

PORT OF KENNEWICK SPECIAL JOINT MEETING

OCTOBER 18, 2016 MINUTES

CALL TO ORDER

Commission President Skip Novakovich and Mayor Steve Young called the Port of Kennewick and City of Kennewick Special Joint meeting with Columbia Basin College to order at 5:32 p.m. at the City of Kennewick City Hall, located at 210 West 6th Avenue, Kennewick, Washington 99336.

The following were present:

- Board Members:** Skip Novakovich, President
Thomas Moak, Vice-President
Don Barnes, Secretary
- Staff Members:** Tim Arntzen, Chief Executive Officer
Tana Bader Inglima, Deputy Chief Executive Officer
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, Chief Financial Officer/Auditor
Larry Peterson, Director of Planning & Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel
- City of Kennewick:** Steve Young, Mayor (Co-chaired the meeting)
Don Britain, Mayor Pro Tem
Matt Boehnke, Councilman
Paul Parish, Councilman
Bob Parks, Councilman
John Trumbo, Councilman
Marie Mosley, City Manager
- Columbia Basin College:** Rich Cummins, President, Columbia Basin College
Kedrich Jackson, Chair, CBC Board of Trustees
Bill Gordon, CBC Board of Trustees
Sheri Armijo, Member, CBC Board of Trustees
Tyrone Brooks, Vice President for Administrative Services
Matt Backlund, Vice Chair, CBC Foundation
Alissa Watkins, Director of Philanthropy, CBC Foundation

PLEDGE OF ALLEGIANCE

Councilman Matt Boehnke led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

PORT OF KENNEWICK SPECIAL JOINT MEETING

OCTOBER 18, 2016 MINUTES

Columbia Drive Revitalization Phase One Status Updates

Ms. Mosley thanked Mr. Novakovich and Mr. Young for the opportunity to provide a brief overview on the joint project. Ms. Mosley congratulated and thanked the Port of Kennewick and the City of Kennewick for the partnership that they have formed, in order to bring a tremendous project to fruition. The vision began with the Port of Kennewick, who recognized an opportunity and purchased land along Columbia Drive, to execute the vision.

Mr. Arntzen provided an update to the Commission, Council and Board of Trustees on the current land owned by the Port of Kennewick. Just recently, the Commission approved a construction contract with Banlin Construction, for the three buildings, two of which will be leasable space for wineries and the third is the joint barrel storage house. The Port owns 16 acres of property that runs from the Willows to Cable Greens; the remaining 12 acres is privately held property. Mr. Arntzen stated the private businesses will remain and over time, may want to join the redevelopment effort. The character of the area will remain and the Port will add to the area with the addition of the Wine Village and other amenities. The redevelopment is not just about wine, it is a project to improve this section of Kennewick.

Ms. Mosley stated as the Port commences on the construction of the three buildings, the City, in partnership with the Port, has completed the trail around Duffy's Pond, which is connected to the Sacajawea Heritage Trail, and accessible to the Wine Village. The trail provides an excellent opportunity for bikers and walkers to enjoy the vibrancy of Columbia Gardens. In addition to completing the trail, the City is in the process of installing the streetscape on Columbia Drive, which includes curbs, gutters, bus-pullout, lighting and landscaping. The streetscape will be completed in November and this section of Columbia Drive will look different very soon. The City will also install the wine waste water pre-treatment facility to serve the wineries at Columbia Gardens.

Mr. Arntzen presented slides of the development which will be connected by a small drive/walk through to create a Main Street, separating it from Columbia Drive. The two winery buildings will feature the Latino Heritage Mural, which the Port has been working on with the Latino Heritage Mural Committee. The Commission recently commissioned artist Andrew Reid to complete the murals.

Mr. Novakovich is very proud of the partnerships the Port of Kennewick has developed, and feels the City of Kennewick has been an outstanding partner. The Port believes we can serve this community better and create great projects through partnerships.

Proposed Catalyst Projects

Ms. Mosley stated there is a lot of excitement and synergy with Phase I between the Port and the City and other private development interests. We believe it is time to plan for Phase II.

Mr. Arntzen stated the Port had been approached by several large wineries asking when the Port might sell land in conjunction with the Phase I of Columbia Gardens. These requests prompted staff to begin discussing the potential for Phase II. Phase II will be located to the west of the three winery buildings in the Willows, with a loop road that will connect the walkable street. Mr. Arntzen presented the plan for Phase II of Columbia Gardens Winery Village.

PORT OF KENNEWICK SPECIAL JOINT MEETING

OCTOBER 18, 2016 MINUTES

Ms. Mosley introduced Rich Cummins, President of Columbia Basin College (CBC) to discuss the exciting partnership opportunity with the City and Port.

Mr. Cummins became President of CBC in 2008 and Mr. Young was the first person to ask when CBC would be coming to Kennewick. Mr. Cummins thanked the City and Port leaders and the CBC Board of Trustees for their support in helping move this project forward. Mr. Cummins thanked CBC Vice President, Tyrone Brooks for his hard work on this project and the CBC Foundation, Matt Backlund and Alissa Watkins. Mr. Cummins reported the Port, City, and CBC have been working quietly over the last year and doing due diligence about what it would look like to open a culinary institute. CBC visited several local community colleges and built a business plan around a culinary institute. As we developed this plan, it became a textbook example of economic development and how entities can come together to move a community forward. The first factor of economic development is the Port and City installing the infrastructure for this project, which will attract the second factor, private investment. The third factor is talent. For the Tri-Cities to reach its potential in this specialized area, we need to keep the talent here. The fourth factor is innovation and CBC is proposing to place a culinary institute near Duffy's Pond. The design of the program is simple, featuring three large kitchens, through which CBC would run two cohorts of cooking students, offering morning and afternoon classes, and one baking kitchen. The proposed building is 20,000 square feet and will feature an event center with a 200 seat capacity, a bakery store on the front end for retail purchases and a small restaurant. The restaurant would be open on a limited basis and run by the students, who would create the menu and complete all the prep work. Mr. Cummins stated CBC would like to form a Public Development Agency to fundraise the approximately \$10,000,000. Mr. Cummins presented slides of the proposed building to be located near Duffy's Pond. Mr. Cummins would like to rally the community around this concept and begin the hard work of fundraising and building the program.

Funding for Catalyst Projects

Ms. Mosley stated there have been a lot of people involved in this project and thanked Terry Walsh, Emily Estes-Cross and Barb Carter for their help. They are the ones who began the discussion about a culinary institute in this area and then approached Mr. Cummins with the concept. When we discuss partnerships, we have a phenomenal opportunity to partner with Benton County. Benton County had been provided Rural County Capital Funds, which is a 0.09% sales tax credit, and is used for economic development purposes. Benton County has done an excellent job in their fiscal responsibility and have set aside the funds to pay the debt service on the jail. The Rural County Capital Funds exist until 2023, which provides a unique opportunity for Benton County to share those funds with local entities within Benton County to provide economic development opportunities. The City and Port would partner on this project and request Rural County Capital Funds for the CBC Culinary Institute infrastructure. The Port and City would like to leverage those dollars and look for additional grant opportunities as well and invest in the infrastructure and community. Ms. Mosley thanked Benton County for their fiscal responsibility and being able to provide this money to local entities.

Mr. Arntzen echoed Ms. Mosley's comments and stated without the participation of the County, these two projects would not have been possible. An important element of the Rural County Capital Funds is for economic development projects that jurisdictions were unable to fund on their own. The

PORT OF KENNEWICK SPECIAL JOINT MEETING

OCTOBER 18, 2016 MINUTES

County has played a critical role in this project and the Port and City will go through an application process, but sincerely believe this building is very consistent with the use that the legislature placed on the Rural County Capital Funds. Ms. Mosley has done a wonderful job summarizing the relationship between the Port and the City. It is important for local jurisdictions to build partnerships and collaborate to bring great projects to our community. Mr. Arntzen stated if the Port Commission and Kennewick City Council would like to proceed with the joint project, the Commission and City Council would need to provide authorization.

Mr. Novakovich stated this is a prime example of how government entities can partner together for the greater good of the community. Mr. Novakovich called for public comments.

PUBLIC COMMENT

Kris Watkins, 7130 West Grandridge Boulevard, Kennewick. Ms. Watkins, Visit Tri-Cities President, congratulated the Port of Kennewick, the City of Kennewick, and Columbia Basin College on this wonderful project. The 2016 Visit Tri-Cities Annual Meeting this year focuses on culinary tourism of the hidden harvest, and when you bring food, wine and the ability to enjoy the arts and trails, you have an ideal project. A culinary institute will be an anchor for this area. In regards to tourism, each development should have a critical mass, and this is very complimentary to the WSU Science Center and the Walter Clore Wine and Culinary Center in Prosser and the over 200 wineries within an hour's drive. Ms. Watkins is very confident, in terms of a payoff for the community that the development will pay off through tourism and visitor dollars. Currently, tourism is a \$488,000,000 industry and those dollars will go to small businesses in the Tri-Cities region. Furthermore, visitor spending is also generating taxes and revenues for our jurisdictions and generating property taxes. Ms. Watkins believes downtown Kennewick will prosper with the addition of the development and put the Tri-Cities on the map. Ms. Watkins offered her assistance and is very enthusiastic about this project and thanked and congratulated all three entities.

Dan Smith, 124 West Kennewick Avenue, Kennewick. Mr. Smith, executive director of Historic Downtown Kennewick Partnership, supports this project as a partnership and believes this project will help tourism, local businesses, and drive people to downtown Kennewick. The partnership believes a walking path should be installed from the Wine Village to the downtown area, as time goes on, our partnerships continue to build and we can generate more traffic into downtown Kennewick.

Shirley Simmons, 9221 West Clearwater Avenue, Kennewick. Ms. Simmons stated as a small business owner, this is an amazing opportunity for us. Our area does not have anything where a small business can hire students to work as caterers, kitchen staff or wait staff and this opportunity is absolutely amazing. Ms. Simmons fully supports the project as a business owner and congratulated CBC, the City and the Port. No further comments were made.

JOINT ELECTED DISCUSSIONS

Mr. Young stated it has been a goal of his to have CBC reside in Kennewick and is pleased that the culinary institute will be located in this area of Kennewick, an area that people had given up on. Now, there will be a lot of movement in this area and you will begin to see students, business owners, tourists and locals. This school is important to the Tri-Cities because of the model kitchens and the people it will draw to visit the area just to see what CBC determined to be the best kitchen and layout. Not only will the school be training future chefs, cooks and bakers, but there will be additional food service career training. Lastly,

PORT OF KENNEWICK SPECIAL JOINT MEETING

OCTOBER 18, 2016 MINUTES

the community will begin to see new restaurants open up in this area because of this school. Mr. Young thanked CBC for choosing to reside in Kennewick and stated this is the anchor we have been looking for.

Mr. Parish stated since 1948, the Columbia River has been our backdoor and this is a huge step forward to finally reclaiming as our front door.

Mr. Barnes stated this is a very exciting opportunity and stated a large portion of our local economy is agricultural based; Mr. Barnes agrees with Ms. Watkins that we are not doing enough to promote and showcase to our tourists and visitors to our region. Mr. Barnes believes it is a tremendous opportunity to be able to partner with CBC and create this institute that will help stimulate the Kennewick Waterfront as Mr. Parish stated and make the Columbia River our front door again. Mr. Barnes stated this project is the perfect example of collaboration and partnership and he is pleased with the teamwork between Port and City staff and now CBC and the County. This is a fantastic opportunity and Mr. Barnes is looking forward to working on this project.

Mr. Boehnke stated the partnership and collaboration between the entities is great and will help our region be the best it can be and put us on the map. Mr. Boehnke stated it is important to offer these kinds of amenities to keep the young professionals in this area. Mr. Boehnke believes this is a great opportunity to keep the young professionals in our area and thanked all those involved.

Mr. Jackson stated he is a small business owner that has lived in several large cities and has learned every large city starts out small. Eventually as cities grow, so do new ideas, and new ways to change and shape how a community could look. This is a grand step in our ability to shape the Tri-Cities and Mr. Jackson feels fortunate to be a part of CBC to help grow the Tri-Cities. Furthermore, it is a grand step for the future of the Tri-Cities and as Mr. Boehnke stated, to keep the young professionals here, we need a flair or aspect of the metropolitan. By bringing in the growth of food, art, and entertainment, we are developing ways to grow and attract people and keep people in our community. This is a key step in our community transitioning, while maintaining a small town community feel.

Mr. Moak looks at this project as community development. The east side of Kennewick has had its ups and downs and this is a great opportunity to work together and reshape the community. Mr. Moak believes a culinary institute is catalyst project for our community and welcomed CBC to Kennewick.

CONCLUDING REMARKS/ACTION

Mr. Britton stated three years ago the City and the Port entered into an Interlocal Agreement to move forward with Columbia Gardens. Mr. Britton stated partnerships just do not happen, there is a lot of hard work that goes into them, and he acknowledged Mr. Arntzen and Ms. Mosley and staff, for their continual effort. Mr. Britton appreciates the partnership and is excited that CBC is finally in Kennewick. He also thanked Mr. Cummins and the Trustees for partnering with the City and Port to bring CBC to Kennewick.

MOTION: Mr. Britton moved to authorize the City Manager to work with the Port of Kennewick and Columbia Basin College, to work on a development strategy and make a formal application to Benton County for Rural County Capital Funds, for Phase II infrastructure to support private development and Columbia Gardens, and a center for culinary education at the Willows; Mr. Parish seconded. With no further discussion, motion carried unanimously. All in favor 6:0.

PORT OF KENNEWICK SPECIAL JOINT MEETING

OCTOBER 18, 2016 MINUTES

Mr. Novakovich will accept a Motion on Resolution 2016-24, authorizing infrastructure to support private development at Columbia Gardens and an Institute of Culinary Arts Education and Workforce Training at the Willows.

MOTION: *Mr. Barnes moved for approval of Resolution 2016-24, Authorizing Infrastructure to Support Private Development at Columbia Gardens and an Institute of Culinary Arts Education and Workforce Training at the Willows as described in Resolution 2016-24; Mr. Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 6:14 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS



Skip Novakovich, President



Thomas Moak, Vice President



Don Barnes, Secretary

PORT OF KENNEWICK

Resolution No. 2016-24

A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS AUTHORIZING INFRASTRUCTURE TO SUPPORT PRIVATE DEVELOPMENT AT COLUMBIA GARDENS AND AN INSTITUTE OF CULINARY ARTS EDUCATION AND WORKFORCE TRAINING AT THE WILLOWS

WHEREAS, the Port of Kennewick has made substantial investment in land acquisition, demolition, and preparation for future redevelopment on Columbia Drive; and

WHEREAS, the Port of Kennewick and City of Kennewick have agreed to work together through the Interlocal Agreement to create the Columbia Gardens Wine & Artisan Village; and

WHEREAS, Columbia Gardens Redevelopment Phase One construction is underway and significant interest has been expressed by potential tenants; and

WHEREAS, an institute of culinary arts education will provide valuable and needed workforce training and become a catalyst for future employment, development, investment, and transformation of Kennewick's historic waterfront and downtown; and

WHEREAS, Benton County Rural Capital Fund assistance is required to implement Columbia Gardens Redevelopment Phase Two as envisioned; and

WHEREAS, the Port of Kennewick considers it in the public's best interest to continue with waterfront redevelopment by leveraging the port's investments with other funding partners to support development of an institute of culinary arts education and workforce training;

NOW, THEREFORE, BE IT RESOLVED that:

- *The Chief Executive Officer of the Port of Kennewick is hereby authorized to work with City of Kennewick, Columbia Basin College, and Benton County to prepare such interlocal agreements for Commission consideration as may be required to leverage investments for Phase Two Redevelopment; and further authorized to make formal application to Benton County for Rural County Capital Funds and Economic Development Administration (EDA) grant assistance for Phase Two infrastructure to support private development at Columbia Gardens and a center of culinary education at The Willows;*
- *This resolution becomes part of a formal application to Benton County for Rural County Capital Funds and Economic Development Administration Grant Funds; and*

(more)

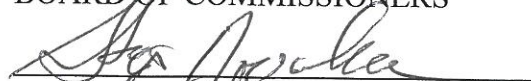
- *An opportunity for public comment on this resolution was provided.*

This resolution shall be effective immediately upon passage and signature by the Port of Kennewick Commissioners.

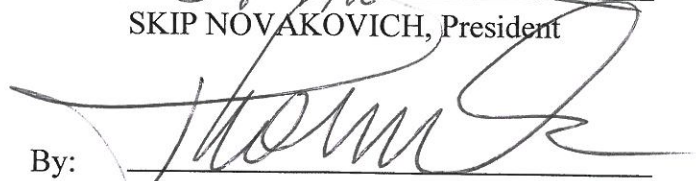
ADOPTED by the Board of Commissioners of Port of Kennewick this 18th day of October, 2016 located in Kennewick, Washington.

PORT OF KENNEWICK
BOARD OF COMMISSIONERS


By:


SKIP NOVAKOVICH, President

By:


THOMAS MOAK, Vice President

By:


DON BARNES, Secretary