19 Field.

20 **MS. SCOTT:** Okay. Larry, I will be your man
21 today.

22 **MR. PETERSON:** Okay. The starting of most every
23 presentation for Vista Field is that rendering of build-out,
24 just to remind the vision that was captured in October or
25 November of 2014 and then shown in this April '18 rendering

1 and how we're taking that rendering and those concepts,
2 turning them into biddable construction documents, and
3 making the improvements out in Vista Field. So that vision,
4 that picture that Commissioner Moak had talked about, if we
5 paint the picture, we paint the image, we can keep coming
6 back to this.

7 The Board undertook improvements of the sections
8 identified in yellow, the City roadways of Crosswind
9 Boulevard, Vista Field Boulevard, and the extension of
10 Grandridge Boulevard into the site, as well as the ruiner
11 for shared residential streets of Azure Drive and
12 Constellation Way, along with a series of private alleys and
13 a linear water feature for the site, again, identified in
14 the yellow shading on the overall rendering.

15 The backbone infrastructure, or the private sector
16 improvements pulled away from that rendering, are identified
17 on the screen at present. It's a view from this morning
18 looking at generally the same perspective of the rendering
19 with Cross Wind Boulevard running through the site from the
20 lower left corner to the upper right-hand corner, up to the
21 scissors intersection with Grandridge coming into the site.
22 Vista Field Boulevard can be seen on the top portion of the
23 slide. And the gray -- the weather folk or brown-colored
24 concrete for Azure Drive is in the center of the site.
25 Running along Crosswind Boulevard just to the left or west

1 side, in this case, is the 850 foot linear stream.

2 Looking at Espinola Way, this is that shared --
3 excuse me. One strike. Looking at Azure Drive, this is the
4 shared residential street. There will be a series of
5 bollards to keep the cars in their path, although this is a
6 street that is owned by the pedestrian and shared with the
7 car, as opposed to most streets in this community, which are
8 owned by the car and the pedestrian is an unwelcome visitor.

9 The octagonal plaza -- this is looking down Azure
10 Drive back towards Crosswind Boulevard as an octagonal
11 fountain that is adjacent to the roadway. There will be a
12 series of bollards to keep the vehicles on the desirable
13 path. The tree-lined street, very close in proximity, a
14 picture of pedestrians moving from one side of the street to
15 the other, from one business to the other, possibly coming
16 out from the restaurant or the apartment or the office by
17 day, out into this location. It is not a blocked-off street
18 where vehicles are not allowed. It's just pedestrians have
19 -- pedestrians and the cyclists have the priority.

20 **MR. MOAK:** Azure Drive, is that colored concrete?
21 Or what is the --

22 **MR. PETERSON:** That is colored concrete, and there
23 is a saw cutting texture that will be placed in there. It
24 was drawn up by Michael Mahaffey and Lawrence Kumar. It's
25 called the cycloptian pattern. It looks like a tortoise

1 shell. We need to have what's called contraction joints,
2 basically, cuts in the sidewalk. But they don't have to be
3 the methodical, every five foot. You can use these in
4 interesting patterns. So we're waiting for the concrete to
5 all be done. They have one last 15-foot segment of
6 concrete, and then we will be marking and scoring out about
7 5,000 linear feet of contraction lines to be cut in at five-
8 foot increments.

9 So there will be a couple days where the planning
10 and development director will be out in the field with the
11 consultant from Portland snapping chalk lines on the ground,
12 because we didn't just hand those to the contractor and say,
13 Please follow this pattern. It was felt to be very
14 important that -- Mr. Kumar and Mr. Mahaffey felt that they
15 wanted to actually put those lines on the ground to properly
16 locate.

17 **MR. NOVAKOVICH:** Sir, you mentioned it before, but
18 how far apart are those trees?

19 **MR. PETERSON:** 30-foot spacing on trees throughout
20 the Vista Field development, which typically, you'll find in
21 more 60 to 75-foot is a spacing. This is an urban
22 development, but we didn't forget the vegetation.

23 **MR. PETERSON:** This is a video working their way
24 from Crosswind Boulevard through the scissors intersection.
25 The pond, or the tail end of the water feature is to the

1 left just past the track. If you're really astute, you'll
2 notice my date's actually off. This is from yesterday.
3 This is shadows. This was last night after work. But we're
4 working our way to the intersection crossing Vista Field
5 Boulevard, heading down Crosswind Boulevard.

6 The stream is to the right or the west. There are
7 two pedestrian bridges that cross the stream before reaching
8 Azure Drive that has both vehicle and pedestrian crossing.
9 There are steps down into this water feature. There are
10 seating areas adjacent to the water feature. And then the
11 beginning point, the 32-by-32-foot fountain by the hangar
12 building is awaiting the remodel efforts.

13 Next slide. This is a view heading west down
14 Azure Drive, crossing up and over the stream. There will be
15 railings still be placed, and bollards between street trees.
16 Street lights and bollards, that's what will identify the
17 overall path for the vehicles. Different color of the
18 concrete have to do with the different days it was poured.
19 When it cures, it will all have that same look.

20 Then the last video -- and I'll apologize now for
21 the last two or three seconds of this -- but this is zooming
22 in from that view to the southeast above the UPS facility
23 down into the site, focusing on the water feature, working
24 towards Azure Drive.

25 The improvements that the Port has contracted with

1 Total Site Services are nearing completion. Now it's time
2 to finish up the mechanical steps that we have to perform
3 in-house. That was my apology there.

4 Next slide. And as a reminder -- back to that
5 slide, please. This was December 18th, Espinola Way --
6 excuse me. That's twice -- Azure Drive had yet to even have
7 any of the concrete start to be poured, and now that entire
8 segment is done. 156 street trees have been placed, 128
9 along the main streets of Crosswind Boulevard, Grandridge
10 and Vista Field Boulevard. And then another 28 along Azure
11 Drive, along with the bosque or grouping of trees along the
12 water feature. All of that's occurred in the last two, two
13 and a half months.

14 And as a reminder, in the upper right-hand corner
15 of this slide, gosh, 10 and a half months ago, it was
16 ground-breaking time. This was a concept. These were
17 approved plans. They were approved contracts. But the work
18 had yet to begin. And now we've transformed Vista Field
19 into this meandering street network, grand public spaces,
20 and soon, the water feature later this month is scheduled
21 for start-up and operation. We can get any of the bugs out
22 of that. But the elements that the public had asked for, to
23 create that public space, that backbone that the private
24 sector could then go vertical to build this urban town
25 center, near completion.

1 **MR. BARNES:** Questions or comments for Larry?

2 **MR. NOVAKOVICH:** Thank you for your work.

3 **MR. PETERSON:** It's a group effort.

4 **MR. MOAK:** I love the overhead shots there, even
5 the quick dart over Azure Way there. I think that really
6 helps see that progress in a great way. So I realize it's
7 great teamwork, and I appreciate everybody who's been part
8 of this. I think, you know, it's exciting that this bench
9 could be a part of something like that.

10 **MR. BARNES:** Yes, thank you very much, Larry. I
11 mean, it is a team effort. And I think from the Commission
12 point of view, it's been excellent work by the staff to
13 bring us from the ground-breaking photo that you showed in
14 April of last year to this point, is really gratifying and
15 really -- I mean, it's exciting to see this. And I hope
16 that our community's becoming aware of what's going on there
17 and what the opportunities are for private sector
18 involvement. So thank you very much for your work in the
19 video, and great job.

20 Yes?

21 **MR. PETERSON:** One last addition. It was not on
22 the Vista Field site, but the street names -- several of
23 them, not all -- but several have been changed. So at the
24 intersection of Rio Grande and Crosswind Boulevard, the sign
25 now reads Crosswind Boulevard. It no longer reads

1 Grandridge. And the round about at Okanogan and Crosswind
2 Boulevard is signed as such. Canal drive, the special
3 signage that hangs from the traffic signals is still being
4 fabricated. But you will even find at that intersection,
5 the standard or smaller street sign identifying Crosswind
6 Boulevard.

7 So it's on the official EMS response. That's so
8 the fire and police know the location to be. They'll start
9 to show up on the mapping. And that Crosswind Boulevard
10 will continue from Canal Drive, all the way through the
11 sight up to Deschutes Avenue. Again, a key element of
12 pulling the community into Vista Field, making that
13 connection. It hasn't been from Deschutes Avenue to Canal
14 Drive in 70 years.

15 **MR. MOAK:** Have they taken down the Espinola Way
16 sign?

17 **MR. PETERSON:** I'm still working to get that out
18 of my vocabulary.

19 **MR. BARNES:** Well, if that's the biggest problem
20 we have, then I think we're in very, very good hands.

21 Okay. Anything further on the construction
22 update? Thank you again, Larry. Great job.

23 Moving on to the next item, task status update,
24 Larry, please?

25 **MR. PETERSON:** This is brief, as I was out the

1 last couple days, the last week, not feeling well, so I
2 didn't put together my memo for you. The item that we were
3 to talk about today is the use, considerations and the
4 architectural theme. Again, a question for Vista Field, do
5 we have a particular theme? Is there a particular theme or
6 design that we don't want to see? Some questions to get
7 answered before we get out to the RFP process later this
8 summer.

9 At this point, we had some discussions with Senen,
10 with DPZ, the Miami office, about this and getting some
11 timing of when we could start rolling. But our other
12 assistants, Mike Mahaffey is out of the country for the rest
13 of the month of March. So it's been -- we've been talking
14 about scheduling this. But as far as getting those team
15 members to start establishing some ideas, we're pulling the
16 pieces together. But we don't have renderings for you, at
17 this point, to start putting on the screen and saying -- and
18 taking your temperature with a "Yay" or "Nay" and starting
19 to ask for your input or direction.

20 **MR. BARNES:** All right. Thank you. Any questions
21 on Vista Field? All right. Let's move to the next item on
22 our agenda, item 6B, Columbia Gardens. Task status update.
23 Larry, please?

24 **MR. PETERSON:** Yes. At the last meeting, this was
25 scheduled to be covered, what we were going to be talking

1 about on the 28th of February, and then also cover what we
2 have for this meeting. The last meeting went exceptionally
3 long.

4 We're looking to put together some covenants for
5 the property owners down on the Columbia Gardens Way using,
6 as a model, our Spaulding Business Park, and also what we're
7 putting together for Vista Field from a property owner's
8 association, although pulling some big basic consents for
9 Vista Field, but not the complexity of Vista Field. The
10 dollars are much smaller. But the idea being there will be
11 some loss at the Columbia Gardens site to sell, and there
12 will be some common maintenance beside plowing of the street
13 and maintaining some of these other street lights and some
14 landscape improvements.

15 How is that going to be funded long-term so that's
16 not a continual obligation for the Port Commission, but
17 spread amongst the proper owners, of which the Port may be a
18 percentage, but not a whole, and also setting up a mechanism
19 for when there's a pothole in the road, when the street
20 light gets knocked down, when a bigger ticket item needs to
21 be replaced, how will that be shared by the property owners.

22 On Clover Island, we haven't had to address this,
23 as the lease revenues covered the operational expenses of
24 plowing and trimming the trees. But when those lots are
25 sold, there's a one-time revenue, but a long-term

1 operational commitment. So we're putting the mechanics
2 together, and we're using the firm Onase & Associates, who
3 helped us with the West Richland Race Track master plan.
4 She was the former planning director with the City of
5 Kennewick and has familiarity with the site and has helped
6 several communities pull together, both design and
7 maintenance and operational covenants.

8 So the functioning mechanics of the property
9 owner's association have pulled together. We've also asked
10 her to start helping us with some architectural
11 considerations. So again, we'll report back with the Port
12 Commission, what is it you would like to see, when we're
13 talking with a particular interested party. What is the
14 theme? Is there a theme?

15 We have two buildings that are of different --
16 they're both quality. We have a stucco building that has a
17 agrarian feel, with a 20-foot wall. It's the tan stucco
18 exterior red roof. And then the recently completed tasting
19 room building that has a cabin and boathouse type feel.
20 They're different languages. And what are we expecting from
21 the private sector?

22 It would appear that it's not a homogenized look.
23 It has the two buildings in place that are different from
24 each other. But what are we looking for, so the private
25 sector has an idea, when they give you a presentation or

1 proposal, what the building should be skinned with. So
2 we're asking Onase to help us through on that.

3 And also, in Vista Field, the real estate
4 commission policy, we're looking at when that gets tuned up
5 district wide, and also looking at how is that applied to
6 the Columbia Garden site, get the commission discretion,
7 possibly the land extensive holdings that we have that have
8 been in our portfolio for 40 or 50 years, may have a
9 different commission compensation structure than the
10 properties that have taken a lot of the Commission's time
11 and effort to work through the entitlements and received a
12 lot of dollars for improvements. Possibly, those that are
13 shovel ready that have had a lot of planning efforts behind
14 them, entitlement efforts, have a different commission
15 compensation schedule than the land extensive holdings that
16 have been in our portfolio for 40-plus years.

17 We'll be bringing a piece of those back to you.
18 We're just pulling together some drafts and identifying,
19 what can we consolidate in terms of our commission and real
20 estate policies.

21 **MR. BARNES:** Okay. Is that maybe an agenda item
22 for the future?

23 **MR. PETERSON:** Yes.

24 **MR. BARNES:** Overall real estate commission
25 policies?

1 **MR. PETERSON:** Yes, that's been --

2 **MR. BARNES:** As sort of a footnote here.

3 **MR. PETERSON:** That's been identified as a small x
4 now. At some point later in May, we would be looking to
5 bring that back to you for some decision. But yes, there
6 will be drafts that will be in front of you.

7 **MR. BARNES:** Okay.

8 **MR. PETERSON:** And we'll talk about what are the
9 appropriate percentages.

10 **MR. BARNES:** Okay. All right. Questions or --

11 **MR. PETERSON:** That's a quick update of what's
12 going on with Columbia Gardens.

13 **MR. BARNES:** Okay.

14 **MR. PETERSON:** Related to a task list and
15 schedule. I believe Amber has much more exciting
16 information she could share when appropriate.

17 **MR. BARNES:** All right. So is this continuing,
18 then, under Task Status Update in Columbia Gardens? I mean,
19 we're not on to the Cascade Natural Gas question, right?

20 **MR. PETERSON:** Correct.

21 **MR. BARNES:** Okay.

22 **MS. HANCHETTE:** I'll just give you a brief update.

23 **MR. BARNES:** Thank you.

24 **MS. HANCHETTE:** So this weekend, Gordon Estate
25 Winery, they did several different events -- actually, two

1 weekends ago now, they did a private event. Then this last
2 Friday, they did what she called legacy members. The legacy
3 members were invited in. And then on Sunday, they were open
4 to their wine club members.

5 This was also the two-year anniversary for
6 Palencia, so Victor was heavily promoting his event. So
7 there was a lot of cross pollination of. Bartholomew was
8 open. And so people were walking back and forth. Amanda
9 McBride, the tasting room manager for Gordon, was very
10 pleased with her traffic on Saturday, where she was open,
11 also. So they're getting started.

12 Food Truck Plaza, we have, of course, Swampy's.
13 But we have Ninja Bistro coming in next week, and later in
14 the month, Del Taco will be coming in. And I have a Creole
15 food truck operator that really wants to come in as well. So
16 a couple of other interesting things that are happening.

17 Our shade structure, we're going to start putting
18 the poles up on Monday. So more visual going on. Right, I
19 get to talk about the fun stuff.

20 **MR. BARNES:** Wow. Thank you very much. Questions
21 or comments for Larry and Amber? Commissioner Moak?

22 **MR. MOAK:** Getting back to the property owners
23 association, now we're going to have some factories that are
24 owned by the Port, some that are going to be owned by the
25 private sector. For the maintenance or whatever, will we be

1 charged -- charged out, let's say, for the properties that
2 we own to go into, like, a maintenance fund and -- or how
3 will that be differentiated between private sector ownership
4 and public sector ownership?

5 **MR. PETERSON:** I don't have the exact answer on
6 that. Yes, we will be charged our fair share. How that
7 will be determined, whether that's on square footage or
8 front footage, along a particular street, since we own that
9 421 site -- which is about three quarters of an acre -- and
10 we own the taste -- or in the footprint, we have a long-term
11 ownership position down there that has an obligation for a
12 percentage of that maintenance. Whether that is based upon
13 square footage of parcel, square footage of building,
14 assessed value of improvement, that mechanism we're working
15 with to say what is the fairest and -- we're not looking for
16 the easiest, but what's the practical way to accomplish the
17 end goal to collect a few dollars from all the appropriate
18 parties, not have an unnecessary convoluted financial
19 monster to manage.

20 **MR. BARNES:** Questions or comments regarding
21 Columbia Drive task status update?

22 Thank you for your work. It's exciting to hear
23 about new food truck vendors coming, and the shade
24 structure. And then we all know that the restaurant is
25 coming a little bit later this year. So those are going to

1 be tremendous additions to the Columbia Gardens Wine and
2 Artisan Village. And to hear about successful events
3 already taking place for Gordon Brothers, working with
4 Victor Palencia, that's fantastic ment.

5 Thank you very much for your work.

6 **MR. MOAK:** One question about restrooms. So how
7 are we dealing with restrooms now? We don't have a restroom
8 structure. I was thinking that there was supposed to be an
9 outside entrance to the bathrooms in our big buildings, but
10 I don't see that. So what is happening?

11 **MS. HANCHETTE:** There is access to public
12 restrooms. SO each one of the food truck operators has a
13 key for their staff, because that is a mandatory requirement
14 for the Health Department as well. The public may also use
15 the restrooms. There's two bathrooms in the A110 building,
16 which is Victor's building closest to the road, to Columbia
17 Drive. And so there is an exterior entrance door, but you
18 do need a key to get in.

19 **MR. MOAK:** You need a key, and the keys are at the
20 -- with the food truck vendor.

21 **MS. HANCHETTE:** Food truck operator has a key,
22 yes.

23 **MR. MOAK:** Is it labeled, the restroom? I mean, I
24 don't recall ever seeing anything that labels that or that
25 says, You need a key, you've got to go see Swampy or

1 whatever.

2 **MS. HANCHETTE:** It has just the suite number. So
3 110 is on the door. And generally, when somebody needs to
4 use the restroom, they will ask the food truck operator
5 where the restrooms are located, and they'll check out the
6 key and take it. We can always put a sign on the door.

7 **MR. MOAK:** To me, I would think that you'd want to
8 identify that, yes, there is one, or else how would you know
9 that -- to go to Swampy or whoever is down there to do that?
10 I would think that --

11 **MS. HANCHETTE:** Typically, they're at the food
12 truck already, but --

13 **MR. MOAK:** But some people are actually needing to
14 use the restroom who are not using the food truck at this
15 time, that they have a need.

16 **MS. HANCHETTE:** Right. So maybe the walkers,
17 people who are using the path.

18 **MR. MOAK:** Mm-hmm.

19 **MS. HANCHETTE:** But yes, we can label that door.
20 Not a problem.

21 **MR. MOAK:** Thank you.

22 **MR. BARNES:** And, of course, the wine tasting
23 rooms have restrooms, right?

24 **MR. MOAK:** Yes.

25 **MS. HANCHETTE:** Yes, and each one of the tasting

1 rooms has a door to the restrooms.

2 **MR. BARNES:** Any other questions or comments?
3 Larry?

4 **MR. PETERSON:** Just one piece of history.
5 Remember, it was May 9th of 2016. It was a groundbreaking
6 on that site for the tasting room buildings. The shovels
7 were in the ground about where Bartholomew has his tasting
8 platform. So less than four years ago, that was raw ground
9 waiting for the first buildings to come out of the ground.
10 We first had to do the infrastructure, and then later that
11 fall, the contract was awarded for the actual buildings to
12 begin the construction. The City awarded the contract to 2F
13 Construction for the streetscape work, and then the City
14 awarded the contract for the wine affluent treatment tank
15 and facility. The Port awarded a contract to bid the
16 construction for the loop, roadway, and the Food Truck Plaza
17 Clerk's Note: Banlin and infrastructure, and then ~~Bandon~~ Construction was the low
18 again for the tasting room facilities.

19 So less than four years ago, that was a gravel
20 site. Now we're talking about a two-year anniversary and
21 food trucks and how many -- when will the food trucks be
22 moving in. So it's, I believe, a very good picture today.
23 But remember from where it came in that short period of
24 time.

25 **MR. BARNES:** Well, you don't have to go back very

1 far, either, to remember a discussion in Port meetings about
2 fishing, garbage and debris out at that East Pond and, you
3 know, old motels being used by the Kennewick Fire Department
4 for exercises. So yeah, this is a -- for people that have
5 been in this area for some time, they can think back to the
6 days when that area had a different look and a different
7 feel. And I think the Port of Kennewick has had a
8 tremendous impact there to start -- give people some other
9 things and other uses to think about. And hopefully, we'll
10 have some of those private sector individuals come forward
11 with the lots that are available now in the Columbia Gardens
12 area and join the party. That would be a wonderful thing to
13 see.

14 **MR. MOAK:** A lot of people forget how bad it was
15 down there. You know, it's easy to -- maybe because of my
16 advanced age, but you know, to sort of forget about what
17 that really was and how bad that was. And when you see what
18 the Port has done. And that's why the pictures, you know,
19 really help identify, you know, those big -- I mean, this
20 isn't just a building that's gone up. This is a major shift
21 in how a community is dealing with progress.

22 **MR. NOVAKOVICH:** You know, Commissioner Moak is
23 right, because I believe that area was one of the highest
24 crime areas in the Tri-Cities for a number of years. So
25 you're absolutely correct, that we've made a huge difference

1 down there.

2 **MR. BARNES:** And now if the biggest problem we
3 have is finding the key to the restroom, that's tremendous
4 progress. Thank you. I'm sure we can overcome that little
5 problem. Well, when we have the public restroom at issue
6 later this year, that's going to be another huge step in the
7 sequence.

8 So thank you again for all your work and progress
9 and the great reporting. Any other questions of Larry and
10 Amber?

11 Again, thank you very much. It's very much
12 appreciated from this side of the table.

13 All right. We'll move to the next item on our
14 agenda, then. Under VI.B.2., Cascade Natural Gas easement
15 in the Willows area. Larry, please?

16 **MR. PETERSON:** Yes, Cascade Natural Gas
17 Corporation has approached the Port to obtain an easement
18 for a cathodic protection station in the Willows site.
19 Cascade Natural Gas has reviewed their overall network in
20 the Columbia Gardens, Columbia Drive, Clover Island area,
21 and identified that several of their metal gas pipe need
22 enhanced cathodic protection.

23 I know just enough to be dangerous on this.
24 Basically, a low voltage charge into an anode in the
25 ground takes all the corrosion that would normally go to

1 steel pipes. So you have a sacrificial piece of metal that
2 all the corrosion works towards and takes -- protection the
3 metal pipelines that the Cascade Natural Gas Corporation
4 utilizes. It's necessary from an operational and a safety
5 standpoint. Effectively, it's a rod that's bored 150 foot
6 into the ground. About four or five feet from the surface,
7 below grade, is a small wire that connects it and runs to a
8 very small electric meter. So above grade, nothing is seen.
9 It's all below ground.

10 Cascade Natural Gas approached the Port wondering
11 if we had a site that might work for this. And when we
12 looked at our Willows property, all of the overhead power
13 line easements that are already in place that create
14 encumbrances, and where the existing wall and access points
15 are, we identified a potential location in the southwest
16 corner of the Willows site close, but not abutting, the
17 Bunch Finnigan Appliance sales store.

18 Both in the concept generated Gary Black of
19 Integrated Structures Incorporated, and the recent site
20 plan, revisions made, working with the private sector, the
21 site proposed for the cathodic protection station has been
22 identified as a vehicle parking lot, not a building site.
23 This cathodic protection station is basically a well head,
24 almost, could function without further encumbrance to the
25 site in a parking area. So it's an area that's challenged

1 with existing overhead easements. It's identified as
2 parking in both conceptual plans that have been generated to
3 date. And it's a site that would help our partner
4 developer, Cascade Natural Gas, continue to provide a key
5 utility in the Columbia Drive and Clover Island area.

6 Cascade has proposed drawing and writing the legal
7 description, recording the document, covering all the costs,
8 and providing the Port a \$750 payment upon recording of
9 that. The \$750 is more of a cost that would help offset the
10 legal review that we would incur with Lucinda Luke
11 overlooking the document and double-checking. So we're not
12 making a lot of money on this. The \$750 fee is based upon
13 the square footage of the easement, and factoring 25 percent
14 of an easement is worth about 25 percent of the land value.
15 That's the mechanic -- or the approach that was taken to
16 reach \$750.

17 **MR. BARNES:** Okay. Questions or comments for
18 Larry? Commissioner Moak?

19 **MR. MOAK:** Yes. So everything is below ground so
20 you can drive over it, you can park on it. Not an issue,
21 correct?

22 **MR. PETERSON:** Correct. The only portions above
23 ground, via adjacent to the wall, the electrical meter. It
24 would be adjacent to the wall. But the rod itself is 150 to
25 five feet below the surface. So the parking lot that we

1 show in this rendering could be constructed over the top.

2 **MR. MOAK:** And if they needed to -- I mean, would
3 they need to do anything with maintenance or anything, where
4 they would be having to dig into that at some point?

5 **MR. PETERSON:** My understanding is once it's in
6 place, it's operational, unless it's damaged by construction
7 -- so metal wire -- at some point, I don't know the length
8 of this -- that anodode will wear out in time. But in
9 theory, they'd have an easement and could go back and rebore
10 that rod. They have an obligation to be working with an
11 easement to restore it to like conditions. So if it was a
12 parking lot constructioned in the future, they'd have to
13 repave a patch of the asphalt.

14 **MR. MOAK:** And from a safety issue, there's no
15 safety issues? We're dealing with a gas company. But we're
16 really not dealing with -- are we dealing with natural gas
17 itself on that?

18 **MR. PETERSON:** There are natural gas lines
19 throughout the Columbia Drive corridor, but this is not a
20 natural gas line. It is a sacrificial piece of metal in the
21 ground that all the corrosion is drawn to, not a live
22 natural gas line.

23 **MR. MOAK:** Okay. And does having this benefit the
24 Port?

25 **MR. PETERSON:** This benefits the -- yes. We have

1 many businesses on the island that use natural gas. We have
2 many businesses on Columbia Drive that are using natural
3 gas, both on the Columbia Gardens site. So continued
4 operation, having a safe network for natural gas, provides
5 another utility, gives both businesses and residences a
6 choice. And safety is paramount.

7 **MR. MOAK:** Thank you very much. Appreciate it.

8 **MR. BARNES:** I have a question, please. This goes
9 150 or 160 feet deep or so. Does it have any -- I mean,
10 that's into the groundwater, clearly. Does it have any
11 impact on well water or groundwater or anything like that?

12 **MR. PETERSON:** My understanding is no. We've done
13 some borings in the Columbia Gardens site, and we hit
14 groundwater at about 20 feet in depth. This is just a metal
15 rod, not hollow, just a metal rod bore into the ground.
16 There's a grounding rod in each of every one of our homes
17 that's pushed down about 10, 15 feet in the ground. This
18 this just happens to be 150 feet in the ground.

19 **MR. BARNES:** Okay. And then -- well, I don't
20 know. This is getting down into the details. I suppose if
21 Cascade Natural Gas needed to access this to work on it or
22 replace it or whatever, there could be like a manhole or
23 something, maybe in a paved area, for that access. I don't
24 know. I'm sure they've done this before many times. They
25 know what they're doing. I think you know what you're

1 doing. So -- it just seems to me that there would be
2 minimal disruption there for parking, based on the
3 information you've provided.

4 **MR. PETERSON:** Minimal disruption, yes. They know
5 what they're doing on this topic. I've never done a
6 cathodic protection station before or been involved with it.
7 They've indicated that once it's set in place, it operates.
8 It's not something that needs to be maintained or checked on
9 on a regular basis.

10 **MR. BARNES:** So I don't see a resolution or
11 anything with this. This looks like it's information only.
12 And so my assumption is that this is well within the
13 authority -- well within Tim's authority.

14 **MR. PETERSON:** I'll let Tim speak to that. It was
15 granting of an easement on a piece of property. We were
16 talking amongst ourselves, this something that we didn't
17 believe rose to the level of a resolution. Would it be
18 consensus of the board? Would it be have a discussion,
19 receive a direction or a nod from the Commission or -- I'll
20 let Tim chime in, what kind of official direction he'd like
21 to hear.

22 **MR. BARNES:** All right. Tim, any remarks are
23 welcome, please.

24 **MR. ARNTZEN:** Yeah, thank you. Larry, I
25 appreciate your discussion.

1 I think after what Larry said, that what I would
2 look for is just the consensus from the Commission, and then
3 I could go ahead and sign the document. Now, I know Lucy's
4 on the phone. If that's not true, I'd ask Lucy to step in.
5 But I think we can do this in an informal manner such as a
6 consensus.

7 **MR. BARNES:** Lucinda, your remarks are welcome,
8 please.

9 **MS. LUKE:** Yes. This is something that the
10 Commission could give census on and allow them to move
11 forward, after legal review of the easement documents.

12 **MR. BARNES:** Okay. Any other questions or
13 comments? Commissioner Moak?

14 **MR. MOAK:** Yeah. Is this -- because we're digging
15 into ground and it's very close to the Columbia River, do we
16 need to consult with the tribes there?

17 **MR. PETERSON:** I would defer this one on Tana. As
18 opposed to digging, this is simply bored into the ground. So
19 the opportunity to excavate and discover is not in place.
20 This is -- effectively, think of driving a stake into the
21 ground, which just happens to be driving it 150 feet into
22 the ground. So it's not a typical boring where it's
23 excavating a iste, like even for a well where there's an 8
24 inch casing. This is just forcing a metal rod into the
25 ground.

1 **MR. MOAK:** All right. I mean, I don't know what -

Clerk's Note: US Corps of Engineers

2 - a lot of times -- or maybe I'd hear from the core that any
3 time you're penetrating so much, it puts somebody's --

4 **MR. PETERSON:** The way we worked a relationship
5 with the tribe is, when in doubt, ask. And I've had
6 discussion with them on a couple of other items that were
7 similar. We were pushing something in the ground about 10
8 feet. It's the excavation where you're pulling material
9 back and can discover.

10 **MR. BARNES:** Okay. Any questions or comments?

11 All right. Then. So to recap, from Tim and
12 Lucinda, this is information received from staff regarding a
13 cathodic protection station to be placed by Cascade Natural
14 Gas in the Willows area. You're looking for consensus
15 approval from the Port Commission subject to -- I mean, that
16 would be after final review of the documents. Is that
17 correct? Or subject to review of the documents?

18 **MR. ARNTZEN:** Yes, that's correct.

19 **MR. BARNES:** Okay. Since a decision is
20 contemplated by the Commission, it creates an opportunity
21 for public comment. Would anyone care to make a public
22 comment regarding this issue?

23 Okay. Very good. Then is there any further
24 Commission discussion?

25 All right. Then, do we have consensus approval

1 from the Commission?

2 Okay. Yes, there's three yes indications of
3 consensus approval by the Commission.

4 All right. Thank you very much. Then we'll move
5 to the next item on our agenda, which is item VI.C. "C" is
6 for Coronavirus preparedness. Lucinda and Tim, please?

7 **MS. LUKE:** Tim, I won't know if you have to talk
8 about this?

9 **MR. ARNTZEN:** Yeah. Thank you, Lucy. I'll go
10 ahead and give a brief introduction and then ask Lucy to
11 walk us through the process. And then if I could, at the
12 end, I'd like to make a few closing remarks, if possible.

13 So with that approach, I'm just going to give the
14 update. I'm quite sure that most of us are aware of the
15 unfortunate situation that is in front of us, both worldwide
16 and nationally. We've also had quite a bit of activity
17 related to the Coronavirus in the state of Washington.
18 Unfortunately, we're gaining headlines for not so pleasant
19 purposes. But our state has been very impacted by the
20 Coronavirus. We are taking advice seriously from the
21 federal agencies, the CDC. We're also listening very
22 carefully to the advice offered by our governor and local
23 health agencies.

24 With that as a backdrop, I talked with members of
25 my staff and Lucy, and we wanted to put together a procedure

1 for going forward, based upon the information that we have
2 at hand from the various agencies that I've discussed. So
3 Lucy has done a magnificent job of responding over the last
4 several days of putting together a procedure, a draft
5 procedure, that we can use at the staff level to help us
6 guide the day-to-day operations of the Port.

7 So with that, I'd like to hand it over to Lucy.
8 I've heard her presentation. She walked us through it at
9 the staff meeting on Monday, and I think it's a very good
10 walk-through that she'll give you. But again, at the end,
11 Commissioner Barnes, if I could maybe have a moment or two
12 to finish up on some final thoughts. That being the
13 process, I'd now like to ask Lucy for her comments, please.

14 **MS. LUKE:** Thank you, Tim, and, thank you,
15 Commissioners. I'll let you know this has been a very
16 quickly developing situation over the last couple of weeks,
17 and in particular, last week, things moved very quickly. Tim
18 was very proactive in reaching out to me and indicating a
19 desire to evaluate steps to be taken, maintain a safe work
20 place for his staff, as well as maintaining, you know, the
21 effective operations of the Port.

22 I, in the course of my practice, deal with a
23 variety of employment issues, and this issue dealing with
24 procedures for protecting employees and for dealing with
25 work place issues has gone to the forefront for my practice

1 about a week and a half ago to two weeks now, any questions
2 coming forward and requests for guidance. So I've been
3 monitoring the information that has been flowing from
4 Federal, State, and County, as well as City officials, over
5 in Seattle, as to such practices and guidance, and as I
6 received articles and journals last week, provided those to
7 Tim for his review, and then worked with Tim and Nick to
8 develop a procedure draft for consideration and, you know,
9 to develop appropriate steps for the Port.

10 That procedure is an infectious disease procedure.
11 It's something that not only would be effective for the
12 current situation of Covid-19, but also as we go forward
13 with other potential infectious disease issues in the coming
14 years. These are proactive steps and proactive guidance for
15 Port management as well as Port staff. And as I said, the
16 goal is to continue the effective operations and essential
17 services of the Port while providing a safe work place. That
18 is one legal obligation of the Port and of other employers
19 near OSHA, and that's to provide a safe work place.

20 There are also several other overlapping
21 considerations for employers. The procedure is one of the
22 things that will provide employers with the guidance
23 regarding those overlapping considerations.

24 So first, and I think probably the most important
25 part of the procedure, is the fact -- prevention and the

1 desire to prevent the spread in the workplace. And the
2 procedure indicates that steps will be taken to maintain a
3 clean workplace with regular cleaning of objects in work
4 areas, and the request of cooperation of employees to help
5 in preventing the spread by washing hands, covering mouths
6 in sneezes or coughs, using hand sanitizer and just
7 generally being mindful of steps and guidance that's given
8 by Port management that might provide steps it asks
9 employees to take.

10 I'd also indicate guidance regarding normal
11 attendance, unless otherwise notified. One thing, we dealt
12 with a lot of questions last week about remote work
13 situations, employees that have higher risks. And with
14 Covid-19, we were receiving guidance regarding what high-
15 risk individuals should be now identified as an opportunity
16 to work remotely. With each infectious disease that we
17 might deal with in the future, there may be different "at
18 risk" groups. We do not pull in maybe the specifics of
19 Covid-19 into the policy, but mindful of specific guidance
20 (inaudible). (Inaudible) in the procedure regarding maybe a
21 (inaudible) and guidance to conduct meetings by phone or
22 Skype or otherwise, also, the possibility for rescheduling
23 of meetings for things that may be (inaudible) employees or
24 members of the public may be gathering.

25 **MS. SCOTT:** Lucy, this is Bridgette. You've been

1 cutting in and out a little bit.

2 Commissioners, how far back would you like her to
3 begin?

4 **MR. BARNES:** Can you just go back 30 seconds to a
5 minute or so?

6 **MS. SCOTT:** To remote access?

7 **MR. BARNES:** Let's see if we can get a better
8 connection that doesn't break up.

9 **MS. LUKE:** Yes, I'm sorry, Commissioners. I am on
10 my cell phone. I'm not on the computer. I was hoping that
11 I would have a more clear connection.

12 As far as the remote work, we are dealing with
13 Covid-19 protocols right now, but in the future, there may
14 be other reasons for remote work and identifying specific
15 groups of persons who are at higher risk.

16 **MS. SCOTT:** Lucy, I think we may have lost you.
17 Are you still there?

18 **MS. LUKE:** I am here.

19 **MS. SCOTT:** Okay.

20 **MS. LUKE:** I am here.

21 **MS. SCOTT:** So higher risk?

22 **MS. LUKE:** Yes. So higher risk. And I'll keep
23 this quick. If I'm coming in and out, I'll keep this quick.
24 But the procedure does provide for flexibility, depending on
25 the type of disease that might be dealt with. It allows for

1 the limitation of travel and limitation of in-person
2 meetings, prescribing meetings be conducted by phone or
3 Skype, requesting that employees stay home when ill, and
4 using guidance from the CDC, State, County or other entities
5 that are providing guidance, given whatever diseases'
6 protocols are being provided at the time. Also, the
7 procedure specifically recommends social distancing when
8 that guidance is provided by the Port management or coming
9 from other agencies.

10 So I think it's a very comprehensive procedure
11 intended to not only deal with the current situation, but
12 also with future situations, should they arise. Certainly,
13 we have flu every year, and this procedure would allow for
14 dealing with those annual issues related to flu, and also
15 other diseases, as they may come into the need for
16 addressing by management in the future.

17 So as I said, I think Tim was very proactive in
18 wanting to deal with this and get a procedure in place as
19 quickly as possible in order to facilitate answering
20 questions of his employees, protecting his employees and
21 also maintaining Port operations.

22 I'll turn that back to Tim, if there's anything
23 that you'd like for me to address further, Tim?

24 **MR. ARNTZEN:** Lucy, no. Thank you. And
25 Commission, I think you can see what I mentioned earlier

1 that, you know, Lucy is very well prepared on this. A good
2 portion of her lengthy career has been in the personnel
3 field. And with one phone call to the right person, a call
4 to Lucy, I got her on board with this. I do appreciate her
5 rapid response to giving some seasoned advice into my hands.

6 So thank you, Lucy.

7 **MS. LUKE:** You're very welcome. Thank you.

8 **MR. ARNTZEN:** Commissioner Barnes, I might pause
9 at this point and return it to the Commission to see if you
10 have questions of what you've heard so far. Then after
11 that, I'd request maybe a minute or two to kind of give a
12 wind-down on this, and then obviously, we can field some
13 questions.

14 But I'd return it to Commissioner Barnes at this
15 time.

16 **MR. BARNES:** Okay. Thank you, Tim. Are there
17 questions or comments for Tim or Lucinda on this issue?
18 Commissioner Moak?

19 **MR. MOAK:** Yes. Thank you. You mentioned
20 procedure throughout, which -- rather than policy. So it
21 sounds like this is not something that there is additional
22 policy that the Commission needs to adopt, but that this is
23 procedure that would be part of the manager's delegation
24 authority once it's in place. Is that correct?

25 **MS. LUKE:** Yes, Commissioner Moak. It is a

1 procedure intended to be one of the employee handbook
2 procedures, adopted by the director. However, if the
3 Commission wished to undertake a separate policy of the
4 Commission related to this matter, that would be a separate
5 directive.

6 **MR. MOAK:** Okay. Thank you.

7 **MR. BARNES:** So this is Commissioner Barnes. So
8 what is envisioned as the next step here?

9 **MR. ARNTZEN:** Thank you, Commissioner Barnes. I'll
10 go ahead and pick up the baton at this point. What I want
11 to do is work to finalize the draft procedure that Lucy has
12 in place. I have had quite a lengthy staff meeting with my
13 staff members to kind of lay out some of the general areas
14 that we've already identified, some of which Lucy has talked
15 about, such as social distancing in particular, doing
16 meetings by phone or by Go To Meeting, email rather than in-
17 person meetings. So a number of things like that we talked
18 about with the staff.

19 What I need to do, frankly, is spend a fair amount
20 of time watching this issue. It seems to be developing on a
21 day-to-day basis. There's new guidelines and suggestions
22 coming out, like I say, from Federal, State, and local
23 folks, almost on a daily basis. So my role will be to
24 continue to monitor this. And this really goes up to the
25 top of my work list. And I will continue visiting about

1 with Nick and my Human Resources Department, Lucy and other
2 members to kind of keep this fluid and flexible. That's one
3 of the reason why it needs to be a procedure coming down
4 from the executive. Lucy's correct, under OSHA, my mandate
5 is to keep employees safe.

6 So I think it's fluid. It's on the ground.
7 There's going to be a lot of tinkering with it, and maybe
8 some new directives from the executives, the staff members
9 over time. I think, really, what I have to do, again, is
10 monitor the situation and make sure some of the --
11 basically, my job is to translate it from the procedure that
12 Lucy has written to, okay, what does that really mean in the
13 field, in the Port context.

14 I'll give you an example. Sometimes Larry and I
15 like to meet with our good friend David Robison. I know
16 David was in the audience. What Larry and I might be doing
17 more often than not is phone David and say, David, we'd sure
18 love to be in your physical presence, but until we have this
19 issue behind us, we're going to do more of our meetings by
20 telephone.

21 Another thing that might mean is there will be few
22 opportunities for staff to go to community luncheons, to
23 kind of be out in the community. So there's some very
24 practical things, like I say, that I have to do to translate
25 from Lucy's memo, which kind of gives us some broader

1 guidelines to how do we actually implement this on the
2 ground.

3 So I'll pause and see if that has provided an
4 answer to your question, Commissioners Barnes.

5 **MR. BARNES:** Yes. I think that -- so there is a
6 draft memo from Lucinda laying out a draft procedure, and
7 then you're going to review that and look to finalize that
8 and put it into place in fairly short order? Is that
9 correct?

10 **MR. ARNTZEN:** Yes, that is correct. And there
11 will be probably also be some memos coming from many of the
12 staff members, like I say, on the newly-decided-upon issues.
13 And I told staff, Okay, once we get the directive to you,
14 any questions that come up, I can address those in a memo so
15 everybody has the benefit of the questions that have been
16 relayed to me by other staff members so everybody can see
17 that.

18 So yes, that would be a process, is to get this
19 thing typed up, three-hole punch it, put it in the employee
20 handbook. But yes, then, like we've talked about with
21 master plans, other documents, it really needs to be a
22 living document. It needs to be something that, in this
23 case, I think very well could change almost on a daily
24 basis.

25 You know, and the other thing that I'd like to

1 emphasize is, you know, we kind of view ourselves as Port
2 managers, and we kind of look at the Port issues of leasing
3 and boat docks and Vista Field and pavement. But this is a
4 new one for me, to having to become well-versed -- as well-
5 versed as I can in a short amount of time on infectious
6 diseases. So it's a new learning curve, that I guess comes
7 with the territory, as they say.

8 **MR. BARNES:** Okay. I would ask that the Port
9 Commission also receive a copy of -- I mean, if this is a
10 procedure that's going to be placed in the handbook and
11 implemented, then I think it would be well for the
12 Commission to have that information as well. Is that what's
13 envisioned?

14 **MR. ARNTZEN:** Yeah. I think what my thought was
15 is when we get something that we can actually, you know,
16 have that is not in a draft form, I'd like to share it with
17 the Commission. I'd like to be very careful in how I phrase
18 this, but I believe this is a matter that really should be
19 handled by the executives, a personnel and employment
20 matter. And I think we need to rely on the experts that
21 we've got. So I believe this is in my wheelhouse that. And
22 yeah, I want to be delicate in saying this, I'm not sure
23 that this is one that needs a political solution. This is
24 one that I think has to come from the manager, under my
25 duties that have been delegated to me for the staff. I'd be

1 happy to share it with you, the information that we have.

2 **MR. BARNES:** Yeah. That -- I'm not interested in
3 making this a political issue. But I think that the
4 communication between staff and Commission to have the
5 information -- for the Commission to have the information
6 that staff has, so the Commission understands, you know,
7 what measures are being taken. So you know, if staff is
8 being asked to minimize their participation in, say, public
9 luncheons or meetings, then I think it would be well for the
10 Commission to have that information and, perhaps, utilize
11 rides some of those suggestions in our individual practices
12 and the meetings that we attend individually.

13 So that's what I'm looking for, is just the
14 communication to have the same information at the Commission
15 level as the employees have regarding this issue. Because
16 this is a new issue, I think for all of us, to have this
17 kind of -- this kind of an infectious disease, with the
18 potential impact that it could have throughout our country
19 and throughout our Port. I mean, to have this information,
20 I think at the Commission level, I think would be a good
21 thing to have.

22 **MR. ARNTZEN:** Yes. Commissioner Barnes, thank
23 you. I'm very, very glad to hear that from you. I'd be
24 happy to share this with you. And here's another reason I -
25 - one of the reasons why I'm glad you've offered your

1 support. I do believe I have the authority to direct my
2 staff to do certain things or to avoid certain things. I
3 don't have that authority with respect to the Commissioners.
4 If there are things in our procedure that are beneficial,
5 then the Commission could say, boy, we'd sure like to adopt
6 that -- or short of formally adopting, that we'd sure like
7 to do the same things that Tim is recommending for staff.
8 I'd be very pleased with that. I'll give you an example.

9 If all of us here at the Port, all the staff
10 members, Lucy included, and our good friend David Robison or
11 the contractors, avoid traveling on Port-related business,
12 just for example, that the Commissioner travels and,
13 unfortunately, gets into one of the areas that has a lot of
14 activity here, you know, it really isn't a 360-degree
15 approach for, proactive approach. We have staff doing
16 certain things to keep themselves safe. But you know, we've
17 never really had a level of connection with the Commission
18 on what types of things they might do.

19 Again, you know, the objective not only is for us
20 to keep our employees safe and our commissioners and those
21 in our community that we have dealings with. So I'm pleased
22 to hear your request for this information, Commissioner
23 Barnes.

24 **MR. BARNES:** Okay. Commissioner Novakovich?

25 **MR. NOVAKOVICH:** Yeah, I totally agree with what

1 my two fellow commissioners have said. But I'd maybe take
2 it one step further. I think we all represent the Port of
3 Kennewick in some manner. And I think that if staff is
4 being restricted to travel to meetings, I think the
5 Commission should abide by the same rules so it looks like
6 we're playing the same game and on the same team.

7 **MR. BARNES:** Okay. So then I think it's a clear
8 message received, if I could sort of recap. It's my
9 understanding that Lucinda has drafted procedures for
10 dealing with this Coronavirus issue, Coronavirus
11 preparedness procedure.

12 I understand that, Tim, it's your intention to
13 review this, refine it, and then look to implement it as
14 soon as reasonably possible. And that information will go
15 to the staff. You're saying that it's well within your
16 authority to do this as a procedure in the workplace, and
17 that the Commission has requested this information so that
18 we can all be on the same team, aware, and trying to
19 practice the same procedures with respect to this
20 Coronavirus threat.

21 So is that an accurate recap of where we are?

22 **MR. ARNTZEN:** Yes, Commissioner Barnes, it is. I
23 think that's a very accurate recap. If I could just go on
24 for a moment or two, you heard me talk about the potential
25 for other memos and so forth. And since I'm sensing an

1 interest from the Commission, I'd be happy to share with you
2 any of the internal documents that we produce for staff.
3 Because you're entirely correct, the more information we get
4 out there, the, you know, hopefully better prepared the
5 community will be.

6 The other thing that I would hope to do is pair
7 with our colleagues, trade information back and forth,
8 because you know, we're all trying to react very quickly to
9 a situation that is very foreign to most of us. So you
10 know, in the attempt to get a procedure in place quickly,
11 having some peer-review from others can only, you know,
12 sharing of information can make us stronger as a group.

13 So that's the thing that I'd pledge to the
14 commissioners. I will share the documents with you that we
15 produce here. If I could just go on for another minute, I
16 think I can conclude and then happily be ready for questions
17 or comments.

18 I think we all recognize that this is a major
19 issue. We've already seen a lot of impacts locally. Lucy
20 tells me that several of the federal courthouses are
21 closing. We've seen, in the Seattle area, where a
22 municipality purchases a motel to quarantine people. We've
23 seen the devastation in the stock market. We've seen the
24 deaths internationally and nationally, unfortunately. So
25 this is a very, very major issue.

1 I'm following the lead of some of the other
2 executives of corporations that -- you know, for profit
3 corporations typically don't tell their folks, well, just
4 work from home. But many of the bigger corporations are
5 working with their employees to have them work from home.

6 So I think at the Port of Kennewick, we need to
7 treat this issue at least as seriously as we treat the Vista
8 Field issue. That's certainly not as fun as Vista Field,
9 and it's more fun to watch Larry Show us some images. But I
10 think that, in a sense, we have to treat it -- and I'm using
11 these words carefully -- at least as seriously as we treat
12 Vista Field, because this could have potential health
13 consequences if we don't. And it's clear that this will
14 likely impact our work schedule. We may get to September
15 and say, gee, why haven't we (inaudible), and we might say,
16 well, because we spent several months responding to the
17 local pandemic.

18 So I appreciate the support of the Commission. I
19 appreciate the support of the community. And you know, I
20 really like the fact that Lucy used the term "proactive" at
21 least three or four times in her presentation, because I do
22 think that's the key to this, getting out ahead of it and
23 trying to be as proactive as possible. So that will
24 conclude my remarks, and if we have questions or comments,
25 I'm pleased to answer them to the best of my ability.

1 Thank you.

2 **MR. BARNES:** Okay. Further questions or comments
3 for Tim from the Commission? From staff.

4 Tana, please.

5 **MS. BADER INGLIMA:** Thank you, Commissioner. As
6 part of this, because this is a very fluid and evolving
7 situation, and we are planning right now a March 27th very
8 large public social gathering, fortunately, to date, we
9 haven't had any Tri-City impacts of known Coronavirus
10 victims. But Tim asked me to check with our stakeholder
11 partners in the planning of that event and to talk with them
12 about their thoughts.

13 I have not been able to connect with all of them.
14 We don't want to make a unilateral decision, but there is
15 some concern, some grave concern. And the thought of those
16 that I have talked to has been that they would prefer that
17 we react with abundance of caution in safeguarding our
18 community and, perhaps, postponing that event until such
19 time as all of this has worked its way out, rather than try
20 to encourage a large public gathering. As there grows in
21 the next couple of weeks, we don't know where this is going.
22 It may be all over by then, but at least we won't be
23 criticized for doing too little too late. I would rather
24 take the criticism for being a little too conservative and
25 reacting in the best interests of our public.

1 So I have not connected with all of the
2 stakeholders that are on that logo list, the save the date
3 invitation. I don't want to speak for them until we've had
4 that conversation. But the general gist right now is I
5 think everybody's feeling like -- there's been a lot of
6 large public gatherings across the State that have been
7 cancelled. A lot of people are contemplating cancelling
8 events. So I will notify you as soon as I'm able to make
9 those conversations happen with our stakeholder partners.
10 But there's a very real possibility it will be maybe
11 postponing and rescheduling that event.

12 **MR. BARNES:** That would seem to make a lot of
13 sense, based on everything that I'm reading and everything
14 that I'm hearing about this Coronavirus pandemic. So I
15 agree with your approach on this. It should not be the Port
16 making the decision. It's a celebration with our partners
17 there, with the tenants, and so to have a discussion with
18 them, get the information out on the table, discuss it, find
19 the best recommendation, and then go forward from there.
20 That seems to make a great deal of sense to me.

21 Any other comments or questions for Tim and
22 Lucinda regarding this issue?

23 All right, then, thank you, Tim. Thank you,
24 Lucinda. I think you have a green light from the Commission
25 to proceed with this, although it's well within your

1 authority. So please go forward, and please, if you would,
2 keep us informed so that we have the same information as the
3 other members of the team here at the Port of Kennewick. And
4 we can all try to take measures to keep this a safe
5 workplace. Okay.

6 Moving onto the next item on our agenda, then, we
7 have item VI.D, Posting Commission Meeting Audio update.
8 Bridgette, please?

9 **MS. SCOTT:** Thank you very much, Commissioners.
10 I'm starting to feel like a regular speaker on the agenda
11 now.

12 So this is going to be another short update, but
13 it's a good one. I am very excited to let you know that we
14 have selected the software that we're going to be using. It
15 is called AV Capture All. It is used by a few local ports.
16 I've actually talked with contacts there and gotten
17 references from them. It's also used by many cities and
18 counties as well. So very excited about it.

19 The cost is about \$2,400 a year, so it's very
20 affordable. I do think that there will be a small learning
21 curve, but it's going to be easily overcome. And we hope to
22 have it in place by our first meeting in April. And then I
23 will be able to demonstrate how it works at our second
24 meeting in April. So I am very excited to share it with
25 you.

1 **MR. BARNES:** Thank you very much. Great job.

2 Questions or comments?

3 **MR. MOAK:** I think that's good news.

4 **MR. BARNES:** Yeah. If we can take a step to bring
5 about a little greater transparency at the Port of Kennewick
6 regarding -- and make it easier for our citizens to hear
7 what goes on at our meetings, then I think that's a very,
8 very positive step.

9 So thank you very much for all your work.

10 **MS. SCOTT:** Thank you. I think you'll be very
11 pleased.

12 **MR. MOAK:** Everybody throughout the world could
13 hear it, right?

14 **MS. SCOTT:** They could.

15 **MR. BARNES:** Great. All right. Then, moving on
16 to the next item on the agenda, Bridgette, don't move away
17 from the microphone. May we hear about public disclosure
18 commission reporting, no conflict statements, please.

19 **MS. SCOTT:** Yes. Thank you, again. So this is
20 your annual notice that it is time to submit your PDC, your
21 public disclosure commission forms, and your statement of no
22 conflict -- no conflict statements no later than April 15th.
23 So short and sweet again.

24 **MR. BARNES:** Thank you. Okay. April 15th is the
25 deadline. Thank you.

1 **MS. SCOTT:** Thank you.

2 **MR. BARNES:** Okay. Then moving on to the next
3 item on our agenda, we have commissioner meetings, formal
4 and informal meetings with groups or individuals.
5 Commissioner Moak?

6 **MR. MOAK:** Yes. Thank you. I attended, with the
7 rest of my colleagues, the State of Ports last month, where
8 both Commissioner Barnes and our team, with our PS media did
9 a great job, I think. I really liked our video that talked
10 about what we're doing here at the State of the Ports. We
11 had a great spokesman on behalf of our Port.

12 I attended two meetings for the Historic Downtown
13 Kennewick Partnership. One was a planning meeting and one
14 was a detail planning meeting that took five hours this last
15 Saturday, led with Cat Lawrence. Hopefully, very
16 productive. It was a good meeting, but our favorite was
17 that Swampy's catered it and did a great job with that. So
18 glad to have that.

19 I also had a meeting with Commissioner Beaver,
20 with the County Commission, related to our Rural County
21 Capital. I expressed my thanks to him for the support on
22 Rural County. He said in his mind, he thinks that,
23 personally, that he wished that the Ports would be the only
24 recipients of Rural County funds, because they're the ones
25 that are really into economic development and the Cities

1 aren't. And it seemed like he had had at least one or more
2 issues with one or more Cities related to Rural County
3 Capital. But he really felt that, at least from his
4 standpoint of what he was telling me, he was very
5 appreciative of the work that the Port has done, and he
6 specifically referenced Tim, his interest in understanding
7 what the County Commission's priorities were, and working
8 towards those priorities. And I think that's something that
9 this Commission shares, too.

10 **MR. BARNES:** Thank you. Commissioner Novakovich?

11 **MR. NOVAKOVICH:** I also attended the State of the
12 Ports, and then I attended an afternoon at the Muscolet open
13 house as a trust board member, participated in a WTPA
14 legislative committee meeting, had a meeting with the Mayor,
15 the West Richland Chamber, and had a nice meeting with the
16 Commander of the Yakima Army Recruiting Company, a meeting,
17 and then Congressman Newhouse and Josh Lozano invited
18 Shannon and I to attend the NRA banquet at their table.

19 **MR. BARNES:** Thank you. And I also attended the
20 Tri-City Regional Chamber luncheon State of the Ports
21 luncheon. I'd like to thank the staff, and Tana in
22 particular, for all of the input on the talking points. I
23 was very proud to represent the Port of Kennewick there. And
24 I think, if I could contrast our presentation, I think we
25 were a little more serious about what we do, and I think we

1 were perhaps a little bit more focused about what we're
2 trying to do. And again, I really appreciate the work of
3 the staff and what we're doing here, making a difference in
4 our community.

5 The next item on our agenda, Non-scheduled Items.
6 Amber?

7 **MS. HANCHETTE:** Nothing today, thank you.

8 **MR. BARNES:** Larry?

9 **MR. PETERSON:** Nothing today.

10 **MR. BARNES:** Nick?

11 **MR. KOOIKER:** Nothing, thank you.

12 **MR. BARNES:** Tana?

13 **MS. BADER INGLIMA:** Nothing, thank you.

14 **MR. BARNES:** Bridgette?

15 **MS. SCOTT:** Nothing further.

16 **MR. BARNES:** Okay. Then we'll go to the Go To
17 Meeting folks. Why don't we begin with Lisa?

18 **MS. SCHUMACHER:** Nothing, thank you.

19 **MR. BARNES:** Okay. And then let's go to Lucinda,
20 please.

21 **MS. LUKE:** Thank you Commissioners. Nothing
22 further today.

23 **MR. BARNES:** Okay. Thank you. And Tim?

24 **MR. ARNTZEN:** Yes. Thank you, Commissioner
25 Barnes. Nothing further today.

1 **MR. BARNES:** All right. Then Commissioner
2 Novakovich, Non-scheduled Items?

3 **MR. NOVAKOVICH:** I have three things. Yesterday
4 at 3:30 in the afternoon, there was a hearing on the LFR
5 bill. I spoke with Mayor Britain last night, because he was
6 there testifying. And although the testimony went well --
7 AWC thought it was a home run -- the Chairman of the
8 committee pulled the bill. So it's dead for this year.

9 The second thing is regarding restrooms. I had an
10 opportunity to spend some time with Commissioner Dunning
11 from the Port of Walla Walla, and they've repainted their
12 public restrooms this year twice already because of
13 graffiti. So just kind of a heads up about -- I don't know
14 how you can prevent that or what you do, but they've had
15 some issues.

16 Then the last thing, in the interest of
17 transparency, I'd like to ask Nick if he could let us know
18 at the next meeting the cost to the tax payers of the Port
19 of Kennewick on the appeal that Commissioner Barnes has made
20 to the citizens' complaint.

21 **MR. BARNES:** All right. So that's a non-scheduled
22 item. I will take that as a request by a Commissioner for
23 an agenda item at our next meeting. Okay?

24 **MR. KOOIKER:** We'll do. Thank you.

25 **MR. BARNES:** And if I could add to that request,

1 let's have the cost for the entire anonymous citizen
2 complaint, the legal cost to the Port for the entire
3 anonymous citizen complaint on the agenda for the next
4 meeting, please. Okay. And further non-scheduled items?

5 Okay. Next item on our agenda is public comment.

6 **MR. MOAK:** Excuse me, Commissioner Barnes?

7 **MR. BARNES:** I'm sorry. Please forgive me. Non-
8 scheduled Items?

9 **MR. MOAK:** Yes, thank you.

10 **MR. BARNES:** Commissioner Moak?

11 **MR. MOAK:** I guess it relates to Vista Field. It
12 is part of my thought process. I know that we're probably
13 going to do a ribbon cutting or something. But I guess, in
14 my mind, I would like to see something back to what we did,
15 what, a couple of years ago maybe as a public meeting that
16 would get the public involved, questions about where we're
17 going, maybe questions of them related to maybe some of
18 these issues that we're talking about, whether it's design
19 or whatever. But I think to continue -- this is me
20 thinking, to try keep the momentum going and the citizen
21 involvement going and, you know -- I thought that the
22 meeting we had a couple of years ago at the Bectal Room was
23 a very, very good one that was a good update.

24 Well, now we're going into a new phase. Once we,
25 you know, are done with phase 1A, we've got phase 1B, we've

1 got phase 2. We've got selling of property. There's a lot
2 of things going on, you know, and I guess we'd think that
3 maybe it would be good to involve the community one more
4 time.

5 **MR. BARNES:** Okay.

6 **MR. MOAK:** Thank you.

7 **MR. ARNTZEN:** Could I ask a question?

8 **MR. BARNES:** Yes, Tim, please.

9 **MR. ARNTZEN:** Yes. Thank you. I guess I'm a bit
10 confused. We mentioned, at least in the short term, maybe
11 not scheduling other events. So I would presume this
12 request would be when the coast is clear and other agencies
13 are advising that it's safe to schedule public events again,
14 that we might do this. Would that be your intention?

15 **MR. MOAK:** Oh, absolutely. And this is just my
16 thought that, at some point, that would be something that
17 would be good to do. No, I think safety and everything
18 else, what we're doing -- and I have no idea when the
19 appropriate time to do it or whether that is something that
20 either staff or the Commission would see it's valuable. It's
21 just a thought process that it would be good to do.

22 **MR. ARNTZEN:** Thank you. I just appreciate,
23 Commissioner Moak, my biggest concern now is on the timing.
24 So if I could interject for a moment, what I'd like to do is
25 we'll keep this kind of on our notepads, at the top of the

1 notepad, maybe visit about it a little bit in the future,
2 and then hopefully sooner, rather than later, as the coast
3 gets clear, we can bring it back to the Commission and see
4 if there's support for this idea and, if so, the timing of
5 it and what it would look like. So if that's appropriate,
6 once my concern over the timing -- I have very few concerns
7 whether the Commission would like to do this or not. My
8 concern was over the timing in the short term.

9 **MR. BARNES:** Okay. Thank you. Any -- and I'm
10 sorry I tried to skip you on the non-scheduled -- okay. If
11 there are no further non-scheduled items?

12 Okay. We'll proceed to the second opportunity for
13 public comment. At Port Commission meetings, there are two
14 opportunities. This is the second one. If you would like
15 to make a public comment to the Port, we'd ask that you
16 please move to the podium, state your name and address for
17 the record, and please limit your comments to three minutes.

18 Mr. Burdick?

19 **MR. BURDICK:** Boyce Burdick, 414 Snyder Street,
20 Richland, Washington. The fourth concert of the 75th Season
21 will take place on Saturday, March 21st, 7:30 p.m. at the
22 Richland High School Auditorium. The first half of the
23 concert will feature the two winners of the Young Artist
24 Competition. And believe me, they are really -- it's
25 worthwhile to hear them play.

1 The second half of the concert is something we
2 haven't done before, at least in my memory. It's what's
3 called a side-by-side concert. And what this means is that
4 members of the Youth Symphony will be sitting next to their
5 adult peers and performing the same pieces for the second
6 half of the concert. So I think this is something to really
7 look forward to. It's something that's been reconstituted,
8 and it's now, I think it's in its fifth year of the
9 reconstitution. They've really come a long way.

10 Thank you.

11 **MR. BARNES:** Thank you. Are there any other
12 public comments? Okay. Is there any further action to come
13 before the Commission, or any further matter?

14 This meeting is adjourned.

15 **(Whereupon, the meeting adjourned at 3:44 p.m.)**

1 CERTIFICATE

2
3 I, Ileia C. Perry, do hereby certify that I
4 reported all proceedings adduced in the foregoing matter
5 and that the foregoing transcript pages constitutes a
6 full, true and accurate record of said proceedings to the
7 best of my ability.

8
9 I further certify that I am neither related
10 to counsel or any party to the proceedings nor have any
11 interest in the outcome of the proceedings.

12
13 IN WITNESS HEREOF, I have hereunto set my
14 hand this 27th day of March, 2020.

15
16
17 

18
19 _____
20 Ileia C. Perry
21
22
23
24
25



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

MARCH 24, 2020 MINUTES

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

Staff Members: Tim Arntzen, Chief Executive Officer (via telephone)
Tana Bader Inglima, Deputy Chief Executive Officer (via telephone)
Amber Hanchette, Director of Real Estate and Operations (via telephone)
Nick Kooiker, Chief Finance Officer (via telephone)
Larry Peterson, Director of Planning and Development (via telephone)
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant (via telephone)
Lucinda Luke, Port Counsel (via telephone)

Commissioner Barnes stated joining him in Commission Chambers is Commissioners Moak and Novakovich as well as Lisa Schumacher, from our staff. Commissioner Barnes called this meeting to order and stated under today's circumstances, this is anything but a regular meeting. We ask that you please silence your cell phones or any other noise making devices.

Before we begin with the Pledge of Allegiance, there are a few procedural items that need to be reviewed.

First, if you are in the room, you will see that we have no public in the room today, however; we are maintaining social distancing between the Commission and staff. This is also the first meeting at the Port of Kennewick in which the public is able to attend remotely, so we appreciate your patience and understanding as we work through this. Commissioner Barnes asked Ms. Scott if anyone from the public is listening in today.

Ms. Scott stated at this time Cal Coie is the only public listening in.

If you are listening to this meeting remotely, we appreciate your participation. To keep the background noise down to a minimum, we ask that participants mute their phones. The agenda packet may be viewed on our website if you would like to follow along. Or, the packet may be viewed on your screen if you are using the GoToMeeting app.

When it is time for public comments, it may be difficult to determine who is speaking, so please be patient and respectful.

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Commissioner Barnes stated to verify which staff are participating remotely in today's meeting we will take a roll-call. As Commissioner Barnes mentioned earlier, all three Commissioners are present as well as Lisa Schumacher from our staff.

Mr. Arntzen - present
Ms. Bader Inglima - present
Mr. Kooiker - present
Mr. Peterson - present
Ms. Hanchette - present
Ms. Scott - present
Ms. Luke - present

PLEDGE OF ALLEGIANCE

Commissioner Moak led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Commissioner Barnes suggested that we try to conduct the meeting as expeditiously as possible given the circumstances. If there is anything on this Agenda that is not critical and could easily be postponed to the next meeting, he would welcome the opportunity.

MOTION: *Commissioner Novakovich moved to approve the Agenda; Commissioner Moak 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 17, 2020*

Direct Deposit and E-Payments totaling \$61,561.78

B. *Approval of Warrant Register Dated March 24, 2020*

Expense Fund Voucher Number 101939 through 101993 for a grand total of \$502,765.80

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

NEW BUSINESS

A. *Port Commission Rules of Policy and Procedure*

1. *Section 6.9, participation by Telephone*

Ms. Luke stated before the Commission is Resolution 2020-05, which would propose us to suspend Section 6.9 of the Commission Rules of Policy and Procedure. Section 6.9 of the Commission Rules indicates that the Commissioners may not participate by phone, but they are required to participate in Meetings in person. The Resolution would allow that during this state of emergency, that Section 6.9 rule be suspended and would allow for the Commission to participate in its meeting through telephone or the GoToMeeting application that we are

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currently using today. Ms. Luke would note that the end of the remote participation in meetings is generally a state of emergency, either state or federal, so it is an indefinite time at this point. We may need to revisit this suspension in the future, once we learn when the state of emergency will be lifted.

Commissioner Barnes stated the Resolution does not provide a termination date, so if he understands what Ms. Luke is saying, this Resolution will remain in force and effect until when?

Ms. Luke stated in the Resolution under the third Whereas, it states “during a state of emergency” and so that is the defining term as to the length.

Commissioner Barnes stated this proposed Resolution is one that is legally sufficient and one which Ms. Luke is advising the Commission to adopt in the best interest of the Port of Kennewick.

Ms. Luke states as she understands it, the Commissioners have requested to meet remotely during this state of emergency and also in relation to the Governor’s order, Stay Home, Stay Safe, which goes into effect at midnight tomorrow. Ms. Luke believes that this Resolution covers not only the Commissioner’s request, but compliance of the Governor’s order.

Commissioner Barnes confirmed that Ms. Luke is recommending that the Commission adopt this Resolution.

Ms. Luke stated yes, that is correct.

Commissioner Barnes asked if there were any further questions.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Moak moved for approval of Resolution 2020-05; Commissioner Novakovich seconded:

Commissioner Barnes restated the motion and noted that the Resolution has been prepared and is recommended for adoption by Port Counsel.

Discussion:

Commissioner Novakovich would like to Amend to the Motion.

MOTION: Commissioner Novakovich moved to amend the Motion to approve Resolution 2020-05 suspending Section 6.9 of the Commission Rules of Policy and Procedure during this current state of Stay Home, Stay Safe as issued by the Governor, at which time it can be revisited if it needs to be extended;

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Motion to Amend dies for lack of second.

Commissioner Moak supports the Resolution and really thinks that the Commission ought to revisit the whole issue of being able to do this, but not just during a state of emergency but at other times. Commissioner Moak stated during the six years that he has been here, we have had excellent attendance by all three Commissioners, but he also thinks there are times when Commissioners aren't able to be physically present and he thinks their presence electronically, with all the technology we have, would be preferable to only having two Commissioners. Commissioner Moak would think in the future, that might be something the Commission might look at. But for now, we are dealing with state of emergency that we are at and he supports this.

Commissioner Barnes concurs with Commissioner Moak's comments with respect to Commissioner participation at meetings through technological means. Today we are under a state of emergency, so Commissioner Barnes thinks maybe at the appropriate time in the future, this could be something the Commission would want to take up and review and reconsider.

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

B. Declaration of Local Emergency and Delegation of Authority

Ms. Luke attended a Washington Public Ports Association (WPPA) roundtable last Thursday and one of the discussions was regarding the declaration of local emergency. Some of the ports have already taken this step and it was recommended that all ports consider taking this step of a declaration of local emergency. So that ports could avail themselves of all the support, state and federal, that might be available to them. Therefore, Ms. Luke prepared the declaration of local emergency and approval of delegation of authority, using the template that was available on the WPPA website, provided by ports that were presenting last week. Ms. Luke used that template and modified it to the Port of Kennewick's status and its protocol. That is the reason this is brought before you. Ms. Luke has seen today where Walla Walla declared a local emergency and we are seeing those declarations be taken across the state in various public settings above and beyond port settings. Ms. Luke does not know if the Commission has any specific questions and does not want to take any more time than is absolutely necessary today. Ms. Luke offered to direct the Commission if there are questions or very specific sections that you may have concern over.

Commissioner Barnes inquired if there are questions for Ms. Luke.

Mr. Novakovich would like to know what Mr. Arntzen what he thinks...

Commissioner Barnes wanted to recognize Commissioner Novakovich and believes he stepped over the top of his question. Commissioner Barnes asked Commissioner Novakovich to restate his question and apologized for intruding.

Mr. Novakovich would like to know if our CEO has taken a look at this and what his thoughts are in this delegation of authority and if he is willing to accept these responsibilities.

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Mr. Arntzen will take that as a question directed towards him and asked if people in the Commission Chambers and people online can hear him. Mr. Arntzen appreciates the opportunity to comment. Mr. Arntzen has had a chance to read this and initially, he might have had some concerns because it is pretty broad. Mr. Arntzen thinks everyone is concerned about a potential overreach of government, whether it is at the federal level, state level or even the local level. When he first read it, Mr. Arntzen thought it provided broad powers to the CEO, but having read through it again, he thinks it is manageable. Mr. Arntzen would like the Commission to know that he looks at this as being an extraordinary measure. Mr. Arntzen is not a proponent of this and he is not an opponent of it, he thinks should the Commission feel that it is appropriate to enact this, he will faithfully carry it out and do his best to use it only when necessary, because he does have some concerns about not specifically this, but any emergency situation and being very cognizant that we don't overreach. Mr. Arntzen stated with that as an explanation, he is neutral towards this and he does appreciate Ms. Luke's drafting of the Resolution and her thoughts on it and he knows a lot of other ports are doing it as well. Mr. Arntzen will faithfully implement this if the Commission decides to enact it today.

Commissioner Barnes sees that Section 4 of the proposed Resolution, states that "the Resolution shall continue in force and effect until terminated by law or by further Resolution, and shall be reviewed as a regular Agenda item on the Commission's Agenda until such time as this Resolution it is terminated." Commissioner Barnes wanted to make sure he understands and is reading it correctly, and he takes that to mean that this, as long as this Resolution is in effect, will be a regular item on every future Commission Meeting and that it will remain in force and effect until it is terminated by law or by further Resolution by the Commission. Commissioner Barnes inquired if he is reading that correctly.

Ms. Luke stated yes Commissioners Barnes, you are reading that correctly. Ms. Luke stated that is one of the things that was discussed at the Roundtable. That the intent was that this would be brought up at each meeting for an update by the executive if actions have been taken or if the Commission wanted to review the parameters of the declaration or the delegation of authority. Ms. Luke stated this also can be terminated at such time the Commission determines that it is appropriate, whether that is before or after other actions have been taken by state or federal.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2020-06, declaring a local emergency and approving the delegation of authority; Commissioner Moak seconded.*

PUBLIC COMMENT

No comments were made.

Discussion:

Commissioner Moak stated here at the Port, as well at his other job which is the public library as well as at the housing authority, we are getting all of this information from the state and federal on dealing with this emergency that is happening. Things change every day and so Commissioner Moak thinks this Resolution gives the manager the ability to move unfettered, when that needs to happen. And he thinks that is important, as we move about our business and

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try to figure out what our business is and what we can do and what we can't do. Commissioner Moak thinks having this authority is very important, and it does require, if in fact, that the CEO operates under this Resolution and under this delegation, and it is different than the delegation he already has, that he is required to report back to the Commission on the exercise of powers. It is a way, Commissioner Moak thinks, of making sure we as a Port, are nimble as we deal with the issues before us and that Mr. Arntzen doesn't have to wait for a Commission Meeting to act if something happens where action is needed right away. Commissioner Moak thinks this is important and we are in a state of emergency and we need to act that way.

Commissioner Novakovich agrees with Commissioner Moak, and stated the Printing Industries of America, as well as Printing Industries of the Pacific, and Council of Governments have all taken similar actions. Commissioner Novakovich pointed out to the Commission that we hired a very competent, excellent manager at the Port of Kennewick and he thinks giving the CEO this delegation of authority allows him to, in times of emergency, make decisions. Commissioner Novakovich does not think it should be encumbered upon this Commission to criticize the CEO for making such decisions, unless they are in extreme error. Commissioner Novakovich would like to make note that if the CEO makes decisions, he thinks the Commission should support the CEO on the decisions made, knowing that we hired a person that is competent in making those types of decisions.

Commissioner Barnes supports this proposed Resolution and he thinks these are highly unusual times and extraordinary times. Commissioner Barnes agree with the comments made by Commissioner Moak, that if there is a situation that arises that requires prompt, unfettered action, he believes this authorizes our CEO to take that action and then subsequently report the action to the Commission at the following Commission Meeting.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Communications with the Public*

Ms. Bader Inglima stated understanding that our Commission has always deemed it a priority to be transparent and open with the public, staff has done a number of things to communicate our position under these extraordinary and evolving circumstances. Early on, as the Commission knows, we had a conversation at the last Commission Meeting and our partners in the planning for the event at the Wine Village on March 27. Everyone was in consensus that it needed to be cancelled or postponed and we took early action to notify the public about that and did a media release identifying the reasons why and that we were trying to encourage social distancing for groups of less than 250. Very soon after that, we had some additional, evolving changes and we distributed a media release that indicated that our office is closed and that staff would be working remotely. We notified the public of that via media release, community advisory, and posting to our website. Ms. Bader Inglima stated staff have also done a number of other communications, and Ms. Scott included a list in the Agenda Packet. Staff prepared notices that went in with our tenant notices indicating the reduction of our maintenance and our ability to respond to emergency situations as opposed to regular everyday business. We have notified our tenants, put notices on the door, and we are creating a special opportunity for people to communicate via the

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GoToMeeting. Ms. Bader Inglima stated once the Meeting is over today, since the Commission has taken action on the two Resolutions, she will send out another media release indicating that those actions have been taken. Staff is trying to communicate with the public efficiently and effectively as we can, so that people know we are on top of this and the Commission is trying to work towards transparency. Ms. Bader Inglima appreciates the early direction and action that has been taken to protect the public health and our staffs' health. Ms. Bader Inglima stated that is a summary of some of the activities we have taken and we will continue to try and work to communicate both positively and proactively with our community.

Commissioner Novakovich stated Ms. Bader Inglima is doing a wonderful job of communicating our message to the public and he appreciates it and he hopes that his fellow Commissioners do as well. Commissioner Novakovich is sure the public appreciates knowing what we are doing at the Port of Kennewick on their behalf.

Commissioner Moak stated in this state that we are in now, where we are not working in the office, but working from home, how easy is it for you to continue to be able to make those contacts or share the type of information that you have been sharing when you've been on the premises.

Ms. Bader Inglima stated the computer network system that we have set up is enabling her to respond via email, just as if she were sitting at her desk. She can also remotely access her messages on her phone and return phone calls. Ms. Bader Inglima stated that really the public is not seeing any differences if they were trying to reach her via phone or email. Ms. Bader Inglima is not actively pursuing on camera interviews for either herself or the Commission nor has the media inquired about that. Ms. Bader Inglima believes the broadcast media is also being very careful engaging and doing their social distancing as well. For Ms. Bader Inglima, the process has been seamless and our entire team has been working collectively to communicate with our tenants, with our contractors, with our consultants, with our public and she thinks the way Ms. Scott set up our IT has really allowed us, through the use of technology, at a very evolving and interesting time to be able to continue to do what we need to do.

Commissioner Moak thanked Ms. Bader Inglima and stated that he appreciates her work.

Commissioner Barnes thanked Ms. Bader Inglima and commended her for all of this work. Again these are extraordinary times and we are under a state of emergency, under a Governor's proclamation to work from home, so this is a rapidly changing environment to say the least. Commissioner Barnes thanked Ms. Bader Inglima for her prompt, effective communications out to the public on the behalf of the Port.

B. Citizen Complaint and Appeal Costs

Mr. Kooiker stated at the last Commission Meeting, it was his understanding that he received two questions from two separate Commissioners about the complaint cost:

1. The first question was the overall cost of the complaint; and
2. The second question was the cost of the appeal.

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Mr. Kooiker stated the overall cost, which are hard costs and do not include staff time or time accrued to the complaint, but these are strictly costs that we have dispersed through accounts payable. The overall cost of the complaint, through today's check run, is \$142,893. The cost of appeal, which is the second question is more subjective, so Mr. Kooiker reviewed invoices and used some discretion on pulling that exact number out, but it is roughly about \$72,000. At this point, it is about half of the \$143,000. We also have a \$13,000 invoice that is pending to be paid on April 14, 2020 at next the next Commission Meeting, which is currently in the processing stage to be reviewed. Once that invoice is approved, the cost is roughly about \$156,000 overall. Mr. Kooiker inquired if the Commission had any questions.

Commissioner Moak asked how much beyond that and are we getting close to the end of all of this.

Mr. Kooiker deferred to Ms. Luke for a response.

Ms. Luke thanked Mr. Kooiker and provide an update. We have a phone conference with Judge Kallus scheduled for next week, in which Ms. Luke hopes to learn more about the Judge's plans on scheduling. At this point in time, we do not have a hearing or review scheduled with Judge Kallus. Judge Kallus has been in the process of soliciting input from counsel regarding the process to be undertaken and we now have a response from Commissioner Barnes' counsel, as of last Monday, March 16, 2020 and he indicated that there was not a desire to engage in further steps prior to Judge Kallus undertaking her review...

Commissioner Barnes interrupted Ms. Luke and stated he is concerned about staying on topic, which is citizen complaint and appeal costs please.

Ms. Luke stated she was providing a status that Commissioner Moak inquired of the status related to where we are at in the hearing process. Ms. Luke stated the short answer is, she will know more after a telephone conference with Judge Kallus next week.

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

Commissioners reported on their respective committee meetings.

D. Non-Scheduled Items

1. Ms. Hanchette reported that operations is currently operating under essential and emergency operations and taking only life, health, safety, maintenance calls. Our operations team is working on rotating shifts for the next seven days per week, in order to monitor Port buildings, the marina, and other Port owned public spaces. This is part of the continuation of building function, so we can keep an eye out for any property damage, theft, or vandalism. As well as closing bathrooms under the Governor's order to slow the COVID-19 virus. Also, the security firm we us, Phoenix Protective Services are continuing their nightly checks, so we are trying to address this rapidly changing environment as best we can on a daily basis.

Ms. Scott stated Mr. Peterson is having connectivity issues.

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2. Mr. Peterson reported the he is working with Mr. Arntzen, Ms. Luke and David Robison of Strategic Construction Management and Total Site Services to understand what the Governor's Stay at Home, Stay Healthy order means to the continuation of construction at Vista Field. This is evolving and we will keep you posted at the next meeting on what comes of this.
3. Mr. Kooiker stated from the accounting department's perspective, it has certainly been an interesting time. We have had to adapt very quickly, but we were lucky because we had a lot of technology in place that many of the other governments didn't. For example, our accounts payable system is revolutionary in a sense, where it is all on the web and Mr. Kooiker can approve invoices from anywhere that he has web access. The only item that Mr. Kooiker would need to go to the office for is to print and sign the checks. We have also implemented digital signatures for a lot of our contracts. Mr. Kooiker stated Commissioner Barnes, as a realtor is probably familiar with DocuSign. Staff has been using DocuSign temporarily to get contracts executed and keep business moving the best we can. Mr. Kooiker stated one of the hardest items has been payroll, because we feel it is important that people continue to get paid through this difficult time and we have been on top of that. Mr. Kooiker is worried that Key Bank, which is located in Seattle could temporarily close, which concerns him, but we are lucky because most of it is online. There are some things we have to work around for, temporarily, in order to get, for example, our federal tax payment made on a timely basis to the IRS. Staff is making due and in a sense, it has been good for us to branch out and see what we can do, although Mr. Kooiker wishes we had more time to do it.

Commissioner Barnes thanked Mr. Kooiker for all the work he is doing under these extraordinary times and it seems like every day that goes by brings a new challenge. Thank you again for being adaptive, responsive, and keeping staff paid at the Port of Kennewick.

4. Mr. Arntzen stated briefly, that he will provide regular briefings to the Commission and has sent some out via email and will continue doing that as appropriate. Mr. Arntzen will also have a standing item on each Agenda regarding the emergency delegation and perhaps brief staff updates. Mr. Arntzen will try to balance what staff can tell you in a Commission meeting and maybe in between Meetings, he will send out via email, any updates that are happening at the Port. Mr. Arntzen wants to make sure, that he does not want to burden the Commission or others with too much information but he also wants to ensure that we know what is happening. As each Commissioner has stated, this is a changing situation, sometimes day by day.

Mr. Arntzen appreciates Mr. Coie having the interest in calling in and participating remotely. Mr. Arntzen stated that just proves that we can hold a meeting where we have the public call in.

Commissioner Barnes thanked Mr. Arntzen for his leadership during these extraordinary trying times, and he is sure one way or the other, we will get through this, so thank you.

5. Commissioner Moak thanked staff for their work under these trying circumstances, whether it is at the management, or the worker and everywhere in between. Commissioner Moak stated everyone's lives have been disrupted and yet we do have critical business at the Port that needs

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to be taken care of and he appreciates the work of everybody to try and make it happen. Certainly we will be glad when we are back under regular order.

6. Commissioner Novakovich concurs with Commissioners Moak and Barnes said and thanked Ms. Schumacher for being here today and opening up the Chamber and for Ms. Scott and whoever else set up the technology, thank you all.
7. Commissioner Barnes echoed Commissioners Moak's and Novakovich's earlier comments and stated these are extraordinarily trying times and there is a lot of uncertainty and he would like to thank Ms. Luke and Mr. Arntzen for putting up with his questions leading up to this meeting. Again, there is a lot of uncertainty and maybe some fear, but working together, he is confident that somehow, we at the Port of Kennewick are going to get through this. Commissioner Barnes wanted to thank all of you for your work to get us to this point. And this is not over by a long shot, so we need to remain vigilant and continue to work our way through this. Thank you.

PUBLIC COMMENTS

No comments were made

Commissioner Barnes thanked Mr. Coie for joining us today and his participation and attendance at our Commission Meetings.

COMMISSION COMMENTS

No comments were made.

Mr. Arntzen wanted to commend each and every one of his staff members and stated it has been really interesting, and in an ironic way, a rewarding experience, to see how well his staff performs, even when we are not in the office. A special thank you to Ms. Schumacher for coming in and setting up the Meeting. Mr. Arntzen thanked the Commission as well and stated this is really a time for leadership and he appreciates what all three Commissioners are doing now. It is one thing to be a leader in normal times or good times, but he does appreciate having the leadership that he can count through this difficult time with each of the Port Commissioners. Thank you very much.

**PORT OF KENNEWICK
REGULAR COMMISSION MEETING**

MARCH 24, 2020 MINUTES

DRAFT

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:46 p.m.

**Clerks Note: The meeting adjourned at 2:46 p.m.*

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary



AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Real Estate & Operations

MEETING DATE: April 14, 2020

AGENDA ITEM: Lease renewal option #2 – Gunderson Rail Services LLC dba Greenbrier Rail Services Finley

I. REFERENCE(S): Original Lease dated 11/16/1993
Addendum to Lease dated 7/15/2015 (Option to Renew #1)
Resolution 2015-18 (Option to Renew #1)
License Agreement between Pacific Rail Car (Greenbrier) and United States Cellular dated 9/17/1996
Greenbrier letter dated 3/3/2020

II. FISCAL IMPACT: Neutral

III. DISCUSSION:

In the early 1990's, the port purchased property in Finley (Cochran Road) bordered by BNSF and Union Pacific railroads. This area is identified as the Twin Tracks Industrial Park in the port's portfolio (Exhibit A).

The port subsequently entered into a long-term lease arrangement on the property with a railcar maintenance and repair company and obtained a CERB loan to construct a rail spur into the property which the tenant repaid. The tenant constructed and maintains buildings on the property. The tenant also performs any necessary maintenance on the rail. Minimal to no maintenance is performed on this property by the port.

In 1995, the company entered into a 20 year ground lease with the port which included six successive five year lease renewal options. In 1996, the port gave permission to the tenant to sublease a portion of the property to United States Cellular for a cellular tower location allowing expanded cellular access to east Benton County residents. The sublease runs concurrent with the ground lease including renewal options.

The tenant currently employs 32 people at their Finley location. Tenant is in good standing with the port.

Current lease expiration 4/30/2020.

Ground Lease Rate:

Years 1995 – 2015: \$4,000.00 per month

Renewal Option #1 (Years 2015-2020): \$5,000 per month

Tenant Request:

Renewal Option #2 (Years 2020-2025): Tenant has requested that rent remain fixed at the \$5,000 per month rate for the term of option #2 due to a slowdown in the railcar industry that has had a ripple effect on the repair and maintenance facilities. See further details in tenant letter dated March 3, 2020.

IV. ACTION REQUESTED OF COMMISSION:

To approve or deny tenant request to renew second ground lease of five years and keep current lease rate fixed for term of renewal.

EXHIBIT A



GREENBRIER
Rail Services

The Greenbrier Companies

1 Centerpointe Drive, Suite 200
Lake Oswego, Oregon

☎ 503.684.7000

☎ 503.684.7553

www.gbrx.com

February 5, 2020

Port of Kennewick
One Clover Island
Kennewick, WA 99336

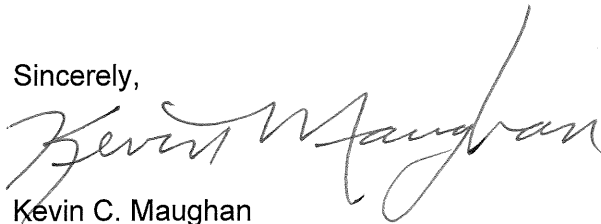
Sent via email: Amber@portofkennewick.org

Re: Lease dated September 9, 1994 and Addendum to Lease dated July 15, 2015 between Greenbrier Rail Services and the Port of Kennewick

Dear Amber,

This letter is to notify the Port of Kennewick that Greenbrier wishes to exercise its second of six options to extend our lease for an additional 5 years. Please put me in touch with the proper persons to construct the documents necessary to formalize this extension.

Sincerely,



Kevin C. Maughan
Associate General Counsel



One Centerpointe Dr Suite 200
Lake Oswego, OR, 97035
503.684.7000
Fax: 503.684.7553

March 3, 2020

To Whom It May Concern:

This is regarding the matter of the increase in rent of 3% in our lease for the Finley GRS location which presently employs approximately 32 people.

Although the economy appears to be doing well, the Railcar industry in general including railcar repair services is in a down cycle. According to the Association of American Railroads 25 percent of all railcars are in storage.

The railcar repair services unit, which includes the Findley location, is not profitable. Greenbrier has been scaling back operations over the past two years, based solely on which locations can break even. Overall operating margins have been in the single digits to negative over the past year.

In August 2018, Greenbrier and Watco dissolved their GBW joint venture. The venture was intended to address booming demand for tank cars in oil by rail service, including tank car retrofits which we expected to perform at railcar repair service locations like Finley. That market never fully materialized. In dissolving the venture, the assets and employees of 12 repair shops returned to Greenbrier and 14 repair shops returned to Watco.

As of 2020, only eight of Greenbrier's repair shops remain open after the closure of four other repair shops, including Greenbrier's Springfield, OR facility, which was closed in June of 2019.

With all due respect, we request no lease rate increase for at least this next lease extension period.

Regards,

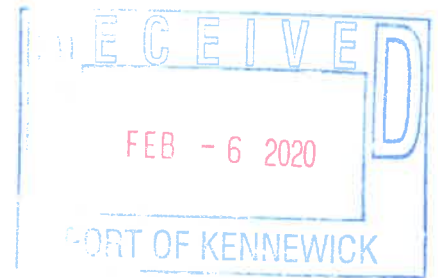
Robert Hatfield

VP GRS Administration



February 01, 2020

GUNDERSON RAIL SERVICES
ATTN: PAUL A WOSTMANN
4350 NW FRONT AVENUE
PORTLAND, OR 97210



VIA CERTIFIED Mail: 7015 3010 0000 5945 9865

Re: Hedges
Site #: 0347312

To Whom It May Concern:

This letter shall serve as notice that the USCOC of Richland, Inc. is exercising its option to renew the Lease Agreement dated September 17th, 1996 for the second of six renewal terms (Option 2) of five years. The new term will commence on May 01st, 2020 and expire on April 30th, 2025.

Please be advised that you may be contacted by one of several companies that are currently trying to acquire property upon which towers have been installed. If you are contacted by one of those companies, it would be greatly appreciated if you advise us of the situation prior to signing any agreements. We look forward to continuing our valuable business relationship with you.

Please contact me at (773) 399-7908 if you have any questions or concerns.

Sincerely,

A handwritten signature in purple ink, appearing to read "Jaideep Dudani".

Jaideep Dudani
Real Estate Analyst

Copy to:

Port of Kennewick
1 Clover Island
Kennewick, WA 99336

~~ORIGINAL~~

COPY

LICENSE AGREEMENT

This License Agreement ("License") is made and entered into this 17 day of September, 1996, by and between PACIFIC RAIL CAR, INC., a Washington corporation, Route 14, Box 2405, Finley, Washington 99337, (hereinafter "Licensor"), and UNITED STATES CELLULAR OPERATING COMPANY OF RICHLAND, a Washington corporation, Attention: Real Estate, 8410 West Bryn Mawr Avenue, Suite 700, Chicago, Illinois 60631 (hereinafter "Licensee").

WHEREAS, Licensor leases certain real property in Kennewick, Washington, from the Port of Kennewick pursuant to a lease agreement attached hereto as Exhibit A and by this reference incorporated herein;

WHEREAS, the Port of Kennewick will allow Licensor to provide Licensee with use of the property Licensor is currently leasing from the Port of Kennewick, and such consent is evidenced by the signature of the Port of Kennewick's duly authorized representative hereto; and

WHEREAS, Licensee desires to erect a communications tower on Licensor's above-described property for Licensee cellular mobile radio telephone operations.

NOW, THEREFORE, in consideration of the mutual promises, conditions and other good and valuable consideration of the parties hereto, it is covenanted and agreed as follows:

1. Grant of License. Licensor hereby grants and conveys to Licensee, and Licensee hereby receives and accepts from Licensor, a License to construct and maintain a communications antenna tower (including aviation hazard lights), an access road, one or more equipment buildings and a security fence, together with all necessary lines, anchors, connections, devices and equipment for the transmission, reception, encryption and translation of voice and data signals by means of radio frequency energy and landline carriage on the following described property:

See Exhibit B attached hereto and incorporated herein by this reference.

2. Grant of Easement Parcel(s). Unless the real property burdened by the License ("License Parcel") is served by existing rights-of-way for ingress, egress and utilities, Licensor hereby grants to Licensee the following described Easement Parcel(s) appurtenant to the License Parcel for ingress, egress and utilities:

See Exhibit C attached hereto and incorporated herein by this reference.

3. Grant of Easement Rights. To effect the purposes of this License, Licensor hereby grants to Licensee the following Easement Rights: (a) the right to clear vegetation, cut timber and move earthen materials upon the Easement Parcels; (b) the right to improve an access road within the Access Easement Parcel; (c) the right to place underground utility lines and related infrastructure within the Utilities Easement Parcel; (d) the right to enter and temporarily rest upon Licensor's adjacent lands for the purposes of installing, repairing, replacing and removing the Licensee's improvements ("Improvements") and any other personal property of Licensee upon the License Parcel and improving the Easement Parcels, including the right to bring in and use all necessary tools and machinery; and (e) the right of pedestrian and vehicular ingress and egress to and from the License Parcel at any time over and upon the Access Easement Parcel. The License Parcel, Easement Parcels and Easement Rights are collectively referred to herein as the "Premises."

This license shall be subservient to any terms and conditions of the underlying lease. No rights and liabilities are created beyond those contained in the underlying lease. This licensing agreement shall not survive the underlying lease in the event that said lease is terminated. The Port of Kennewick and the licensee may negotiate an agreement directly between themselves in the event the underlying lease is terminated.

4. Survey/Site Plan. Licensee may, at Licensee's expense, cause a survey, site plan and/or legal description of the Premises to be prepared, to further delineate and identify the real estate underlying the Premises. Licensor agrees to allow Licensee reasonable access to the Premises in order to complete this task.

5. Use of the Premises. Licensee shall be entitled to use the Premises to construct, operate and maintain thereupon a communications antenna tower (including aviation hazard lights), an access road, one or more equipment buildings, and a security fence, together with all necessary lines, anchors, connections, devices and equipment for the transmission, reception, encryption and translation of voice and data signals by means of radio frequency energy and landline carriage.

6. Term of License. This License shall commence on the first day of October, 1996, and shall expire on April 30, 2015.

7. Option to Renew. Licensee shall have the option to renew this License for six (6) additional terms of five (5) years each, upon a continuation of all of the same provisions hereof and in accordance with the provisions of the underlying lease, by giving written notice to Licensor and the Port of Kennewick of Licensee's exercise of this option at least sixty (60) days before the expiration of the term then present at the time of such notice.

8. Option to Terminate. Licensee shall have the unilateral right to terminate this License at any time by giving written notice to Licensor of Licensee's exercise of this option and paying Licensor the amount of One Thousand Dollars (\$1,000.00) as liquidated damages.

9. License Fee. Licensee shall pay a License Fee to Licensor in the amount of \$4,000 per year ("payment period"). On or before October 1, 1996, Licensee shall pay Twenty Thousand Dollars (\$20,000.00) in License fees to Licensor representing the total amount of License fees owing Licensor through September 30, 2001. Beginning on October 1, 2001, Licensee shall pay Licensor a yearly License fee in the amount of Four Thousand Eight Hundred Dollars (\$4,800.00) for the remainder of the term of the License and any renewal periods.

10. Adjusted Fees. Starting on October 1, 2002, and every year thereafter during the term hereof, as the same may be renewed and extended, the License Fee shall be adjusted in proportion to the cumulative change in the latest published Consumer Price Index compared to the same index as shown for the historical month of October, 2002, and Licensee shall pay the amount of License Fees as so adjusted. "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers, All Items, U.S. City Average, 1982-1984=100 (U.S. Department of Labor, Bureau of Labor Statistics). If the said Index ceases to be published, then a reasonably comparable index shall be used.

11. Possession of Premises. Licensee shall not be entitled to take possession of the Premises and commence work to construct the Improvements until Licensee makes the first License Fee payment. Licensee shall, however, be permitted to enter upon the Premises to cause engineering studies to be made with respect thereto, including surveys, site plans, soil tests, radio wave propagation and field strength tests, and such other analyses and studies of the Premises as Licensee determines to be necessary or desirable without being deemed to have taken possession.

12. Utilities. Licensee shall be responsible for all costs of providing utility services to the Premises.

13. Taxes. Licensee shall pay all real and personal property taxes levied against the Premises and the Improvements. Licensor agrees to join in an application requesting the appropriate taxing authority to perform a tax parcel division and create a separate tax number for the License Parcel, if such a division is available. If such a division is not available and real estate taxes must continue to be paid on Licensor's undivided land in Licensor's own name, the Licensee shall contribute Licensee's proportionate share of such taxes, and Licensor shall deliver evidence satisfactory to Licensee of payment of such taxes at least ten days before they would otherwise become delinquent, and Licensee shall, after notification, reimburse Licensor for the taxes paid on behalf of the Licensee.

14. Repairs. Licensee shall be responsible for all repairs of the Improvements and may, at its own expense, alter or modify the Improvements to suit its needs consistent with the intended use of the Premises. Licensee shall keep the premises in a neat, clean, safe and sanitary condition.

15. Mutual Indemnification. Licensee shall indemnify and hold Licensor and the Port of Kennewick harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Licensee, or resulting from the structural failure of Licensee's tower. Licensor shall indemnify and hold Licensee and the Port of Kennewick harmless from and against any loss, damage or injury caused by, or on behalf of, or through the fault of the Licensor. Nothing in this Article shall require a party to indemnify the other party against such other party's own willful or negligent misconduct.

16. Insurance. Licensee shall continuously maintain in full force and effect a policy of commercial general liability insurance with limits of not less than \$1 million covering Licensee's work and operations upon Licensor's lands. The Port of Kennewick shall be named as an additional insured in said policies and shall be provided a certificate of insurance by Licensee as to said premises. Each such certificate of insurance shall state therein that the insurance shall not be canceled without sixty (60) days' written notice to Licensor. Any such cancellation or failure to maintain insurance coverage by Licensee shall be deemed a default under this agreement.

17. Monetary Default. Licensee shall be in default of this License if Licensee fails to make a License Fee payment when due and such failure continues for fifteen (15) days after Licensor notifies Licensee in writing of such failure.

18. Opportunity to Cure Non-Monetary Defaults. If Licensor or Licensee fail to comply with any non-monetary provisions of this License which the other party claims to be a default hereof, the party making such claim shall serve written notice of such default upon the defaulting party, whereupon a grace period of thirty (30) days shall commence to run during which the defaulting party shall undertake and diligently pursue a cure of the default. Such grace period shall automatically be extended for an additional thirty (30) days, provided the defaulting party makes a good faith showing that efforts toward a cure are continuing.

19. Assignment of License by Licensee. This license and all of the rights and interests hereunder shall be assignable by the Licensee to any other party subject to approval of the Port of Kennewick. Such approval shall not be unreasonably withheld. Licensee's right to effect an outright transfer of the license rights, and the right of any collateral assignee to seize the Premises as defaulted security, are subject only to the limitation that the Premises shall be used for the purposes described in Article 5 hereof. Licensee shall notify Licensor and the Port of Kennewick in writing of the name and address of any potential

assignee or collateral assignee.

20. Execution of Other Instruments. Licensor agrees to execute, acknowledge and deliver to Licensee other instruments respecting the Premises, such as a Memorandum of License in recordable form, and such other instruments as Licensee or Licensee's lender may reasonably request from time to time, and to request and direct any mortgage of the underlying land to execute similar lienholder's consents, letters or memoranda. All instruments respecting the Premises shall be subservient to the terms and conditions of the underlying lease and subject to approval by the Port of Kennewick. Said approval shall not be unreasonably withheld.

21. Removal of Improvements. The Improvements are agreed to be Licensee's personal property and shall never be considered fixtures to the real estate. Licensee shall at all times be authorized to remove the improvements from the premises. Licensee shall remove all footings, foundations, and other improvements in the event this license or the underlying lease is terminated. Licensee agrees not to abandon said property. Licensee further agrees to return the property to its original state in the event of a termination of this lease or if it elects to remove the improvements.

22. Conditions Precedent. This License and Licensee's obligations hereunder, including the obligations to pay License Fees or liquidated damages, are expressly conditioned upon and subject to the following:

A. Licensee must receive all necessary local, state and federal governmental approvals relating to Licensee's intended use of the Premises;

B. Licensee's technical reports must establish to Licensee's exclusive satisfaction that the Premises are capable of being suitably engineered to accomplish Licensee's intended use of the Premises; and

C. Licensee's title insurer must determine that the Port of Kennewick owns good and clear marketable title to the land underlying the Premises and that such title is free from encumbrances and restrictions which would interfere with Licensee's intended use of the premises or would impair Licensee's ability to pledge the License interest as collateral to secure debt financing.

23. Abatement of License Fees. Licensee shall have no obligation to pay License Fees until all of the Conditions Precedent have been satisfied or waived, and License Fees which would otherwise be due for the intervening time pending satisfaction of the Conditions Precedent are hereby excused and forgiven.

24. Condition Subsequent. Licensor's obligations under this License shall expire on September, 1996, unless by

that date and no later Licensee begins paying License Fees. Upon such expiration without the first License Fee payment being made by Licensee, this License shall be null and void, and neither Licensor nor Licensee shall have any further obligations hereunder.

25. Quiet Enjoyment. Licensor covenants that Licensee shall have quiet and peaceable possession of the Premises throughout the term of this License as the same may be extended and that Licensor will not intentionally disturb Licensee's enjoyment thereof as long as Licensee is not in default of this License. Licensee acknowledges that said Premises are located in the middle of an industrial site owned by the Port of Kennewick. The industrial site will have further development. Licensee shall in no way oppose said development.

26. Environmental Warranty. Licensor hereby represents and warrants to Licensee that Licensor has never generated, stored, handled or disposed of any hazardous waste or hazardous substance upon the Premises and that Licensor has no knowledge of such uses historically having been made of the Premises or such substances historically having been introduced thereupon.

27. Attorney Fees. In any action on this License, at law or in equity, the prevailing party shall be entitled to recover reasonable costs and expenses, including reasonable attorney fees. Any action at law, suit in equity or other judicial proceeding for enforcement of this agreement or any provision thereof shall be instituted only in a court of competent jurisdiction in the County of Benton, State of Washington.

28. Subordination. Licensee agrees to subordinate this License to any mortgage or trust deed which may hereafter be placed on the Premises, provided such mortgagee or trustee thereunder shall ensure to Licensee the right to possession of the Premises and other rights granted to Licensee herein so long as Licensee is not in default beyond any applicable grace or cure period, such assurance to be in form reasonably satisfactory to Licensee. Further, Licensor agrees to promptly have any mortgagee or trustee which has a mortgage or trust deed currently placed on the Premises execute a nondisturbance agreement in form reasonably satisfactory to Licensee. Any mortgages or trust deeds or other security documents shall be subservient to the underlying lease. No rights or liabilities shall be created beyond the terms and conditions of the lease.

29. Binding Effect. All of the covenants, conditions and provisions of this License shall run with the land, inuring to the benefit of, and binding upon the parties hereto and their respective successors in interest. Any mortgages or trust deeds or other security documents shall be subservient to the underlying lease. No rights or liabilities shall be created beyond the terms and conditions of the lease.

30. Entire Agreement. This License constitutes the entire agreement between the parties and supersedes any prior

understandings or oral or written agreements between the parties respecting the within subject matter.

31. Modifications. This License may not be modified except in writing signed by the party against whom such modification is sought to be enforced. Any modification shall be subject to approval from the Port of Kennewick. Said approval shall not be unreasonably withheld.

32. Permitted Use. The Premises may be used by Licensee only for the permitted uses described in paragraph 5 herein.

33. Interference. Licensee shall not use the premises in any way which interferes with the use of the property of Licensor or adjacent property owners. Licensee shall use all appropriate means of restricting access to the antenna facility, including construction of a fence. Licensee shall keep and maintain the premises and all buildings and improvements now or hereinafter located thereon, in a commercially reasonable condition or state of repair during the term of the License.

34. Notices. Notices required to be in writing under this license shall be given as follows:


Licensor: Pacific Rail Car, Inc.
Route 14 Box 2405
Finley, WA 99337

Licensee: United States Cellular
Operating Co. of Richland
Attention: Real Estate
8410 West Bryn Mawr Avenue
Suite 700
Chicago, IL 60631

Port: Port of Kennewick
1 Clover Island
Kennewick, WA 99336

IN WITNESS WHEREOF, the parties hereto have caused this License Agreement to be signed by their duly authorized representatives and bind themselves to this License Agreement as of the day and year first above written.

Licensor: PACIFIC RAIL CAR, INC.

By: 
President

STATE OF Washington)
 : ss.
County of Benton)

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Michael A. Curtis, known to me to be the same person whose name is subscribed to the foregoing License Agreement appeared before me this day in person and acknowledged that he signed the said License Agreement as his free and voluntary act for the uses and purposes therein stated.

Given under my hand and seal this 23rd day of September, 1996.

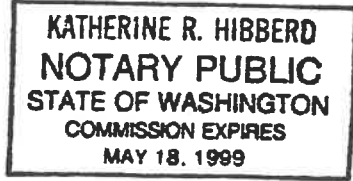
Connie Kille
NOTARY PUBLIC in and for the State
of Washington
Residing at Kennelworth
My Commission Expires 3/23/98

STATE OF Washington)
 : ss.
County of Clark)

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that Jeff Deris Chebourg, known to me to be the same person whose name is subscribed to the foregoing License Agreement appeared before me this day in person and acknowledged that he signed the said License Agreement as his free and voluntary act for the uses and purposes therein stated.

Given under my hand and seal this 2 day of October, 1996.

Katherine R. Hibberd
NOTARY PUBLIC in and for the State
of Washington
Residing at Vancouver
My Commission Expires 5/18/99



FILE COPY

ADDENDUM TO LEASE

THIS AGREEMENT is made on the 15th day of July, 2015, by and between the Port of Kennewick, a Washington municipal corporation ("Landlord"), and GBW Railcar Services, L.L.C., a Delaware limited liability company ("Tenant"), (collectively "the parties"), of that certain Lease dated September 9, 1994, a copy of which is attached hereto marked "Exhibit "A" and incorporated herein by reference;

THE PARTIES hereby agree to amend the Lease as follows:

A. The Tenant has exercised its first of six five (5) year options to renew the Lease pursuant to Paragraph 16 of the Lease. The first renewal period commenced on May 1, 2015 and shall end on April 30, 2020.

B. Pursuant to Paragraph 16 of the Lease, the parties have negotiated a fair market rental rate for the renewal period as follows:

Price Per Acre:	\$125.00
Total Acreage Leased:	+/- 40 acres
Base Monthly Rent (not including LET):	\$5,000.00
Leasehold Tax (LET)(current rate 12.84%):	\$ 642.00
Total Monthly Rent (inc. LET)	\$5,642.00

All other terms and conditions of the Lease, shall remain in full force and effect except for those terms and conditions as modified by the following listed agreements between the parties:

1. September 9, 1994 Addendum to Lease which modifies the Lease by: a) Tenant approves the bid accepted by Landlord; b) Tenant will supply all materials and labor to construct what has been identified in the plans and specification as the runaround track; c) the runaround track and turnouts are owned by the Landlord; and d) the Tenant will reimburse the Landlord for project costs exceeding the budgeted amount (a copy is attached hereto marked Exhibit "B" and incorporated herein by reference);

2. September 19, 1995 Memorandum and Agreement for Lease Modification which modifies Section 2 "RENT" of the Lease (a copy is attached hereto marked Exhibit "C" and incorporated herein by reference);

3. September 17, 1996 License Agreement, wherein Tenant, as Licensor, grants US Cellular Operating Company of Richland, as Licensee to construct and maintain a communications tower with easement and payment provisions (a copy is attached hereto marked Exhibit "D" and incorporated herein by reference);

4. February 28, 1998 Consent to Assignment of Lease and Addendum to Lease ("Consent 1"), which modifies the Lease by: a) Landlord consenting to the assignment of the Lease interest of the Tenant to Gunderson Northwest; b) Landlord consents to the assignment and Section 2 of the Consent replaced Section 15 "SECURITY FOR RENT" of the Lease; c) Section 23 "SECURITY FOR PORT" of the Lease is deleted; however, Tenant shall remain responsible for repayment of the loan of \$475,000; and d) Gunderson Northwest named as Licensor of the License Agreement shown in Section 3 above (a copy is attached hereto marked Exhibit "E" and incorporated herein by reference);

5. March 2, 1998 Assignment of License Agreement, which assigns the License Agreement, shown in Section 3 above, to Gunderson Northwest (a copy is attached hereto marked Exhibit "F" and incorporated herein by reference);

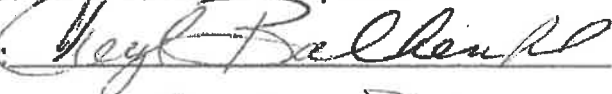
6. November 3, 2006 Consent to Assignment of Lease and Addendum to Lease ("Consent 2") which modifies the Lease by: a) the Landlord consenting to the assignment of the Lease interest of the Tenant to Gunderson Rail Services LLC ("Gunderson"); b) guarantees Gunderson's payment of Rent; and c) Gunderson shall assume responsibility for repayment of the loan of \$475,000, which the Landlord is indebted to pay CERB (a copy is attached hereto marked Exhibit "G" and incorporated herein by reference);

7. September 28, 2009 Landlord Access Agreement, which establishes WL Ross & Co. LLC, as Administrative Agent under the Credit Agreement, dated as of June 10, 2009 (a copy is attached hereto marked Exhibit "H" and incorporated herein by reference);

8. July 18, 2014 Assignment and Assumption of Leases, which assigns all rights and responsibilities in the Lease to GBW Railcar Service, L.L.C. (a copy is attached hereto marked Exhibit "I" and incorporated herein by reference);

9. September 4, 2014 Consent to Assignment and Assumption of Lease ("Consent 3") which modifies the Lease by Landlord consenting to the assignment of the Lease interest of the Tenant to GBW Railcar Services, L.L.C. (a copy is attached hereto marked Exhibit "J" and incorporated herein by reference).

TENANT:
GBW RAILCAR SERVICES, L.L.C.

By: 

Printed Name: Cheryl BALKENTOL

Title: SVP @ GBW

Date: 8-13-15

Address: c/o The Greenbrier Companies, Inc.

One Centerpoint Drive, Suite 200
Lake Oswego, OR 97035

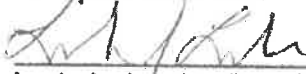
**LANDLORD:
PORT OF KENNEWICK**

Reviewed by HSK

By: 
Tim Arntzen, Executive Director

Date: 7/15/15

Accepted as to form:

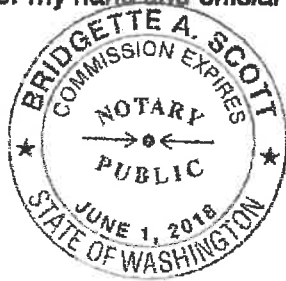

Lucinda J. Luke, Port Counsel
Date: 7-13-15

ACKNOWLEDGEMENTS

State of Washington)
County of Benton)

On this day personally appeared before me Tim Arntzen to me known to be the Executive Director of the Port of Kennewick, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 15th day of July 2015.

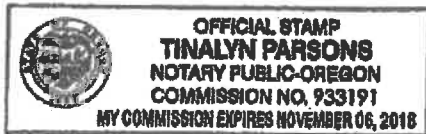


Bridgette A. Scott
Notary Public in and for the State of
Washington
Residing at: Richland WA
My Commission Expires: 06-01-2018

State of Oregon)
County of Clackamas)

On this day personally appeared before me Cheryl Balkenhol to me known to be the SVP and CFO of GBW Railcar Services, L.L.C., the Delaware limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated he/she is authorized to execute the said instrument.

GIVEN under my hand and official seal this 13th day of August 2015.



Tinalyn Parsons
Notary Public in and for the State of
Oregon
Residing at: Vancouver, WA
My Commission Expires: 11-06-2018

PORT OF KENNEWICK

Resolution No. 2015-18

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK APPROVING
AN ADDENDUM TO LEASE CONFIRMING EXERCISE OF FIVE YEAR LEASE
RENEWAL OPTION AND NEW RENTAL RATE WITH GBW RAILCAR SERVICES LLC***

WHEREAS, the Port of Kennewick (Port) is authorized to enter into certain leases upon such terms as the Port Commission deems proper; and

WHEREAS, effective May 1, 2015, GBW Railcar Services LLC exercised the first of six five-year options to renew its September 9, 1994 Lease with the Port, and the Port staff has negotiated the new rental rate for the renewal period; and

WHEREAS, the Port Commission has called a regularly scheduled public meeting with notice of such meeting given as provided by law and such public meeting was held at such time and on said date; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Addendum to Lease and find it is in proper form and it is in the Port's best interest; and

WHEREAS, after consideration of the attached Addendum to Lease, the Port Commission has determined that the Addendum is proper.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approve the Addendum to Lease confirming exercise of the first of six five (5) year lease renewal options and a new rental rate with GBW Railcar Services LLC as presented and authorizes the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 14th day of July, 2015.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

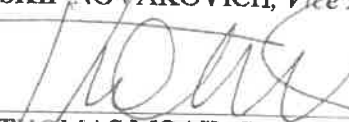
By:


DON BARNES, *President*

By:


SKIP NOVAKOVICH, *Vice President*

By:


THOMAS MOAK, *Secretary*

CONTRACT TO LEASE REAL ESTATE AND FACILITIES

This contract to lease real estate and facilities (CONTRACT) is made and entered into this 16th day of NOVEMBER, 1993 by and between the PORT OF KENNEWICK, a municipal corporation organized under the laws of the State of Washington (PORT) and PACIFIC RAILCAR CORPORATION, a Washington corporation (COMPANY).

W I T N E S S E T H:

WHEREAS, the Port recognizes its responsibility to carry out economic development activities that will help create job opportunities, increase commerce and business, expand the tax base, stimulate the economy and improve the general economic well-being of the people of the District; and

WHEREAS, Company desires to construct a maintenance, manufacturing and repair facility for the railcar industry which will initially employ approximately forty people (hereinafter called the Plant); and

WHEREAS, the Port intends to purchase land (hereinafter called the Property) and construct approximately 8,000 lineal feet of rail spur to service the Plant (hereinafter called the Improvement); and

WHEREAS, the Port has been notified it can receive a loan from the Community Economic Revitalization Board (CERB) for the construction costs of the Improvement; and

WHEREAS, the Company desires to lease from the Port the Property and Improvement (hereinafter collectively called the Leased Property);

NOW THEREFORE, in consideration of the premises, the facts set forth above and mutual covenants contained herein, the parties hereto agree as follows;

SECTION 1: CONDITIONS PRECEDENT TO LEASE

The Port and the Company agree to enter into a lease of the Leased Property if the following conditions precedent have been met:

BY COMPANY:

- A. Company has been awarded SBA or other financing in sufficient amounts to totally complete the Plant and has presented the documentation thereof to the Port.
- B. Plans and specifications for building the Plant have been completed by Company and approved by the Port.
- C. Company has executed and delivered to the Port appropriate security documents and personal guarantees of its' officers giving Port a lien on Company's assets second only to the SBA financing, and which will move the Port into first position as soon as SBA is paid off.
- D. Company shall deliver to the Port an insurance policy on the life of Michael Curtis in the amount of \$ 350,000 and Company shall pay the premiums thereon during the term of the Lease naming the Port as primary beneficiary. As the balance of the Port's out-of-pocket expenses are reduced by the payment of rent under Section 2 of the Lease, the amount of insurance proceeds payable to the Port, in the event of Michael Curtis death, shall likewise be reduced and the balance shall be paid to such secondary beneficiaries as Company may designate.

BY PORT:

- A. A loan acceptable by the Port has been assured from CERB funds.
- B. Title has been acquired to the Property required by the Port for construction of the Improvement.
- C. Port has obtained plans and specifications and a suitable bid for construction of the Improvement which have been approved by the Port and the Company.

SECTION 2: EXECUTION OF THE LEASE

After completion of all the foregoing, the Company and the Port will execute a Lease substantially the same as attached hereto as Exhibit A and made a part hereof by this reference, provided that the rental and the date of commencement will be endorsed upon the Lease by the parties at the appropriate time as set forth in the Lease.

SECTION 3: AWARD OF BIDS

After completion of all the matters set forth in the foregoing section, the Port and the Company shall award bids respectively for the construction of the Improvement and the Plant.

SECTION 4: RENT UNDER THE LEASE

The rent to be paid under the Lease shall be based on all out-of-pocket costs incurred by the Port for the project including, but not limited to, loans, legal expense, engineering expense, land acquisition expense, construction expense and any other expense necessitated by the project. The rent shall be determined as more fully set forth in the Lease.

SECTION 5: CANCELLATION OF CONTRACT

If the items in Section 1, 2, 3 and 4 are not accomplished by DECEMBER 1, 1994 then this Contract may be cancelled by either party by written notice delivered to the other party at the address set forth in Section 6 and, in such case, the parties shall not be obligated further under this Contract except that the Company shall thereupon forthwith reimburse the Port for all reasonable out-of-pocket costs and expenses actually incurred by the Port in connection with this project up to the time of the cancellation of this Contract. Such out-of-pocket costs and expenses may include, without being limited to, any legal cost attributable to land acquisition, engineering fees, legal fees and other related expenses. The amount of such costs incurred up to the time of the award of the contract for construction of the Improvement shall not exceed \$ 30,000 without the written approval of the Company. If the Company fails to approve any written requests by the Port to increase such costs within five business days of the Port's request, the Port may elect to stop all work under this Contract and the Company shall reimburse all costs incurred to the time such work stops.

SECTION 6: NOTICES

All written notices to be given to the Port and/or Company under this Contract shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as one party may provide to the other party in writing from time to time. Notice shall be deemed to have been received upon the earlier of actual receipt or five business days after deposit in the U.S. Mail, in certified form, postage prepaid or, in the case of personal delivery, upon delivery to the addressee set forth below:

If to the Port: Port of Kennewick
One Clover Island
Kennewick, WA 99336
Attn: Manager

If to the Company: Pacific Railcar Corporation
P.O. Box 2785
Yakima, WA 98907
Attn: President

SECTION 7: WAIVER OF NOTICE

Whenever in this Contract the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 8: HEADINGS AND RULES OF CONSTRUCTION

The headings or titles of the several sections hereof shall be solely for convenience or reference and shall not affect the meaning, construction or effect of this Contract.

SECTION 9: SEVERABILITY OF INVALID PROVISIONS

In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Contract, and this Contract shall be construed as if such invalid or illegal or unenforceable provision had never been contained in this Contract. The parties to this Contract declare that they would have entered into this Contract and each and every section, paragraph, clause or phrase of this Contract irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Contract may be held illegal, invalid or unenforceable.

SECTION 10: GOVERNING LAW

This Contract shall be construed and governed in accordance with the laws of the State of Washington. In the event any dispute relating to this Contract is taken to a court of law, venue shall be in Benton County, Washington and the prevailing party shall be entitled to reimbursement of reasonable attorneys fees and costs.

SECTION 11: EXECUTION IN COUNTERPARTS

This Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

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IN WITNESS WHEREOF, the parties have executed this Contract as of the date and year first above written.

PORT OF KENNEWICK
BOARD OF COMMISSIONERS

By: George J. Jones
George J. Jones, President

By: Paul L. Vick
Paul L. Vick, Vice President

By: Gene L. Spaulding
Gene L. Spaulding, Secretary

PACIFIC RAILCAR CORPORATION

By: Michael A. Curtis
President

By: [Signature]
Secretary

STATE OF WASHINGTON)
County of Benton) : ss.

On this 16th day of November, 1993,
personally appeared before me Paul Vick and George J. Jones,
Gene Spaulding, to me
known to be the President, Vice President and Secretary,
respectively, of the Port of Kennewick, the municipal corporation
that executed the foregoing instrument, and acknowledged the said
instrument to be the free and voluntary act and deed of said
corporation, for the uses and purposes therein mentioned, and on
oath stated that they are authorized to execute the said
instrument.

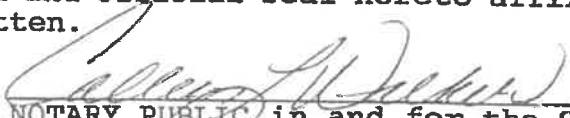
Witness my hand and official seal hereto affixed the day
and year first above written.

Sue Wath
NOTARY PUBLIC in and for the State of
of Washington, residing at Kennewick
My Commission Expires: 7/5/96

STATE OF WASHINGTON)
 : ss.
County of Benton)

On this 24th day of November, 1993,
personally appeared before me Michael A. Curtis and
J.R. Walker, to me known to be the President and
Secretary, respectively, of Pacific Railcar Corporation, the
corporation that executed the foregoing instrument, and
acknowledged the said instrument to be the free and voluntary act
and deed of said corporation, for the uses and purposes therein
mentioned, and on oath stated that they are authorized to execute
the said instrument.

Witness my hand and official seal hereto affixed the day
and year first above written.


NOTARY PUBLIC in and for the State of
of Washington, residing at Kennewick
My Commission Expires: 12/12/94

"EXHIBIT A"

L E A S E

THIS LEASE is made and entered into this 9th day of SEPTEMBER, 1992 by and between the PORT OF KENNEWICK, a municipal corporation organized under the laws of the State of Washington (PORT), and PACIFIC RAILCAR CORPORATION, a Washington corporation (COMPANY);

W I T N E S S E T H:

WHEREAS, the conditions of the Contract to Lease Real Estate and Facilities dated the 10th day of November, 1993 (hereinafter called the Contract) have been fulfilled to the mutual satisfaction of both parties;

The following are definitions which will apply hereafter:

"Property": The real property on which the rail spur will be constructed described in Exhibit B attached hereto.

"Improvement": The rail spur being constructed on the "Property" in accordance with the plans and specifications that have been adopted by the Port and approved by the Company.

"Leased Property": The "Property", the "Improvements" and all other buildings, structures, installations, landscaping and appurtenances built by the Port or hereafter on the "Property".

"Plant": The maintenance, manufacturing and repair facility constructed and owned by the Company.

NOW THEREFORE, the Port, acting under and by virtue of the authority granted to it under the laws of the State of Washington and particularly RCW 53.04.010 et seq., leases to the Company, and the Company hires and takes from the Port the Leased Property, for the term of 20 years commencing on the 15th day of MAY, 1995 and ending on the 30th day of APRIL, 2015 (the parties agree to fill in said dates to correspond with the occupancy as described in Section 2.a.) subject to the terms, covenants, conditions and provisions of this Lease.

Section 1. CONSTRUCTION OF IMPROVEMENT: The Port shall proceed diligently with the construction of the Improvement in accordance with the plans and specifications that have been adopted by the Port and approved by the Company pursuant to Section 1 of the Contract to Lease Real Estate and Facilities, and to which plans and specifications reference is hereby made and incorporated herein by this reference. The Port reserves the right to allow ingress and egress over the rail spur and land in areas as shown on the site plan identified as Exhibit C to this lease and incorporated by reference herein for other businesses which may locate near or adjacent to the rail spur. The Port and Company agree to work cooperatively to locate any rail spur so as not to interfere with any business activities.

Section 2. RENT: The Company shall pay as rental for the "Leased Property" as follows:

- a) The amortized amount for the Port's out-of-pocket expense for all expenses related thereto together with interest of eight percent (8%) per annum for a period of twenty (20) years on the principal balance shall be paid in installments of \$ 434.32 per month starting on the 1ST day of MAY, 1995 and continuing on the same day of each and every month thereafter until principal and interest are paid in full at the end of the twenty (20) year term of this lease;
- b) \$475,000 with no interest shall be payable in fifteen (15) equal annual installments starting five years from the date of the loan from CERB to the Port and continuing on the same date of each and every year thereafter until the principal amount has been paid in full. Payment shall be made thirty (30) days prior to the date payment is due from the Port to CERB;
- c) Leasehold taxes or other taxes which may be levied by the State of Washington against this project;
- d) Rent shall be \$4,000 per month payable on the 1ST day of each month for the forty (40) acre site of that certain 1,400' x 2,600' parcel of land lying contiguous to and south of Cochran Road in Benton County, Washington, known to Lessor and Lessee, starting at a point directly east of and adjacent to the tracks of the Burlington Northern Railroad, together with an access road of 75 feet in width from Cochran Road on the North. Said 75-foot access road to run directly south from Cochran Road on the North to the northeast corner of the property. A more complete legal description of the property shall be obtained and attached to this Agreement. Any costs or

expenses associated with subdividing the property or ascertaining its legal description, including, if necessary, a survey, shall included as out-of-pocket expenses as described in Section 2(a).

Section 3. MAINTENANCE AND UPKEEP: During the term of this Lease and all extensions and renewals hereof, the Company shall, at its own cost and expense, maintain the Leased Property and any alterations and improvements thereto in good operating condition and repair, and shall promptly make all repairs, alterations and changes in, to and about the Leased Property necessary to preserve it in good order and condition, which shall be in quality and class equal to the original work, and the Company shall promptly pay the expense of such repairs, suffer no waste or injury and, at the end of the term of this Lease, deliver up the premises in good and acceptable condition, fair wear and tear excepted. The Port shall have no obligation under this Lease to maintain or repair.

Company shall be responsible for maintaining the rail spur in good operating condition and repair. Company shall adhere to a schedule of maintenance set forth in Exhibit D to this lease and incorporated by reference herein. The Port shall have the right of inspection and approval of any maintenance or repair of the rail spur.

At such time as other companies are allowed by the Port to use the rail spur, an agreement for the prorata sharing of maintenance and upkeep will be negotiated between all parties.

In the event that a dispute arises between the Port and the Company on the sharing arrangement for maintenance, repairs, alterations or changes, such dispute shall be submitted to a board of arbitration consisting of three members, one of whom shall be selected by the Port, one by the Company and a third by the two members so selected. The board of arbitrators shall investigate the dispute submitted to it and shall make the findings of fact and decision in writing. The decision of the majority of arbitrators shall govern. If either party feels aggrieved by the decision of the board of arbitrators, the matter may be taken to a court of competent jurisdiction, the venue of which shall be in Benton County, Washington. The Port and the Company may agree to an alternative method of dispute resolution. Pending resolution of the dispute, either party may enter upon the Leased Property to perform work it deems necessary to prevent damage to the Leased Property and, if that party prevails with respect to work as a result of such resolution, that party shall be entitled to reimbursement for such work from the date of expenditure to the date of reimbursement.

Section 4. WASTE ON LEASED PROPERTY: The Company shall not permit or suffer any offensive use of or the commission of waste on the Leased Property, shall not remove sand, gravel or kindred substance from the ground and shall not in any manner

substantially change the contour or condition of the Leased Property unless approved in advance in writing by the Port. The Company shall keep the Leased Property in good order and in a clean, sanitary and safe condition and shall at all times maintain all buildings, structures and equipment in a condition satisfactory to the Port.

Section 5. INSURANCE: The Company agrees, during the term of this Lease and all extensions and renewals hereof, to keep all of the insurable property on the Leased Property insured against loss or damage under coverage not less than the standard ISO form or its future editions in an amount equal to not less than one hundred percent of the full replacement value thereof. All such policies of insurance shall provide that any loss thereunder shall be payable to the Port. In addition, the company shall at all times during the term of this Lease and all extensions and renewals hereof procure and maintain comprehensive general liability insurance, with contractual liability endorsement in the form of the current standard ISO liability policy (Commercial General Liability). The liability policy shall have a combined single limit in an amount not less than \$1,000,000. The Port shall be named as an additional named insured in the casualty and liability policy or policies of insurance, or certificates by the insurance companies issuing the same, evidencing that such insurance is in effect, and renewal policies or certificates evidencing the renewal thereof shall be delivered to the Port by the Company not less than twenty days prior to the expiration of such policy or policies. In case of failure by the Company at any time to obtain and maintain such insurance or to renew the same, the Port may obtain and maintain such insurance and shall be entitled to reimbursement from the Company of any premiums paid by the Port thereof on demand.

In addition and supplemental to the insurance provisions here and above stated, the Company shall indemnify and save harmless the Port against all loss, cost or damage, action, causes of action and the like on account of any injury to persons or property or death occurring or arising out of the Company's use and occupancy of the Leased Property and the conduct of its business thereon.

Section 6. ASSIGNMENT AND SUBLETTING: The Company shall neither transfer nor assign this Lease nor sublet the demised premises, or any part thereof, nor grant any interest, privilege or license whatsoever in connection with this Lease without the prior written permission of the Port; provided, however, that no such permission shall be arbitrarily withheld, and in the event of transfer, the Company shall remain responsible for all of the covenants and terms herein.

Section 7. EMINENT DOMAIN: In the event any portion of the Leased Property, or the whole thereof, shall be taken for a public use by the right of eminent domain, all alterations, improvements and additions to and placed on the Leased Property by the Company shall be and immediately become real property,

shall be the property of the Port, and shall be included in any and all condemnation action or actions concerning the Leased Property. In the event of such taking by right of eminent domain the Port will receive all compensation paid for the taking or damaging of the Leased Property, or any part thereof, and shall pay to the Company such amount of the award as is included by way of the value of the permanent alterations, improvements and additions made by the Company taken or damaged in such eminent domain action.

Section 8. ALTERATIONS, IMPROVEMENTS AND ADDITIONS: The Company may make necessary alterations, improvements and additions to the Leased Property at its own expense. Alterations, improvements and additions costing in excess of \$15,000.00 in any one instance may be made only with the prior written consent of the Port, which consent shall not be unreasonably withheld. Provided however, the Company shall obtain a surety bond or other securities satisfactory to the Port covering all liability and expense arising from any mechanics lien at any time filed against the Leased Property for any work, labor, services or materials claimed to have been performed at or furnished to the Leased Property for or on behalf of the Company, or any person holding the Leased Property through the Company. Improvements and additions made to the Leased Property by the Company, after the original construction of the Improvement, may be removed by the Company at the end of the term of this Lease as long as such removal does not damage the Leased Property except for structural improvements and additions to the Port's Improvement which shall become the property of the Port and may not be removed. If, in removing any improvements and additions, the Company renders the Leased Property unsuitable for the use for which it was designed and constructed originally, the Company shall, at its own expense, promptly restore the Leased Property to its original improved condition.

The provisions of this section shall not apply to any Company owned improvement.

Section 9. TAXES AND ASSESSMENTS: The Company shall pay, and hold the Port harmless from all state, federal and local taxes and assessments levied against the Leased Property, the improvements thereon, personal property or the leasehold interest.

Section 10. RIGHTS ON DEFAULT: Time is of the essence with respect to this Lease. In the event the Company fails to promptly make any payment provided for in this Lease at the time and in the manner stated, or to keep and perform any of the other covenants and agreements contained in this Lease, and such failure continues for thirty days after written notice thereof has been given by the Port to the Company in accordance with Section 15, the Port may, at its option, declare this Lease terminated and cancelled. On such termination and cancellation of this Lease all rent theretofore paid by the Company shall be forfeited to the Port, and in addition thereto the Company

shall be liable to the Port for any unpaid rent as herein agreed to be paid under the provisions of Section 2, provided that the Port shall exert its best efforts to locate a new tenant for the Leased Property and thereby mitigate rental damages.

Section 11. BANKRUPTCY: If the Company shall file a petition in bankruptcy, or be adjudicated a bankrupt, or make an assignment for the benefit of creditors, or take advantage of any insolvency act, the Port, apart from any other rights, privileges or actions available to it under this Lease, at law or in equity, may, at its election at any time thereafter, terminate and cancel this Lease by giving written notice of its intention to do so, and then and in that event, this Lease and the terms thereof shall expire and come to an end on the giving of that notice, as if the date was the date originally fixed in this Lease for the expiration hereof.

Section 12. GOVERNMENTAL REGULATIONS: The Company shall promptly execute and comply with all government regulations, ordinances and statutes applicable to or connected with the Leased Property and the Plant.

Section 13. WAIVER OF BREACH: The failure of either party to insist upon a strict performance of any of the terms, covenants and conditions of this Lease shall not be deemed a waiver of any rights or remedies of either such party, and shall not be deemed a waiver of any subsequent breach or default in any of the terms, conditions and covenants contained in this Lease.

Section 14. NOTICES: In every case where, under any of the provisions of this Lease, or in the opinion of either the Port or the Company or otherwise, if it shall or may become necessary or desirable to make, give or serve any declaration, demand or notice of any kind or character or for any purpose whatsoever, the same shall be in writing, and it shall be sufficient to either (1) deliver the same or a copy thereof in person to the Manager of the Port of Kennewick, if given by the Company, or to the President or Secretary of the Company, if given by the Port; or (2) mail the same or a copy thereof by registered or certified mail, return receipt requested postage prepaid, addressed to the other party at such address as may have therefore been designated in writing by such party, by notice served in the manner herein provided, and until some other address shall have been so designated, the address of the Port for the purpose of mailing such notices shall be as follows: Port of Kennewick, One Clover Island, Kennewick, Washington 99336; and the address of the Company shall be Pacific Railcar Company, 6 West Arlington, Yakima, Washington 98902.

Section 15. SECURITY FOR RENT: The provisions of RCW 53.08.085 (a copy of which is attached hereto as Exhibit "E" and herewith incorporated in full by this reference) provides that the Port must have rental secured by rental insurance, bond or other security satisfactory to the Port, which security shall

be on file with the Commission at all times during the term of the Lease. The Port Commission has elected under the provisions of said statute for the Company to execute and deliver to the Port the following form of rental security: a surety bond for three (3) years rental executed by the Company as principal and Michael Curtis, et ux; Joshua Grundy, et ux; Duane Walker, et ux; Jake Shreves, et ux; Rick Thompson, et ux and Shane Thompson, et ux, as sureties individually and as marital communities. Like security shall be furnished by the Company and sureties for any extension or renewal of this Lease.

Section 16. RIGHT TO RENEW: As a part of the consideration for this Lease, the Port grants to the Company the right to renew this Lease for not more than six successive five-year periods, as the Company may wish, except that the total term of this Lease shall not, in any event, exceed fifty years. Notice of the Company's election to exercise the option to renew shall be given in writing to the Port not less than six months before the expiration of the initial term of this Lease, or the expiration of any five-year renewal period. The renewal of the Lease shall be on the same terms and conditions as herein set forth, except that the rent shall be renegotiated for the renewal term. The parties agree to negotiate a fair market rental in good faith and recognize the contributions of the company to the Port.

Section 17. HAZARDOUS SUBSTANCES: It is acknowledged that Company handles, uses, stores, and deals with hazardous substances in its business operations. The Port acknowledges such occurrences but is not responsible for any occurrences involving hazardous substances.

Hazardous substance shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance, or other similar terms by any federal, state or local environmental law, regulation or rule presently in effect or hereafter enacted, and it shall be interpreted to include, but not be limited to, any substance which in being used, or after released into the environment may be a fire danger, or which upon exposure, ingestion, inhalation or assimilation, either directly from the environment or indirectly by ingestion through food chains or otherwise, will or may reasonably be anticipated to cause property damage, sickness, death, disease, behavior abnormalities, cancer or genetic abnormalities. Company shall hold harmless from and indemnify the Port against and from any damage, loss, expenses or liability resulting from any breach of this paragraph including all attorneys fees and costs incurred as a result thereof.

Company's entire operation, including painting and equipment, shall comply with all local, state and federal, environmental, fire protection and all other ordinances, rules and regulations.

Company shall not permit nor suffer any offensive use of Leased Property, nor the commission of waste thereon and shall not in any manner substantially change the premises unless approved in writing by the Port. Company shall keep the premises in good order and in a clean, sanitary and safe condition satisfactory to the Port. All materials, supplies, inventory or other items of any kind or nature stored on the outside of the building shall be maintained in a neat and orderly manner. In the event the Port is not satisfied that the Company is fulfilling the terms and conditions of this paragraph, the Port shall so notify the Company in writing. Thirty (30) days thereafter, if the conditions are not corrected by the Company, the Port may cause the corrections to be made and the Company shall pay the Port for the cost of any and all such corrections.

Company, its subsidiaries, grantees, assigns or successors in interest shall indemnify the Port and hold it harmless for any claim, demand, removal, clean-up, investigation, lab costs, fees of consultants, contractors, lawyers and charges for governmental personnel for any liability which may be incurred for any activity on the part of the Company, its subsidiaries, successors in interest or assigns for any federal, state, county, local or governmental requirement regarding any substances or waste or storage or disposal thereof upon the demised premises including, without limitation to, CERCLA, SARA, RCRA, Underground Storage Tank Facilities Act, Model Toxic Control Act or any additional enactments, regulations amendments or additions thereto.

Section 18. MUTUAL ASSISTANCE: The parties hereto agree to render all reasonable assistance to each other in establishing, maintaining and defending this Lease before any governmental regulatory body or in any civil and/or criminal proceedings.

Section 19. INSPECTION OF LEASED PROPERTY: The right is reserved to the Port, its officers, agents and employees, to enter upon the Leased Property at any time during regular business hours for inspection and for any purpose necessary or convenient in connection with the work of the Port. The use and occupation of the Leased Property shall be subject to such reasonable rules and regulations as prescribed by the Port from time to time.

Section 20. NECESSARY PORT OPERATIONS: The right is reserved to the Port, its officers, agents and employees, to construct or to permit the construction of utilities suitable for communication, electrical distribution or transmission, water supply, sewage disposal and similar purposes on the Leased Property.

Section 21. PROTECTION OF IMPROVEMENTS AND PROPERTY: The Company shall be responsible for any damage, destruction or waste that may be caused to any of the property of the Port, wherever located, by the activities of the Company under this

Lease, and shall exercise due diligence in the protection of all improvements and property of the Port that may be located on the Leased Property, or adjacent thereto, by fire or damage from any and all other causes. The Company solely shall be responsible for damages to any property or injuries to persons that may arise from or be incident to the use and occupation of the Leased Property, and for damages to the property of the Company, or for injuries to the person of the Company's officers, agents, servants or employees, or the person or property of others who may be on the Leased Property at their invitation or the invitation of any one of them, or in any way incident to the Company's business, and the Company shall hold the Port harmless from and indemnify the Port against and from any and all claims.

Section 22. OPTION TO PURCHASE: The Company shall have the option to purchase the Leased Property or the Improvement at any time during the term of this Lease and any extensions or renewals of this Lease for an amount equal to the fair market value of the Leased Property or the Improvement at the time of exercising such option to purchase, which fair market value shall be determined at the time by a qualified real estate appraiser appointed by the Port and agreed to by the Company. If the Port and the Company do not agree on the fair market value of the Leased Property or the Improvement established by the appointed qualified real estate appraiser, then the disagreement shall be submitted to a board of arbitration consisting of three qualified real estate appraisers, one of whom shall be selected by the Port, one by the Company, and a third by the two members so selected. The board of arbitrators shall investigate the disagreement submitted to it, including a review of the determination of the fair market value of the Leased Property made by the previously appointed qualified real estate appraiser, and shall make the findings of fact and decision in writing, within ninety days of the date on which the disagreement submitted to the board of arbitrators. In determining the fair market value of the Leased Property or the Improvement, the decision shall not be based on the Company's investment in or use of, if any, adjoining property, but the Leased Property or Improvement shall be valued in accordance with accepted real estate appraisal practices. The Port and the Company may agree to an alternative method to resolve the disagreement. Notwithstanding the above, the purchase price for the Leased Property or the Improvement shall not be less than the amount of the Port's total investment.

The Company shall exercise its option to purchase the Leased Property or Improvement by giving written notice to the Port sixty days prior to the date on which such option is to be exercised. The Company shall be under no obligation to exercise its option to purchase the Leased Property or Improvement.

In the event that the Port and the Company engage in a sale and purchase pursuant to the terms of this Lease, unless

otherwise specified, the sale and purchase shall occur in accordance with the following terms and conditions:

- (a) The purchase price shall be paid in cash at closing.
- (b) Closing shall occur on a date mutually agreed on by the parties following proper written notice from the Company of its intent to purchase the Leased Property or Improvement and subsequent proper processes by the Port as required by statute when selling property.
- (c) Closing shall occur at a location selected by the Port.
- (d) The Port shall pay for and provide the Company with an owner's standard coverage American Land Title Association ("ALTA") policy of title insurance containing such encumbrances and such other exceptions as are approved by the Company.
- (e) The Company shall pay for real estate excise tax, if any, deed stamps, if any, and closing escrow fee.
- (f) The deed shall contain an easement or other legal means to the Port or its' successors or assigns for ingress and egress over the rail spur to nearby and adjacent properties and which shall provide for the use of the rail spur by the Port or companies that may locate on said properties.

On the Company's purchase of the Leased Property and Improvement, this Lease shall terminate. If the Company elects to purchase the Improvement but not the Property, then this Lease shall continue except that the Lease shall pertain to the Property only and the rent shall be adjusted accordingly.

Notwithstanding any other provision to the contrary, the law governing the authority of the Port to sell and convey property which is applicable to the Leased Property shall control. By way of example, should the laws governing Port Districts at the time of the Company's exercise of the option to purchase the Leased Property or Improvement require that the Leased Property or Improvement be submitted to bid, then the Leased Property or Improvement shall be sold subject to this Lease and State law and further subject to the Company's being allowed to meet the highest bid.

Section 23. SECURITY FOR PORT: Company shall execute and deliver, and at all times keep current, all necessary security documents required by the Port, as set out in Section 1. D., E. and F. of the Contract to Lease Real Estate and Facilities and Section 15 of this Lease, to protect the Port's interest in land and improvements to provide adequate security for the Port's investment for real property purchase and

repayment of the loan of \$475,000 which the Port is indebted to pay to CERB.

Section 24. WAIVER OF NOTICE: Whenever in this Lease the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 25. HEADINGS AND RULES OF CONSTRUCTION: The headings or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Lease. All references herein to sections and other subdivisions are to the corresponding sections or subdivisions of this Lease. The terms "hereby," "herein," "hereof," "hereto," "hereunder" and other terms of similar import refer to this Lease as a whole and not to any particular section or subdivision hereof. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

Section 26. NO ORAL CHANGES: Neither this Lease nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the parties.

Section 27. SEVERABILITY OF INVALID PROVISIONS: In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Lease, and this Lease shall be construed as if such invalid or illegal or unenforceable provision had never been contained in this Lease. The parties to this Lease declare that they would have entered into this Lease and each and every section, paragraph, sentence, clause or phrase of this Lease irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Lease may be held illegal, invalid or unenforceable.

Section 28. GOVERNING LAW: This Lease shall be construed and governed in accordance with the laws of the State of Washington and any action for enforcement hereof and the venue for any action for enforcement hereof by either party shall be in Benton County, Washington. In the event either party takes action or requires legal services or commences any suit or action to enforce any of the terms and conditions of this Lease, the prevailing party shall be entitled to reasonable attorneys' fees and costs incurred.

Section 29. EXECUTION IN COUNTERPARTS: This Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

DESCRIPTION
FOR THE
PORT OF KENNEWICK

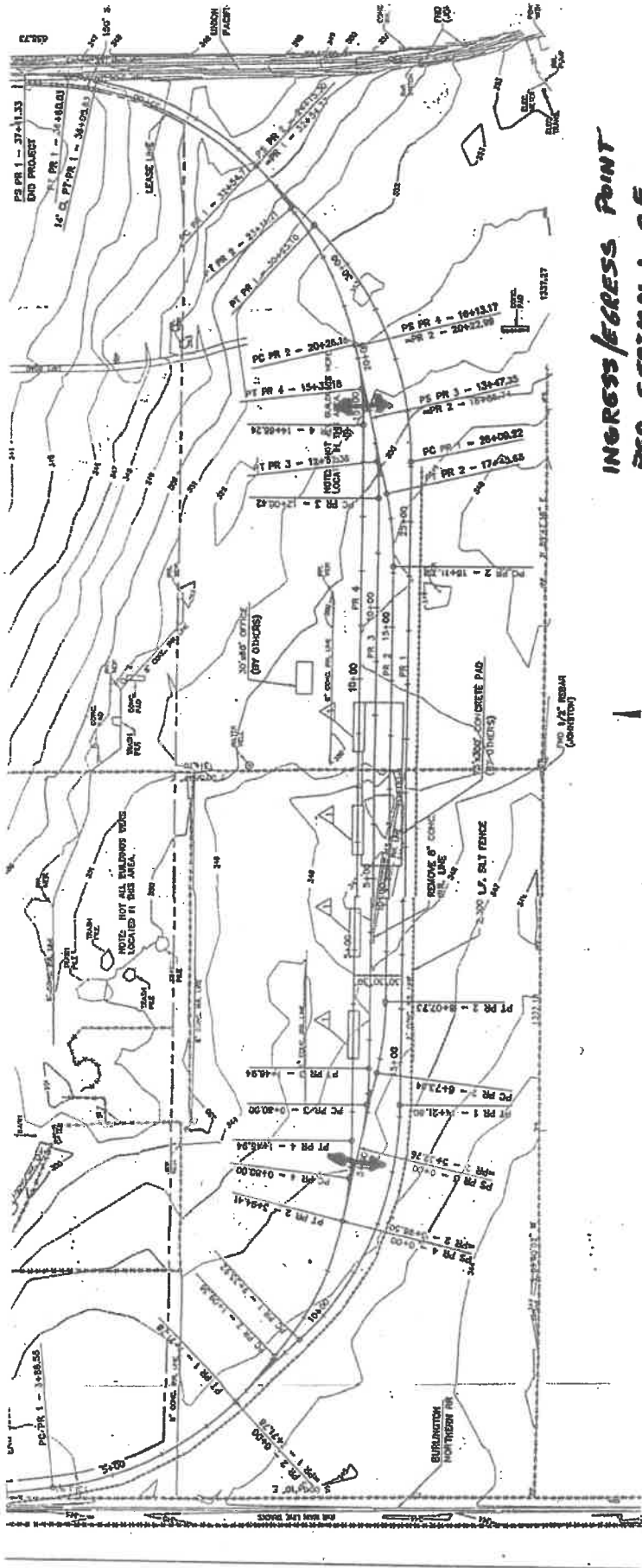
COCHRAN ROAD

THE SOUTH 700 FEET OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THE SOUTH 700 FEET OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER ALL IN SECTION 23, TOWNSHIP 8 NORTH, RANGE 30 EAST, W.M., BENTON COUNTY, WASHINGTON.

TOGETHER WITH A 60 FOOT WIDE ACCESS AND UTILITY EASEMENT, BEING THE WEST 60 FEET OF THE EAST 110 FEET OF THE SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER, LYING NORTHERLY OF THE SOUTH 700 FEET THEREOF AND SOUTHERLY OF THE NORTH 20 FEET THEREOF.

TOGETHER WITH AND SUBJECT TO EASEMENTS, RESERVATIONS, COVENANTS, AND RESTRICTIONS OF RECORD AND IN VIEW.





**INGRESS/EGRESS POINT
PER SECTION 1 OF
LEASE AGREEMENT**

1

ADDENDUM TO LEASE

THIS AGREEMENT is made on the 14th day of April, 2020, by and between the Port of Kennewick, a Washington municipal corporation ("Landlord"), and Greenbrier Rail Services, L.L.C., a Delaware limited liability company ("Tenant"), (collectively "the parties"), of that certain Lease dated September 9, 1994, a copy of which is attached hereto marked "Exhibit "A" and incorporated herein by reference;

THE PARTIES hereby agree to amend the Lease as follows:

A. The Tenant has exercised its second of six five (5) year options to renew the Lease pursuant to Paragraph 16 of the Lease. The second renewal period commences on May 1, 2020 and shall end on April 30, 2025.

B. Pursuant to Paragraph 16 of the Lease, the parties have negotiated a fair market rental rate for the renewal period as follows:

Price Per Acre:	\$125.00
Total Acreage Leased:	+/- 40 acres
Base Monthly Rent (not including LET):	\$5,000.00
Leasehold Tax (LET)(current rate 12.84%):	\$ 642.00
Total Monthly Rent (inc. LET)	\$5,642.00

All other terms and conditions of the Lease, shall remain in full force and effect except for those terms and conditions as modified by the following listed agreements between the parties:

1. September 9, 1994 Addendum to Lease which modifies the Lease by: a) Tenant approves the bid accepted by Landlord; b) Tenant will supply all materials and labor to construct what has been identified in the plans and specification as the runaround track; c) the runaround track and turnouts are owned by the Landlord; and d) the Tenant will reimburse the Landlord for project costs exceeding the budgeted amount (a copy is attached hereto marked Exhibit "B" and incorporated herein by reference);

2. September 19, 1995 Memorandum and Agreement for Lease Modification which modifies Section 2 "RENT" of the Lease (a copy is attached hereto marked Exhibit "C" and incorporated herein by reference);

3. September 17, 1996 License Agreement, wherein Tenant, as Licensor, grants US Cellular Operating Company of Richland, as Licensee to construct and maintain a communications tower with easement and payment provisions (a copy is attached hereto marked Exhibit "D" and incorporated herein by reference);

4. February 28, 1998 Consent to Assignment of Lease and Addendum to Lease (“Consent 1”), which modifies the Lease by: a) Landlord consenting to the assignment of the Lease interest of the Tenant to Gunderson Northwest; b) Landlord consents to the assignment and Section 2 of the Consent replaced Section 15 “SECURITY FOR RENT” of the Lease; c) Section 23 “SECURITY FOR PORT” of the Lease is deleted, however, Tenant shall remain responsible for repayment of the loan of \$475,000; and d) Gunderson Northwest named as Licensor of the License Agreement shown in Section 3 above (a copy is attached hereto marked Exhibit “E” and incorporated herein by reference);

5. March 2, 1998 Assignment of License Agreement, which assigns the License Agreement, shown in Section 3 above, to Gunderson Northwest (a copy is attached hereto marked Exhibit “F” and incorporated herein by reference);

6. November 3, 2006 Consent to Assignment of Lease and Addendum to Lease (“Consent 2”) which modifies the Lease by: a) the Landlord consenting to the assignment of the Lease interest of the Tenant to Gunderson Rail Services LLC (“Gunderson”) ; b) guarantees Gunderson’s payment of Rent; and c) Gunderson shall assume responsibility for repayment of the loan of \$475,000, which the Landlord is indebted to pay CERB (a copy is attached hereto marked Exhibit “G” and incorporated herein by reference);

7. September 28, 2009 Landlord Access Agreement, which establishes WL Ross & Co. LLC, as Administrative Agent under the Credit Agreement, dated as of June 10, 2009 (a copy is attached hereto marked Exhibit “H” and incorporated herein by reference);

8. July 18, 2014 Assignment and Assumption of Leases, which assigns all rights and responsibilities in the Lease to GBW Railcar Service, L.L.C. (a copy is attached hereto marked Exhibit “I” and incorporated herein by reference);

9. September 4, 2014 Consent to Assignment and Assumption of Lease (“Consent 3”) which modifies the Lease by Landlord consenting to the assignment of the Lease interest of the Tenant to GBW Railcar Services, L.L.C. (a copy is attached hereto marked Exhibit “J” and incorporated herein by reference).

10. July 15, 2015 Addendum to Lease, first of six five (5) year options to renew Lease commencing on May 1, 2015 and ending on April 30, 2020.

PORT OF KENNEWICK

GREENBRIER RAIL SERVICES, LLC

By: _____
Title: Tim Arntzen, Chief Executive Officer

By: _____
Title: _____

Reviewed:

Approved as to form:

By: _____
Title: Nick Kooiker, Port CFO

By: _____
Title: Lucinda Luke, Port Legal Counsel

ACKNOWLEDGEMENTS

State of Washington)
)
County of Benton)

On this day personally appeared before me **Tim Arntzen** to me known to be the **Chief Executive Officer** of the **Port of Kennewick**, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated he is authorized to execute the said instrument.

GIVEN under my hand and official seal this ___ day of _____ 2020.

Notary Public in and for the State of
Washington
Residing at: _____

My Commission Expires: _____

State of _____)
)
County of _____)

On this day personally appeared before me _____ to me known to be the _____ of Greenbrier Rail Services, L.L.C., the Delaware limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned, and on oath stated he/she is authorized to execute the said instrument.

GIVEN under my hand and official seal this ___ day of _____ 2020.

Notary Public in and for the State of
Residing at: _____

My Commission Expires: _____

PORT OF KENNEWICK

Resolution No. 2020-07

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK APPROVING
AN ADDENDUM TO LEASE CONFIRMING EXERCISE OF A SECOND FIVE YEAR
LEASE RENEWAL OPTION WITH GREENBRIER RAIL SERVICE***

WHEREAS, the Port of Kennewick (Port) is authorized to enter into certain leases upon such terms as the Port Commission deems proper; and

WHEREAS, effective May 1, 2020, Greenbrier Rail Service exercised the second of six five-year options to renew its September 9, 1994 Lease with the Port, and hold the current lease rate of \$5,000.00 per month through April 30, 2025; and

WHEREAS, the Port Commission has called a regularly scheduled public meeting with notice of such meeting given as provided by law and such public meeting was held at such time and on said date; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Addendum to Lease and find it is in proper form and it is in the Port's best interest; and after consideration of the attached Addendum to Lease, the Port Commission has determined that the Addendum is proper.

NOW THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approve the Addendum to Lease confirming exercise of the second of six five (5) year lease renewal options with Greenbrier Rail Service.

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the port Chief Executive Officer is authorized to take all action all action necessary and can pay all expenses necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 14th day of April, 2020.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By:

DON BARNES, *President*

By:

SKIP NOVAKOVICH, *Vice President*

By:

THOMAS MOAK, *Secretary*

2020-07 - Greenbrier Rail Services Lease Renewal

Motion to Approve: *I move approval of Resolution 2020-07 authorizing the Port's Chief Executive Officer to execute all necessary documentation associated with the lease renewal for Greenbrier Rail Services and to take all other action necessary to renew this lease. The commission further ratifies and approves all action by port officers and employees in furtherance hereof.*



AGENDA REPORT

TO: Port Commission

FROM: Tim Arntzen, CEO

MEETING DATE: April 14, 2020

AGENDA ITEM NO.: Resolution 2020-08, Emergency Temporary Rent Deferral

I. REFERENCE(S): Resolution 2020-08; attached.

II. FISCAL IMPACT: None

III. DISCUSSION:

Several port tenants in the hospitality industry have approached port staff requesting rent relief due to government-ordered closures and other situations which have arisen due to the global Coronavirus pandemic. By way of example, the port faced a similar financial situation in 2008 as a result of the economic slowdown at that time. In 2008 the port received rent concession requests, which were granted by the commission.

In the current situation, staff has directed each hospitality-related tenant to document economic conditions which would assist the commission in evaluating requests for rent deferral. Should deferral be granted by the commission, staff recommends:

- (1) Rent deferral for up to 3 months, on a case by case basis determined by CEO; and
- (2) That tenants remain liable for leasehold excise tax (which is payable to the state and cannot be waived.)

This resolution will give the CEO the ability to work with tenants on a case by case basis, and determine how the deferred rent will be paid back to the Port. The Port will make every attempt to collect the deferred rent in 2020, unless business circumstances deem this unfeasible. The CEO will also report back to the Commission at future meetings, with a summary of action taken under this resolution.

Providing rent deferral assists the port in its mission of fostering economic development by providing assistance to the continuation of small businesses in trying economic times. Sustaining small business is vital to enhancing the economy in trying times.

IV. STAFF RECOMMENDATION:

Consider Resolution 2020-08, approving rent deferral for a period of up to 3 months for port tenants in the hospitality industry as set forth above.

V. ACTION REQUESTED OF COMMISSION:

Motion: I move approval of Resolution 2020-08, granting rent deferral for port tenants in the hospitality industry based on the following conditions:

- (1) Up to three months of rent deferral will be granted on a case by case basis as determined by CEO; and*
- (2) CEO will work with tenants on deferred rent payback schedule; and*
- (3) Pursuant to state law, tenants must remain liable for leasehold excise tax (which is payable to the state and cannot be waived).*

Further, all action by port officers and employees in furtherance hereof is ratified and approved; and the port Chief Executive Officer is authorized to take all action necessary in furtherance hereof.

PORT OF KENNEWICK

RESOLUTION 2020-08

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING THE PORT CHIEF EXECUTIVE OFFICER TO PROVIDE EMERGENCY TEMPORARY RENT DEFERRAL

WHEREAS, Several port tenants in the hospitality industry have approached port staff requesting rent relief due to government ordered closures and other situations which have arisen due to the global Coronavirus pandemic; and

WHEREAS, Staff has directed each tenant in the hospitality industry to document economic conditions which would assist the commission in evaluating requests for rent relief; and

WHEREAS, Staff recommends providing rent deferral for up to 3 months; and

WHEREAS, Pursuant to state law, tenants shall remain liable for leasehold excise tax which is payable to the state and cannot be waived; and

WHEREAS, the Port Commission has been fully briefed by staff related to this matter; and

WHEREAS, the Port Commission deems it prudent to authorize temporary emergency rent deferral for up to a 3-month period to port tenants in the hospitality industry on a case by case basis.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby grants rent deferral for port tenants in the hospitality industry as follows:

- (1) Rent deferral for up to 3 months, as determined by CEO on a case by case basis; and
- (2) CEO will work with tenants on deferred rent payback schedule; and
- (3) Pursuant to state law, tenants shall remain liable for leasehold excise tax.

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further the port Chief Executive Officer is authorized to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 14th day of April, 2020.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By:

DON BARNES, *President*

By:

SKIP NOVAKOVICH, *Vice President*

By:

THOMAS MOAK, *Secretary*