

The Governor's Proclamation 20-28.5 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 July 1, 2020, unless extended beyond that date.

A GoToMeeting will be arranged to enable the public to listen and make public comments remotely.

To participate remotely, please use the following call-in information: 1-866-899-4679, Access Code: 608-127-589#

AGENDA

Port of Kennewick

Regular Commission Business Meeting

Port of Kennewick Commission Chambers (via GoToMeeting)

350 Clover Island Drive, Suite 200, Kennewick, Washington

Tuesday, June 23, 2020

2:00 p.m.

- I. CALL TO ORDER**
- II. ANNOUNCEMENTS AND ROLL CALL**
- III. PLEDGE OF ALLEGIANCE**
- IV. APPROVAL OF AGENDA**
- V. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- VI. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments Dated June 17, 2020
 - B. Approval of Warrant Register Dated June 23, 2020
 - C. Approval of Regular Commission Meeting Minutes June 9, 2020
- VII. EMERGENCY DELEGATION UPDATE** (TIM)
- VIII. NEW BUSINESS**
 - A. Columbia Gardens, Beus Family Farms (AMBER)
- IX. PRESENTATION**
 - A. Vista Field DAVISTA Proposal, Derrick Stricker (TIM)

PRELIMINARY AGENDA

Tuesday, June 23, 2020

Page 2

X. REPORTS, COMMENTS AND DISCUSSION ITEMS

- A. Vista Field
 - 1. Vista Field Implementation Team Update (**TIM**)
 - 2. Construction and Task Status Update (**LARRY**)
- B. Clover Island/Columbia Drive
 - 1. Kennewick Waterfront Master Plan Update (**LARRY**)
- C. Communications with Public (**TANA**)
- D. Director Reports (**TANA/NICK/LARRY/AMBER/LUCINDA/TIM**)
- E. Commissioner Meetings (formal and informal meetings with groups or individuals)
- F. Non-Scheduled Items

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

XII. ADJOURNMENT

PLEASE SILENCE CELL PHONES





PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

JUNE 9, 2020 MINUTES

Commission President Commissioner Don Barnes called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

ANNOUNCEMENTS AND ROLL CALL

Commissioner Barnes thanked everyone for joining today. Everyone is participating remotely; so, we appreciate your patience and understanding as we work our way through this.

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 the Port website if you would like to follow along. When it is time for public comments, it may be difficult to determine who is speaking, so please be patient and respectful.

The following were present:

Board Members: Commissioner Don Barnes, President (via telephone)
Skip Novakovich, Vice-President (via telephone)
Thomas Moak, Secretary (via telephone)

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 asked Ms. Scott if anyone from the public is listening in today.

Ms. Scott stated several members from the public are joining us remotely.

PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

Amanda Jones, 9342 West 5th Place, Kennewick. Ms. Jones wanted to add that she is on the call listening today. Ms. Jones is excited about the Agenda and thanked the Commission and staff for their continued work on the developments in our community.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Derrick Stricker, 27903 South 816 PRSE, Kennewick. Mr. Stricker stated he has a short presentation about his development. But given the circumstances, he is calling in versus zoom or the old-fashioned gathering. He would like to speak an additional three minutes at last public comment section as well, if the Commissioners will allow that. Mr. Stricker took the liberty of sending a high-level pitch to the Commissioners about The DaVista Drive-in Event Centre Project earlier today. The DaVista project, hopefully has been reviewed by the Commissioners, is a six-acre, semi-permanent development for a drive-in movie theater and event centre. This concept was floated around some charrettes and past workshops. Through this COVID pandemic, commercial real estate came to a screeching halt. This idea came to light and Mr. Stricker started to model this out. Over the course of March and April, Mr. Stricker reached out to the drive-in community around the nation and researched the business model. Mr. Stricker met some very great people along the way, to find some answers from their community. As Mr. Stricker was waiting to see how our Governor treated this pandemic and phasing, he scouted out real estate, which brought him back to the Port's Vista Field. As a Vista Vision Task Force member in the past, Mr. Stricker still has the Master Plan taped up in his home office and it made him think of Vista Field's in-line real estate. Instead of approaching Port staff or the Commission with an "ask" of the premium site in phase one or phase two, Mr. Stricker is seeking infill land that is not part of the premium first phases of construction or development. Mr. Stricker has targeted six-acres, plus or minus, that encompasses the former runway of the actual tarmac. This project would be a great example of lean urbanism and would have some real professional pop-up retail attributes. As the Port completed their infrastructure improvements during the shutdown, Mr. Stricker walked the property and found a footprint that could fit The DaVista, while being a large promoter of the grander Vista Field development. The DaVista Drive-in is an attractive but lean venue that can fit 250 plus car stalls post COVID. The infrastructure of the drive-in setup, with directional controls, audio visual capabilities, and bathrooms that can be used for many types of events for the community. As we roll through COVID and eventually find the new norm, this Vista model can support all roll outs and will maximize the venue for when we eventually open fully back up, whenever that comes. This six-acres butts up against the north and south lines of Deschutes and would cross promote, as a marketing machine for the Port's new infrastructure and the new look of Vista Field. Mr. Stricker has engaged Wave Design Group and Hummel Construction to work on this project and navigated a great design, Mr. Stricker believes, to put out for this presentation. Mr. Stricker wishes it was the old days where we could be in person and talk about this with his hand movements and visuals, but we will go with this. Keeping lean and reutilizing the old tarmac and tax dollars, we have found a way to start a conversation with this project. Wave understands the area and was part of that Aerodrone Market concept that was looking at the repurposing of the three hangars. We believe the DaVista flows with the same kind of concept, without taking or holding up any kind of current phasing or plans.

Commissioner Barnes would like to thank Mr. Stricker for his comment, he has reached the end of his three minutes.

No further comments were made.

CONSENT AGENDA

- A. *Approval of Direct Deposit and E-Payments Dated June 2, 2020***
Direct Deposit and E-Payments totaling \$82,241.34
- B. *Approval of Warrant Register Dated June 9, 2020***

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Expense Fund Voucher Number 102151 through 102173 for a grand total of \$68,667.78

C. Approval of Regular Commission Meeting Minutes May 26, 2020

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

EMERGENCY DELEGATION UPDATE

Mr. Arntzen stated Ms. Hanchette has two matters she would like to report on, so if he could, he would like to “pass the baton” to Ms. Hanchette. We do believe these matters are probably best shared with the Commission under this Emergency Delegation update. Mr. Arntzen thanked Commissioner Barnes.

Ms. Hanchette stated this item for our Executive Delegation is related to the rent deferral opportunity that the Commissioners provided to our hospitality tenants a few weeks ago. Ms. Hanchette summarized where we are at and stated one of our tenants is a food truck operator, Swampy’s BBQ did request a rent deferral for May. Swampy’s had a couple of items come up, one being their meat supply availability was reduced significantly due to COVID impacts and their ability to get their meat products caused them to reduce their hours. They are open a couple days a week and are hoping to ramp back up. A bigger impact for them was that they had a piece of equipment, a refrigeration unit, until that failed. That really affected their cash flow for the month. Swampy’s did request a rent deferral towards the end of the year for their May rent. Staff went through the process of an amendment and got that signed, so that is all taken care of. Our first tenant who had, early on, requested the rent deferral was Ice Harbor at the Marina. Very early on in the State shut down due to COVID, there was so much uncertainty. How long was this going to last, how was this going to affect all of the employees they had to lay off, so the owners of Ice Harbor requested April, May, and June be deferred to the end of the year. After their request, Ice Harbor was able to get some of the Federal Payroll Protection Program Funds (PPP) and reached out to Ms. Hanchette and said they would be getting current on their rent. Ms. Hanchette worked with legal counsel on an amendment to rescind their request, just so that we have the paperwork completed and documented. That is an update for the Commission on the rent deferral program that was offered. Ms. Hanchette has not had anyone else request or take advantage of the Resolution that the Commission passed. Ms. Hanchette is happy to answer any questions.

Commissioner Barnes stated for a brief period of the presentation he was not able to hear and inquired if he was the only person to experience that.

Ms. Bader Inglima, Commissioners Moak and Novakovich stated there were able to hear Ms. Hanchette.

Ms. Hanchette asked Commissioner Barnes if he would like her to repeat anything.

Commissioner Barnes inquired if Ms. Hanchette identified the first tenant.

Ms. Hanchette stated she did, Swampy’s BBQ was the first tenant.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Commissioner Barnes received the information and believes there was a preliminary of the discussion at the last meeting and he thinks he understands that basis of it and that a satisfactory arrangement was worked out. Thank you very much.

PRESENTATION

A. *Quarterly Financial Report*

Mr. Kooiker wanted to make sure, this is the first presentation he has done in this format, so all of the information was included in the Agenda Packet, and he wanted to make sure everyone has access to the information. Included was a one-page, high level, income state and a five-slide presentation with summarized numbers. Mr. Kooiker confirmed that people are able to see those handouts.

Commissioner Barnes confirmed that he can see the handouts.

Mr. Kooiker stated as you may recall, back in February, four months ago, he gave a very detailed six-month budget update with a lot of smaller details on the different funds, like the art fund, the opportunity fund and all of those things. At the time, we also discussed doing a much more condensed budget summary on a quarterly basis, and at the time, Mr. Kooiker indicated that he could do this in a much more efficient way than the larger budget summary. This is Mr. Kooiker's first attempt to do a quarterly one and he hopes it is something Commissioners, staff and the public find interesting or find that it fits their needs. To start out, Mr. Kooiker stated the first page is the budget summary and then the presentation, and he tried to make it very succinct. The Port's benchmark for 15 months of the year, so this presentation is through the end of March, 2020, so for 15 months, we are at 63%. Our operating division (slide 2), which is the marina, and our property leases, our revenues are about 71%. Our actual revenues are higher than our benchmark. Our operating expenses are almost right on the benchmark. The non-operating division (slide 3) is a bit confusing because the revenues are skewed a little bit more. Mr. Kooiker stated, for example, in January, he has to book the entire property tax revenues for the whole year, which is approximately \$4,800,000. That is a pretty big revenue to book in January and actually, that changes every single month based upon the County's adjustments to people's taxes. Mr. Kooiker stated that is a fluid number. The revenues for non-operating are 73%, which is much higher than the benchmark, but if you were to remove that and the Southridge land sale and the \$500,000 the Port received from the City of West Richland land sale, which is what bumped that number up. The expenses were below benchmark, and Mr. Kooiker believes a big part of it is, the Port codes a lot of our non-operating marketing expenses to this line item. These are things like the ground breakings or TV ads or things that we do that do not affect the operations of the Port. This is much lower than our benchmark, but we haven't been able to do any of the ground breaking events, which Mr. Kooiker does not think is a good thing, but clearly, we have not spent that money in the budget. The overview of capital projects (slide 4), shows the same format as last time. We do have a few more line items in our capital budget, but Mr. Kooiker did not include them because they are small capital items, for example, a new sewer for the office that may cost \$8,000. There are a couple of minor items, like the capital replacement budget. For example, the Port replaced some HVAC units at the development buildings recently, those are things that are part of our asset replacement program. This helps keep our property maintained and our rent at market level where they need to be. Those items are not in here and

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Mr. Kooiker put in detail, the projects that he thought would be relevant to the Board. The Shoreline project still has approximately \$1,250,000 remaining in that line item. Mr. Kooiker stated if the Commission has any questions regarding the status of that, he suggested asking Ms. Bader Inglima. Ms. Bader Inglima has been pursuing this project for a long time. The Clover Island Master Plan, through March, the Port spent about \$14,000 of the \$250,000 budget. Mr. Kooiker stated this line item will most likely be expended because we have a contract with Makers architecture and urban design. Mr. Kooiker stated Vista Field, through March has \$1,800,000 remaining in that line item. Thank you to our Commission and staff, because we budgeted conservatively on Vista Field, Mr. Kooiker thinks the Port will end up with a surplus; however, it will not be \$1,800,000. Currently, the Port owes Total Site Services (TSS) about \$800,000 and Benton PUD about \$350,000. The Port will have a surplus, but it will not as large as you see here. The Vista Field Traffic Impacts Fund, the Owners Association, and the Town Planners have \$250,000 remaining; however, it is not intended to be fully expended, because the idea is for the Port to “sock the money away” to invest in upgrading intersections around Vista Field based upon the traffic counts. Whatever is left in this line item, will carry on to the 2021-2022 budget. The Vista Field loan payments, Mr. Kooiker is happy to report that the Port made our first debt service payment last week to Cashmere Valley Bank. Based upon our amortization schedule, the Port will pay about \$448,000 in principal and interest. Mr. Kooiker stated the Vista Field loan payment will be right on the money as far as the budget amount. The Columbia Drive line item has \$212,000 remaining, but we will be installing a shipping container public restroom that is being shipped and there are a few minor items that will expend those funds. Lastly, the Columbia Park Trail Improvements, the Commission effectively passed a Resolution transferring the \$800,000 from Rural County Capital Funds (RCCF) to our budget. It is now located in the capital budget and it ended up being a wash, because the Port now has more RCCF funds available to use in our Benton County fund. Mr. Kooiker stated one interesting thing is and he believes someone will ask, and it is a reasonable question, is how Coronavirus has affected our budget. To be frank with the Commission, through March, through this presentation, there has been no impact. Mr. Kooiker did not see any impact at all. What he has seen over the last few months, based upon things we have been paying, truthfully, there has been a pretty small impact. Our expenses have changed a little bit and we have started spending more money on technology upgrades that can help us be more efficient, but we have also forgone some other expenses too, they have washed out. As far as revenues go, Mr. Kooiker has been surprised, the rent deferral program was not as taken by our tenants, as Ms. Hanchette mentioned, as much as he thought it would. Mr. Kooiker believes part of that is the PPP federal program, appears to serve its purpose. Mr. Kooiker reiterated that the Port has had very few tenants utilize the rent deferral and actually had one of bigger hospitality tenants pay early. Mr. Kooiker thinks the reason for that, not knowing all the details of the PPP, if the business can vouch that they kept their staff employed and kept their business going during these times, then the loan would be forgiven. Mr. Kooiker believes they were incentivized to pay rent early and he was fine with that. Mr. Kooiker stated the Port works with tenants in good times and bad times. But if a tenant wants to pay early, that is obviously something we appreciate, even though the money in the bank doesn't earn as much for us as it would for them. Either way, so far, the Coronavirus impacts have been minimal, but Mr. Kooiker stated the impacts of the Coronavirus could be six months out, it could be two years out. Because really, the impact could be, like our tenants at the Oak Street Industrial Park, maybe if building slows down in six months, if there is a delayed effect, a lot of our tenants could be

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

affected by that. In turn, they could move out of our building, so really the affect could be deferred for the Port, but only time will tell. Mr. Kooiker paused for Commission questions.

Commissioner Barnes inquired if Mr. Kooiker could give a rough estimate of what might be remaining in the aggregate, at the end of 2020.

Mr. Kooiker stated Commissioner Barnes's phone cut out and he only caught the very end of the question.

Commissioner Barnes apologized and stated it shows he has strong Wi-Fi.

Mr. Kooiker caught the very end of Commissioner Barnes's question.

Commissioner Barnes restated his question. On the capital projects slide, does Mr. Kooiker have a rough estimate of what the aggregate remaining might be at the end of the year?

Mr. Kooiker stated that is really tough to predict, obviously for many reasons. In one sense, Mr. Kooiker is not sure if it matters. For instance, the Shoreline project, the \$1,250,000, we are not going to expend all that money in 2020, even if the project starts and we meet the water work window for this year. Mr. Kooiker thinks if we spent money towards a project in 2020, he believes the Commission may want to pass that on to 2021-2022 budget to finish it, so there will be a surplus in that line item. Mr. Kooiker is not sure what the timeline is for the Kennewick Waterfront Master Plan, and he believes it depends on Makers and other factors. The Vista Field Traffic Impacts should have a surplus, because we want to carry in our budget moving forward, to pay for intersection mitigation improvements. The Vista Field loan payments may have about \$2,000 left. Mr. Kooiker is unsure about Columbia Drive and stated it will depend on how much the bathroom building will cost. Lastly, the City of Richland project will depend on the City of Richland and when we reimburse them. Mr. Kooiker suspects the Port will not reimburse the City back this year, because, even if they do the project, he cannot release funds to the City until they get their releases from all of the three State agencies. Until the project is certified, the Port cannot piggyback on them and reimburse the City. Mr. Kooiker stated there will be a surplus in here, it is just a matter of the timing of projects.

Commissioner Barnes thinks this is great information and looking back at the financial highlights slide, the revenues, versus the benchmark, they are all positive. And expenses versus the benchmark are under the benchmark or what the budget is. Commissioner Barnes referenced Mr. Kooiker's summary here about COVID, the impact to the Port by the Coronavirus has been very minimal through March, and going forward, it is difficult to tell what that might be. Commissioner Barnes stated all of this is great news and he really enjoyed receiving this information and really appreciates it. Now, could you, could we please talk about the next quarterly budget update. And the reason Commissioner Barnes is asking is not to pin anyone down or anything, but he knows that later in the year we will need to start work on the budget for the next biennium, for the next two-year period. This budget that we have in place takes us through the end of 2020. So, Commissioner Barnes asked Mr. Kooiker if he would like to talk about, Mr. Kooiker and/or Mr. Arntzen, would you like to talk about what they see as sort of a

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

schedule for the quarterly budget updates for the remainder of the year. And when we might expect to begin work on the next two-year budget.

Mr. Kooiker stated we are already working on 2021-2022 budget in a draft format. We are working at a staff level. For example, Mr. Arntzen has been working on Vista Field implementation strategy and the team approach for that, and there will be costs that will be built into our budget based upon that plan. That is just one example of staff preparing for the 2021-2022 budget. Mr. Kooiker was thinking he would probably do the quarter two budget update, just like this one, probably shooting for the second meeting in August. As far as the third quarter, Mr. Kooiker is not sure, because we are going to be pretty heavy in the budget in October, and hopefully get it passed in October and then certify the Levy in November. Mr. Kooiker can certainly give a quarter three update somewhere in there, but he does not know if the Commissioners will necessarily need it, because they will see it twice, effectively.

Commissioner Barnes stated it sounds like Mr. Kooiker could almost fold that into the 2021-2022 budget information or presentation.

Mr. Kooiker stated that was his thought, if the Commissioners are fine with that.

Commissioner Barnes wanted to bring this up because we have asked for, and Mr. Kooiker has generously provided these quarterly budget updates, and he really appreciates them. But, then, we are going to reach a point, here at the end of this year, where the quarterly budget update will be much less important than the 2021-2022 budget work, going forward. And Commissioner Barnes thinks that the budget work for 2021-2022 will probably take into account how things are shaping up to close out the 2019-2020 budget. Commissioner Barnes inquired if that accurate or close.

Mr. Kooiker stated that is correct.

Commissioner Barnes stated the Commission should expect another quarterly update the second meeting in August, if that is what he understood Mr. Kooiker to say. And then, from that point on, let's plan to shift our focus to 2021-2022 budget work. Does that seem like a reasonable approach?

Mr. Kooiker stated if that is a question for him or the Commissioners, if it for him, he would say yes.

Mr. Arntzen asked if he could contribute.

Commissioner Barnes recognized Mr. Arntzen and stated he has the floor.

Mr. Arntzen stated that was a very good question and he liked how Commissioner Barnes recognized the interplay of quarterly budget and then our upcoming preparation for the two-year biennial budget. Mr. Kooiker is correct, that at the staff level, we have been talking about preparing for the upcoming budget. Mr. Arntzen has asked the directors to provide him with

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

requests that they would make. A lot of their requests will be operational, Ms. Hanchette, for example has the work crews. We are focusing not only on the operational side but on the capital side as well. We have kicked around some ideas and one of the things Mr. Arntzen would like to say is there is an opportunity for him, later in this meeting, to talk about the Vista Field Hangar Remodel and we will also talk about RCCF. As we, over the next month for example, hone down on those two items he just identified, he thinks it will tell us a lot about where staff might go with the recommendations for the upcoming two-year budget. Mr. Arntzen stated in laymen's terms, should the Commission want to pursue the hangar remodel project, with just the information that we have now, we are at the 75% stage on our endeavors on trying to flesh out construction costs for the hangars. We can tell you that if Commission wanted to pursue that; that will likely be a major line item in the two-year budget. We have been talking about some ideas and we want to have a chance to present those to the Commission. And based upon a couple major projects, for example, the hangar project, if that is a go, then we will know what numbers to plug into the upcoming budget. The good news is we have been talking about it, we have some suggestions at this stage for the upcoming two-budget, but we do need to know more of what the Commission might want to implement and then reacting to that. We can have a fairly decent draft budget and corresponding work plan in relatively short order.

Commissioner Barnes thanked Mr. Arntzen and asked if there are any Commission comments regarding this Agenda item.

Commissioner Moak thanked Mr. Kooiker for his presentation and he liked the synopsis. Commissioner Moak thinks the good thing is to be able to ask questions related to budget, that are very succinct, hopefully the questions, just as the budget report was succinct. It gives us, on a quarterly basis, if there are issues or problems or if Coronavirus or some other calamity or change hits us, that we have, at least from a Commission standpoint, a little more rapid ability to understand those issues. Commissioner Moak stated it seems like, here we are done with 62.5% of the biennium and we are hanging in there pretty well. We have the ability to complete the work that we have asked to do this year. And from Commissioner Moak's standpoint, he would say this was a good quarterly brief and he does appreciate the work to get this done. Commissioner Moak thinks it is the level of detail that he needs.

NEW BUSINESS

A. Acceptance of Columbia Gardens Wine Village Phase #2B Building & Parking Lot (Banlin Construction)

Mr. Peterson stated for the Commission's consideration is a resolution, which would accept the work by Banlin Construction for the completion of the Wine Tasting Building at 313 East Columbia Gardens Way. This work was authorized by the Port Commission back in March of 2019 by Resolution 2019-05. Since it was authorized by the Commission, it also needs to be accepted by the Commission. At this time, Banlin Construction has not only completed the work and the final punch-list work, it has also provided the necessary warranty and operational information on the building. It is now, if passed, would move the project to the retention/release process, where we notify various State agencies to determine compliance with applicable rules. Once that period has past and the determination is received, the approximate \$80,000 that the Port is holding would be released to Banlin Construction, so they can pay their subcontractors

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

and capture the share due to Banlin Construction, as the general contractor. The work has been completed and the building is occupied at this point in time. It is now appropriate for the Commission to consider approval of a resolution accepting that work.

Commissioner Moak stated from a standpoint, of was this pretty much, did this take longer, did they fit within the window of what we expected their work to be completed. And did it seem to be a good project from the standpoint of oversight and construction.

Mr. Peterson stated those are editorial questions and he will let a couple of the facts he has in front of them answer those. Mr. Peterson's editorial comments are, yes, they completed the work on time and yes, we had a project that was constructed as intended with minimal surprises. Originally the contract granted 240 days for construction. During that process an additional 40 days were added because of a couple different change orders along the way. One of those being a discovery of a dry well on site when the excavation started. With the observation of the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), the process stopped and we added 14 days to the clock. There were a few other modifications throughout the project that added some time to that, but they substantially completed the project on January 27, 2020, in line with the contractual agreement that had been made. From a dollar and cents standpoint, the change orders for this project totaled 4.7%, which is typical for most Port projects, generally light for a public project which other agencies he is familiar with, anticipate 10-15% on change orders. We were light on change orders and right on time with project. Mr. Peterson thinks Banlin Construction did a good job, even with the surprise in the ground with a mystery drywell, it was completed it on time and with a very reasonable on budget.

Commissioner Moak had a question, not specifically, it relates to the project, but not specifically to Banlin. What is the status of the easement into the trailer park and vacating that and using the Cedar Street access to the trailer park?

Mr. Peterson stated at present, that has not been a "front of the burner" project, but it is a longer-term activity.

Commissioner Moak stated when we think of longer term, what does Mr. Peterson mean by that. He understands it is not front of the burner, but is it this year, is it not even contemplated right now.

Mr. Arntzen thinks staff wants to be careful how they phrase things, and he does as well. It is not for lack of trying and to reach an agreement, you have to have two parties that want to reach an agreement. You have to have commonality of interests and we have put some time and effort into working with the current park owner on this issue. And we kind of base our time frame on what perhaps we think is the willingness of the other party, to assist in reaching a mutually acceptable conclusion. So, it is not for lack of trying and it's not that we have pushed this aside, but Mr. Arntzen thinks we anticipate that there could be some challenges in reaching a basis of the bargain. We are continuing to try and sometimes, the best policy is to back up a little bit and let things gel a little bit. Mr. Arntzen stated we are trying, but we have no illusions that this will be an easy task. There are a number of complications in this neighborhood.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Commissioner Moak stated he appreciates knowing that there has been work done and that it isn't just a slam dunk issue.

Mr. Arntzen stated there could potentially be some methods that might appear to be heavy handed, but he thinks the Port has always tried to work with parties in the area on a willing participant basis. There are some heavy-handed options but we have not wanted to consider those at this point. Mr. Arntzen can give Commissioner Moak the pledge that we will keep moving on this and when the opportunity presents itself, he thinks we would like to conclude this matter.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Novakovich moved to approve Resolution 2020-10 accepting Columbia Gardens Wine Village Phase #2B project as complete by Banlin Construction LLC; and that all action by Port officers and employees in furtherance hereof is ratified and approved; and authorize the Port Chief Executive Officer to take all action and finalize the financial terms of the contract; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

Commissioner Barnes thanked Mr. Peterson and Mr. Arntzen and staff for their work on this project and stated it was a very successful project with some challenges and he thinks it is very much appreciated at the Port and within our community. Thank you for your work.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field

1. Interlocal Agreement with City of Kennewick re: Fire Station #3

Mr. Arntzen stated he will give his report and then pass the issue to Mr. Peterson. Mr. Arntzen's report is very brief, everything is going well, and it's just taking a little bit of time. The update for us is that we have negotiated what we think is a fair agreement, staff to staff, Port staff and City staff. We have sent it to legal counsel and Ms. Luke has reviewed the draft agreement and made a few changes. We have incorporated those changes and forwarded it to the City Manager, to make sure that her understanding of the agreement is consistent with what we have written in. We believe, that in a number of days, we will hear back from the City Manager and we would make any changes that she has requested. Then, we would be able to present the agreement to the Commission in full detail and ask that the Commission vote on it. Mr. Arntzen doesn't really see any surprises, but sometimes even simple or straight forward agreements take a little bit of time to have them walk through all of the applicable participants. It is in the hands of the City Manager and Mr. Arntzen hopes to hear back from her soon and then we can likely get this in front of the Commission soon as well. Mr. Arntzen stated unless there are questions for him, he will pass off to Mr. Peterson.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Mr. Peterson stated included in the Agenda Packet was a memo explaining the general layout and concept behind the sharing of costs for the roadway that abuts the new Fire Station #3. And a series of maps, from the vicinity level down to the site-specific level, to help the Commission understand where Fire Station #3 is to be located. Also, a piece on information on the old fire truck they called “Old Bessy” that will be displayed at the corner of Grandridge Boulevard and Roosevelt Street, in a glass enclosure, along with a rendering of the fire station. Mr. Peterson stated the Commission asked for more visual detail, which was included in the memo and he is happy any questions the Commission may have about the site and/or roadway.

Commissioner Moak appreciates the map details and variety of elements related to the project. Commissioner Moak stated this will take up basically one acre of a five-acre parcel and inquired if the City has any idea of what it plans to do with the other 4 acres that are in that parcel or do they want to sell them back for what they paid for them from the Port of Kennewick.

Mr. Peterson is not aware of the City expressing current plans, at one time they were to close Grandridge Boulevard and expand the Convention Center. That was about a 2012 plan that has since changed since the Vista Field Master Plan process came along. Mr. Peterson did propose, and it was laughed at, the idea of buying the land back at the \$2.00 square foot price that it was sold to them. At this point, Mr. Peterson is not aware of the City identifying uses for the remaining portion of their holding.

Commissioner Moak stated since they aren’t going to be putting an aquatic center there probably, as to whether they see developing it or whether they think that it is a part of the Vista Field development. That it might generate more for the City than just sitting there as it is. Commissioner Moak appreciates the documentation that Mr. Peterson provided and that Mr. Arntzen has provided and it gives him a good feel for it, as an attractive part of almost Vista Field.

2. *Construction and Task Update*

Mr. Peterson stated construction activity is winding down at Vista Field, the task to clean up a \$5,000,000 infrastructure project and the little details are numerous. Fire hydrant bollards are being placed, the final saw cutting on Azure Drive and some of the striping on the existing taxi lane, which is being reused for parking has been laid in the last couple of weeks. There is still site clean-up work, there are still some stairs being poured on one of the pedestrian bridge crossings, tying into a sidewalk. Total Site Services (TSS) is working to complete this project.

Mr. Peterson stated in the Agenda Packet, there is a memo on the task status update that he can briefly run through. The first item is the project team and that is going back to January and February, the direction that discussed, and the Port proceeding to use DPZ Miami and Portland team members to help us answer some of the design and use type questions. And also provide some input on marketing thoughts and ideas and then take this project on the streets through a Request for Proposal (RFP) process in fall of 2020. The grocery list of

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

questions which was shared with the Commission in late April has been provided to DPZ Miami team, both Lizz Plater-Zyberk and Senen Antonio and the Portland team, Michael Mehaffy and Laurence Qamar and Matt Lambert, who is a co-owner of DPZ, now based in Portland and was at the Charrette in 2014. They started discussing those questions amongst themselves and Mr. Peterson will be honest, the Congress for New Urbanism (CNU) 28, which is occurring right now, this week, June 8-13, is ongoing and many of the players all have speaking roles in the CNU virtual gathering that is happening on-line this week. Our project took a slight back seat to preparing for the annual CNU Conference. Mr. Peterson walked the site this morning with Michael Mehaffy, who was very impressed with the details that had been discussed for last 4-5 years. To see those actually constructed in the field, whether that was the landscaping in the bosque area, whether that was the details on Azure Drive, but all of those elements that had been talked about. Mr. Mehaffy was pleasantly surprised and pleased to see all these improvements have landed in the field, are as envisioned over the last 5 years. The use and review of design, Mr. Peterson is hoping to bring the Commission a batch of suggestions or input from DPZ, that is going to be delayed another couple of weeks because CNU 28 is their focus. The property owner's association, there is a little more work done with that by Ben Floyd of White Bluffs Consulting with assistance from Doris Goldstein, a long-time colleague of Ms. Plater-Zyberk in the New Urbanism design world. That is about at the 90% stage. There are a couple of items in this memo related to real estate commission, policy, and marketing. Mr. Peterson would like to hand the microphone over to Ms. Hanchette to touch on and he can jump back on some of the marketing activities and/or the hangar reuse, the last two items of the memo.

Ms. Hanchette is going to talk about the next two items, the first one is the real estate commission policy. Staff has been working with our legal counsel and all departments on updating our current real estate policy that we have on the books. A Resolution was passed many years ago and it really needs to be updated for our current climate. Very simple things will be brought to the Commission, a streamlining of our commission structure, which is a little bit complicated right now. And streamlining our process for submitting an offer to the Port for property, just a few housekeeping items. Ms. Hanchette stated regarding the Port's Art Policy, they will offer some clarification based on some recent experiences we had with land sales and the Port's Art Policy, just some minor tweaks to that Commission policy. Somewhat related, but a little bit different, at the same time, we will bring our research back to the Commission on the buy-back clauses. Ms. Schumacher has been doing a lot of work on the buy-back clauses, she has gone back to 2003 and researched resolutions, dating back to 2003, identifying where we had buy back clauses in different purchase and sale agreements and how those buy back clauses were structured, anything that might be outstanding that has upcoming deadlines, and anything that has been resolved. Ms. Hanchette stated it was about almost 70 resolutions that Ms. Schumacher researched and put into a spreadsheet that is under review, as well as legal counsel. At a future date, Ms. Hanchette will be bringing that information to the Port for Commission consideration. As far as the market and valuation analysis in the next paragraph on Mr. Peterson's memo, we have engaged with South Eastern Washington Appraisal group to take a comprehensive look, at not just residential, but multi-family, commercial and mixed use segments of our real estate market here in the Tri-Cities to give staff a benefit of what's going on in our market and help to give some pricing

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

recommendations to the Commission's consideration at a future meeting. Staff will have some good baseline information, good basic information from a variety of sources that she will be collecting into a report for the Port. That report will be related to Vista Field. Ms. Hanchette will hand back to Mr. Peterson to finish his memo and then answer any questions at the end.

Mr. Peterson stated the last three paragraphs of the memo, the next one is marketing activities and this is more of a confirmation that was shared back in January. At this time, we are directing all inquiries to our website or gathering the names of contacts of folks who have expressed interest in Vista Field. At this time, we are not accepting proposals and we are directing folks to our website and talking about an upcoming RFP process with them. And also directing them to take a look at the collaborative design process and the background information to have a true understanding of the vision for Vista Field. The next item after that is the hanger reuse and Mr. Arntzen had mentioned this briefly, working with David Robison of Strategic Construction Management (SCM) to help answer the question, how much would it cost to remodel those hangar buildings for a series of different uses contemplated and what would a master budget look like for remodeling one, two or all three of those buildings. We want to bring this back to the Commission, both the scenarios laid out and a little bit of a cafeteria format, so the Commission has some information to make some decisions on what uses those buildings might be remodeled, if that is the direction the Commission chooses. Additionally, what might the market be or interest level for one of those spaces to be completed and what would the cost be for those particular uses. The last item, is more just a note, there are maps that are included in this and the Commission might be seeing these maps over and over, and they might be slightly tweaked as things evolve. It is to give the Commission a frame of reference of Vista Field, the road network and what portion phase 1 of the overall site is involved. That is Mr. Peterson's quick run through of his memo and he is happy to address any questions the Commission may have.

Commissioner Novakovich wanted to make one comment, he really appreciates this report from Mr. Peterson and Ms. Hanchette. Commissioner Novakovich thinks Vista Field is one of the biggest projects the Port of Kennewick has ever taken on and probably ever will. Having this report is just awesome and Commissioner Novakovich thinks the fact that it is out there for the public to understand what is going on is great and he really, really appreciates it. Commissioner Novakovich thinks Mr. Peterson and Ms. Hanchette have done a marvelous job presenting this and he hopes they continue to do so; he really appreciates getting the update.

Commissioner Moak appreciates the update and maybe it's on the template/schedules before, but he inquired when does the Port expect to hear back to Mr. Robinson related to the hangar remodel and the ideas or costs etc.

Mr. Peterson could defer that to Mr. Arntzen or he could address, Mr. Arntzen's choice.

Mr. Arntzen stated Mr. Peterson can go ahead and offer his thoughts.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Mr. Peterson stated staff is intending to bring this to the Commission in the first meeting in July. We have a good deal of information related to the remodel costs of the three hangars buildings, but also wanted to be able to answer the question of what it would cost to construct new at those same locations. So, we would not come back with half of the answers. We have most of the information on a remodel, but we want to be able to at least be able to let the Commission know, how does this compare to new construction costs, so the Commission can make a decision on the best use of the dollars.

Commissioner Moak stated new construction for like types of business or new construction costs that might be a different, where we don't have to worry about those hangars.

Mr. Peterson stated the comparison would be like for like, so if remodeled for a variety of uses, let's say, restaurant, office, and market space. What would it cost to construct same square footage new, so the Commission can get an idea of what are the costs related to bringing up the old hangar buildings up to new energy codes and fire codes? How does that compare to new construction?

Commissioner Moak asked what the ages of the hangar buildings.

Mr. Peterson stated 2000 and 2002, but from a building code and energy code standpoint, they are ancient, as the code has significantly changed the last 4-5 years.

Commissioner Barnes stated thank you for the Vista Field status update memo and he agrees with Commissioner Novakovich's comments. This is a very ambitious project for a small port like we are at the Port of Kennewick. Commissioner Barnes thinks we are getting underway very successfully for this redevelopment effort. Commissioner Barnes also has a question about the research by Ms. Schumacher on buy-back clauses. Commissioner Barnes does not see it mentioned in the memo and maybe that would be a topic or a subject worthy of its own single Agenda Item, because he would imagine some of the properties that have been sold by the Port in the past could possibly be outside the Vista Field area. It would not necessarily or be, buy-back clauses would not necessarily be exclusive to the Vista Field area. Commissioner Barnes would like to encourage Mr. Arntzen and staff to do, when we get to that point on these buy-back clauses, if that merits a separate Agenda Item and it is not something that is exclusive to the Vista Field area, then he trusts that we will have that as a separate Agenda Item.

3. *Vista Field Implementation Team*

Mr. Arntzen stated this item does not need a whole lot of work and potentially not a lot of discussion at this point. Mr. Arntzen wanted to let the Commission know that he is still working on this and believes we had a chance to talk about it in great detail at the early portion of this year. Mr. Arntzen thinks the major topic at that point was, did we want to pursue path A, which was hiring an individual at a fairly substantial salary to be the "manger" or agent for Vista Field versus a team approach. Mr. Arntzen thinks the consensus was that a team approach would be more effective and certainly had his enthusiastic backing on that. Mr. Arntzen takes from the discussion early on in the year, that that is the direction we wanted

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

to pursue and in furtherance of that, he has had a chance to move down to some of the finer grained details of the proposed implementation team. The paperwork that Mr. Arntzen has in front of him includes names, numbers in place, and he has shared it with finance so that we could make sure that these numbers, the costs, the entire package is sustainable. Mr. Arntzen believes Mr. Kooiker referenced that earlier when he was talking about the budget. Right now, it is proceeding very well and Mr. Arntzen would like to bring it back to the Commission when he has the finishing touches put on it to share again with the Commission. There will be parts of it that are probably not appropriate for sharing in an open meeting, such as, an employee's salary. Certainly, the public could make a records request for that, but there are certain details, that while they are not secret, it is best to be handled in the typical fashion that a manager deals with employees. The good news is, Mr. Arntzen thinks the Commission will see a lot of familiar faces on the implementation team; some of the staff members, Mr. Peterson and Ms. Hanchette, you'll see some very familiar contractors, you'll see Mr. Mehaffy again, maybe you won't necessarily see Ms. Plater-Zyberk and Mr. Antonio, but they will be a part of the team, a very valuable part of the team. You'll have some other folks, Gary Hall for example, who has been doing the engineering work at Vista Field, and it is good to have some consistency. You'll likely see Sam Nielsen from Parametrix, so you will see the usual cast of characters on this implementation team and Mr. Arntzen is very enthusiastic about the direction of this. Again, all of the folks on the team are known commodities to Mr. Arntzen. We have essentially gotten this far with them and Mr. Arntzen thinks it is a very capable team and he is very excited about this. What Mr. Arntzen would like to do time wise is, when he has a chance to ground through this with staff and bring it back to the Commission, potentially early fall to give the final update on this. We can then say it's ready to go with a launch date of January 1, 2021. When we start to get the green light to advertise that we have properties available and when we get to the point of dealing with proposals coming through the door, we will have the team in place, ready to go. Mr. Arntzen is very enthusiastic about this because this isn't just fielding a new team, these folks have been here and they have been with the project, and all of the success we have seen up to this point is because of the team we have in place. Mr. Arntzen paused for Commission questions or comments.

Commissioner Barnes looks forward to Mr. Arntzen getting back to the Commission in the fall and positioning for a launch to be ready to potentially accept proposals in January 2021. Thank you very much

4. *Rural County Capital Funds/Opportunity Zone Research*

Mr. Arntzen stated this item does have Mr. Kooiker's fingerprints on it as well. Mr. Arntzen, with Commission approval will launch into this and give an update on this project, but a lot of this has passed through Mr. Kooiker's hands and he would offer the opportunity for Mr. Kooiker to participate as well. Mr. Arntzen, if he could, wanted to fly at a higher altitude, one of the goals and objectives that the Commission set this year is for staff to give briefing related to RCCF and any possibility for the Port to use the opportunity zone leverage with those funds. Mr. Arntzen has a memo prepared that he needs to add a little bit to and at that point, hopefully within the next 30 days, he would be able to share that with the Commission. That would be the culmination of our research on this topic. Mr. Arntzen does know that the

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

opportunity zone is part of it, when he says this topic, he might more appropriately say these topics. Mr. Arntzen does think there are some interrelationships between the two. With respect to the RCCF, Mr. Arntzen thinks for ease of his presentation on a potentially challenging topic, he would like to look at the present and future, he would like to look at present funding and potentially present projects that we might use that funding on. Then the flip side would be future funding and what might we look at for future projects. Mr. Arntzen is going to lay that out in the memo for the Commission. Mr. Arntzen thinks we have a spreadsheet that we can readily share with the Commission that talks about the current funding, although there are a few asterisks that we would put beside that or footnotes, if you will. Some of the funding comes with no strings attached, some of the funding might have some strings attached and a good example of that might be the West Richland Raceway funding, where there was a pledge on the part of the City of West Richland to pay the Port with RCCF, their portion of the RCCF. As we show you the spreadsheet in coming weeks, some of these funds may have some strings attached. We don't think they are substantial hurdles, but in the in case of the West Richland project, you have a substantial sum of West Richland's money you can use, provided Benton County finds that we have a worthy project for that. Mr. Arntzen does not think we are going to have any trouble finding a worthy project, we have been working very well with Benton County, they seem to like the projects we submit, because we have been spending time to research what a good potential project might be. Again, with the RCCF portion, you will see present funding and present projects, future funding and future projects. Now why Mr. Arntzen hesitated a moment on present projects, is you get down to the next topic, the potential hangar remodel, again, these are really dovetailing nicely, because Mr. Arntzen thinks all of the math related to the potential hangar project points to right back up to RCCF. In other words, Mr. Arntzen does not think the Commission can pull off the hangar remodel, if that's what the Commission wants to do, without looking at your current RCCF and saying that's got to be a big portion of our funding for the hangar project. Again, Mr. Arntzen is still on Item Four, RCCF Analysis and he does want to talk a little bit about the opportunity zone research. Mr. Arntzen remembers Commissioner Barnes, in particular was interested in this one several months back when we talked about the goal and objective. Mr. Kooiker has done a fine job getting some research in from a local CPA firm that has some expertise on this. The memo, Mr. Arntzen has seen a draft of it, it's good, but he thinks there can be a little bit of refining on the memo that would potentially answer the questions that the Commission might logically have related to the opportunity zone research. Mr. Arntzen thinks these two topics dovetail nicely and then also as he mentioned, the RCCF portion also dovetails nicely into the hangar remodel project. Mr. Arntzen stated on Item Four, the RCCF and the opportunity zone research, he will pause to see if the Commission has questions of him and then also provide an opportunity for Mr. Kooiker to assist.

Commissioner Barnes looks forward to receiving it, it sounds like there is a memo or two and a spreadsheet coming and so, he looks forward to receiving more information on this, thank you. Commissioner Barnes inquired if Mr. Arntzen would like to move onto the next item on the Agenda, the potential hangar remodel.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Mr. Arntzen stated yes, he would, but if he could, he would like to check with Mr. Kooiker to see if there are things he may have omitted.

Mr. Kooiker thinks Mr. Arntzen covered the item really well and like he said, we are working on this together, and obviously the RCCF is in constant flux. Last week, we received the last two items we needed to proceed and get our RCCF report prepared, so that we could bring it to the Commissioners. Mr. Kooiker has been working with a local CPA firm and they sent him a memo, it's a very long memo, and as you can imagine, you are dealing with a federal type program, so it is certainly complicated. Mr. Kooiker is working to work with the CPA firm, and, he doesn't want to say bring it down a little bit, but give less detail, get it at higher level, to where a wider group of the audience could use it to make a decision. Mr. Kooiker thinks, to prepare the Commission, he thinks one of the bigger issues is going to be, the way he understands it so far, is that the biggest incentive for an opportunity zone investor is to purchase the property from the Port. Mr. Kooiker does not want to get into too much detail today, but the issue that could potentially come to the Commission isn't as much of selling the property for a price. It's that the Commission may have to determine whether they want to give up control of what is done with those buildings. Because it appears to Mr. Kooiker, the biggest incentive is to purchase those buildings on speculation and sit on them for a number of years. The hangar buildings meet the requirements by the IRS, to where someone could just buy them and sit on them for five years and then do something with them. And then reap the gains years down the road. Mr. Kooiker wanted to give the Commission a heads up that he, he thinks the biggest incentive appears to be a sale to the private sector, just at a higher level and the question could be asked of the Commission, the decision may be, are you willing to give up total control of what happens to the hangar buildings to the private sector. Mr. Kooiker, as Mr. Arntzen mentioned, stated we will bring back more detail and a memo from the CPA firm here in the next, maybe the next Commission meeting or the first meeting in July.

Commissioner Barnes looks forward to receiving more information about this, he knows, in the limited amount of research that he has done into opportunity zones, one thing that is clear, almost immediately, from the outset, is that it is complicated. Commissioner Barnes appreciates the work, and he appreciates the comments and realistically, we will have to decide if it is something that would be suitable at the Port of Kennewick or not. Again, thank you for the work and he looks forward to receiving more information on it.

5. *Potential Hangar Remodel*

Mr. Arntzen stated he will try not to repeat the update that Mr. Peterson provided under his Vista Field task status update. Mr. Arntzen thought Mr. Peterson did a good job with respect to the hangars. So maybe what Mr. Arntzen will do is try to offer a few different thoughts here, maybe bordering on opinion. The hangar project is another of the major projects that your staff has been focused on for quite some time. Mr. Arntzen would like to think we are potentially at the 75% level for the hangar remodel project. Mr. Arntzen is very anxious in a positive way, in bringing this to the Commission, he thinks it is going to be a fun one to dive into. You will see your good friend, Mr. Robison in front of you, understanding social distancing, he will probably appear by phone. Mr. Arntzen knows Mr. Robison is wanting

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

to share a PowerPoint with the Commission. Mr. Robison has really dived into this project for us and has come up with some interesting ideas. Some of the information you might like, such as wow these things really look cool, some of the information you might not like, such as oh my gosh, things really cost that much. So, we are kind of there with this project and Mr. Arntzen thinks we get there, with any project where there are major construction dollars involved. It never ceases to amaze Mr. Arntzen on what things cost nowadays, related to what he thinks they should cost or what they cost a couple of years ago. With the hangar remodel project, we will bring the Commission a couple examples you can look at, you would have the option of doing one, two, or three hangars. Or as Mr. Peterson suggested, if the Commission doesn't want to remodel any of the hangars and they could look to sale those hangars or otherwise transfer them to someone other than the Port. Or the Commission could say, let's take a look at math; what would it cost to tear them down and start over. You should have all of that information in this report. It is at our fingertips now, it's very close to having staff get all the information in and organize it in what we hope is logical fashion and then share it with the Commission. It is very exciting time, and again, it kind of blurs in with the RCCF project and the opportunity zone item that we just discussed. Mr. Arntzen finds himself saying wait a minute, he is confusing himself because he keeps putting one toe back across the line of the RCCF side and then back to the hangar remodel. Part of the reason he thinks that we keep doing that is, should the Commission choose to pursue a hangar remodel project, staff really does not see any other way to finance this and to say we need to go grab the RCCF that are in front of us. The Commission will get a spreadsheet and it will have a number of line items tabulating your funding that you could use for the potential hangar remodel project. Mr. Arntzen does not want to tell the last chapter of the novel the Commission is reading, but he is going to tell the Commission that they don't have enough money right now to do the hangar remodel. Mr. Arntzen is going to be the huge spoiler, he will probably get a nasty email from Mr. Peterson, and who knows later, but he guesses he does have to be the spoiler. Currently the hangar remodel project is going to be a pretty sizeable project and its likely to take all of the available funding that the Commission has and it will likely take a fairly significant line item in your upcoming 2021-2022 budget. That is what Mr. Arntzen was hinting at when he said, when Commissioner Barnes asked about that upcoming budget, he thinks what you might see from staff is a pretty substantial line item in there that says Vista Hangar Remodel. So, in other words, the Commission might use all of the current funds, including currently available RCCF, and you might also have to see a line item. Mr. Arntzen does not want to be so presumptuous that the Commission says the staff is doing budget for us, but we are probably try to lead with the fact that we don't see any other way to pull off the hangar remodel unless the Commission finds that it is a worthy enough project to allocate some serious funding from your upcoming budget. Again, very exciting times and Mr. Arntzen thinks Mr. Peterson is correct, the Commission may really need to do some soul searching and say how important is it for the Port to do the hangar project. Is it important that we try to, as Andres Duany said, maintain something that was there, enhance it so that it has some tie back into the project history, if there is any? Or do you say, no there is nothing there worth saving, lets smash it down and start over. Mr. Arntzen thinks there are going to be some wonderful policy questions that will be presented to the Port Commission. Mr. Arntzen will pause, he knows that we have thrown a lot at you and he supposes if he were a Commission, he'd say, staff is being pretty vague on these last

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

three items. Mr. Arntzen stated it is not that we are trying to be vague, it's that there are a lot of moving parts here and we still have some information that is coming in day by day on these things. What Mr. Arntzen will give you is his pledge, that when we talk about these projects, he thinks it will be with a ton of enthusiasm on staff's part and he would imagine that the Commission is going to be very enthusiastic about these projects as well. These are big projects, especially the hangar project, it is a big project. Mr. Arntzen will pause for Commission questions.

Commissioner Novakovich stated, as Mr. Arntzen said, this is a big project, and he would like to make comment, it is also an entrance to Vista Field. Commissioner Novakovich thinks that whatever decision we make, we need to keep in mind that the Port of Kennewick is known for doing first class projects, not necessarily, as Commissioner Barnes said before, not necessarily on time, but to do it right. Commissioner Novakovich thinks that this is something we need to keep in mind, whatever we do with it. Commissioner Novakovich would hate to see us hurry into something and make a quick decision and then regret it later. Because Vista Field is a huge project for the Port of Kennewick, it is a signature project, it's a legacy project and he thinks the entrance to it needs to have very, very careful consideration. Commissioner Novakovich appreciates the information that staff is talking about, that they are going to bring us to consider. He looks forward to looking through all of it to make a very, very critical decision on an entrance to Vista Field that will be lasting through this community.

Commissioner Moak asked Mr. Arntzen, once, let's say that Mr. Robison has his ideas and plans, is that something that is going to be reviewed by your team that would include the DPZ folks, either in Miami or Portland? Will the team look at how it will be viewed in conjunction with some of the issues that Commissioner Novakovich mentioned, with the whole concept, once we get numbers put together? Is this what we want Vista Field to be?

Mr. Arntzen stated the answer is absolutely. Now we have had quite a bit of input from Mr. Mehaffy and Mr. Qamar and he thinks some of the drawings that the Commission will see, some of the architectural renderings you see will have their fingerprints on it. They have been in contact with Miami as well. The Commission will see that, and the other thing that Mr. Arntzen thinks is very important is not only will Ms. Plater-Zyberk and Mr. Antonio have input on the nuts and bolts of the project, he thinks it would be good for them to weigh in on the philosophy, such as, we know that remodeling these things will cost just as much as building new, but here are a few things to consider. Yes, not only on the nuts and bolts, but philosophically, DPZ Miami, in particular, needs to weigh in on the philosophy of the project. Mr. Arntzen hopes he has answered Commissioner Moak's question appropriately.

Commissioner Moak stated that is important, the whole philosophy or, when you get something there, its multidimensional he guesses. It sounds like CKJT is no longer involved in the hangar remodel, the design work, is that correct.

Mr. Arntzen would have to say that is not correct. We have had another A&E firm assist us with this, but we have looked at where our history has been, and Mr. Arntzen is referring to

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

our history with CKJT drawings, so he would have to say that CKJT is still a part of this. The drawings that they've got are still alive, so we have two sets of drawings that Mr. Arntzen thinks the Commission could look at and in retrospect, one could argue that the CKJT drawings might be even more important today than they were back then.

Commissioner Moak hadn't heard CKJT and he heard that Mr. Mehaffy and Mr. Qamar were drawing and he was trying to figure out who was on first, he guesses. So CKJT is still potentially involved anyway.

Mr. Arntzen stated yes sir; that would be his take.

Commissioner Barnes would like to make a couple of comments or remarks regarding this potential hangar remodel. Commissioner Barnes sees this endeavor as one that has a high level of risk, if you will, especially if the Port of Kennewick is trying to anticipate what the end private sector use will be in those hangars and try to anticipate that without having engaged, or without, or vetted or explored that with some private sector interest. Commissioner Barnes could see this, he is concerned about the feasibility of this, and he has heard Mr. Arntzen say we could look at this and come to the end of the project and see that we spent just as much money in the hangar remodel as we would have spent on a brand new building. And if we do that, if we go ahead and do that, and in the end fail to, with very high level uncertainty, fail to anticipate what that highest and best end use will be, we could, as Commissioner Novakovich pointed out, this is the Gateway, this is the entrance into Vista Field. It is very important that we get this right, it is very important that this is a success. And so, the concern that Commissioner Barnes has, is the overall feasibility of this, and not just in purely financial terms, but in end use terms with the private sector. The private sector that will be the end use operator of an enterprise there, that will create this vibrancy and this buzz, and this excitement and anticipation as people come into Vista Field by the hangars. So, this is a very important project and Commissioner Barnes is concerned about it, he is nervous about it, and he thinks there is some risk here and he wanted to share that at this point. It is very important that we get this right, and so Commissioner Barnes is hoping we can rally our team, get the best minds and the best resources working at this and giving us the best advice possible, so that we get the outcome that we desire here, at the entrance of Vista Field.

B. Clover Island/Columbia Drive

1. Kennewick Waterfront Master Plan Update

Mr. Peterson stated included in the Agenda Packet is a memo from Julie Bassuk of Makers architecture and urban design, talking about the outreach that Makers is proposing to engage for the Kennewick Waterfront Master Planning process. The reason for this discussion and inclusion is that it deviates somewhat from the scope of work identified in the approved contract and this is due to the COVID 19 pandemic situation where public meetings do not appear to be coming back anytime soon. Makers is proposing to use the electronic means of connections with folks as a tool to obtain all that public input that normally would have been done through both public meetings, one-on-one meetings with folks at a coffee shop and through an email process. They are trying to do all of this electronically. Mr. Peterson believes

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Makers has scheduled a conversation with the Commission individually, to talk about the process and take their pulse or temperature on these ideas. Still, the key element is inclusion, outreach, and a public process is still involved, it is just a means of doing this electronically and virtually, like CNU is doing this week with their conference. Also included in that memo is the list of stake holders that have been whittled down, that will be contacted directly by Makers. We are not excluding anybody and there is quite a bit of notice and opportunity for people to submit comments to Makers, make their comments heard to the Port. Included with this memo, identifying the outreach process is a list of stake holders that Makers will be engaging with initially. Those initial contacts may lead to additional communication that this is the starting point. Mr. Peterson wanted to give the Commission an update as we have talked about this the last couple of meetings. We still want to get the Kennewick Waterfront Master Plan and rather than putting it on-hold until some unknown date or year, Makers is proposing way to move forward under this current situation and we have technology to reach as many people as possible. Mr. Peterson is happy to address any Commission questions.

Commissioner Barnes stated he has an appointment with Makers tomorrow morning, so he looks forward to that and he looks forward to working with them. Commissioner Barnes appreciates this update.

Commissioner Novakovich had a conversation with Makers this morning and they are very well aware of our intent to be very inclusive. They have developed several means of communicating with the public and as Mr. Peterson said, Makers has gone overboard in ways that they can include the public. Commissioner Novakovich thinks they have an answer to all of that. An earlier question was brought up, he thinks about a budget, and when Makers would be finalized and he was just looking being late March 2021. Commissioner Novakovich wanted to pass that information on.

C. Commission Meeting Minutes and Audio

Ms. Scott stated it has been a little while since she has been on the Agenda and she is back again. Ms. Scott wanted to remind the Commission that in April, the Commission discussed moving to action minutes once the meetings were successfully recorded and upon verification that the recordings are clear. In addition, at that time, the Commission also discussed moving to action minutes when we return to meeting regularly in the office. As Mr. Peterson previously mentioned, with the continuation of the COVID pandemic and not knowing when our office will reopen, Ms. Scott thought this would be a good time to check in with the Commission to see if they would be comfortable moving to action minutes or not.

Commissioner Novakovich thinks with the audio being recorded and the people having the ability to request the audio on it and listen to the minutes, he thinks action minutes are probably in line. Commissioner Novakovich knows Boyce Burdick likes the long word-for-word verbatim minutes, and so does he, he likes reading them, but Commissioner Novakovich is also looking at technology and saving staff time and he thinks action minutes at this point is probably, would be acceptable to. Commissioner Novakovich knows it would be acceptable to him, and he hopes to Mr. Burdick also, since the audio is also available.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Commissioner Moak asked Ms. Scott, he thinks in one of your reports, or wherever you had mentioned that Wendy Culverwell had mentioned that she was listening to and she didn't have to show up because she could listen to the audio. Commissioner Moak inquired if we can get tracking numbers that indicate how many people are listening, either live or can go back at a later date and listen to the meeting.

Ms. Scott stated there are two answers to that. With the GoToMeeting feature that we are using, it does give her a report as to how many people are listening to the actual meeting. Ms. Scott can also contact AV Capture All to see how many people have gone to download the audio and listen to the meeting, so there are two separate answers. Ms. Scott did check with AV Capture All on our first meeting in May, she believes and she wants to say that we had about six downloads at that point.

Commissioner Moak confirmed that we don't get that data automatically or do we have to request it any time we want to know that, is that correct.

Ms. Scott stated that is correct.

Commissioner Moak stated there is no way that feeds into a monthly basis or whatever, a data report on usage.

Ms. Scott stated no, there is not; however, it takes a one-minute phone call for her to call and ask them and inquire and she is happy to do that.

Commissioner Moak stated it takes almost less than that for them to automatically send it to Ms. Scott every month too. Commissioner Moak stated the purpose behind the question actually, have we heard from any customers, who might have listened, who might have said the audio wasn't clear, the audio was bad, it doesn't make any sense, we didn't pick up on so and so.

Ms. Scott stated the comments she has received is how amazed they are at how easily the minutes and the audio tracks to the Agenda. And, Ms. Culverwell was actually talking with Ms. Bader Inglima before our last meeting and expressed to her that she had another meeting that she needed to attend. Ms. Culverwell was very happy that we were having the audio recordings downloaded on our website so that she was able to go to her other meeting versus listening to our meeting. It allowed her to do both, because the audio was very clear and easy to understand.

Commissioner Moak stated on that basis, he would also agree to go to action minutes. If at some time we find that that's not acceptable, we can talk about something else. Commissioner Moak thinks as long as we are finding that the audio is good, he hasn't gone and checked himself, then he thinks we should try that.

Commissioner Barnes stated, if he may, his personal preference would be that we allow a little more time to elapse before making the switch. It seems like the audio recordings have only been in place just two or three meetings and we have the pandemic, so we are not meeting in person. So, Commissioner Barnes is reluctant to make the change to action minutes until we have a little

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

more time to pass, just to develop a higher level of comfort with the audio recordings. To have the minutes as they are provided now, it puts them in a format that is easy to someone so that they don't have to spend the time and go listen to the recording and make notes or whatever, to augment or supplement action minutes. Commissioner Barnes's preference would be to allow more time to pass and maybe to even get back to meeting in person before we take this up and move to action minutes. That would be Commissioner Barnes's preference.

Ms. Scott just, she feels bad for asking this, but she has two Commissioners that say yes, let's move to action and one Commissioner that does not. Ms. Scott asked for clarification of what we should be doing.

Commissioner Barnes stated if Ms. Scott would like, the Chair will entertain a motion regarding this item. We can take formal action if the Commission would like to do so. The Chair will entertain a motion regarding this item.

Commissioner Novakovich stated if we are going to take action, he believes our policy is that we hear from the public prior to taking action.

Commissioner Barnes stated that is a great point, thank you Commissioner Novakovich for making that point.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick believes the comments from Commissioner Barnes; that it takes a while to listen to the audio. When you have the minutes there, you can read them in five minutes, if it's a long meeting that takes three hours to go through it. He thinks the question is it the users time we are worried about or staff time. It seems to Mr. Burdick; a lot of businesses push things off to user or to the consumer.

Mr. Stricker confirmed that this is public comment for this item and not the overall public comment.

Commissioner Barnes stated that is correct and if he would like to make a comment, to state his name and address for the record.

Mr. Stricker declined to make a comment at this time.

MOTION: Commissioner Novakovich moved that in the interest of staff time and resources and the fact that there is availability for the public to be able to track and listen to our minutes and conversations, he move that we move to accepting action minutes, totally at this time; Commissioner Moak seconded;

Discussion:

Commissioner Moak thinks at some point we have to move there and he thinks, if we don't go to action minutes and take a look at what that does, how that reflects on what Mr. Burdick or anyone else wishes to listen to. As he understands it, it is indexed such that you don't have to listen to

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

every item if you don't want to listen to every item, if you just want to go to the Vista Field or just want go to Columbia Gardens or any of the items that are on the list, you can go right directly to that item and not listen to other things that might not be of interest. Commissioner Moak thinks that you try it and if you find that it's not meeting, whether it's a Commissioner or a member of the public interest, then we can go back and try something else. Commissioner Moak does believe, and he is with Mr. Burdick in terms of wanting, when he goes back, he would prefer to go back and look at written stuff. But Commissioner Moak thinks that we have to try it in order to know what we are either missing or what we are accepting. And so, it doesn't sound like that the audio is the problem, the problem may be, whether to do it visually, or audially, or orally, or whatever the correct terminology is. Commissioner Moak thinks we have got to try it in order to know what do the action minutes look like once we see it. Commissioner Moak understands that it would be nicer to do what we have been doing, but he also knows that we have technology and one of the issues that he had, and he agrees with Commissioner Barnes on this, that we needed to be more transparent with our Commission Meetings. Commissioner Moak felt that way when he was at the City of Kennewick and now, they are more transparent than they were when he worked there and he thinks that is important. We can't do everything for everybody all the time, and so, Commissioner Moak is in favor of the Motion because he thinks we need to take a look at that.

Commissioner Novakovich would like to add, as he said earlier, he spent part of the weekend with Ron Dunning, who is the President of the Port of Walla Walla Commission and they have been doing action minutes and audio for quite some time and it's been widely accepted and approved by public. They have had good reception to it. Also, Commissioner Novakovich would like to mention that, he thinks we have become spoiled, myself included, by being able to read verbatim minutes, but actually, Parliamentary Procedure only requires action minutes. We have been going overboard in the past, which he really appreciated. He appreciated reading the minutes, but as Commissioner Moak said, he thinks there is a time when we need to accept modern technology and the fact that it may save our staff's time and money with resources that can be applied to other projects. We need to make correct decisions to move forward with different types of ways we do doing business.

Commissioner Barnes does not support this Motion; he thinks we are moving a little too quickly. It has just been two or three meetings ago that we put in place the audio recording links to our Agendas. And if we are going to make a change to action minutes then Commissioner Barnes would be more in favor of having the minutes remain the way they are now and then prepare action minutes, so that we can see what the current minutes look like versus the action minutes. Commissioner Barnes knows that might be a little bit more work for staff, but it would help us to navigate this transition. Mr. Burdick's comment is well taken and there are many times where either institutions or government agencies or even businesses are putting more and more of the work and more and more of the burden of maintaining an interaction. They are putting more and more of that on the desk of consumer or the user. Here, Commissioner Barnes does not think it's a lot of work for the Port, he knows that it is a little bit more work than action minutes, but he thinks we are moving a little too rapidly here, given that we are working under a pandemic or working with virtual meetings. Commissioner Barnes does not favor this.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

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

D. Communications with Public

Ms. Bader Inglima appreciates the opportunity to give an update on some of the conversations that she has had since our last meeting. Ms. Bader Inglima and Ms. Hanchette have been really been trying to take a more personalized approach to communicating with our tenants when opportunities are available to them, that we are aware of. Ms. Bader Inglima stated there is a lot of information coming out from other agencies and organizations about the CARES Act, the PPP, and other grants and awards that are available and sometimes our small businesses seem a little overwhelmed with all of the information that they are getting and what would apply to them. Recently, the City of Kennewick made us aware that they have a CARES Act's Micro-Enterprise Emergency Grant that we shared with our hospitality tents. The notice is specifically for City of Kennewick small businesses and they are trying to coordinate up to 29 grants for up to \$10,000 a piece that would be made available to small businesses in Kennewick, with an emphasis on hospitality and Food-Based Vehicles. We shared that specifically with our tenants via email and let them know that opportunity was coming up through the City of Kennewick. Ms. Bader Inglima followed up with a reminder notice when that grant application was made available on the City's website. We are working to make sure, as we are aware of things that are specifically relevant to our small business tenants. We are communicating with them so that they have every opportunity to act on that in a timely manner.

Ms. Bader Inglima recently worked with the City of Kennewick to promote the fact that Don Taco, which is a food truck with authentic Mexican food, has joined the Food Truck Plaza at the Wine Village. Today was their first day and we worked with the City to promote that the fact that they were joining the Wine Village on the City's social media and the Columbia Gardens Wine & Artisan Village Facebook page that the City maintains for the Port in partnership.

Ms. Bader Inglima is working on a media release to recognize that we now have Ninja Bistro, Don Taco, and Ann's Best Creole will be joining Swampy's BBQ, who has been there all year, at the Food Truck Plaza and that Rollin Ice Cream is now back on Clover Island. Ms. Bader Inglima stated that she is working to get them media exposure to help create some vibrancy for their businesses.

Ms. Bader Inglima has been working on developing some billboard signage for Columbia Gardens, so that when we get the information on pricing, it will be ready to be installed and help promote the available parcels. Ms. Bader Inglima is also working to replace the green amenities signage on Columbia Drive and provide some additional highlights for both Columbia Gardens Wine Village and Clover Island.

We are continuing to work with the tv spots that we mentioned at the last meeting, to promote our developments on Clover Island and Columbia Drive and the related businesses. We are about 2/3rds done and just waiting determination on Benton County's request to advance to phase 2 before we complete those so we know what direction we are taking. If we are not allowed to move to phase 2, then we will take a little different direction with those commercials. If we are able to

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

move into phase 2, we will finish them up and get them running. Ms. Bader Inglima thinks they will be ready first part or mid-July.

Ms. Bader Inglima is also working to begin the summer newsletter and hope to have that out in late July. Also, she is working on a July Spotlight feature on the Port's projects, in the Visit Tri-Cities digital newsletter that goes out to their membership and their community members. We will highlight Clover Island and Columbia Gardens and the Port's investments in those area. Ms. Bader Inglima is happy to answer any Commission questions.

Commissioner Barnes thanked Ms. Bader Inglima for her excellent work and efforts in that regard and he really appreciates it.

E. Director Reports

Mr. Peterson wanted to thank the Commission for action they took and the comments they provided related to the reports that were made. And, as a reminder, it has been a team effort and Mr. Peterson gave a nod to Ms. Hanchette, specifically related to the Wine Tasting Building. We did not get to the finish line without the team effort and we were working on that one, hand in hand.

Ms. Hanchette stated the one item she wanted to share today is related to operations, specifically safety and security. We have spent a lot of time addressing COVID and COVID impacts on Port operations, but wanted to let the Commission know, since our last meeting, we have also had other very active news in the national and local level related to peaceful protests, and not so peaceful rioting and looting in our communities throughout the nation. Ms. Hanchette has been fielding inquiries and concerns from a small handful of tenants. Just a couple of weekends ago, there were local rumblings of possible looting, whether that was Richland, Kennewick or Pasco downtown, there were a lot of social media posts going on. Ms. Hanchette had a couple of tenants reach out and ask about the rumors, what she knows, or what she has heard and should the tenants be concerned. Ms. Hanchette took an active approach and reached out to the Kennewick Police Department (KPD) to find out if they had any credible intel for any of these rumors that were circulating around. The KPD was awesome, one of the Sergeants took her call right away, returned her calls, got back to her after their evening patrol meeting. The KPD said they did not, at that particular moment in time, have any credible intel. Ms. Hanchette was able to share that information with our tenants. Also, Ms. Hanchette reached out to Phoenix Protective, which is our nightly patrol service and asked them for extra attention, which they had already planned on doing anyway, because of course they are on top some of the rumors that existed as well. Ms. Hanchette wanted to be available to our tenants, after hours, via text. Most of the tenants have Ms. Hanchette's personal cell phone, to let them know if they see anything or hear anything or need anything, that she is a familiar name with the non-emergency line for KPD and Benton County. Ms. Hanchette wanted to share with the Commission that there are a lot of different aspects to operations and staying connected with our tenants when they have concerns that affect property, that affect their life investment, that we really care and we are not just ignoring what is going on in our community and nationwide.

Commissioner Novakovich was talking to one of the Wine Village tenants and they were drippy sweet, talking about how good Ms. Hanchette was communicating with them. They even said that

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

Ms. Hanchette cares so much about Columbia Gardens, that they actually saw her down there pulling weeds. Commissioner Novakovich almost had to stop and walk away because they couldn't stop saying enough things about how Ms. Hanchette had helped them, communicated with them, and kept in contact with them. Commissioner Novakovich told Ms. Hanchette that she is doing a great job and he thanked her.

Ms. Hanchette thanked Commissioner Novakovich and stated it is important just because our office is not open to the public, that our tenants know we are still here and are still very active.

Commissioner Barnes thanked Commissioner Novakovich for his remarks and thanked Ms. Hanchette for all the work she is doing for the Port of Kennewick, we really appreciate it.

Ms. Luke stated at the last meeting, she reported very briefly that a decision was pending from Judge Kallas. For the record, Judge Kallas is the neutral, who was selected to handle the citizen complaint hearing process and Commissioner Barnes's appeal of the recommended action in that process. As Ms. Luke mentioned to the Commission at last meeting that she would come back and make a report with hopefully the determination of Judge Kallas and current status. There are actually two decisions pending from Judge Kallas; one is related to the hearing date. Ms. Luke asked the Commissioners, at this time, to keep two dates open, as we still do not have a final date selected by Judge Kallas. The two dates that we are currently looking at are September 15, 2020 and September 29, 2020. Those dates are Tuesdays and it is anticipated that the hearing would start at 1:00 p.m. rather than 2:00 p.m. These would be scheduled as a Special Meeting with the hearing being the only item on the Agenda, unless there were some other urgent business matter to be taken care of. Ms. Luke stated that we are still waiting to hear from Judge Kallas' office regarding which date. The Judge had another matter scheduled for September 15, 2020, but believed it was possible that that day would open up. Ms. Luke will keep the Commission posted on that front. The other decision that is pending from Judge Kallas relates to determination about whether or not the witness names/employees/staff names, who were witnesses in this matter, will be retained as confidential or whether those identities will be utilized in briefings and in the hearing itself. The parties, Judge Kallas requested briefings on those positions and those briefs were submitted last Friday, with the Port's position being the identities of those witnesses remain confidential pursuant to the Port's rules. Commissioner Barnes' position being that he should be allowed use those employee names in the briefing and in the hearing. Ms. Luke will report back when we receive decisions on that issue as well as confirming the hearing date. It is intended that the hearing be conducted in person, so that will be another factor as to whether or not we will be returning to in-person meetings by September or not. Ms. Luke will keep the Commission informed and updated as she receives information, thank you.

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

Commissioners reported on their respective committee meetings.

G. Non-Scheduled Items

Commissioner Moak stated a lot has happened the last two weeks since we met and he would like to just say, Kennewick has a history of a very racist past. Sometimes it is not all in the past and Commissioner Moak knows that when we were putting up Latino Heritage Mural, he certainly

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

heard from others, maybe others did too, he would not be surprised of racist attitudes towards the Latino Heritage Mural that we put up. Commissioner Moak is very proud of that Mural and he is proud of what it represents in the community and that people of color are represented in our Wine Village. We could go back and look at the history and he is sure we could look back at our 105 years, that some of the racist attitudes that were here in the community probably were reflected by our Port Commissions' at that time. Commissioner Moak wouldn't say that everything is gone or that we should sit on our laurels and say, we did the Latino Heritage Mural, we are good, everybody else is not good. We need to continue to work and Commissioner Moak is proud that we have a Cuban American or a Pilipino American architect working for us, on our projects. We have people of color, but it's certainly not to the extent we have in our Wine Village, we have tenants. So, we have done some good things and we should be very proud of that, but Commissioner Moak thinks we need to continue to work. When we think of Vista Field as a place for all, that it really acts like a place for all. And that we organize and what we show there reflects our entire community. And so, it was kind of shocking if things, were it not for the COVID episode that we have been going through for the last several months. The CNU conference was scheduled to be held in Minneapolis and our designers and our folks would have been there, in Minneapolis this week and Commissioner Moak would have hoped to have been there this week himself, because he does like the CNU Conferences. It would have been a great opportunity to show what Urbanism really can be and how Urbanism can be very diverse within our community. Commissioner Moak knows people like Michael Mehaffy and others certainly are very much involved in that whole idea of what is community and how to make it make it more inclusive. So, it is sort of appalling what we have seen over the last couple weeks. Ms. Hanchette touched on some of the potential problems that we could have had here in our community had there been more property destruction than was voiced. Commissioner Moak hopes no more happens, but he does hope that people continue to express their view that we as a community need to be more inclusive. Commissioner Moak thought he grew up in a typical middle-class neighborhood, but it was typical for him and the people he knew, that was not the case for a lot of other folks of color who lived in the community. Commissioner Moak is learning and he has had to learn the hard way sometimes, maybe not as some of the other folks, but we need to do a better job. We need to support... we need to do a better job, although as he said earlier, he is very proud of our Latino Heritage Mural and what it stands for. Commissioner Moak hopes that others will continue to do that and see it for what it is and the folks who have worked to make agriculture and this community a better one. Commissioner Moak thinks we can still be better and he would like to be a part of that.

Commissioner Novakovich has a couple of items, first he will give the audience a few bullet points on the Legislative Committee Meeting that he had with the Washington Public Ports Association (WPPA):

- There could be a Special Session at the end of June;
- Chris Herman talked about the impact of COVID 19 on gas tax revenues and because people weren't driving for a while, there was a 38% reduction of income from gas taxes or about \$250,000,000 hit to gas tax revenues;
- It looks like the State has to fill a \$7,000,000,000 hole over the next four years and will have to cut, take a look at cuts to non-protected programs. The Governor has already asked his departments to cut 15% from their budgets and for the next year, they need to come up with \$4,000,000,000 to make it through;

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

- Some things WPPA would like to do if there is a Special Session is to look at Community Economic Revitalization Board (CERB) funding and try to increase it, broadband access and connectivity, transportation funding as economic development, and CTHG funding.

Commissioner Novakovich stated those are some of the items for Special Session and then the WPPA looked at possible priorities for future.

Commissioner Novakovich reported that the *Tri City Herald* had an insert in the paper on what the citizens voted for, for best businesses and he would like to report a lot of our tenants were listed in there. For example, Swampy's BBQ was listed under Best Food Truck, not as best food truck, but he was listed as 3rd place. Cedars restaurant was listed, Ice Harbor Brewing was listed as the best micro-brew distillery and Swampy's was listed as best BBQ in second place and the photographer that the Port uses, Kim Fetrow was listed in the best photography class. Commissioner Novakovich wanted to say that our tenants and the people we work with have been receiving praise from the community.

Commissioner Barnes would like to say that he appreciates the remarks made by Commissioner Moak at this time and appreciates and supports those remarks. Every American citizen has something to think about today in the wake of what has taken place over the last two-three weeks.

Commissioner Novakovich asked if he could say something.

Commissioner Barnes stated Commissioner Novakovich has the floor.

Commissioner Novakovich just saw a notice that was published by the *Tri City Herald*, that reads "Tri-City area may know as soon as late Friday if it can move to phase 2."

PUBLIC COMMENTS

Derrick Stricker, 27903 South 816 PRSE, Kennewick. Mr. Stricker stated this is round two of the DaVista Drive-in and event centre and he will start at the high-level project overview and discuss bullet points that were included in his "deck" that was included to the Commissioner. Overall, the project will be approximately 6 acres, plus or minus, semi-permanent development of a drive-in theatre and event centre using lean urbanism design for aesthetics, economics and current market condition. This is a car 250 stall capacity (post COVID) for drive in movies, events, town hall meetings, and concerts etc. as we roll out of these post COVID times. This is a large community project and economic win that can drive development from an "inline phase" of the Vista Field Master Plan. This is a COVID and post COVID friendly business model that will not disrupt the current Vista Field construction schedule. The project can possibly be transported off site "down the road" when development grows past the first phases because the development team is looking to lease the land between 36-60 months. Mr. Stricker read the minutes from the past Commission Meeting and took some notes along the way for this presentation. This DaVista project is a unique, lean, urbanized project, far from anything minor, but given the current communications between Port Staff and DPZ, this could be an efficient discussion to have since everyone is looking near it at the same time. Let's run this DaVista project in front of the DPZ folks and see from their professional opinion, how this actually aligns up to the long-term vision, given the current shake-ups in the market and the overall planning. The nation had a huge setback with COVID and commercial real estate and development has shifted... but in the day to day of it, things have changed in Mr. Stricker's job. Banks

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

don't know what lease lengths tenants will sign anymore, how much square footage is needed for office clients, is it by square footage, head count or ratios, is co-working dead or alive, is the is of private office from the 80-90's back in style. There are a lot of unknowns and uncertainty in Commercial Development and that is why Mr. Stricker believes this lean plan can provide more than just a headline. Mr. Stricker asks that the Port run this project by DPZ and allow him 45 Days to work along with Port staff to flush through due diligence and possible terms and plans to present back to the Commission. Mr. Stricker agrees with what Mr. Kooiker said earlier, that maybe we don't see impacts for maybe six months and that it may lag behind and he does think there will be some shake-ups down the road in some ways. Why this project should be discussed with Port staff, Mr. Stricker believes this could be a large community win during the pandemic and this could be the new 2020 business model. Mr. Stricker believes this will drive public sector momentum twice as fast towards Vista Field development. DaVista project is great, as he thinks private developers have taken a hit from COVID. It will take time to build up to pre-COVID scale and enthusiasm and those dollars. Mr. Stricker believes a project like DaVista will create more land value from tax payers during phases 1, 2, and 3. He believes right now that we can take advantage of current conversations with Port staff and DPZ to see this project aligns with the future of Vista.

Commissioner Barnes stated Mr. Stricker has reached the end of his three minutes and thanked him for his public comments.

Amanda Jones, 9342 West 5th Place, Kennewick. Ms. Jones stated once again she appreciates the opportunity to listen in to the Port's call and the Commissioners and staff's continued interest in transparency. As well as sharing all of the many happenings and good work by the Port on behalf of the community, while we have so many other things on our radar. The Port presses forward on these projects and she would hope that we might hear more about the prior comments made by Derrick Stricker. Whether it might make it to being an Action Item in the future, so that it could be discussed at length and more on the public forum, whatever the Commission would want that timing, as appropriate.

No further comments were made.

COMMISSION COMMENTS

Commissioner Novakovich thinks that there are a lot of potential pitfalls with what Mr. Stricker has presented. Commissioner Novakovich thinks the timing maybe wrong; but he thinks he agrees with Ms. Jones. He thinks there are a lot of things here we may want to take a look at and perhaps it needs to be put on as an Agenda Item or we need to allow staff to talk to Mr. Stricker and just see how we can possibly work through some things. Because sometimes opportunities present themselves in unusual circumstances and Commissioner Novakovich sees this as one of those potential opportunities that may or may not fit, the timing may not be right, but he thinks it is something we need to have a conversation about.

Commissioner Barnes believes we discussed at last our last Commission Meeting whether or not it was time for the Port to consider proposals at Vista Field and we have a long list of questions which Mr. Peterson is working on. He is working with DPZ, both in Miami and Portland regarding the list of questions. Commissioner Barnes thinks, given that we are trying to figure out or trying to determine the next best steps forward for the development, the redevelopment of Vista Field, and given that we are in this time period where we are working with our professionals to try and get some direction and some order, and some methods in place,. And given that we also have a collaborative design process that was put in

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

place in 2016, where we set out a process for the Port to engage with and work with the private sector developers when the time was right, when the Port was ready to take the next steps at Vista Field. Commissioner Barnes, in his opinion, believes it would be premature and, in fact, he would view it as disruptive at this time, to try to put resources into looking at a proposal, an unsolicited proposal at this time at Vista Field. That is Commissioner Barnes' opinion, but we all know that according to our Rules of Policy and Procedure, any Commissioner can request an Agenda Item for a next Meeting. If there is a Commissioner today that would like to request an Agenda Item for the next Meeting, relative to this topic, then Commissioner Barnes would invite them to please state that now and then we can take the appropriate action at our next Meeting.

Commissioner Novakovich would suggest this be an Agenda Item for a future meeting.

Commissioner Barnes would take this that Commissioner Novakovich has requested that this item be placed on the Agenda for a future meeting. Commissioner Barnes asked if there were any comments or discussion from staff regarding this item. Commissioner Barnes inquired if Mr. Arntzen had any remarks.

Mr. Arntzen does not, other than he understands that it is an effective request from Commissioner Novakovich that this item be placed on the next Agenda. If that is an accurate understanding, Mr. Arntzen will ask Ms. Scott to work to make sure that happens and we could have a level of discussion at the next Commission Meeting.

Commissioner Barnes stated that is his understanding that Commissioner Novakovich has asked that this be placed on the Agenda for the next Meeting.

Mr. Arntzen stated then he would anticipate from the staff perspective, we would need some authorization to have further dialogue with Mr. Stricker. And that Mr. Arntzen would try to provide a brief report, because he thinks if we just sat and did nothing, then there would probably be nothing further for the staff to add at this upcoming Meeting. Mr. Arntzen thinks there would be an implication that staff would have reasonable latitude to find out a little bit more of the pertinent facts related to the is matter. Mr. Arntzen inquired if that assumption would be correct.

Commissioner Barnes stated from his point of view, he believes that is a reasonable assumption to make. If this is an Agenda Item, there is a reasonable expectation on the part of staff that they would be given some latitude to prepare for the Agenda Item at the next Meeting. That would be Commissioner Barnes' take and inquired if there was any other Commissioner with any thoughts on this, he would welcome them to the floor.

No further comments were made.

ADJOURNMENT

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

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 9, 2020 MINUTES

DRAFT

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 Real Estate & Operations

MEETING DATE: June 23, 2020

AGENDA ITEM: Columbia Gardens Temporary Business Uses

I. REFERENCE(S): None

II. FISCAL IMPACT: None

III. DISCUSSION:

Port staff was approached by Curt Beus of Beus Brothers Farm Market with a request to set up a produce stand in the gravel parking lot located on the south side of Columbia Gardens Way between the food truck plaza and Columbia Drive. The business would be temporary through the end of 2020 selling seasonal produce from area growers and ending the season with Christmas tree sales.

The request includes placement of a 10x20 tent, 18' produce trailer and a 10x20 temporary "shed like" structure with cooling for produce storage.

Outside of mobile food units, the concept of temporary business uses within Columbia Gardens has not yet been examined with the Commission and is therefore being presented today for discussion.

IV. ACTION REQUESTED OF COMMISSION:

Discussion on the topic of temporary business uses within Columbia Gardens and direction to port staff.

DaVista Drive-In & Event Center FOR PORT COMMISSIONER MEETING



JUNE 9TH, 2020

PRESENTED BY:

Derrick J. Stricker, CCIM, SIOR

509.430.8533

Derrick@StrickerCRE.com



NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IS MADE AS TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN, AND THE SAME IS SUBMITTED SUBJECT TO ERRORS, OMISSIONS, CHANGE OF PRICE, RENTAL OR OTHER CONDITIONS, PRIOR SALE, LEASE OR FINANCING, OR WITHDRAWAL WITHOUT NOTICE, AND OF ANY SPECIAL LISTING CONDITIONS IMPOSED BY OUR PRINCIPALS NO WARRANTIES OR REPRESENTATIONS ARE MADE AS TO THE CONDITION OF THE PROPERTY OR ANY HAZARDS CONTAINED THEREIN ARE ANY TO BE IMPLIED.

TABLE OF CONTENTS

❑ PROJECT OVERVIEW

❑ WHAT THIS “DAVISTA” IS

❑ WHERE ARE YOU PROPOSING “DAVISTA” AT

❑ WHO IS INVOLVED SO FAR

❑ WHAT DERRICK NEEDS NEXT

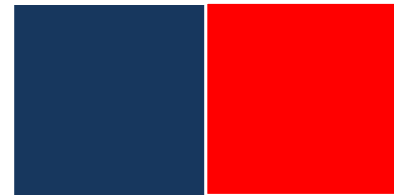
❑ WHO IS DERRICK?

❑ CONTACT FOR QUESTIONS



PROJECT OVERVIEW

- ❑ ~6 ACRE SEMI-PERMANANT DEVELOPMENT OF A DRIVE IN THEATRE & EVENT CENTER
- ❑ USING LEAN URBANSISM DESIGN FOR AESTHETICS, ECONOMICS AND CURRENT MARKET
- ❑ 250 CAR STALL CAPACITY (POST COVID) FOR DRIVE IN MOVIES, EVENTS, TOWNHALLS AND CONCERTS
- ❑ LARGE COMMUNITY, PROJECT AND ECONOMIC WIN THAT CAN DRIVE DEVELOPMENT FROM AN “INLINE PHASE” OF THE VISTA FIELD MASTER PLAN
- ❑ COVID AND POST COVID FRIENDLY BUSINESS MODEL WITHOUT DISRUPTING CURRENT VISTA FIELD CONSTRUCTION SCHEDULE
- ❑ CAN BE TRANSPORTED OFF SITE “DOWN THE ROAD” WHEN DEVELOPMENT GROWS PAST THE FIRST PHASES
- ❑ DEVELOPMENT TEAM LOOKING TO LEASE THE LAND (36-60 MONTHS)



WHAT THIS “DAVISTA” IS

- ❑ DAVISTA DRIVE IN MOVIE THEATRE WAS AN IDEA THAT CAME OUT OF AN EARLIER CHARRETTE AND ECHOED AGAIN DURING THE CHAMBER #MYTRI2030 VISIONING PROCESS
- ❑ DAVISTA IS A SEMI-PERMANANT STRUCTURE THAT RE-UTILIZES THE FORMER TARMAC; IT INCORPORATES COVID FRIENDLY SPACING TO ENJOY SIMPLE LUXURIES SUCH AS A DRIVE IN MOVIE AT NIGHT OR A DAY EVENT FOR THE PUBLIC, TOWNHALL MEETING OR CONCERT VENUE
- ❑ MAIN DRIVER OF THE DAVISTA PLATFORM IS THE DRIVE IN MOVIE THEATER BUT WILL GROW THE EVENT SIDE AND OFFER TRI-CITIES ANOTHER VENUE OPTION THAT FITS THE CURRENT ECONOMIC AND COVID CLIMATE FOR GROUPS OF 50-250+
- ❑ WILL BECOME A MARKETING MONSTER FOR VISTA FIELD AS THE PORT ROLLS OUT THE PHASES OF DEVELOPMENT

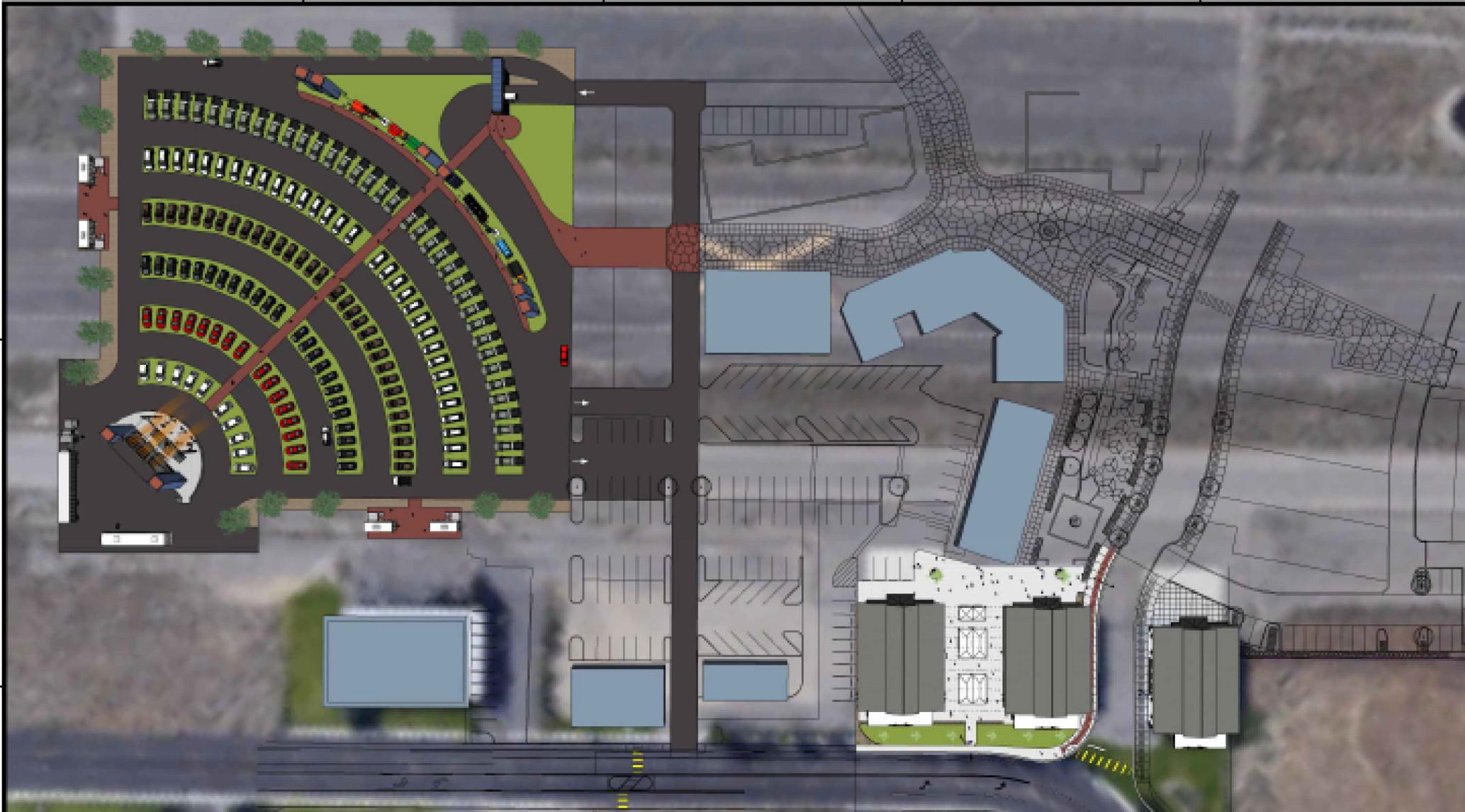
WHERE ARE YOU PROPOSING “DAVISTA” AT?



WHERE ARE YOU PROPOSING “DAVISTA” AT?

- ☐ ~6 ACRES LOCATED ON THE FORMER AIRPORT TARMAC, REUSING THE CURRENT INFRASTRUCTURE FOR THE 250 CAR CAPACITY EVENT CENTER WITH INDUSTRIAL CHIC LOOK
- ☐ NOT PART OF VISTA FIELD’S FIRST PHASES OF DEVELOPABLE LOTS; SO NOT ASKING FOR WHAT MOST DEVELOPERS ARE ASKING FOR
- ☐ TARGETED AN “INLINE” PARCEL OF THE MASTER PLAN WHICH IN REAL ESTATE, IS MORE CHALLENGING AND LONGER TIME TO REACH DEVELOPMENT
- ☐ WOULD BUTT UP AGAINST THE NEW VISTA INFRASTRUCTURE AND PHASE 1 & 2 AREAS OF DEVELOPMENT AND GIVE MAXIMUM EXPOSURE TO ALL DEMOGRAPHICS AND CONSTITUENTS OF THE GREATER TRI-CITIES REGION
- ☐ DESIGN TEAM SHOWS (NEXT SLIDE) HOW THE FLOW OF THE POTENTIAL 1ST PHASE DEVELOPMENT AND DAVISTA CAN COLLOBORATE, PROMOTE AND SHOWCASE THE FUTURE OF GROWTH TOGETHER.

WHERE ARE YOU PROPOSING “DAVISTA” AT?





DEVELOPER



DESIGN TEAM



CONSTRUCTION

WHO IS INVOLVED SO FAR

WHAT DERRICK NEEDS; THE ASK

- HAVE THE PORT ASK THE DPZ EXPERTS ABOUT THIS PROPOSAL AND WHAT THEIR THOUGHTS ARE ON IT
- PORT COMMISSIONERS TO ALLOW PORT STAFF AND DAVISTA (DERRICK) 45 DAYS OF DUE DILIGENCE TO SOLVE PROJECT FEASIBILITY AND LEASE TERMS THAT COULD FIT THIS PROJECT AND THE OVERALL VISTA FIELD MASTER PLAN



WHY THIS PROJECT SHOULD AT LEAST BE DISCUSSED WITH PORT STAFF?

- ❑ COULD BE LARGE COMMUNITY WIN DURING PANDEMIC THAT FITS THE NEW 2020 BUSINESS MODEL THAT ACCOUNTS FOR COVID
- ❑ WILL DRIVE PRIVATE SECTOR MOMENTUM 3X TOWARD VISTA FIELD DEVELOPMENT
 - ❑ VISTA PROJECT IS GREAT BUT THE PRIVATE DEVELOPERS HAVE TAKEN A HIT FROM COVID; WILL TAKE TIME TO BUILD UP TO PRE-COVID SCALE
- ❑ WILL CREATE MORE LAND VALUE TO THE TAX PAYERS OF THE PORT FOR PHASES 1,2 & 3
- ❑ WILL TAKE ADVANTAGE OF CURRENT CONVERSATIONS WITH PORT STAFF AND DPZ TO SEE IF THIS PROJECT ALIGNS WITH THE FUTURE OF VISTA
 - ❑ WILL NOT BURDEN THE PORT STAFF OR DPZ SINCE I BELIEVE THIS IS IN THE “WHEELHOUSE”
- ❑ DAVISTA PROJECT FILLS MULTIPLE VENUE GAPS IN OUR MARKET W/O PROPOSING A LARGE DOLLAR DEVELOPMENT THAT HAS HIGH ODDS OF FALLOUT

WHY DERRICK?

DESIGNATIONS

BA: ECONOMICS

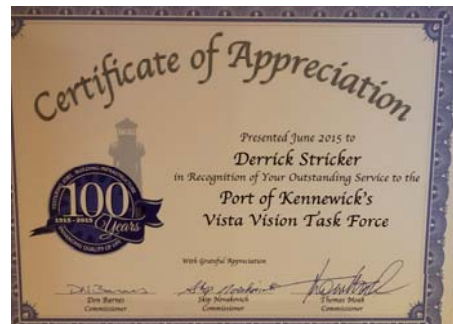
MBA: FINANCE

CCIM DESIGNEE

SIOR



PROFESSIONAL AFFILIATIONS



2018 NAI Global SIOR Top Deals



Scott Martin
NAI Capital
Pasadena CA Market
Top 50 Office
Deals by Sq Ft



Jason Sundook
NAI
West Palm Beach FL Market
Top 50 Office
Deals by Sq Ft



Neil Merin
NAI
West Palm Beach FL Market
Largest Dollar Volume
Transaction (Investment)
Top 50 Office
Deals by Sq Ft



Arie Salomon
NAI
Seattle WA Market
Top 50 Industrial
Deals by Sq Ft



Bjarne Bauer
NAI
Shanghai, China Market
Top Industrial
Investment



Derrick Stricker
NAI Tri-Cities
Richland WA Market
Top 50 Office
Deals by Sq Ft

Congratulations to Our NAI Professionals



CONTACT

- THANK YOU FOR YOUR TIME. I BELIEVE IN THIS PROJECT AND WOULD LIKE SOME TIME WITH PORT STAFF TO SHOWCASE TO THE COMMISSIONERS A PROPOSAL THAT CAN BE INCORPORATED INTO OUR COMMUNITY THIS FALL.

DERRICK J. STRICKER

509.430.8533

DERRICK@STRICKERCRE.COM

