

## **AGENDA**

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

Tuesday, October 11, 2016  
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. APPROVAL OF THE AGENDA**
- IV. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- V. CONSENT AGENDA**
  - A. Approval of Direct Deposit and ePayments Dated October 3, 2016
  - B. Approval of Warrant Registers Dated October 11, 2016
  - C. Approval of Regular Commission Business Meeting Minutes September 13, 2016
  - D. Approval of Regular Commission Business Meeting Minutes September 27, 2016
- VI. PRESENTATIONS**
  - A. Latino Mural Artist Selection, Barb Carter and Davin Diaz (**TANA**)
  - B. 2017-2018 Draft Work Plan (**LARRY**)
  - C. 2017-2018 Preliminary Budget Workshop (**NICK / TAMMY**)
- VII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
  - A. ATNI Conference Update (**TANA**)
  - B. Art Policy (**TIM**)
  - C. Commissioner Meetings (formal and informal meetings with groups or individuals)
  - D. Non-Scheduled Items
- VIII. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IX. EXECUTIVE SESSION, if necessary** *(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)*
  - A. Real Estate, per RCW 42.30.110(1)(b) – Site Selection
  - B. Real Estate, per RCW 42.30.110(1)(c) – Minimum Price
- X. ADJOURNMENT**

***Action may be taken on any item on the Agenda.***

***PLEASE SILENCE CELL PHONES***



# REGULAR COMMISSION MEETING

PORT OF KENNEWICK

**DRAFT**

SEPTEMBER 13, 2016 MINUTES

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## CALL TO ORDER

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

### The following were present:

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

**Staff Members:** Tim Arntzen, Chief Executive Officer  
Amber Hanchette, Director of Real Estate and Operations  
Nick Kooiker, Chief Financial Officer/Auditor  
Lisa Schumacher, Special Projects Coordinator  
Bridgette Scott, Executive Assistant  
Lucinda Luke, Port Counsel

## PLEDGE OF ALLEGIANCE

Tom Kammerzell, Commissioner from Port of Whitman County led the Pledge of Allegiance.

## APPROVAL OF THE AGENDA

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

## PUBLIC COMMENT

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton expressed his appreciation to the Port of Kennewick for meeting with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR). Mr. Eaton attended the Joint Meeting between the City of Richland Council and CTUIR and stated it was remarkable that the *Tri-City Herald* article did not reflect the meeting at all. Mr. Eaton stated it is important that the documents are shared and the content of those meetings are shared with the public and he appreciates the Port's transparency.

Scott Carpenter, 2923 South Yew Street, Kennewick. Mr. Carpenter inquired if the Washington State Department of Fish and Wildlife are requesting Port funds to breach the Bateman Island Causeway. Mr. Carpenter stated for the record, as a taxpayer he does not believe the Port should help fund the project to breach the Bateman Island Causeway and that the US Corps of Engineers should be the entity to fund the project.

Mr. Arntzen stated the presentation today by the Washington State Department of Fish and Wildlife is an informative presentation only and does not believe the Port has been asked to fund the project.

No further comments were made.



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## CONSENT AGENDA

Consent agenda consisted of the following:

- A. *Approval of Direct Deposit and E-Payments Dated September 1, 2016***  
Direct Deposit and E-Payments totaling \$67,424.22
- B. *Approval of Warrant Registers Dated September 13, 2016***  
Expense Fund Voucher Numbers 38235 through 38297 for a grand total of \$173,940.56
- C. *Approval of Commission Meeting Minutes Dated August 23, 2016***
- D. *Approval of Special Joint Commission Meeting Minutes Dated September 1, 2016***

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

## PRESENTATIONS

### **A. *Fiber Network***

Mr. Arntzen introduced Joe Poire, Executive Director of Port of Whitman County (POW) and Commissioner Tom Kammerzell. Mr. Arntzen stated at the Washington Public Ports Association (WPPA) Executive Directors Meeting, Mr. Poire gave a presentation on fiber optics and how the Port of Whitman County has utilized the technology over the past 20 years; Mr. Poire is here today to brief the Commission on the opportunity of adding fiber optics to Vista Field.

Mr. Poire thanked the Commission for having us here today and stated it is a pleasure to share the POW's story of the installation of a fiber network. Mr. Poire stated the presentation is focused on how adding a fiber network can drive economic development. The POW began looking at adding telecommunications in 1998 and added telecommunication services to the Comprehensive Plan and created policy goals:

- Collaboration for economic prosperity;
- Aggregate need for competitive pricing of telecommunication services/increase competition;
- Advance community infrastructure, accomplishing the Port's mission.

In 1998, the POW and the WPPA initiated a legislative agenda to build a telecommunications infrastructure, however it did not pass. They tried again in 2000 and ports and public utility districts were authorized to build telecommunications infrastructure. The POW chose to install fiber optic cable because it is less expensive than copper wire, carries data long distances, with no degradation, it has 1000 times more bandwidth than copper wire and has 200 times more bandwidth than coaxial cable. The advantage of fiber is that it is light, strong, tough and relatively easy to install. The POW looked at the addition of fiber as key infrastructure that companies could utilize to provide services to users.

Mr. Poire sighted the Pullman Business Park, which began as an industrial park, as an example for Vista Field. The business park is located one air mile from Washington State University Campus and almost every business in the park was started by an individual that took their patents and intellectual property (IP) out of the University and started their own business and grew. Today, there are over 3000 jobs and over \$600,000,000 in sales. The POW did not factor the University in, in 1986 and now the business park is focused on technology.



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Mr. Poire stated for POW, installation of fiber has been a ten year process and cost approximately \$16,000,000. If the Port of Kennewick installed fiber at Vista Field as part of the infrastructure, it would cost less money and there would not be a monopoly on service. Having fiber available to private industry, research institutions, public institutions and residents opens up a vast amount of opportunities for investment in Vista Field.

Mr. Poire shared the process for adding fiber:

- Start outside plant design: co-location and regional network design;
- Vista Field fiber to premise design: conduit, vaults and fiber count;
- Financial analysis: capital costs, return on investment (ROI) and pricing;
- Use design to start aggregating need and initiate dialogue with service providers;
- Market fiber plant.

Mr. Poire stated POW is working for a legislative ask for changes to RCW 53.08.370 and asked the Commission for their support at the WPPA committee meeting on September 20, 2016. Those state and federal changes include:

1. Prohibition of discriminatory rates;
2. Allow services to other public entities;
3. Refine definition of “rural port”;
4. Possible imposition of eminent domain.

The POW is currently working with three other ports and Mr. Poire is happy to advise and assist the Port of Kennewick in their possible venture. The POW has \$25,000,000 invested in their network and Mr. Poire reported the longest return on investment was 4 ½ years, however the fiber nets POW \$1,300,000 a year and has approximately \$70,000,000 in gross sales.

Mr. Poire thanked the Commission for the opportunity to present today.

Mr. Barnes thanked Mr. Poire for a very insightful presentation and believes the IP concept is fantastic.

Mr. Moak believes the addition of fiber holds great promise for Vista Field, commercially and residentially. Mr. Moak appreciates POW’s offer to provide resources, ideas and support and thanked Mr. Poire and Mr. Kammerzell for their presentation.

Mr. Kammerzell stated there is a need for fiber in small towns and POW has had several requests from mayors about gaining access to the network. When a small town has the ability to access fiber, a ripple effect can be created. Fiber is an economic driver and companies will go elsewhere if they do not have access.

## ***B. Bateman Island Causeway Update***

Mr. Arntzen introduced Mike Ritter of the Washington State Department of Fish and Wildlife and stated Mr. Ritter has assisted the Port several times and is here today to update the Commission on the Yakima Basin Integrated Plan and the Bateman Island Causeway project.





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Mr. Ritter thanked the Commission for the opportunity to present an update on the Yakima Basin Integrated Plan and the Bateman Island Causeway project. Mr. Ritter recognized partner, Kennewick Irrigation District (KID), the water experts, and introduced Seth Defoe, GIS Specialist and Chuck Freeman, District Manager.

Mr. Ritter is an area habitat biologist for the Department of Fish and Wildlife and reported the Integrated Plan is focused on two fundamental problems: unreliable future water supply and the degradation of salmon and steelhead in their habitat. Previously, there were over 1,000,000 fish that came back to the Yakima to spawn, but now, the numbers are in the tens of thousands. Currently, the water resource challenges we are facing are:

- Surface water is over-appropriated;
- Five reservoirs with 1,000,000 acre-feet capacity;
- Existing water rights;
- Snowpack is the 6<sup>th</sup> reservoir;
- Droughts in 1992-1994, 2001, 2005, and 2015.

For those of us involved in Yakima Integrated Plan, there must be an integrated effort to address the reliable water issues and the restoration of the native fisheries. Mr. Ritter reported a large group has already formed to address these issues and are sponsored by the State Department of Ecology and the U.S. Bureau of Reclamation. The long term plan is to provide reliable water for existing agriculture and restore native salmon and steelhead and drive a healthy economy.

Mr. Ritter stated two projects that fit under the Yakima Basin Integrated Plan is the Bateman Island Causeway and the KID division 4 line. The plan provides a framework to bring a lot of the interests together to maintain water supply and restore salmon and steelhead.

Bateman Island is the Tri-Cities gateway to the Yakima Basin and the cornerstone for restoring salmon and steelhead in the Yakima Basin. Bateman Island is used for birdwatching, bass fishing, wakeboarding, boating, and kayaking. Bateman Island is a very popular area all year, however, studies show high water temperatures to the west of the island and a possible solution to reduce the temperatures is to open the causeway. The Department of Fish and Wildlife performed a study from 2011 to 2015 and concluded altering the causeway will help the salmon.

The vision is to breach the causeway which will remove a significant passage barrier and improve river conditions for migratory salmonids while still providing public access and additional opportunities for the marina. The next step is to continue the outreach and begin an Environmental Impact Study in 2017.

Mr. Ritter quoted the Commission's letter to Mike Livingston, South Central Department of Fish and Wildlife Regional Director, dated July 16, 2016:

“We applaud your efforts to explore options for environmental enhancements which protect public use and sustain ecosystems for species of concern.”



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Mr. Ritter emphasized the need to understand the viewpoints and concerns of others as we move forward in the process.

Mr. Moak stated the Port has been looking at a variety of projects in this area and hopes the Port can be part of the solution. Mr. Moak asked Mr. Ritter to keep the Port informed and stated as we move forward it is important to address the multiple concerns and needs, from an environmental standpoint and a community standpoint.

Mr. Barnes thanked Mr. Ritter for the informative presentation. He appreciates the background information and looks forward to further reports.

Mr. Novakovich appreciates the involvement from different agencies and the public to address the issue and thanked Mr. Ritter for his presentation.

## **C. *Vista Field Redevelopment***

Mr. Arntzen stated Michael Mehaffy and Laurence Qamar are here today to update the Commission Phase 1A of Vista Field. Mr. Arntzen, Mr. Mehaffy and Mr. Qamar looked at various water features around the community to determine what water feature may be suitable for Phase 1A.

Mr. Mehaffy stated, in addition to viewing community water features, he and Mr. Qamar met with the engineers and investigated the hangars.

Mr. Mehaffy provided an update on Vista Field activities:

- Entitlement work with City – zoning and master plan;
- Design work, feasibility, costing for hangars;
- Additional design work for Phase 1A;
- Working with arts groups and their designers;
- Economic analysis (ECONorthwest);
- Survey work and sites, locations for utilities (Parametrix).

Mr. Mehaffy stated in regards to the fiber optics presentation earlier, he agrees that the addition of fiber could be a very important component for Vista Field and a regional benefit strategy for the Port.

Mr. Mehaffy and Mr. Qamar presented slides for Vista Field Phase 1A options for the water feature and options for the three corporate hangars.

Mr. Novakovich recently spoke with Ken Silliman who asked the museum director of the East Benton County Historical Society to research historic Vista Field maps to see if there were any water springs in the area.

Mr. Qamar stated the Commission has expressed their concern over water fowl and referenced West Moorland Park in Portland. For several years the park was overrun by waterfowl; Portland



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has since restored the park and created a wetlands area for the ducks and now, the ducks stay in the wetlands and do not venture onto the grass or concrete.

Mr. Moak appreciates the update and is looking forward to viewing additional drawings of the hangars and water features.

Mr. Barnes appreciates the continuous preliminary work and is eager for the Master Plan to be approved by the Port and City and to begin work in earnest.

Mr. Arntzen stated the hangars are a critical piece to Phase 1A of the project and believes they will provide early action projects. Mr. Arntzen would like to create a document that blends the visual elements, a construction timeline, and the financing for each element for Phase 1A. Mr. Kooiker recently reported if the Port obtains a loan, there is a tax exemption for building public infrastructure, with a low interest rate, however the hangars are not included in this exemption. This will help the Commission and staff to see the bigger picture and inform the public as to when we will start the various phases. Mr. Arntzen stated the various pieces are starting to come together, and as Mr. Barnes mentioned, we cannot do anything until the Master Plan is approved by the Commission and the City. Furthermore, the Commission was presented with a new option today by Mr. Poire, the addition of fiber to Vista Field. The possible addition may slow the project but the addition will create an amazing final product.

Mr. Mehaffy echoes Mr. Arntzen's comments and relayed we are working on the finer details and utilizing the lean strategy, while keeping the characteristics of the development.

## RECESS

*Mr. Novakovich recessed the meeting at 3:26 p.m. for a break and will reconvene at approximately 3:35 p.m.*

*Mr. Novakovich reconvened the meeting at 3:40 p.m.*

With approval of the Commission, Mr. Novakovich moved *Agenda Item 6E*, Guidelines for Vista Field Development to *Item 6A*.

## REPORTS, COMMENTS AND DISCUSSION ITEMS

### A. *Guidelines for Vista Field Development Proposals*

Mr. Arntzen thanked the Commission for moving the Guidelines up while Mr. Mehaffy and Mr. Qamar are present. Recently the Commission passed Resolution 2016-20, Guidelines for Development Proposals, which is a living document and outlines the Port's design process for Vista Field. The Port is currently in negotiations with the Arts Center Task Force (ACTF), who is looking to construct a performing Arts Center at Vista Field and the Arts Foundation of the Mid-Columbia, who is looking to purchase the Field Base Operating (FBO) building. During negotiations with the ACTF, Mr. Arntzen recognized the need to revise the collaborative design process within the Guidelines and define the design team, to include the principal or developer, and a licensed architect for larger projects. Mr. Arntzen asked for Commission direction and inquired if the Commission would be amiable to the revisions.



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Mr. Mehaffy stated the Guidelines process helps create a cohesive development and will benefit potential developers in Vista Field. It is imperative to have a collaborative design process and it is in the best interest that key people are identified in the collaborative design process; he believes the addition is an important change.

Mr. Qamar feels a town architect helps develop a process so each time a house or building is being designed, it would go through a formal process. The design guidelines, patterns and precedence's have been established, however, the Port has not created a design code, which is a manual for any applicant who wants to build something at Vista Field. Included in the manual is a form, which each applicant would fill out as part of the collaborative process. Included in the manual is a form which explains the process, fees and other pertinent information.

The consensus of the Commission is to revise Resolution 2016-20.

## ***B. Special Commission Retreat***

Mr. Arntzen reported the Commission held a retreat at the REACH Museum on Saturday, September 10, 2016 to address the Comprehensive Scheme. Ben Floyd of Anchor QEA facilitated the meeting and presented projects the Port may consider over the next 3-10 years. The Commission worked through the potential projects and towards the end of the retreat, Mr. Kooiker presented a rough budget based on the projects that were discussed. Mr. Arntzen stated it is valuable to update the Port's Comp Scheme on a regular basis, which helps identify the larger projects and helps staff formulate the 2 year budget and work plan as well as a 10 year budget.

Mr. Moak believes the retreat went well and there was good dialogue from the Commission, staff, and public. He appreciated the discussion and is pleased with the outcome.

Mr. Barnes believes it went well also and stated there was a lot of information presented and discussed. Mr. Barnes would like to see a more detailed report on the Anchor QEA survey that addressed the Port's strengths, weaknesses, opportunities and threats. Mr. Barnes appreciated the discussion from the Commission and thanked the public for attending the Saturday meeting. Mr. Barnes is very optimistic about the about projects going forward and the contingency plans the Port can put in place. Mr. Barnes noted the Port's progress in narrowing the operating gap to \$600,000.

Mr. Novakovich stated the retreat went well and thanked Mr. Burdick and Mr. Eaton for attending the meeting and their comments. Mr. Novakovich appreciated Mr. Floyd for facilitating the meeting and believes staff and Mr. Floyd have a very valuable working relationship.

Mr. Arntzen stated the four primary projects identified were; Vista Field, the Kennewick Waterfront, the West Richland Racetrack and a potential project in Richland. There were several development triggers that were discussed which may mean certain projects will be addressed anywhere from 4 to 7 years. Mr. Floyd has been working on the Comp Scheme draft and will present the draft to the Commission at a future meeting. This will provide the Commission with an opportunity to address the Comp Scheme prior to approval. Mr. Arntzen anticipates the West Richland Master Plan and the Vista Field Master Plan will be missing, however, the Comp Scheme



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can reference what was discussed at the retreat, pursuant to the completed Master Plans. Mr. Arntzen stated the Commission may consider adopting the Comp Scheme and acknowledging in a formal public meeting and adding the West Richland and Vista Field Master Plans spring of 2017. Mr. Arntzen hopes the Commission would consider approving the Comp Scheme in October and once approved, the 2017-2018 Budget and Work Plan is essentially approved.

Mr. Novakovich stated it was a good retreat and the Commission is in agreement with the Comp Plan, with a few minor changes.

**C. *Joint Meeting with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR)***

Mr. Arntzen reported the Commission held a joint meeting with the CTUIR on September 1, 2016 in Pendleton, Oregon. Mr. Arntzen felt the meeting went very well and asked the Commission if they had additional comments.

Mr. Barnes believes the meeting went well and it was an opportunity to communicate with the CTUIR and indicate the Port's willingness to work with the CTUIR on mutual interests. The Board's had the opportunity to discuss community issues, such as reconveyance of land to the Department of Energy, TRIDEC and the Port of Benton, the community shoreline reconveyance effort and the 1135 project.

Mr. Novakovich appreciated the opportunity to communicate with the CTUIR Board of Trustees and values the CTUIR's support and partnership.

**D. *Project Prioritization***

Mr. Arntzen reported the project prioritization document will be included as part of the Comp Scheme. The document outlines the steps and prioritization of the projects and Mr. Arntzen has asked Mr. Floyd to fold the document into the Draft Comp Scheme. The document helps establish ground rules for identifying, evaluating, and selecting future Port projects. The document was originally developed by the finance department as a measurable process when working on the Budget, Work Plan and Comp Scheme.

**E. *2015 Financial Statement Audit***

Mr. Kooiker reported the 2015 Financial Statement Audit was recently completed by Clifton, Larson, Allen and the report is available on the Port website. Mr. Kooiker stated some financial highlights of 2015 are as follows:

- Port revenues increased \$120,000;
- Port expenses increased \$75,000;
- Port reduced operating gap from \$750,000 to \$550,000;
- Port net position increased from \$1,200,000 to \$53,000,000;
- Port Capital Project expenditures in 2015 was \$2,500,000.

Clifton Allen Larson's final review was clean and without any recommendations. Mr. Kooiker reported the Port has had 21 years of clean audits and thanked the Commission and staff for their help during the audit.



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Mr. Novakovich explained he sat in on the exit conference for the Benton Franklin Council of Governments with the same Clifton Allen Larson auditors, and they complimented the Port's financial staff.

***F. Columbia Drive Update***

Mr. Arntzen reported that Big D's Construction is finishing up the utility work on Columbia Gardens and has done a tremendous job on this project and other Port projects. Mr. Arntzen is optimistic the Port will receive lower bids on the Winery Village because the site work and utilities are already in place. Mr. Arntzen stated the Winery Village Bids are due on September 22, 2016 and will be brought to the Commission on September 27, 2016 with a staff recommendation.

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

Commissioners reported on their respective committee meetings.

***H. Non Scheduled Items***

1. Mr. Moak was disappointed that the City of Kennewick has postponed adoption of the Vista Field Master Plan until as late as January 2017. Mr. Moak is concerned with the City's timeline and senses the frustration of the Vista Pioneers.

Mr. Moak stated he would like to view an updated Master Plan of the Kennewick Waterfront (Clover Island and Columbia Drive) and not the Port's Master Plan of Clover Island. Mr. Moak believes it is important to work with the City and discuss items that benefit each entity and the community.

2. Mr. Novakovich recently received a phone call from Benton City Mayor, Linda Lehman. Ms. Lehman is concerned that the Bureau of Land Management may be leasing land, south of Interstate 82, to an energy company that wants to install windmills. She is concerned about the location of the windmills and the affect it may have on wineries and Red Mountain. Mr. Novakovich has not received additional information from Ms. Lehman at this time.
3. Mr. Arntzen stated last Friday, September 9, 2016, he was invited to speak at the American Counsel of Engineering Companies in Walla Walla. Mr. Arntzen stated Todd Coleman, former Executive Director of the Port of Vancouver put the luncheon together and is here today. Mr. Coleman is a professional engineer and would like to address the Commission regarding fiber and the potential of pulling together a coalition of ports who are interested in fiber.

Todd Coleman, 6115 Burden Boulevard, Pasco. Mr. Coleman thanked the Commission for allowing him the opportunity to speak today. As a former executive director, Mr. Coleman is focusing on taking the port network and bringing them together. Mr. Coleman has worked with Mr. Poire and the Port of Whitman County Commission on strategic planning and how they are moving the fiber to Port of Clarkston and Port of Lewiston. One of the concepts Mr. Coleman is working towards is educating the ports on dark fiber, and providing an amenity to the communities the ports are working towards. If the Washington State ports could come together, we would have the best access to data movement of any other state. Mr. Coleman, Mr. Poire, and Mr. Kammerzell are looking at ways to educate ports and show them the steps and necessary studies needed to





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implement fiber into their communities. Mr. Coleman is excited the Port of Kennewick is looking at installing fiber at Vista Field and the WPPA should be excited about the possibility of ports entering into the high tech world.

4. Mr. Kooiker reported the 2015 Financial Statement is available on the Port website.

## PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated he and the Arts Center Task Force would like to have a manual similar to the one that Mr. Qamar displayed regarding Vista Field for future reference. Secondly, Mr. Burdick stated fiber is a nice amenity, however, getting to choose from 17 vendors versus two would be amazing. Mr. Burdick asked the Port to remember the local companies when considering the installation of fiber.

Mr. Arntzen stated One World Telecommunications has been a Port tenant for many years and believes they will be very interested in the installation of fiber and helpful to us.

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton stated it was interesting attending the City of Richland's joint meeting with the CTUIR and then reading the detailed account of Port of Kennewick's joint meeting with the CTUIR. One thing we can learn from the CTUIR is the tradition they follow and that there needs to be a conversation before any decision can be made. Mr. Eaton stated the Port of Kennewick strives for that aspect of transparency and expresses daily.

No further comments were made.

## COMMISSIONER COMMENTS

No comments were made.

## ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:34 p.m.

**APPROVED:**

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

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*Skip Novakovich, President*

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*Thomas Moak, Vice President*

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*Don Barnes, Secretary*



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## CALL TO ORDER

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

### The following were present:

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

**Staff Members:** Tim Arntzen, Chief Executive Officer  
Amber Hanchette, Director of Real Estate and Operations  
Nick Kooiker, Chief Financial Officer/Auditor  
Larry Peterson, Director of Planning & Development  
Lisa Schumacher, Special Projects Coordinator  
Bridgette Scott, Executive Assistant  
Lucinda Luke, Port Counsel

## PLEDGE OF ALLEGIANCE

Marie Mosely, Kennewick City Manager led the Pledge of Allegiance.

## APPROVAL OF THE AGENDA

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

## PUBLIC COMMENT

Marie Mosely, 210 West 6<sup>th</sup> Avenue, Kennewick. Ms. Mosely, City of Kennewick City Manager, thanked the Commission for their foresight and leadership. Mr. Mosely stated the Commission recognized the opportunities on Columbia Drive by purchasing several parcels of property several years ago and is ready to bring those opportunities to reality. Secondly, Ms. Mosely thanked the Commission for their leadership, in bringing forward a stakeholders group and partners to create a vision and master plan for what the Columbia Drive property could actually be. Ms. Mosely thanked the Commission, as well as Mr. Arntzen and Port staff, for their partnership with the City of Kennewick. Port and City staff have had a phenomenal working relationship over the last several years and Ms. Mosely is very proud of that partnership. Ms. Mosely stated today is an exciting day, we have an opportunity to bring Phase I the of Columbia Drive project to a reality. Ms. Mosely encouraged the Commission to approve the bid award that is on the Agenda today, to make the vision a reality. The City and Port have worked closely to identify what the project was going to be and worked together. The City is committed to fulfilling their portion of project by constructing the wine effluent facility, completing the streetscape and completing the trail around Duffy's Pond. Ms. Mosley is very excited to keep the project moving making Phase I a reality; and looks forward to see what the Port and City can do for Phase II. Ms. Mosely looks forward to next year, when the Port and City can stand together at a ribbon cutting on the Columbia Gardens Wine Village.



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Mr. Novakovich appreciates Ms. Mosely's comments and stated they are well taken by Commission and staff. Furthermore, the Port of Kennewick truly appreciates the partnership with the City of Kennewick.

Dan Smith, 124 West Kennewick Avenue, Kennewick. Mr. Smith, executive director of Historic Downtown Kennewick Partnership, elaborated on Ms. Mosley's comments and stated the Partnership started a task force to revive the bridge to bridge, river to rail revitalization plan. The Partnership held their first meeting and invited partners from the Port, City, Benton Franklin Council of Governments and others to continue the revitalization plan. The meeting went well and we covered the plan to see what items have been accomplished and what needs to be accomplished. Mr. Smith hopes to have another meeting soon with the partners and other stakeholders to move the plan forward.

No further comments were made.

## CONSENT AGENDA

Consent agenda consisted of the following:

- A. **Approval of Direct Deposit and E-Payments Dated September 19, 2016**  
Direct Deposit and E-Payments totaling \$48,558.63
- B. **Approval of Warrant Registers Dated September 27, 2016**  
Expense Fund Voucher Numbers 38298 through 38333 for a grand total of \$207,305.96

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

## NEW BUSINESS

### A. **Bid Award: Columbia Gardens Wine Village Phase #1; Resolution 2016-22**

Mr. Peterson presented Resolution 2016-22, authorizing a contract between the Port and Banlin Construction to construct three buildings in Columbia Gardens Wine Village. Following the bid opening of the Columbia Gardens Wine Village Phase #1 project in February 2016, the Port Commission rejected all bids due to exceeding available funds and directed the project be rebid. The site work was bid and awarded in spring 2016 and was recently completed by Big D's Construction of the Tri-Cities. The Port received 10 bids, with 9 bids very close to one another. The engineers estimate for the project was \$2,800,000. Due to the economy in the Tri-Cities, there are several large civil and commercial construction projects taking place at this time. Mr. Peterson stated because the bid amount is above the approved budget, Mr. Kooiker can address Commission concerns or questions regarding budget. Furthermore, Terrence Thornhill and David Robison are here to answer any Commission questions.

Mr. Kookier stated the bid came in approximately \$500,000 higher than expected; however, by having fewer change orders, which is currently forecasted at 10%, the cost savings can be reduced. Mr. Kooiker stated the finance department budgeted very conservatively, and currently, the Port has higher revenues and lower expenses than were forecasted. Mr. Kooiker assured the Commission that the Port has the extra funds to proceed with the contract for the Wine Village and can still proceed with the current capital projects that were budgeted.

Mr. Moak inquired about the Port's history with Banlin Construction.



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Mr. Peterson reported the Port has worked with Banlin Construction on three recent projects: the interior remodel of the Port Office, the Boat Ramp Project and the Vista Field Development Building A remodel. The Port has had a very good experience on each project with Banlin Construction and they complete the projects on time and are consistent with the standard paperwork and accounting.

Terrence Thornhill, 7510 West Deschutes Place, Kennewick. Mr. Thornhill stated minimizing the change orders should not be an issue because all of the unknowns were removed from the plans. Mr. Thornhill stated while the buildings were redesigned, the essence, the intent, the performance, and the vision of buildings did not change.

David Robison, Strategic Construction Management, 3601 North 20<sup>th</sup> Avenue, Pasco. Mr. Robison elaborated on Mr. Peterson's comments regarding Banlin Construction. Mr. Robison is excited to work with Banlin Construction and stated SCM surveyed local contractors and found that Banlin Construction is a solid, local business. It is our recommendation to the Commission, on behalf of staff that the contract with Banlin Construction be approved.

## PUBLIC COMMENT

No comments were made.

**MOTION:** *Commissioner Moak moved for approval of Resolution 2016-22, authorizing the Port's Executive Director to execute the contract with Banlin Construction, LLC for the construction of three (3) buildings at the Columbia Gardens Wine Village Phase #1 site on Columbia Drive for the sum of \$3,434,671.00, plus applicable tax; Commissioner Barnes seconded.*

### ***Discussion:***

*Mr. Barnes appreciates Ms. Mosely's comments regarding the history of the Port's efforts around Columbia Drive and Duffy's Pond. The Port began with ambitious plans and designs, and an innovative technique utilized in California, however, this design was not well received. Mr. Barnes appreciates the value engineering completed by Mr. Thornhill and Mr. Robison and how the design aesthetic was not compromised. Mr. Barnes is pleased the Port received 10 responses, which indicates a good plan and design. It is always frustrating when a project does not come within budget, however, a budget is based on estimates and we cannot forecast the market. Mr. Barnes believes it is in the best interest of the Port to proceed with the contract and the Port has the available funds, because of a fiscal management plan, and is in favor of moving forward with the Wine Village Project.*

*Mr. Moak stated over last 10 years the Port of Kennewick has invested millions of dollars into the Kennewick Waterfront, on and off Clover Island. Mr. Moak stated this is not just an economic development project, but a community development that will help spur change in East Kennewick. The Port, the City, other entities and the private industry has a chance to work together and do what is best for this area of the Tri-Cities. The work that Port staff and our consultants have completed and what our contractor will do with this project, will help be a beacon for moving forward on other projects and will benefit a lot of people. This is exciting and Mr. Moak looks forward to a positive vote on Resolution 2016-22. Everybody can take a lot of credit for the work that has gone on and the work that is to come.*



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*Mr. Novakovich is very excited about this project because the waterfront development has been in the works since 2000. Mr. Novakovich is excited to report to Peter Batchelor, who led the Urban Design Assistance Team in 2003, what was accomplished today. Mr. Novakovich is very happy that we did not give up any aesthetics on this project through the value engineering. Mr. Novakovich thanked Port staff and consultants Mr. Thornhill and Mr. Robison for an amazing job and the Port is known for completing first class projects and this will be another one. It will be a project that will represent how projects need to be done around Columbia Drive and Clover Island. Mr. Novakovich would like to move forward and do something great for this community.*

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

Mr. Peterson stated the notice to proceed is expected to be issued on October 10, 2016.

## OLD BUSINESS

### **A. Amend Resolution 2016-20 Guidelines for Vista Field Development Proposals; Resolution 2016-23**

Mr. Arntzen stated, as previously discussed at the September 13, 2016 meeting, Resolution 2016-20, the Guidelines for Vista Field Development Proposals was intended to assist the Port during the collaborative design process for Vista Field. While working with the Arts Center Task Force, staff recognized the need to define the design team to include the principal or developer and a licensed architect for larger projects. Mr. Arntzen stated before the Commission is Resolution 2016-23, rescinding Resolution 2016-20 and adopting the amended Guidelines for Vista Field Development Proposals.

## PUBLIC COMMENT

No comments were made.

***MOTION: Commissioner Moak moved of Resolution 2016-23, rescinding Resolution 2016-20; approving and adopting the amended Guidelines for Vista Field Development Proposals as attached in Exhibit A; and directing the Chief Executive Officer (CEO) to take all action necessary to implement these procedures; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.***

## REPORTS, COMMENTS AND DISCUSSION ITEMS

### **A. Vista Field Update**

Mr. Peterson stated Parametrix, the civil engineering firm that has been working on Vista Field, performed a drone site survey on September 21, 2016. The drone was able to capture necessary data for Phase IA construction documents.

Mr. Moak inquired if the Port owns the data product.

Mr. Peterson confirmed the Port owns the data and photographs.

Mr. Moak asked Mr. Peterson to add some aerial photographs of Vista Field to the Port website.



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## ***B. Landscaping and Vegetation Management***

Ms. Hanchette reported the operations department has a year round landscape management plan for Port properties and beginning early spring through late fall, maintenance includes: mowing, pruning, edging, weeding, irrigation and fertilizing. Port staff and the Coyote work crew maintain the following Port properties:

- Clover Island: Washington Street and Clover Island Drive, Willows and Duffy's Pond, the West Causeway, the Lighthouse Plaza and Public Boat Launch, the main Port office and West Marina Professional building and the parking lots;
- Columbia Gardens and Cable Greens;
- Oak Street Industrial Park;
- Vista Field Development Building B and the former FBO building and corporate hangars;
- West Richland properties and the Tri-City Raceway.

In addition to the current properties, the operations team will add the Wine Village, Columbia Drive streetscape and the 1135 shoreline enhancement to its list of properties once completed. The operations team has had a few challenges this year with irrigation failures and will be replacing trees in the east parking lot of Cedars and retrofitting irrigation lines on the west causeway to avoid future issues. Ms. Hanchette is working with Arthur Job, a landscape contractor, who has worked with the Port and provided a great deal of insight for vegetation on the Island and other properties. Mr. Job will be assisting the Port on water management, fertilizer treatments and identifying trees and plants that work best on Port properties. Furthermore, Mr. Job will be reviewing projects prior to planting to ensure the plants will survive.

Port staff continues to work with the City of Kennewick Parks and Recreation Department to identify Phase II of Duffy's Pond clean up. For Phase I, the Port created a vegetation management strategy for the area around Duffy's Pond, near the Willows. The US Army Corps of Engineers owns the land and shoreline, however, the City leases and maintains the area; and in a cooperative effort, the Port facilitated cleanup efforts. Ms. Hanchette has received positive feedback on Phase I and the clean-up improved accessibility to Duffy's Pond, cleared visibility, and increased safety. Phase II will include additional clearing further down the trail towards Columbia Gardens and will take place from December 2016 to February 2017.

Mr. Moak inquired if the Port had a drought plan in place.

Ms. Hanchette and Mr. Job created a standard list for plants that are native and drought tolerant, for example, the Purple Russian Sage requires low to medium watering.

Mr. Moak appreciates the work of Ms. Hanchette and the operating staff and contractors and inquired if Ms. Hanchette increased the operations budget in consideration of the upcoming projects that will be completed in the next two years.

Ms. Hanchette has taken the upcoming projects into consideration and increased the operations and maintenance budget for 2017-2018.

The Commission thanked Ms. Hanchette and the operations staff for their work and stated it is in very capable hands.





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## ***C. Columbia Drive Update***

Mr. Peterson reported Big D's Construction recently completed the underground utility project and excavation at Columbia Drive to ready the property for construction of the three winery buildings. The project was completed in time for 2F Construction to begin work on the City's streetscape project which includes landscaping, sidewalks and a bus pull-out area.

Mr. Barnes thanked Mr. Peterson for his coordination efforts on the multitude of projects taking place on Columbia Drive, while ensuring access to Columbia Gardens.

## ***D. 2017-2018 Budget and Work Plan Schedule***

Mr. Kooiker presented the timeline for the 2017-2018 Budget and Work Plan adoption:

- October 11, 2016: Planning Workshop;
- October 11, 2016: Preliminary 2017-2018 Budget Workshop;
- October 12, 2016 and October 19, 2016: Legal advertisements placed in the *Tri-City Herald*;
- October 25, 2016: Final 2017-2018 Budget Hearing and Adoption and Approval of 2017-2018 Work Plan;
- November 30, 2016: Final 2017-2018 Budget due to Benton County Clerk.

The Commission is in consensus with the presented 2017-2018 Budget and Work Plan schedule.

## ***E. Commissioner Meetings (formal and informal meetings with groups or individuals)***

Commissioners reported on their respective committee meetings.

## ***F. Non Scheduled Items***

1. Mr. Novakovich attended the 50<sup>th</sup> anniversary celebration of the Benton Franklin Council of Governments and they presented a plaque to the Port of Kennewick.
2. Mr. Arntzen thanked our partners from the City, Ms. Mosely and Evelyn Lusignan for their comments and how important our efforts are to the neighborhood. Ms. Mosley has been a good friend to the Port and this project would not have happened not for the substantial commitment from the City.

Mr. Arntzen recently attended the Washington Public Ports Association (WPPA) Legislative Committee in Olympia and it was discussed whether WPPA should be supportive of high tech fiber access. The Port of Whitman County made a presentation on high tech fiber and the WPPA decided to recommend legislation to address this issue and make it more favorable for ports to facilitate the fiber options. WPPA will put together a sub-committee of ports, including Port of Whitman County to address fiber.

Furthermore, Mr. Arntzen and Ms. Bader Inglima attended the Affiliated Tribes of the Northwest Indians Convention, sponsored by the Tulalip Tribes. The three day convention was held at the Tulalip Resort and Casino and 25 tribes were in attendance. It was an opportunity for the Port to interface with the CTUIR and other tribes.



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3. Mr. Peterson reported the next project the Port will bid is the Gathering Place (formerly Village at Island Harbor). The bid will include the Gathering Place, with alternates featuring a speed bump and demolition of the old port office and raney collector. The bid will be available in October and will be opened November 3, 2016 and presented to the Commission for consideration on November 8, 2016.

## **PUBLIC COMMENTS**

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick reported Saturday, October 1, 2016 marks the 72<sup>nd</sup> season of the Mid-Columbia Symphony, featuring Beethoven's "Fifth Symphony." On September 30, 2016, and October 2, 2016 the Mid-Columbia Symphony and the Mid-Columbia Mastersingers will perform at the B Reactor National Historic Landmark in celebration of the 100<sup>th</sup> Anniversary of the National Park system. The Symphony's program features Copland's "Fanfare for the Common Man," and Grofe's "Grand Canyon Suite."

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton wanted to elaborate on Mr. Burdick's comments but within specific reference to the Port's role. The concert at the B Reactor is the first ever concert held in a decommissioned nuclear reactor, which was also the first full scale nuclear reactor. Mr. Eaton stated the Arts are transformative in very interesting ways, not only transforming the B Reactor into a symphony hall, but transforming our understanding of science in relation to art and history. The concert will include poetry by Kathleen Flenniken, former Washington State poet laureate, who worked as an engineer at Hanford before prior to becoming a poet. Ms. Flenniken will read her poetry, which is set to music, and the performances included in the program are set by the internationally known, but local composer, Reg Unterseher. Mr. Eaton stressed that absolutely unique arts events are happening in the Tri-Cities and congratulates the Port for its support of the arts and its focus on creating a home for arts at Vista Field.

No further comments were made.

Mr. Arntzen thanked staff and Mr. Kooiker, who served as acting director while he was traveling. Furthermore, Mr. Arntzen reported that Ms. Bader Inglima is still representing the Port at the ATNI Convention in Tulalip.

## **COMMISSIONER COMMENTS**

No comments were made.

## **ADJOURNMENT**

With no further business to bring before the Board; the meeting was adjourned 3:18 p.m.



# REGULAR COMMISSION MEETING

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***APPROVED:***

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

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*Skip Novakovich, President*

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*Thomas Moak, Vice President*

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*Don Barnes, Secretary*

**DRAFT 10/7/2016**

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## **2017-2018 WORK PLAN**

Public Meeting  
Port Commission Chambers  
October 11, 2016 2:00 p.m.

Approved by Resolution 2016-XX  
October 25, 2016

350 Clover Island Drive, Suite 200  
Kennewick, WA 99336

Tel: (509) 586-1186  
Fax: (509) 582-7678

[www.PortofKennewick.org](http://www.PortofKennewick.org)

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## **P R O S P E C T I V E   V I S I O N**

- **Follow direction established by 2011 Comprehensive Scheme of Development and Harbor Improvements and as amended in April 2013 and refined at fall 2016 Commission Retreat**
- **The Port is an economic development entity focused on redevelopment**
- **Undertake Vista Field Redevelopment**
- **Continue with Kennewick Waterfront projects: Clover Island - Shoreline Improvements "Gathering Place" & 1135 Program and Columbia Drive — Wine Village Phase 1 & 2**
- **Pursue projects with development partners demonstrating support (match funding, political support and enthusiasm)**
- Pursue fewer projects while selecting projects with the greatest benefit to the community
- Focus on Waterfront development/redevelopment
- Realize & support economic development opportunities with wine, culinary & tourism industry
- Continue to secure grant funding opportunities
- Remain focused on containing operational expenses
- Remain solidly focused on the Port's core business and established priorities; not swayed by the oscillating influence of external entities
- A strong focus must be placed on successfully running daily Port operations



## **ACHIEVEMENTS ( Sept. 16, 2014—Sept. 30, 2016 )**

### **PRIORITY PROJECTS**

#### **VISTA FIELD REDEVELOPMENT**

- ☒ Completed formal public outreach process including “sun-setting” of Vista Vision Task Force
- ☒ Completed Vista Field Redevelopment Transportation System Impact Evaluation (TSIE) and negotiated mitigation commitments and timing
- ☒ Developed draft Mixed Use zoning ordinance for Vista Field site

#### **KENNEWICK WATERFRONT CLOVER ISLAND**

##### **CLOVER ISLAND**

- ☒ Boat launch ramp, site paving & bathroom project (100% complete) improvement design
- ☒ Gathering Place project refined and redesign & project ready for bid
- ☒ U.S.A.C.E. 1135 Program coordination & participation
- ☒ Applied for \$500,000 ALEA grant funds for Shoreline Enhancement (ranked above funding threshold, however state budget funds for RCO programs are unknown)
- ☒ Marina at 92% occupancy

##### **COLUMBIA DRIVE**

- ☒ Revised Winery site improvements and bid utility work separately (100% Complete)
- ☒ Established tenant criteria and solicited interest in Winery Buildings (100% Complete)
- ☒ Redesigned Winery Buildings & site improvements and bid project (bidding 100% Complete)
- ☒ Duffy’s Pond Phase #1 vegetation cleanup
- ☒ Negotiated Phase #2 preliminary cost sharing agreement with the City of Kennewick
- ☒ Undertook Phase #2 utility and parking lot improvement design (10% complete)

#### **RICHLAND PROJECT**

- ☒ Marketing last Spaulding Business Park parcel
- ☒ **Closed .77 ac Land Sale (SARC) - \$167,705**

#### **WEST RICHLAND PARK**

- ☒ Partnered with City of West Richland on the successful Urban Growth Boundary Amendment Request (annexation followed in December 2015)
- ☒ Negotiated removal of K.I.D. Flood Water Inundation Clause on West Van Giesen site

**ACHIEVEMENTS ( Sept. 16, 2014—Sept. 30, 2016 )**

**OTHER PROJECTS/PROPERTIES**

**OAK STREET INDUSTRIAL PARK**

- ☒ Development Buildings A, B & C 100% occupancy

**VISTA FIELD INDUSTRIAL PARK**

- ☒ VFDF-A (Bruker) Building rejuvenation project (100% complete)
- ☒ Closed 9.91 ac Land Sale (Shemali) - \$1,640,000

**FINLEY / HEDGES / TWIN TRACKS INDUSTRIAL**

- ☒ Closed 146.92 ac Land Sale (Kennewick Game Farm) - \$562,000
- ☒ Closed 37.43 ac Land Sale (Rocking River) - \$230,000
- ☒ Closed 12.64 ac Land Sale (Agrium U.S.) - \$75,000

**PLYMOUTH**

- ☒ Closed 94.32 ac Land Sale (AgReserves) - \$265,000

**DISTRICT WIDE**

- ☒ Conducted 4 public participation meetings focused on Comp Scheme update
- ☒ Conducted Port's Commission Retreat/public meeting to discuss Comp Scheme updates

## **WORK IN PROGRESS**

### **PRIORITY PROJECTS**

#### **VISTA FIELD REDEVELOPMENT**

- Completing Master Plan for former Airport site (Development Agreement, zoning regulations, Business Improvement District, Financing Plan)

#### **KENNEWICK WATERFRONT**

##### **CLOVER ISLAND**

- “Gathering Place” design complete & project bidding in October 2016
- U.S.A.C.E. 1135 Program coordination & participation

##### **COLUMBIA DRIVE**

- Winery Buildings construction at 421 E. Columbia Drive
- Designing loop roadway & joint-use parking lot for 6 Acre Phase #2
- Undertaking Willows site development feasibility analysis

#### **RICHLAND PROJECT**

- Marketing last Spaulding Business Park parcel

#### **WEST RICHLAND INDUSTRIAL PARK**

- Completing Master Plan for former Racetrack site
- Finalize inundation clause agreement with K.I.D.

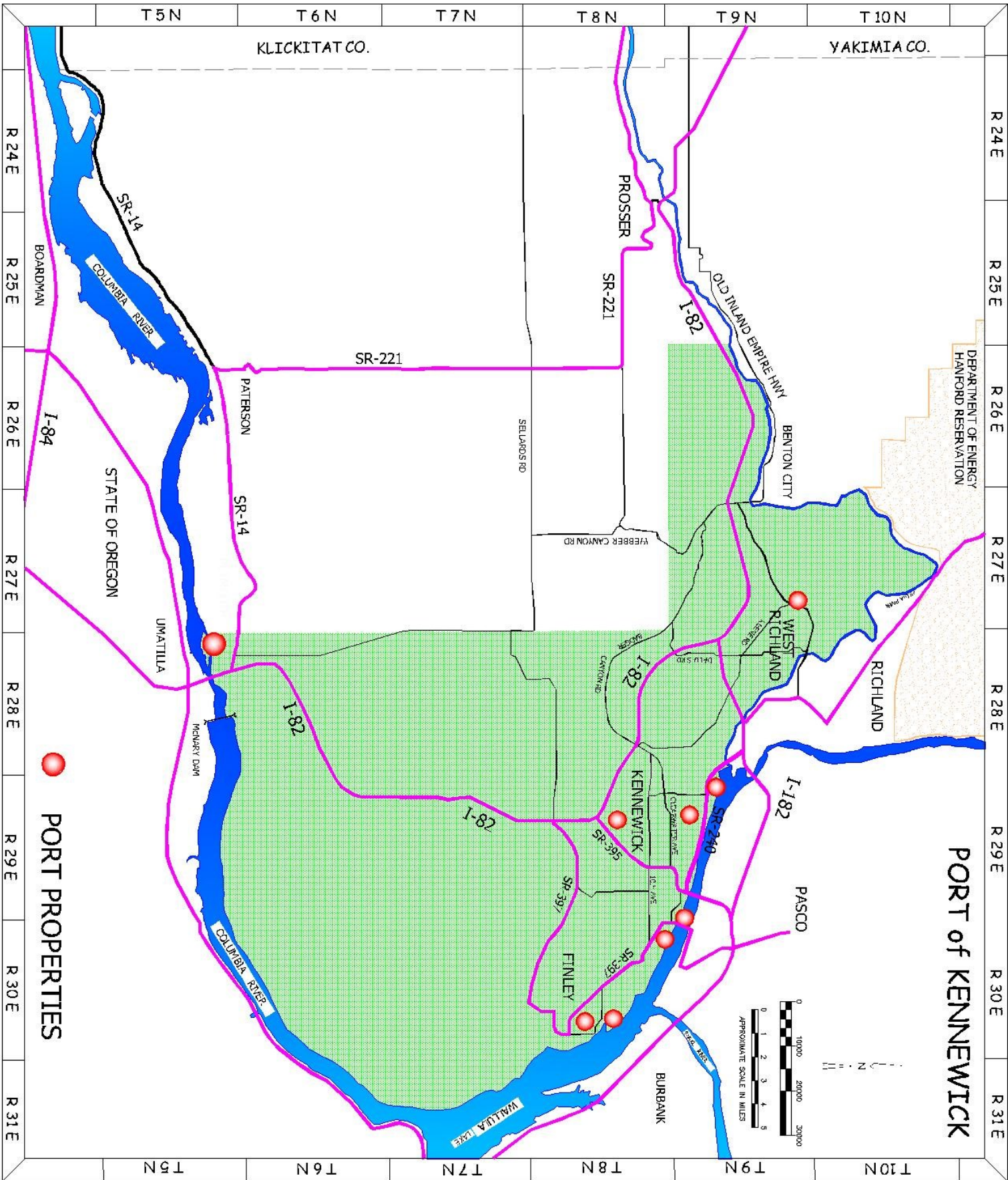
### **OTHER PROPERTIES/PROJECTS**

#### **VISTA FIELD INDUSTRIAL PARK**

- VFDF-A (Bruker) Building rejuvenation project 98% complete

#### **OAK STREET INDUSTRIAL PARK**

- Ag Engineering Building rehabilitation project 25% complete



## **VISTA FIELD REDEVELOPMENT**

- 103± Acres Combined
- Zoning: CR (Commercial Regional)
- Municipal Services Available

### **STRENGTHS**

- Centrally located in the Tri-Cities, surrounded by vibrant commercial district
- Adjacent to the Three Rivers Entertainment District (Toyota Center Coliseum, Three Rivers Convention Center and Tri-Cities Business & Visitor Center)
- Flat land, consolidated ownership with all utilities available
- No known cultural resources or environmental concerns

### **CHALLENGES**

- ✱ Undertaking massive redevelopment effort while balancing district-wide objectives
- Limited financial resources
- Refining community input into a viable redevelopment plan
- Establishing connection to transportation network and adjacent anchors (Columbia Center Mall & Three-Rivers Entertainment District) while balancing district-wide

### **SUGGESTED WORK & PROPERTY MANAGEMENT PLAN**

- ☐ **Complete Master Plan & jointly Adopt a 10-year Development Agreement with the City of Kennewick ®**
- ☐ **Vista Field Phase 1A Improvements - \$5,000,000 ®**
  - ◇ Infrastructure (road & utilities) - \$3,000,000
  - ◇ Public Amenities (public plaza, water feature) - \$1,000,000
  - ◇ Hangar building improvements (exterior enhancements & remodel) - \$1,000,000
- ☐ **Vista Field Redevelopment - Town Planner - \$80,000 ®**
- ☐ **Vista Field Redevelopment Loan Repayment & Marketing - \$800,000 ®**
  - ◇ Vista Field loan repayment - \$700,000
  - ◇ Vista Field marketing - \$100,000
- HOLD Former Vista Field Airport properties until completion of Master Planning process

**Obligation**  
*Support Previously Expressed*  
**® Revenue Generation Potential**



**DRAFT 10/7/2016**





## **KENNEWICK WATERFRONT (Clover Island & Columbia Drive)**

- Clover Island 16 Acres; Columbia Drive 15.32 acres
- Zoning: Clover Island CM (Commercial Marina); Columbia Drive CC (Commercial Community)
- Municipal Services: water, sewer, electricity, natural gas and wireless coverage

### **STRENGTHS**

- Unique waterfront property
- City & Port partnership formation for Columbia Drive Wine Village Development
- Tourism Opportunities - lighthouse, gateway, marine, public plazas, shoreline trails & public art amenities with mixed use, commercial & recreational opportunities
- Original Kennewick waterfront destination near Historic Downtown Kennewick

### **CHALLENGES**

- \* Balancing focus on both Kennewick Waterfront and Vista Field Redevelopment Projects
- Shoreline work must be completed before private sector development occurs
- Blighted neighborhood consisting of residential, low-income, commercial-general and light industrial business-use properties
- Inconsistent design development standards within the area

### **SUGGESTED WORK & PROPERTY MANAGEMENT PLAN**

#### **CLOVER ISLAND**

- ☐ **Complete construct of the “Gathering Place” and demolition of former Port Office building & Ranney Collector structures - \$725,000 (2015/2016 budget) ®**
- ☐ **Shoreline Restoration design assistance & construction matching funds (USACE 1135 Program) - \$850,000 (\$275,000 in 2015/2016 budget)**
- **Market adjacent property upon completion of the “Gathering Place” project market and Northwest corner property upon completion of the USACE 1135 Program Shoreline Improvements ®**

#### **COLUMBIA DRIVE**

- ☐ **Phase#1 -\$3,950,000 (2015/2016 budget) ® {*Rural County Capital Funds*}**
- ◇ Complete construct Phase 1 Columbia Gardens Wine Village - \$3,950,000
- ☐ **Phase#2 -\$1,100,000 ®**
- ◇ Design work and construct loop road & joint use parking lot -\$800,000
- ◇ Willows utility design work and fund grant matching dollars - \$300,000
- ☐ **Explore potential and complementary private sector development (sale or lease) ®**

**Contractual Obligation**  
**Support Previously Expressed**  
**® *Revenue Generation Potential***

**DRAFT 10/7/2016**



COLUMBIA RIVER

Lighthouse

City Council  
Office Building

Cedar's

C.I. Inn

USCG

Port Admin. &  
Brewery

Duffy's Pond

Willows

Cable  
Greens

Columbia Gardens

Columbia Drive

SR-397

N



**RICHLAND PROJECT  
(ISLAND VIEW AREA)**

- 31.12 acres cold
- .53 Acre parcel available
- Zoning: City of Richland - C2 (Central Business)
- Municipal Services: water, sewer, electricity, natural gas, wireless coverage

**STRENGTHS**

- Waterfront area prime for redevelopment
- Central location between two interchanges on SR-240 (Columbia Center Boulevard and Columbia Park Trail)
- Freeway frontage visibility
- Spaulding Business Park redevelopment/infill project created development momentum
- Well suited for professional, medical, office & retail business

**CHALLENGES**

- ✱ Kennewick Waterfront and Vista Field Redevelopment priority projects require most of Port resources
- Buffered between aging residential, transitional properties and new professional businesses
- Success of the Spaulding Business Park has lead to increased value/expectation of current land owners negatively impacting feasibility of future acquisitions

**SUGGESTED WORK & PROPERTY MANAGEMENT PLAN**

- ☐ Upon completion of the City of Richland's Comprehensive Land Use Plan Update, Port and City staff with work to identify a project of mutual benefit. - **\$400,000**
- **Continue marketing last Spaulding Business Park parcel (.53 Acres) ®**

**Contractual Obligation**  
**Support Previously Expressed**  
**® Revenue Generation Potential**



**DRAFT 10/7/2016**





## **WEST RICHLAND INDUSTRIAL**

- Keene Road: 14 acres incorporated (12 acres leased, 2 acres available)
- West Van Giesen Site: 92+ Acres unincorporated (45 acres leased to Alexander Farms)
- Zoning: West Richland (industrial)
- Municipal Services: water, sewer, industrial sewer electricity available to Keene Road Parcels; electricity available to west Van Giesen property and water, sewer, industrial sewer within the vicinity

### **STRENGTHS**

- Close proximity to world-renowned Red Mountain AVA
- Ideally suited for wineries and Red Mountain AVA ancillary businesses
- Now within City of West Richland UGA and city limits
- Within Wine Effluent Treatment System service area
- Future (2021) major intersection near property

### **CHALLENGES**

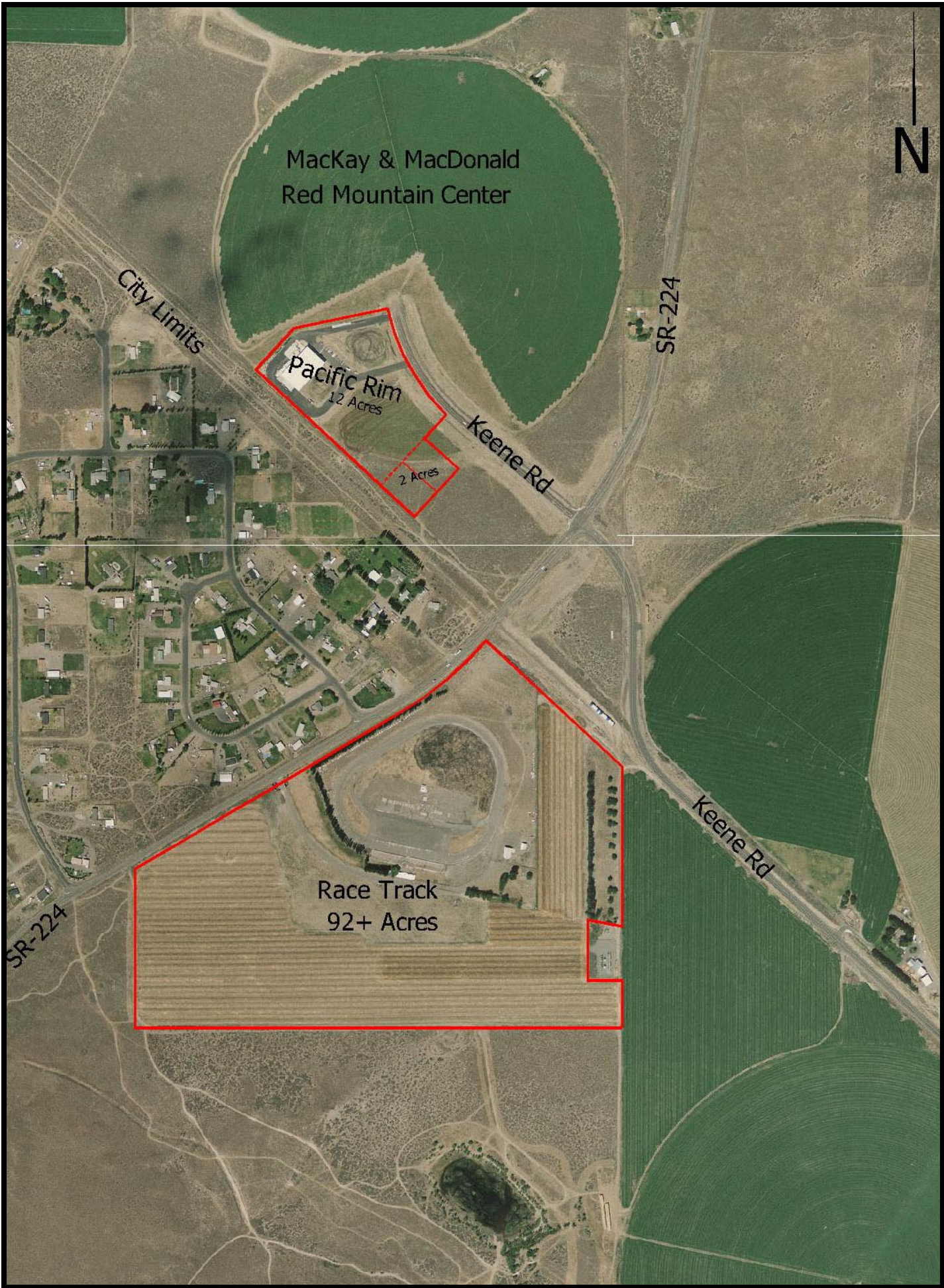
- ✱ Kennewick Waterfront and Vista Field Redevelopment Priority Projects require most all Port resources
- KID flood inundation clause effectively negates development on former Racetrack site
- Municipal utilities presently unavailable to west Van Giesen Property (\$750,000+ extension cost)
- Catalyst development needs to be initiated to spur ancillary businesses in immediate vicinity
- Excessive supply of readily available private sector land in the immediate vicinity
- Perceived as isolated

### **SUGGESTED WORK & PROPERTY MANAGEMENT PLAN**

- ☐ **Complete Master Planning & jointly adopt a 10-year Development Agreement with the City of West Richland ®**
- ☐ **Finalize agreement regarding of KID inundation clause - \$100,000 ®**
- ☐ Port and City staff work to identify a project of mutual benefit (either an interim joint project or project related to the Port's west Van Giesen site) - \$100,000
- **Market both Keene Road lots (Lots 3 & 4) consistent with adopted Development Agreement applicable)®**
- **HOLD former Racetrack property ®**

**Contractual Obligation**  
**Support Previously Expressed**  
**® Revenue Generation Potential**





N

MacKay & MacDonald  
Red Mountain Center

City Limits

Pacific Rim  
12 Acres

2 Acres

Keene Rd

SR-224

Race Track  
92+ Acres

Keene Rd

SR-224



## **OAK STREET INDUSTRIAL PARK**

- 74+ Acres
- Zoning: City of Kennewick - IH (Industrial Heavy)  
Benton County - LI (Light Industrial)
- Municipal Services: water, sewer and electricity available

### **STRENGTHS**

- Close to SR 397; flat topography; all municipal utilities available to incorporated parcels

### **CHALLENGES**

- ✱ Kennewick Waterfront and Vista Field Redevelopment Priority Projects require most of Port resources
- Poor visibility; no rail access; high ground water; perceived as isolated
- Municipal utilities unavailable to land located in County

### **SUGGESTED WORK & PROPERTY MANAGEMENT PLAN**

- ☐ **Complete improvements underway at Ag Engineering Building (1515 E. 7th Ave)**  
**Phase 1 building improvements - \$110,000 (2015/2016 budget) ®**
- ☐ **Continue to actively market Development Buildings A, B, C & D as available ®**
- **Market vacant industrial land southeast of Development Buildings A, B, & C ®**
- **Market all vacant/ag parcels ®**

**Contractual Obligation**  
**Support Previously Expressed**





## **VISTA FIELD DEVELOPMENT BUILDINGS**

- 3.73 acres
- Zoning: City of Kennewick - IL (Industrial Light)
- All municipal services available

### **STRENGTHS**

- Centrally located in the Tri-Cities, surrounded by vibrant commercial district
- VFDF-A Building rehabilitation/remodel work completed September 2016

### **CHALLENGES**

- ✱ Kennewick Waterfront and Vista Field Redevelopment Priority Projects require most of Port resources

#### **SUGGESTED WORK & PROPERTY MANAGEMENT PLAN**

- ☐ Continue to actively market Development Buildings A & B as available ®

**Contractual Obligation**  
**Support Previously Expressed**  
® **Revenue Generation Potential**



## SOUTHRIDGE

- 8.50 acres
- Zoning: City of Kennewick - CC (Commercial Community)
- All municipal services available

### STRENGTHS

- Adjacent to Trios Health (KGH) Hospital Development
- Interstate 82/Highway 395 accessibility; South Gateway entrance into Kennewick
- Prime commercial, mixed use and residential development area

### CHALLENGES

- ✱ Kennewick Waterfront and Vista Field Redevelopment Priority Projects require most all Port resources
- Excessive quantity of developed land available
- Topography challenges

### SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- Market 8.50+ acre parcel and utilize any proceeds for Vista Field Redevelopment®

**Obligation**  
*Support Previously Expressed*  
® **Revenue Generation Potential**





## **FINLEY (TWIN TRACKS & HEDGES LAGOON)**

### **TWIN TRACKS:**

- 148.14 acres; Zoning: Benton County - HI (Heavy Industrial)
- Utility Services: ground well, electricity and natural gas available

### **HEDGES LAGOON:**

- 55.35 acres (of which 3.65 acres above ordinary high water line)
- Zoning: upland Benton County - HI (Heavy Industrial); aquatic NA
- Municipal Services: electricity available (Upland)

### **STRENGTHS**

- Current dual rail service (Twin Tracks)
- Inter-Tie and Piert Road project improves access Interstate 82/Highway 397

### **CHALLENGES**

- ✱ Kennewick Waterfront and Vista Field Redevelopment Priority Projects require most of Port resources
- No municipal utilities and adjacent to existing & expanding residential (Twin Tracks)

### **SUGGESTED WORK & PROPERTY MANAGEMENT PLAN**

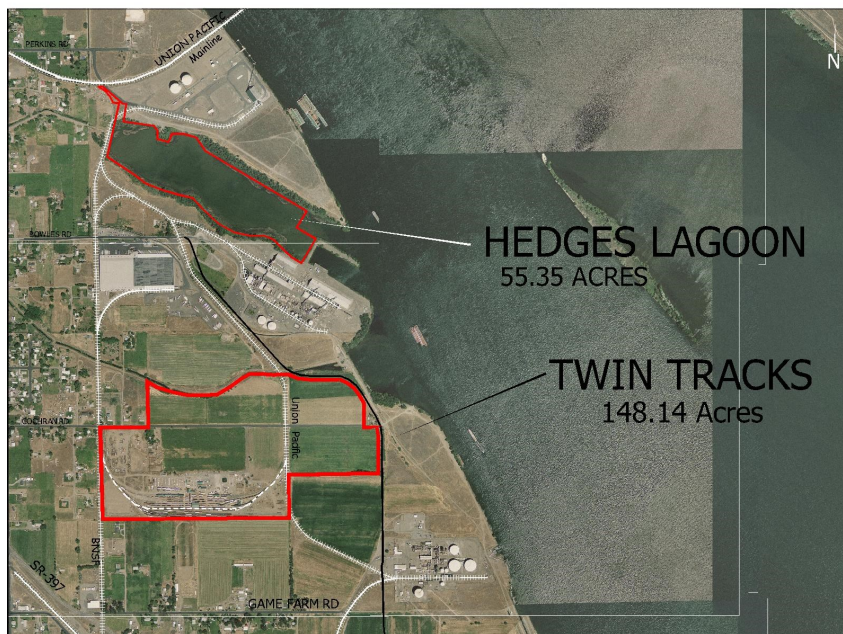
- ☐ Investigate sale/transfer of Hedges Lagoon to federal, state and/or tribal parties

- **Market Twin Tracks properties lying east of UP rail spur (34.66 Acres)**

**Contractual Obligation**

**Support Previously Committed**

**® Revenue Generation Potential**



## **PLYMOUTH INDUSTRIAL**

- 157+ Acres (Zoning: Benton County - P (Park District) and HI (Heavy Industrial))
- Municipal Services: ground wells and power available

### **STRENGTHS**

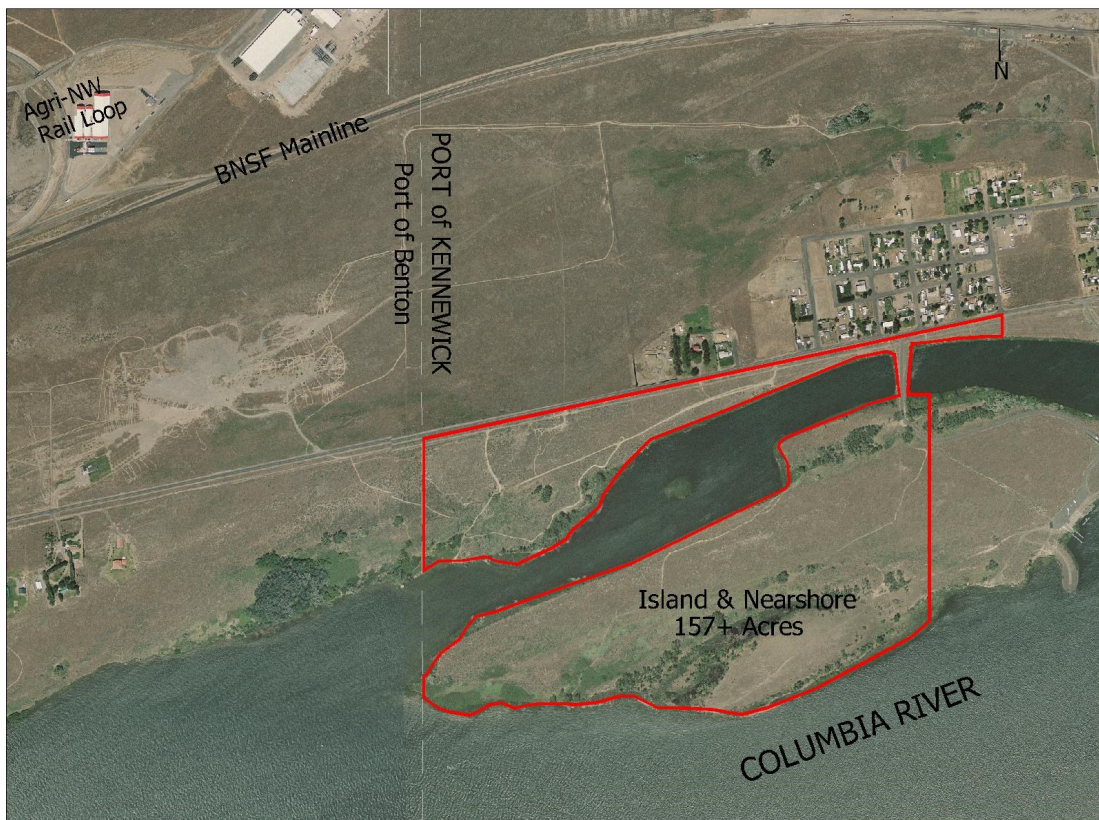
- Near Interstate 82 and State Route 14
- Natural Gas - 1,000 feet from site
- Substantial electrical service in immediate vicinity

### **CHALLENGES**

- ✱ Kennewick Waterfront and Vista Field Redevelopment Priority Projects require most of Port resources
- Cultural resource protections on island areas and nearshore

#### **SUGGESTED WORK & PROPERTY MANAGEMENT PLAN**

- ☐ Investigate sale/transfer of Island & nearshore land to federal, state and/or tribal parties
  - Contractual Obligation**
  - Support Previously Expressed**
  - ® **Revenue Generation Potential**



## **DISTRICT - WIDE WORK PLAN PROJECTS**

### **SUGGESTED WORK PLAN**

- ☐ Remain focused on the day-to-day efforts to operate a successful Port District
- ☐ Complete projects authorized in 2015-2016 Budget
- ☐ **Pursue grant funding as appropriate ®**
- ☐ **Return On Investment analysis & capital reserve for ROI project - \$700,000 ®**
- ☐ **Port asset replacement program (building upkeep & annual maintenance) - \$550,000 ®**
- ☐ **Opportunity fund for yet to be identified small projects (either Port or outside agency) - \$100,000 ® (*dependent upon project(s) selected*)**
- ☐ Governmental relations and public outreach - **\$16,000**
- ☐ Continue strengthening governmental relationships with CTUIR
- ☐ Continue strengthening governmental relationships with jurisdictional partners: City of Kennewick, City of Richland, City of West Richland, City of Benton City, Benton County
- ☐ Partnership with City of Benton City for Shoreline Master Planning efforts Richland - **\$15,000** {*Rural County Capital Funds*}
- ☐ Miscellaneous capital - **\$100,000**

**Contractual Obligation**  
**Support Previously Expressed**  
**® Revenue Generation Potential**

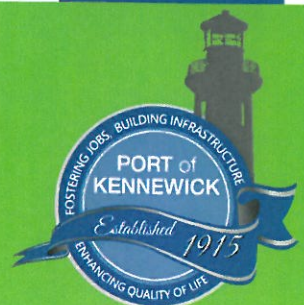




## Port of Kennewick

*Fostering Jobs*

*Building Infrastructure*



# Mission & Goals

**The Port of Kennewick's mission is to provide and support sound economic growth opportunities that create jobs and/or improve the quality of life of the port district citizens.**

## **Economic Development and Job Creation Goals:**

- Provide the public with high quality projects and services within a healthy work environment.
- Evaluate economic development opportunities based on results to be derived district-wide versus project-specific or jurisdiction-specific.
- Encourage transparency, open competition and equal project consideration, fostering a reputation for fairness with the local business community.
- Seek to fund projects with available resources.
- Support intergovernmental cooperation by partnering with entities which demonstrate support.

## **These above goals will be accomplished through the following projects:**

- ✓ Vista Field Redevelopment planning efforts are in full swing with high community and business involvement throughout the 2017 & 2018 years. The Port is working to formulate a financial plan that involves public and private partnerships, a financing mechanism which does not increase taxes, and engages open and competitive practices. The impacts of this project will be substantial to the local area as well as the



state and even nationally as we work to spur and retain jobs in the United States.

- ✓ Columbia Drive Redevelopment involves multiple sound economic development projects planned for construction in 2017 & 2018. These construction projects are in conjunction with partnering entities and a competitive bid process will be used throughout. The Columbia Drive Redevelopment projects will positively impact the Port district-wide, while supporting the "Bridge to Bridge, River to Railroad" community plan, and the expansion of Washington's wine, culinary, and artistic industries.



- ✓ Clover Island shoreline restoration, public amenity enhancements and project planning are all under way. The Port is working with the U.S. Army Corp of Engineers and the Washington State Recreation & Conservation Office (RCO) to help fund shoreline improvements; and Confederated Tribes of the Umatilla Indian Reservation to create and install artwork on the Island. These are key projects to restoring the shoreline for salmon habitat restoration, visually improving the island's aesthetic, and adding very valuable and community-desired recreational and artistic improvements. These project are important to the Port's

return on investment as they will encourage future potential development and businesses to locate at Clover Island.

### **Financial, Operational, and Budget Philosophy for 2017 & 2018:**

- The Port is maintaining its goal of a balanced budget.
- The Port is fiscally sound and is ensuring its available resources do not exceed expenditures.
- The Port's budget will maintain current staffing levels and can therefore continue to promote fiscal responsibility into the future.
- The Port's budget does reflect incurring debt; however, if debt is pursued it will be with the goal of being sustainable while meeting cost, risk, legal and economic objectives.
- The Port will continue to report ROI as appropriate and share audited financial reports with the public.

## 2017 & 2018 PRELIMINARY BUDGET

Total Revenues	<u>\$ 16,268,759</u>
Total Expenses (less capital and promotional hosting)	<u>\$ 7,845,489</u>
<b>Profit (Loss)</b>	<b><u>\$ 8,423,270</u></b>
Less Capital Expenses	<u>\$ 11,636,937</u>
Less Promotional Hosting Expenses	<u>\$ 20,449</u>
Beginning Cash on Hand	\$ 6,335,887
RESERVE FUNDS	\$ 2,500,000
UNRESTRICTED FUND BALANCES	\$ 601,772
<b>ENDING CASH ON HAND</b>	<b><u>\$ 3,101,772</u></b>

The 2017 & 2018 Preliminary Budget PowerPoint Presentation are integral to the Port of Kennewick's preliminary budget document.

## **Port of Kennewick Artwork Policy**

It is the policy of the Port of Kennewick to foster the artistic interests of the community, including the expression of ideas and viewpoints, by providing a showcase for artwork created by community and regional artists. In furtherance hereof, the Port establishes the following policy related to artwork.

### **Section 1. General Provisions.**

- A. The term "artwork" means all forms of the visual arts conceived in any medium, material or combination thereof, commissioned, purchased by, or gifted to the Port,
- B. The term "artwork budget" shall include cost of artwork, design fees, engineering costs, installation and similar costs, together with consulting fees and costs related to administering this policy.
- C. The Port Commission shall determine whether artwork shall be installed when the Port designs, engineers and constructs new capital projects of its own undertaking and when the Port sells undeveloped land.

### **Section 2. Artwork in Port Capital Projects.**

If the Port Commission decides to include artwork in a capital project of the Port's undertaking, the Port shall establish an artwork budget of 1% of the total capital cost of the construction project. For infrastructure only projects, i.e.: those where the Port does not construct a building, the Commission may elect to refrain from including artwork.

### **Section 3. Artwork required as part of Port Land Sales.**

- A. When the Port sells unimproved real property, at the discretion of the Port Commission, the Port may require that a sum (as determined below) be paid by the purchaser and deposited with the Port to purchase artwork to be installed in a public area within the Port of Kennewick district boundaries. The selection of the site for artwork shall be at the discretion of the Port Commission.
  - 1. For the first \$500,000, of sales price, a sum equivalent to 3% shall be assessed for artwork; and
  - 2. For sales in excess of \$500,000, a sum equivalent to 2% shall be assessed for artwork.
- B. Funds collected under this section shall be used for selection, acquisition, and installation or display of artwork; repairs and maintenance of artwork; and other project-specific expenses of selection and acquisition of public art.
- C. Any unexpended funds shall be carried forward from year to year until expended for the purposes set forth in this section, unless otherwise directed by the Port Commission.

#### **Section 4. Artwork Selection Process.**

- A. When selecting artwork, whether for a capital project of the Port's own undertaking, or when the Port sells unimproved real property, the Port may seek the advice of the arts commission in the jurisdiction where the artwork will be installed. The Port Commission shall request advice from the arts commission in extending calls to artists for submission of artwork and in the evaluation and selection of artwork.
- B. Artists responding to calls for submissions shall provide a detailed sample or rendering of artwork proposed for consideration.
- C. Because potential artwork display areas will be open to all segments of the community and all age groups, artwork shall not include material, which in the sole discretion of the Port Commission is defaming, obscene, or otherwise inappropriate.
- D. Artwork submissions shall be original artwork as opposed to mass-produced, of standard design or limited editions.
- E. The Port Commission may review, evaluate, select or reject any artwork submission in its sole discretion.