



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 24, 2014 MINUTES

CALL TO ORDER

Commission President Don Barnes called the Commission meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

Board Members: Don Barnes, President
Skip Novakovich, Vice-President
Thomas Moak, Secretary

Staff Members: Tim Arntzen, Executive Director
Tana Bader Inglima, Director of Governmental Relations & Marketing
Tammy Fine, Director of Finance/Auditor
Amber Hanchette, Director of Real Estate & Operations
Larry Peterson, Director of Planning & Development
Bridgette Scott, Executive Assistant
Lisa Schumacher, Special Projects Coordinator
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Byron Martin led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

COMMISSIONER COMMENTS

No comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

- A. *Approval of Direct Deposit and Warrants Dated June 19, 2014***
Direct Deposit and Epayment totaling \$31,182.03 and Expense Fund Voucher Numbers 35754 and 35755 totaling \$1,546.85; for a grand total of \$32,728.88.
- B. *Approval of Warrant Register Dated June 25, 2014***
Expense Fund Voucher Numbers 35756 through 35811 for a grand total of \$98,101.44.
- C. *Approval of Commission Meeting Minutes dated June 10, 2014***

PUBLIC COMMENT

No comments were made.

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



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PRESENTATION

A. City of Richland

Mr. Arntzen and Mr. Peterson have had a series of meetings over the past few years with Bill King from the City of Richland. During these meetings we share information, discuss Spaulding Business Park, and try to identify projects to work on with the City of Richland, which lie in the Port of Kennewick boundaries. Recently, we have identified some potential projects and are creating a list to share with the Commission. The city has expressed interest in assisting the port in finding joint projects.

Mr. Peterson stated the 2014 Work Plan identified a potential acquisition in Richland, not site specific, but an investment in projects. The Spaulding Business Park is nearing successful completion.

Mr. Barnes would like to hear from Mr. Schiessl regarding ideas, suggestions, and areas to take into consideration. It would be prudent for both organizations to look ahead and see what possibilities exist in the city of Richland.

Mr. Schiessl stated it is very early in our conversations, however, with the success of the Spaulding Business Park, the Richland Wye and Island View, our partnership has been wonderful for each entity and the taxpayers. The city looks forward to future partnerships with the port which will have mutual benefit for both entities. In the past, we have had good success with a joint City Council and Port Commission meeting and as we narrow down the ideas, we can schedule a joint meeting. Mr. Schiessl and Mr. Arntzen will look at the calendar and schedule one for early fall.

Mr. Arntzen and Mr. Schiessl will continue to look for more projects, create a rough agenda, and report back to their elected officials.

Mr. Novakovich inquired if it is the goal to identify a project for 2014, since the 2014 Work Plan states as such.

Mr. Arntzen would like to see several projects identified by the end of 2014. Staff would like to start modestly and continue looking for in-depth projects for the future. There may even be a preferred project both staff would recommend to the Council and the Commission.

The Commission is receptive to a joint project and looks forward to advancing the process.

REPORTS COMMENTS AND DISCUSSION ITEMS

A. Report from West Richland Economic Development Committee Joint Chairs

Mr. Novakovich reported that a number of years ago, the port and West Richland created a joint economic development committee, which meets periodically to discuss potential joint projects. At the recent meeting, the discussion focused on the racetrack property and the 2015 Work Plan; however, at this time, it will depend on the Urban Growth Application (UGA) status. Mr. Novakovich believes we are headed in the right direction and the committee has vision and brings bright ideas. After several years of meeting, Mr. Novakovich believes the raceway project is what



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we need to focus on. The Committee recommends scheduling a joint meeting to update the elected bodies.

Mr. Connole, City of West Richland Community and Economic Development Director, reported the committee is moving forward with the wine effluent treatment facility, which is currently under design, and slated to start construction in the winter of 2014 and be completed by June 2015. Mr. Connole and Ms. Stickney met with the Benton County Planning Department and the UGA expansion report will go before the Planning Commission on July 8, 2014. Mr. Connole is optimistic the UGA will move forward and would like to continue moving forward with the great partnership with the port and the development of the raceway.

Mr. Novakovich reported the Port is currently developing Columbia Gardens and recommends a joint meeting with City of Kennewick, City of West Richland, the port, and potentially the Aquilini Group. Mr. Novakovich stated that it is important that the public is aware that the two projects will not compete against each other, but will complement each other.

Mr. Barnes inquired what the next step will be for West Richland, after the July 8, 2014 presentation before the Benton County Planning Commission.

Mr. Connole conveyed there is an approximate sixty day review period through the Department of Commerce, which would allow for public comment on the application. The Planning Commission will then make a recommendation to the Benton County Commissioners, and after the sixty day review period, a Benton County Commission meeting will be scheduled. At this time, we do not have specific dates available.

Mr. Moak inquired when the design work by Oneza and Associates should be completed.

Mr. Peterson stated Oneza is working towards a July 31, 2014 deadline. Initially, it was due late June, however, there have been adjustments made to the road layout and pattern, which will allow for more acreage for development and less for road construction cost. The design will be completed in advance of the decision regarding the UGA from the Benton County Commissioners.

B. Wine Industry Report

Ms. Bader-Inglima introduced Mr. Ken Robertson, an expert in the wine industry, who has been working with the port for the past six months promoting the Columbia Gardens and the Willows properties. While traveling to wine events or judging, Mr. Robertson has been sharing the news about future port plans and has been researching industry needs and getting feedback from wine growers, makers and sellers.

Mr. Robertson reported it has been nearly six months since he agreed to work with the Port of Kennewick staff to help promote the redevelopment of port property along Columbia Drive in Kennewick. Since then, he has traveled roughly 1,500 miles on trips which included discussing the port's plans with dozens of wine industry officials from three Northwest states, attending the Washington Wine Grape Growers Annual Convention and serving as a judge at wine competitions



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in Cannon Beach, Oregon, Walla Walla, Kennewick and Wenatchee.

Despite the national recession that has slowed our region's economy since 2007, the Pacific Northwest's wine industry remains healthy and is thriving. In Washington, for example, there are 800-plus wineries and 350-plus wine grape growers. The wineries crushed a record 210,000 tons of grapes in 2013, an increase of 12 percent. Even with the increase, Columbia Crest moved its popular Two Vines label, an inexpensive line of wines from using Northwest grapes to using California juice because demand outstripped the Northwest supply. Oregon, Idaho and British Columbia all are seeing similar growth. Oregon is approaching 500 wineries and 1,000 vineyards, according to the recent estimates available. Grape production has more than doubled from 2007 to 2013, even though thousands of those acres were less than four years old and had not reached peak production. And the number of wineries grew by 60 percent in six years, even as the region's two giants, Columbia Crest and Chateau Ste. Michelle, added tens of thousands of cases to their annual production.

The state's four most planted grape varieties — Cabernet Sauvignon, Chardonnay, Riesling and Merlot — form the backbone of our Mid-Columbia's grape-growing industry and the demand and prices paid for all four of those grapes continues to surge. Throughout the region, industry officials are optimistic about the future and expect these trends to continue. Washington State University, Columbia Basin College, Walla Walla Community College and Yakima Valley Community College, for example, all are expanding their wine programs, even with tight budgets on every campus statewide.

One of the hottest trends in the state and region is what might be called "clustering." Wineries have discovered that although there are travelers who want to explore wine country and visit the agricultural areas where the grapes are grown, there are tens of thousands of people who want to have all their experience in a compact area with little or no need to travel. We consequently have seen mini-clusters develop in the Tri-Cities, such as Barnard Griffin, Bookwalter and Tagaris, and in Woodinville, there are 75 wineries, 43 tasting and three wine bars.

These factors, indicate the port site, with the location that is adjacent to the Columbia River and Duffy's Pond waterfront, offers a setting that, once developed, will be highly attractive to tourists, especially if it also attracts such tourist amenities as restaurants, small hotels/motels and specialty food vendors. The existing and anticipated infrastructure — effluent treatment, an adjacent state highway, warehousing and appropriate zoning, combine to give the port and the city a unique redevelopment opportunity.

Mr. Novakovich inquired if wineries are purchasing juice from California, will there be enough land in the future to grow the grapes. Mr. Robertson believes the issue will be with water, not land.

Mr. Novakovich further inquired if the Department of Ecology is restricting Red Mountain and the treatment process for the wine effluent and asked if there will come a time when the wineries on Red Mountain would rather utilize the land for grapes, rather than treating the waste.



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Mr. Robertson stated he had a conversation with a representative from the Aquilini Group, who purchased a portion of land at Red Mountain. Mr. Robertson explained that the group had invested a lot in the real estate and inquired whether a winery would best serve their purpose, by taking acreage for production, parking lots, crush pads and more. The Aquilini representative stated they would need to look at the land and see what is developable. The representative further stated, why would we take land that would produce substantial revenue for an activity that can be done elsewhere? There are processes in wine production that can be handled remotely and there is a possibility that wineries on Red Mountain may choose to go elsewhere to process their grapes. This positions the raceway property to be the facility to handle the processing for those wineries.

Mr. Novakovich stated that Columbia Drive and the raceway property would complement each other. The raceway would be the ideal destination for warehouses, production facilities, where the larger wine effluent treatment facility would be located. This would complement what the Port is trying to do on Columbia Drive, as far as the clustering for the small boutiques.

Mr. Robertson stated the bigger wineries are destination sites with all the amenities within the facility, however, the boutique wineries need other attractions and specialties to bring in the tourists, like what the Port is trying to accomplish on Columbia Drive.

Mr. Barnes inquired if Mr. Robertson has heard of any mistakes to avoid. Mr. Robertson reported the only issue he has seen, is when a winery operator is boxed in and cannot expand, or does not receive enough exposure.

Mr. Barnes thanked Mr. Robertson for the very informative and interesting presentation.

Mr. Arntzen stated that the port is currently working with two jurisdictional partners for wine effluent treatment facilities, and the challenge is to make sure the projects don't unnecessarily compete. Mr. Arntzen believes the Kennewick site should have a cluster of amenities to create momentum, while West Richland will be marketed to larger operations. There is a need to create a division and a level of understanding with our partners and emphasize the vision of each project is different and will complement each other. Mr. Arntzen stated it will be a decision of the Commission, to determine the Port's role with these two properties. He further stated his goal is to create a vision that is acceptable, and have two projects that occupy different niches in the industry, which will complement one another.

Mr. Novakovich stated it is a good time to get our jurisdictional partners and possibly the Aquilini group together, and explain in a concise manner that the projects are complimenting each other, not competing.

Mr. Arntzen conveyed the importance of making contact with Kennewick, West Richland and the Aqualini group. As Mr. Robertson stated earlier, the Aqualini Group may be looking to move down to the racetrack property and build a winery. Mr. Arntzen will be making contact with the group in the near future.

Mr. Moak echoed the importance of what we do with racetrack should be supportive of the plans



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for Red Mountain and the wine industry, to create an economic force that can assist the Tri-Cities in its growth. The port needs to take advantage of the prime location of the racetrack property and work with Kennewick, West Richland and Red Mountain.

Mr. Arntzen would like to engage in discussions with the Aquilini group and investigate their proposed plans. The port wants to be supportive of the private sector and does not want projects to overlap. If the private sector intends to create projects on Red Mountain and there is a viable plan, perhaps the port should step back until we have further information.

C. Approval of Contract with Thornhill Architects for Design Services for the 421 Columbia Drive Project; Resolution 2014-13

Mr. Peterson introduced Resolution 2014-13, a contract for design services with Terence Thornhill. The 2013 Interlocal Agreement between the Port of Kennewick and City of Kennewick included a commitment by the port to construct or remodel buildings to accommodate boutique and small scale and wineries. The Port has been working with R. Gary Black of Integrated Structures Inc. to update the Columbia Gardens layout concept and produce preliminary design plans for four buildings eventually to be constructed at the 421 East Columbia Drive site. Upon completion of these 30% plans in early July 2014, a local design team would add the detail necessary to obtain building permit approval and provide the biddable construction documents necessary to solicit bids from general contractors. The design work involves three buildings, with an anticipated construction budget and site work of \$1,800,000. The Professional Services Roster was reviewed and Thornhill Architect's was deemed the best firm to complete the task of developing biddable construction documents. Terence Thornhill, Architect Inc. P.S. proposed to complete all design work, produce biddable construction documents and provide construction oversight, in an amount not to exceed \$216,000.

Mr. Thornhill reported that Mr. Arntzen and Mr. Peterson approached him late last year and discussed winery design, tasting room design and production facility design. Mr. Thornhill has designed for a number of facilities around the region, most notably, Heaven's Cave Cellars in Patterson. Mr. Thornhill indicated that winery design and production design has been a passion for the past fifteen years and he has taken six separate trips to Napa to study the design aspects and the amenities that go along with production.

PUBLIC COMMENT

No comments were made.

Mr. Novakovich expressed his excitement of seeing the project come to fruition. After working on the Bridge to Bridge project for the past twelve years, it is wonderful to see a project moving forward and slated for completion in 2015. He believes Mr. Thornhill will do an excellent job.

MOTION: Commissioner Novakovich moves for approval of Resolution 2014-13 authorizing the Port's Executive Director to execute the contract with Terence L. Thornhill, Architect Inc. P.S. for architectural and engineering services for the design of the Port's Columbia Gardens Wine Business Development Buildings, for a sum not to exceed \$216,000. Commissioner Moak seconded.



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Discussion:

Mr. Moak inquired what will be completed in July 2015.

Mr. Peterson reported following:

- 1. Three new buildings will be constructed*
- 2. The 421 building will be demolished*
- 3. A portion of the quiet street will be continued*
- 4. The pathway from Duffy's pond will be completed*
- 5. Street and landscape improvements*
- 6. Installation of art object*

Mr. Moak asked Mr. Peterson if he anticipates the three buildings will be leased or occupied by July 2015.

Mr. Peterson stated staff will actively market the space once we have an executed contract for construction. Once the buildings are framed, it is easier to market, as people like to see the space versus the paper plans.

Mr. Moak inquired of the city's schedule for the wine effluent treatment space.

Mr. Peterson explained the city is shooting for a completion date of September 2015, which is slightly ahead of crush. The city hopes to be able to work with the occupants that will be located in the new buildings.

Mr. Novakovich asked Mr. Peterson when the city planned to complete the streetscape.

Mr. Peterson explained the pathway and some minor pavement activity should be completed this fall, however, the planting would be late February and early March of 2015.

Mr. Barnes stated it is gratifying to see the Columbia Drive redevelopment become more tangible. Mr. Barnes concurs with Mr. Peterson, when marketing buildings, it is easier, when you have tangible, framed buildings for people to see.

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

D. Approval of Contract with Strategic Construction Management to Perform Construction Management Services for the 421 Columbia Drive Project; Resolution 2014-14

Mr. Peterson introduced Resolution 2014-14, a contract with Strategic Construction Management, to perform construction management services for the 421 Columbia Drive project. Considering the complexity and uncertainties of the 421 building project and the other important tasks currently undertaken by Port staff, the need for additional assistance to represent the Port during the design process was identified. By enlisting Mr. Robison's expertise, Mr. Peterson will be able to stay focused on the efforts for the overall Columbia Garden's master plan formalization, while also working on the Vista Field master plan. Strategic Construction Management, Inc. proposed



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to provide oversight of the design team assisting the Port in assuring scope, schedule and budget remain on track for the not to exceed amount of \$58,308. This proposal represents approximately 3% of the anticipated construction costs and is reasonable, especially when the complexity of the task is understood.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Novakovich moved for approval of Resolution 2014-14 authorizing the Port's Executive Director to execute the contract with Strategic Construction Management, Inc. for architectural and engineering services for the design of the Port's Columbia Gardens Wine Business Development Buildings, for a sum not to exceed \$58,308. Commissioner Moak seconded.

Discussion:

Mr. Barnes believes this a prudent step for port staff to take with our ambitious projects on the horizon. We have finite personnel resources and when there are peaks in work load, it makes perfect sense to bring outside help, on a short term basis, to assist with projects. Mr. Barnes understands that Mr. Robison has worked with port previously on the Oak Street Project and believes it is a positive step for the board to take and an excellent use of port resources.

Mr. Novakovich concurs with Mr. Barnes, this is a prudent step to hire Strategic Construction Management, Inc. as we have limited staff and are undertaking many large projects. Mr. Novakovich further stated, the future of the Tri-Cities economic development depends on the port and to utilize outside sources, when necessary, for a short period of time, makes sense.

Mr. Arntzen stated Mr. Robison works very well with port staff, and is familiar port procedures. He has performed admirably and has a good way of getting to issues quickly. Mr. Arntzen indicated his high respect Mr. Robison and his work ethic.

Mr. Novakovich asked Mr. Thornhill if he had ever worked with Mr. Robison. Mr. Thornhill replied he had not worked with him specifically, but has worked with several project managers that are owner representatives and believes this is a benefit to the port.

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

E. Approval of a Land Sale to Agrium U.S. Inc.; Resolution 2014-15

Mr. Peterson introduced Resolution 2014-15, Agrium U.S. Inc. has offered to purchase 12.64 acres located at the Twin Tracks Industrial Area for \$75,000.00. This property is graphically depicted on *Exhibit "A-1"*. Agrium U.S. Inc. operates a bulk fertilizer mixing facility with more than 55 employees on the adjacent 52 acres and desires to secure these properties to aid their continued operation and preserve expansion opportunities.

The property involves three tax parcels with a 4.55 acre parcel north of the USACE drainage canal that was reserved from a previous land sale to Columbia Col-Stor for the future northerly extension of Piert Road. Benton County has since constructed the Piert Road extension just to the



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east of this parcel thereby negating the need to retain the land for the Piert Road extension. The purchase and sale agreement contains provisions to assure Columbia Col-Stor would be allowed access through the parcels to both the UP spur line and Piert Road.

The sale also involves two parcels comprising an 8.09 acre parcel directly south of the Agrium site, sloping downward to the USACE center point of drainage canal which forms the southern border of the parcels. The purchaser understands 1.35 acres of the 8.09 acre site is encumbered by a USACE drainage easements.

The 2011 Comprehensive Scheme of Development identified these parcels as surplus to the port's needs. Considering the intent of the buyer to preserve present production capacity and retain the opportunity for expansion, this sale as negotiated does not contain a construction requirement or repurchase provision.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved approval of Resolution 2014-15 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Agrium U.S. Inc. and to take all other action necessary to close this transaction. Commissioner Moak seconded.*

Discussion:

Mr. Moak inquired what property on Exhibit A, the port owns.

Mr. Peterson indicated the port owns approximately 160 acres, referred to as the Twin Tracks Area.

Mr. Moak confirmed that the Port's vision calls to retain the remaining property.

Mr. Peterson confirmed that the Port has divested of the fragmented agricultural properties and will hold the remaining Twin Tracks properties and the Hedges peninsula, for long term economic development.

Mr. Barnes believes this is a great move as it is clearly an irregular shaped piece of property that is dissected by railroad tracks and a road, and if Agrium has use for it, it makes sense to sell.

Mr. Peterson added, in the purchase and sell agreement, Agrium will allow Columbia Col-Stor access to the rail and Piert Road. Agrium indicated they want to be a good neighbor to Columbia Col-Stor.

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



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F. Vista Vision Task Force

1. Appointment of Task Force Members and Approval of Rules and Procedures; Resolution 2014-16

Mr. Peterson introduced 2014-16, the appointment of the Vista Vision Task Force members and approval of rules and procedures. Over the last few months the commission has discussed the formation of the Vista Vision Task Force (VVTF) to provide guidance on the master plan process and other directly-related matters as assigned in writing by the Port Commission. The individuals identified at the June 10, 2014 meeting have been contacted and are willing and excited to participate. The City of Kennewick and Benton County have agreed one elected person from each organization will represent their entity.

It is anticipated the VVTF will provide an opportunity for public participation in guiding the future of Vista Field, primarily through the master planning process. Therefore, the duration of the VVTF will be limited, serving only until the acceptance of the Master Plan by the Commission. The VVTF will not be authorized to take action, make policy, enter into financial or other obligations on behalf of the Port, or in any way incur any liability or obligation on the part of the Port.

PUBLIC COMMENT

Barb Carter, 3907 South Dennis Street, Kennewick. Ms. Carter presented the Vista Vision Task Force concept to the Art's Commission, who is excited and supportive of the task force. Ms. Carter indicated that the Art's Commission has put the task force meetings on their monthly agenda and will have a representative, as part of the public, at each task force meeting, to be involved and support the Commission. The Art's Commission likes the idea that the Port Commission is taking their time, doing it well, and getting input from the entire community.

No further comments were made.

MOTION: Commissioner Moak moved for approval of Resolution 2014-16, establishing the Vista Vision Task Force as set forth herein. Commissioner Novakovich seconded.

Discussion:

Mr. Novakovich stated at last meeting, Mr. Frost expressed his desire to have a transportation representative on the task force list and after much consideration, Mr. Novakovich agrees with Mr. Frost. The Bridge to Bridge project was funded by the City, Port and Ben Franklin Transit and believes that Ben Franklin Transit could bring a lot of resources to the table and asked the Board to consider adding Ben Franklin Transit to the task force list.

Mr. Barnes stated the point is well taken and the Board should try to get it right and to add an additional representative to the task force would be a minor correction. He inquired if Mr. Novakovich cared to amend the Motion.

MOTION: Commissioner Novakovich amended the motion to add a sixteenth member to the Vista Vision Task Force, appointing the General Manager of Ben Franklin Transit. Commissioner Barnes seconded the amendment.



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Discussion.

Mr. Moak believes that all areas are important, but when the task force is addressing transportation issues, that would be the appropriate time to involve the transit general manger. Mr. Moak does not object to the new manager, but does not believe it is the best use of the new manager's time.

Mr. Novakovich expressed his desire to add the general manager and believes transit can contribute ideas and resources to the table, such as financial grants.

Mr. Barnes believes the magnitude of this project will take many years, and the addition of one member to the task force is acceptable. Mr. Barnes stated he too would like to see a representative from Ben Franklin Transit.

With no further discussion, all in favor of the amendment to Resolution 2014-16, adding the Ben Franklin Transit Manager to the Vista Vision Task Force list, motion carried, 2:1. Ayes: Commission Novakovich and Commissioner Barnes; Nay: Mr. Moak.

Mr. Novakovich expressed his appreciation for adding the transit member and believes it is a blue ribbon committee.

Mr. Barnes concurs with Mr. Novakovich, and believes the task force is made up of diverse individuals, who are community and regionally minded. Mr. Barnes looks forward to hearing from the task force and emphasized and reiterated that every citizen who is not part of the advisory committee will have an opportunity to be heard and attend all meetings. Mr. Barnes stressed that the port values the community's opinions and their input is crucial.

Mr. Moak stated that there are sixteen great people with a specific job and looks forward to working with the task force. He hopes they will be able to help shape the vision of Vista Field and create a product can move the community forward.

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

Mr. Barnes called for a Recess of the Regular Commission Meeting at 3:28 pm.
Mr. Barnes reconvened the Regular Commission Meeting at 3:36 p.m.

REPORTS COMMENTS AND DISCUSSION ITEMS

A. Columbia Gardens Redevelopment Timeline

Mr. Peterson provided an update on the Columbia Gardens Redevelopment Timeline to the Commission.

PHASE #1 TIMELINE (pending Commission approval)

- June 24, 2014: Engage Architectural & Engineering team (Mr.Thornhill)
- June 24, 2014: Engage Construction management/owners Representative (SCM)
- July 3, 2014: 30% plans due from ISI (Gary Black)
- July 10-11, 2014: ISI (Gary Black) Charrette with Mr. Thornhill; transfer 30% design



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concepts

- July 21, 2014: 211 and 421 building asbestos abatement project put to bid
- July 30, 2014: 211 and 421 building asbestos Abatement bids due
- August 11, 2014: 219/221, 305 and 307 buildings asbestos abatement and demolition put to bid
- August 21, 2014: 219/221, 305 and 307 buildings asbestos abatement and demolition bids due
- August 29, 2014: 211 & 421 Asbestos Abatement completed
- October 10, 2014: Plans submitted to City for review and approval
- October 15, 2014: 219/221, 305 and 307 buildings asbestos abatement and demolition completed
- October 19, 2014: Project advertised for bid
- October 20, 2014: Plans available to contractors at Port office & local Plan Centers
- October 27, 2014: Comments received from City and addendum issue if necessary
- November 12, 2014: Bids due
- November 18, 2014: Bid awarded to lowest responsible bidder
- December 1, 2014: Pre-Construction meeting and Notice to Proceed issues
- December 2, 2014: Demolition commences
- July 31, 2015: Construction complete, Certificate of occupancy issued

Mr. Peterson stated the budget of \$1.3 million dollars is consistent with the Interlocal Agreement with the City of Kennewick. He further stated, realistically, the working budget for the three buildings, site work, crush pads, and outdoor seating along Duffy's Pond, will cost approximately \$1.8 million dollars. It is important to make a significant, first investment to be impactful. Also, once the size of the wine effluent treatment shell is identified, there will be an additional \$250,000-\$350,000 expense.

Mr. Arntzen indicated that Ms. Bader Inglima has been involved with the redevelopment as well.

Ms. Bader Inglima stated City of Kennewick staff has been fabulous to work with. Ms. Bader Inglima and Ms. Walsh have been working with landscaper, Marty Zollner, to develop a plan that will meet the requirements set forth by the city and staff. The city has received the permit and permission from the U.S. Corps of Engineers to move forward with the trails. The trail is a key element to get in place, prior to the upland pieces, so we are not working around buildings in the future. Staff is working on lighting requirements and placement as well. Ms. Bader Inglima stated we have a very supportive partner in the city and she is excited to move forward.

Mr. Barnes inquired if the \$1.8 million dollars is in line with our budget, to create an impactful first step.

Mr. Peterson conveyed the \$1.8 million is within the port's capabilities; however, our current 2014 Budget identifies \$1.3 million dollars for the project. Since most of the construction will take place in 2015, there will be carryover dollars from 2014. The Commission should be prepared to make the financial commitment for 2015, and allocate funds to the project.



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Ms. Fine indicated the Port has the funds for the project.

Mr. Novakovich inquired about the cost of the wine effluent (EFT) shell.

Mr. Peterson stated at this time the city has not defined the size of the EFT shell. Gary Black and the design team is currently working with city to scale appropriately. Since the EFT capacity has been identified, the building could be approximately 2,500 square feet. As we move forward in the design, staff will be able to bring back better numbers for the 2015 Budget.

Mr. Barnes commends staff for working with the city to revisit the capacity of the EFT building and verified that the EFT building could be added on to in the future.

Mr. Peterson stated that once the building is plumbed, the city has the potential to increase the size or add buildings on the south side.

B. Vista Field Corporate Hangar Interim Use

Ms. Hanchette reported that the port currently owns two buildings at the Vista Field site, former corporate hangars, B and C. Building B is currently being reserved for port activities related to Vista Field, however, building C is available for lease. The Commission has set certain parameters for the site, which include a two year or less lease and no tenant improvements are available. The space was recently rezoned from public facilities use to commercial regional use and is available to lease as an office. A local construction company has submitted a lease application and would like to utilize 4,500 square foot building for office space. Currently, this company employs eight people and indicated they would use the 3,500 square foot garage space for office spaces, and also indicated their need for parking work trucks and trailers outside the building. Ms. Hanchette would like further guidance from the Board regarding the parameters for use of the space.

Mr. Arntzen stated when there is a project of special significance, such as Vista Field, he likes to bring back to the Board for guidance. Mr. Arntzen asked for further parameters the Board might consider and come up with a list of types of businesses to lease to.

Mr. Novakovich believes delegating leases to Mr. Arntzen is a great idea, but feels he may need further direction from the Board. Mr. Novakovich expressed his desire to lease to the type of businesses we would like to see at Vista Field when it is fully developed. He further stated, that should be the criteria for Mr. Arntzen to use when determining what type of businesses to lease to. The port needs set a precedence for Vista Field and this is the perfect time to show the public what Vista Field can become in the future.

Mr. Arntzen understands the Commission's concern in regards to public perception and he would pass up potential revenue if it were not the right tenant for Vista Field.

Mr. Novakovich expressed the public perception far outweighs potential income. Mr. Novakovich stated he trusted Mr. Arntzen and his judgment, and suggested he base it off the future criteria of Vista Field.



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JUNE 24, 2014 MINUTES

Mr. Moak is very concerned about the airport property and public perception. He believes those spaces should be utilized for businesses with minimum visibility or indoor storage.

Mr. Barnes agrees with Mr. Moak regarding the visibility from outside, however, if there are port protections prohibiting outside storage and there is sufficient revenue, he feels a short term lease would be viable. Mr. Barnes trusts Mr. Arntzen's judgment and agrees with Mr. Novakovich, that we should look for businesses that are more in line with the redevelopment.

Mr. Arntzen appreciates the board's comments and will use the criteria the board has set forth.

C. I-502 Update

Ms. Luke reported on the I-502, recreational marijuana business: retail processors and growers and what steps the port may wish to take action on. At this time, the state is currently issuing licenses, and the City of Kennewick has a moratorium in place through October. The city is considering bringing forth action to ban these businesses within city limits. City of Richland and West Richland still have temporary bans in place, however, Benton County is the only entity allowing recreational marijuana related businesses. Ms. Luke is currently monitoring a City of Wenatchee lawsuit that is in the very early stages, which could potentially open the door to a court ruling of whether the federal government can pre-empt Washington State Pot law. Ms. Luke will update the Commission in the fall, closer to when the moratoriums are lifted or extended.

D. Confederated Tribes of the Umatilla Indian Reservation (Tim)

Mr. Arntzen reported the port received a thank you card from the Confederated Tribe of the Umatilla Indian Reservation (CTUIR) for supporting their Coyote Business Park North. The port is continuing on the path of positive relationships with the CTUIR.

E. 2015 Work Plan/2015 Budget

Mr. Arntzen stated this is a good time for the board and staff to begin creating a list of projects to be nominated for the 2015 Work Plan. Mr. Arntzen proposes the 2015 Work Plan mirror the 2015 budget and include; large projects, such as Columbia Drive, outreach for Vista Field, the 1135 project, and new projects such as the West Richland raceway. Mr. Arntzen stated there are numerous possibilities and be sure to consider the budget carefully. Mr. Arntzen would like to see the public participate as well and believes this will be an exciting year with our current board.

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

Commissioners reported on their respective committee meetings.

G. Non-Scheduled Items

1. Mr. Barnes reported that he has been approached several times regarding the Columbia Gardens name. Numerous people have voiced their displeasure with name, stating it sounds like a funeral home. Mr. Barnes understands it is the legal lot description name, but inquired whether the port would consider renaming the project.

2. Ms. Luke reported the prior employee matter has been successfully resolved.

PUBLIC COMMENT



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JUNE 24, 2014 MINUTES

No comments were made.

COMMISSIONER COMMENTS

No comments were made.

Mr. Barnes anticipates the Executive Session will last approximately 20 minutes, for Real Estate, per RCW 42.30.110(1)(c) with no action anticipated. Mr. Barnes asked the public to notify Port staff if they will return after the executive session.

Mr. Barnes recessed the Regular Commission Meeting at 4:30 p.m.

Mr. Barnes convened the meeting into Executive Session at 4:32 p.m. for approximately 20 minutes.

EXECUTIVE SESSION

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

Mr. Barnes adjourned the Executive Session 4:47 p.m.


After verifying the public was not waiting, the Regular Board meeting reconvened at 4:48 p.m. with no action taken.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:48 p.m.

PORT of KENNEWICK
BOARD of COMMISSIONERS

APPROVED:


Don Barnes, President


Skip Novakovich, Vice President


Thomas Moak, Secretary

PORT OF KENNEWICK
RESOLUTION 2014-14

**A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS
APPROVING A PROPOSAL BY STRATEGIC CONSTRUCTION MANAGEMENT, INC. TO
PERFORM CONSTRUCTION MANAGEMENT WORK FOR THE PORT'S COLUMBIA
GARDENS WINE BUSINESS DEVELOPMENT BUILDINGS**

WHEREAS, the 2013 interlocal agreement between the Port and City included a commitments by the Port to construct or remodel buildings to accommodate boutique and small scale and wineries; and

WHEREAS, the Port desires to contract with a construction management firm to assist on the oversight of the design and construction of the Port's Columbia Gardens Wine Business Development Building, and staff has reviewed qualifications of three construction management firms; and

WHEREAS, Strategic Construction Management, Inc. has demonstrated their abilities to oversee Port and public agency projects with a focus on constructability and cost savings; and

WHEREAS, Strategic Construction Management, Inc. has presented a proposal to perform the desired service for the sum of \$58,308, which represents approximately three percent (3%) of the estimated cost of the project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick does hereby approve the proposal by Strategic Construction Management, Inc. to provide construction management services for the Port's Columbia Gardens Wine Business Development Buildings, in an amount not to exceed \$58,308.

BE IT FURTHER RESOLVED that the Executive Director is authorized to sign any contract documents necessary to implement the work of Strategic Construction Management, Inc.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 24th day of June 2014.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____


DON BARNES, *President*

By: _____


SKIP NOVAKOVICH, *Vice President*

By: _____


THOMAS MOAK, *Secretary*

PORT OF KENNEWICK
RESOLUTION 2014-15

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK
AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH AGRIUM U.S. INC.**

WHEREAS, Agrium U.S. Inc. (Purchaser), has offered to purchase 12.64 acres of the area graphically depicted on *Exhibit "A"* at the Twin Track Industrial Area, in Kennewick, Washington from the Port of Kennewick (Seller) for the of sum of \$75,000; and

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

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

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves Resolution 2014-15 authorizing the Port's Executive Director to execute a Purchase and Sale Agreement with Agrium U.S. Inc. in the sum of \$75,000 and hereby authorizes the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

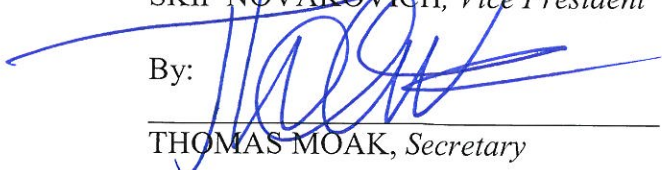
BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port's needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 24th day of June 2014.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: 
DON BARNES, *President*

By: 
SKIP NOVAKOVICH, *Vice President*

By: 
THOMAS MOAK, *Secretary*

AGRIUM U.S. INC Land Sale



PORT OF KENNEWICK
Resolution No. 2014-16

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK
APPOINTING THE VISTA VISION TASK FORCE**

WHEREAS, staff has proposed the formation of a citizen's task force of community stakeholders to provide guidance related to Vista Field redevelopment and other limited issues; and

WHEREAS, each member of the task force is willing to serve and can provide valuable input.

NOW, THEREFORE; BE IT HEREBY RESOLVED the Board of Commissioners of the Port of Kennewick hereby appoints the following members to the Vista Vision Task Force (VVTF) to serve under the terms of the Rules of Procedure, attached hereto as "Exhibit A"; and further authorizes the Executive Director to take all action to implement this Resolution.

The following individuals shall comprise the membership of the VVTF:

1. City of Kennewick (Will appoint an elected)
2. Benton County (Will appoint an elected)
3. Chuck Freeman, Kennewick Irrigation District
4. Kris Watkins, Tri-Cities Visitor & Convention Bureau (TCVCB)
5. Carl Adrian, Tri-City Development Council (TRIDEC)
6. Lori Matson, Tri-City Regional Chamber of Commerce
7. Barb Johnson, Columbia Center Mall/Kennewick Public Facilities District
8. Rich Cummins, Columbia Basin College
9. Gary Spanner, Pacific Northwest National Laboratory/Economic Development
10. Derrick Stricker, Young Professionals of Tri-Cities (YPTC)/Real Estate
11. Traci Jao, Citizen at Large/Real Estate
12. Vicki Monteagudo, Citizen at Large/Real Estate
13. Justin Raffa, Citizen at Large/Arts/YPTC
14. Steve Simmons, Citizen at Large/Business
15. Kirk Williamson, Citizen at Large/Communications
16. Dennis Solynski, Benton Franklin Transit Manager


Commission Designated Alternates:

1. Kyle Cox, Citizen at Large/YPTC/Mid-Columbia Libraries
2. Charlie Drader, Citizen at Large/Finance
3. Ed Frost, Citizen at Large/Public Transportation
4. Austin Nielson, Citizen at Large/Business/TCRCC

ADOPTED by the Board of Commissioners of the Port of Kennewick this 24th day of June, 2014.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: 
DON BARNES, *President*

By: 
SKIP NOVAKOVICH, *Vice President*

By: 
THOMAS MOAK, *Secretary*

Resolution No. 2014-16

Exhibit A

VISTA VISION TASK FORCE RULES OF PROCEDURE

SECTION I: GENERAL

The Port of Kennewick acquired the Vista Field airport from the City of Kennewick in 1991. The Port has operated the airfield as a small, general aviation airfield since that time, occasionally making small to modest airfield improvements over the years. In April of 2013, after public input and thorough review, the Port Commission voted to close the airport and redevelop it into a mixed use development.

With this in mind, the Vista Vision Task Force (VVTF) was established by the Port Commission to provide guidance on the master plan process and other directly related matters as assigned in writing by the Port Commission. It is anticipated that the VVTF will provide an opportunity for public participation in guiding the future of Vista Field, primarily through the master planning process. Therefore, the duration of the VVTF will be limited as set forth below.

SECTION II: RESPONSIBILITIES

The responsibilities of the VVTF are advisory in nature only. The task force is authorized for the specific purposes of: (1) providing recommendations to the consultant preparing the master plan via the Port Commission; and (2) providing recommendations through its chair to the Port Commission at regularly-scheduled Commission meetings on items specifically assigned to it in writing by the Port Commission. The VVTF is not authorized to take action, make policy, enter into financial or other obligations on behalf of the Port, or in any way incur any liability or obligation on the part of the Port.

SECTION III: MEMBERS

The VVTF shall be comprised of fifteen individuals who have a personal or business affiliation with the former airfield, citizens with a background in economic development and land use planning, who are representatives of local government, or who are otherwise interested in the redevelopment of the former airfield. Except as otherwise provided herein, each member shall be appointed by the Port Commission.

The following individuals shall comprise the membership of the VVTF:

1. City of Kennewick (Will appoint an elected)
2. Benton County (Will appoint an elected)
3. Chuck Freeman, Kennewick Irrigation District
4. Kris Watkins, Tri-Cities Visitor & Convention Bureau (TCVCB)
5. Carl Adrian, Tri-City Development Council (TRIDEC)
6. Lori Matson, Tri-City Regional Chamber of Commerce
7. Barb Johnson, Columbia Center Mall/Kennewick Public Facilities District
8. Rich Cummins, Columbia Basin College
9. Gary Spanner, Pacific Northwest National Laboratory/Economic Development
10. Derrick Stricker, Young Professionals of Tri-Cities (YPTC)/Real Estate
11. Traci Jao, Citizen at Large/Real Estate
12. Vicki Monteagudo, Citizen at Large/Real Estate
13. Justin Raffa, Citizen at Large/Arts/YPTC
14. Steve Simmons, Citizen at Large/Business
15. Kirk Williamson, Citizen at Large/Communications
16. Dennis Solynski, Benton Franklin Transit Manager

SECTION IV: ALTERNATE MEMBERS

The Port Commission shall appoint four alternate members designated as Alternates No. 1 through No. 4. If any appointed member is unable to attend a meeting, the Commission, in its discretion, may designate an alternate to participate at the meeting by providing notice to the alternate and the task force chair prior to the meeting. If the Commission does not designate an alternate to participate, the seat shall remain vacant for the duration of the absence. The alternate shall be counted toward meeting the quorum requirement and shall have the same voting rights as the absent member.

SECTION V: PRINCIPLES

All members shall:

- a) Focus efforts strategically to achieve the greatest contribution possible.
- b) Strive to achieve consensus, bringing together diverse views to yield recommendations to the consultant or Port Commission as the case may be.
- c) Listen to each other.
- d) Be objective.
- e) Refrain from serving special or self interests.
- f) Take on responsibility/commitments, contributing beyond meeting attendance.
- g) Participate constructively and respectfully in meetings.
- h) Respect others' opinions.
- i) Observe meeting time limits.

SECTION VI: TERMS, VACANCY

- a) The task force shall be empanelled in August 2014 and shall meet approximately once monthly from August 2014 through July 2015, at which time the committee shall be dissolved.
- b) Terms shall commence upon appointment by the Port Commission and shall expire as provided above.
- c) Terms may be extended by the Port Commission for any reasonable duration in order to complete unfinished business.
- d) Vacancies shall be filled by the Port Commission for the unexpired portion of a term.
- e) Members shall serve without compensation (actual expenses may be reimbursed according to Port Policy).
- f) Any member may be removed from office for any reason by the Port Commission.
- g) Any member absent from three consecutive meetings or accruing a total of five unexcused absences shall be removed from office.

SECTION VII: OFFICERS

The Port Commission shall designate a Chair and a Vice Chair. A majority of the VVTF members shall elect the Secretary.

The Chair shall preside at all meetings, prepare and distribute the agenda for each meeting (utilizing assistance of Port staff) and communicate with Port staff and the Port Commission.

The Vice Chair shall assume the duties of the Chair in his or her absence.

The Secretary (utilizing assistance of Port staff) shall take the minutes of each meeting, distribute copies of minutes to the Port Commission, to the local media and to others and retain the minutes for historical purposes.

SECTION VIII: MEETINGS, RECORDS, QUORUM

Each meeting shall follow the rules of the open meeting act (codified in Chapter 42.30 RCW). Meetings shall be held at such dates and times as the VVTF may determine. The presence of seven (9) or more members shall constitute a quorum.

To the greatest extent possible, the VVTF shall work toward consensus for making recommendations. Where consensus is not reached, the Chair shall put the matter before the members present for any vote needed. Voting shall be by simple majority. The Chair shall solicit input and opinions on issues from all members and then conclude decision making with a vote by voting members.

Except as provided otherwise herein or by law all documents received and created shall be a matter of public record.

SECTION IX: PORT SUPPORT

The Port shall provide necessary technical and administrative assistance as follows:

- (a) Preparation of and posting of public notices as required by the Open Meetings Act, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of the Port Commission.
- (b) Provision of a meeting room, including any necessary audio/visual equipment.
- (c) Preparation and copies of any documentary meeting materials, such as agendas and reports.
- (d) Retention of all VVTF records, providing public access to such records as provided by law.
- (e) Attendance at meetings as requested by the VVTF.

SECTION X: DELEGATION

The Port Commission may delegate any of its duties under these rules to the Executive Director by issuing a written directive to the director.