



PORT OF KENNEWICK REGULAR COMMISSION MEETING

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

ANNOUNCEMENTS AND ROLL CALL

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

If you are listening to this meeting remotely, we appreciate your participation. To keep the background noise down to a minimum, we ask that participants mute their phones. The agenda packet may be viewed on the Port website if you would like to follow along. When it is time for public comments, it may be difficult to determine who is speaking, so please be patient and respectful.

The following were present:

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

Staff Members: Tim Arntzen, Chief Executive Officer (via telephone)
Tana Bader Inglima, Deputy Chief Executive Officer (via telephone)
Amber Hanchette, Director of Real Estate and Operations (via telephone)
Nick Kooiker, Chief Finance Officer (via telephone)
Larry Peterson, Director of Planning and Development (via telephone)
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant (via telephone)
Lucinda Luke, Port Counsel (via telephone)

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

Ms. Scott stated Cal Coie and another member from the public are joining us remotely.

PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Commissioner Barnes stated at this time, he believes there is an item that is not on the Agenda that perhaps would be worthy of mention. Mr. Arntzen, is there anything you would like to say at this point on the Agenda.

Mr. Arntzen received a request from Commissioner Barnes for a budget update over the weekend and he would like to have the chance to offer a few comments related to that, when Commissioner Barnes deems it appropriate on the Agenda. Mr. Arntzen would like to add that item please.

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MOTION: *Commissioner Barnes moved to add a discussion item, may we please add it as the first item under Item Eight on the Agenda. This would be a small a, and let's call it discussion with respect to quarterly budget update.*

Discussion

Commissioner Novakovich asked if Commissioner Barnes is moving to approve the Agenda with the addition of that item or just adding the item at this time.

Commissioner Barnes is moving to add the item at this time. If the item is added by two-thirds of the Commission, then we can move to approve the Agenda, either as amended or as currently published.

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

MOTION: *Commissioner Novakovich moved to approve the Agenda as amended, with the addition of a small a item under Section Eight; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated May 18, 2020***
Direct Deposit and E-Payments totaling \$62,599.84
- B. Approval of Warrant Register Dated May 26, 2020***
Expense Fund Voucher Number 102112 through 102150 for a grand total of \$284,241.19
- C. Approval of Regular Commission Meeting Minutes May 9, 2020***

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

EMERGENCY DELEGATION UPDATE

Mr. Arntzen thanked Commissioner Barnes and stated what he would like to do is just have Ms. Hanchette provide a brief discussion on one matter that we believe comes under the Emergency Delegation. Mr. Arntzen asked Commissioner Barnes, with his approval, he would like to "pass the baton" to Ms. Hanchette if he may.

Commissioner Barnes stated certainly and stated Ms. Hanchette has the floor and to please proceed.

Ms. Hanchette thanked the Commission and Mr. Arntzen and stated she has two items and will make them brief. The first item relates to Operations and as Ms. Hanchette has reported previously, the Coronavirus shut down has left us without our Department of Corrections work crew services. That has left us very short-handed in our Operations Department. Ms. Hanchette stated Mr. Arntzen approved a contract with

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Express Personnel Services for temporary general labor, until we are able to get some of our work crews back. Ms. Hanchette hopes that is sooner rather than later. Express was able to send out an individual right away, as soon as we were able to “dot all of our I’s and cross our T’s” on the paperwork. Ms. Hanchette stated that individual is coming out on a part time basis to help us with property management work, some of the general labor like weeding, and trash and it is just another set of hands. We may increase that to one more individual, but we have it set as a not to exceed contract budget item. Ms. Hanchette is happy to answer any questions that the Commission might have on that particular item, the one of two that she is reporting on today.

Commissioner Novakovich stated he happened to go by to see his friend Ron Swanby at Swampy’s BBQ and there was a gentleman that was weed-eating and picking up trash and stuff. Commissioner Novakovich happened to talk to him and his name is Billy and he said he works for Express Personnel. Commissioner Novakovich inquired if Billy was any relationship possibly with the Port of Kennewick and Billy thought that was who hired him. Commissioner Novakovich stated Billy was doing an excellent job and wanted to pass that on.

Ms. Hanchette thanked Commissioner Novakovich for letting her know that and she appreciates it. We have him focused, right now, on Columbia Gardens and taking care of the areas along the walking path, the trail, and trying to keep up with the weeds. Ms. Hanchette stated that we also have Epic Landscape that does our groomed areas around buildings and parking lot space. But this gentleman is helping us with some of the rough areas as well.

Ms. Hanchette stated the second item she had for the report for the Commission is on the Real Estate side. Ms. Hanchette received another request from one of our hospitality tenants to defer rent only for the month of May. It is interesting in how their request came about, in that the Covid-19 created a meat shortage that most of us are already aware of, which impacted this business’s supply chain on the wholesale level. So consequently, it has reduced the number of days they are to be open to the public, from five days to two days per week. Then they had an unexpected event happen with a piece of equipment that had a large cash outlay, so lower revenue, much higher expenses for the month of May, they are taking advantage of the rent deferral for this month. While there is no action required by the Commission, Ms. Hanchette wanted to bring it up. We can handle the lease amendment on the staff level through Mr. Arntzen’s Delegation of Authority. Ms. Hanchette wanted to give an update on that and is happy to answer any questions on that item as well.

REPORTS, COMMENTS AND DISCUSSION ITEMS

a. Quarterly Budget Update

As Mr. Arntzen stated at the outset of this meeting, he received a request from Commissioner Barnes over the weekend to add this item to the Agenda. With it being the long weekend and staff out, Mr. Arntzen didn’t have a chance to formally add it to the Agenda, so he appreciates the opportunity to add it verbally. Mr. Arntzen stated Mr. Kooiker, Port CFO was initially prepared to present the quarterly update at this meeting; however, recently, several Port employees have had false unemployment claims filed in their name with the State Employment Department. Mr. Arntzen reported that Mr. Kooiker received notice about that and we have been treating that as an emergency matter and Mr. Kooiker has been following up on that, which has taken quite a bit of his time. Basically, we have the potential for an employee data breach that we are addressing, so it could be a social security number, it could be other employment materials, and it has gotten to

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the point as Mr. Arntzen said, a number of employees have had false unemployment claims on their behalf. It has been a nightmare with the paperwork, because it appears, in some cases, that the Employment Division was attempting to respond to set up accounts for these employees. The process to try to get this corrected has been somewhere between a headache and a nightmare. Mr. Arntzen stated Mr. Kooiker has been devoting a lot of his time to that and we appreciate that. There is also follow up to do from Port employees so this matter is not concluded and it is a serious matter. Our State Employment Office has been overwhelmed with these fraudulent claims and we believe they have been traced to hackers out of Nigeria. With that being said, Mr. Kooiker has not spent the time necessary to complete his quarterly budget report. Mr. Kooiker assured Mr. Arntzen that it will be something he would like to have ready for us at the next Commission Meeting and provide a report at that time. Mr. Arntzen stated that is the best he can offer under the circumstances and paused to see if there are questions from the Commission and Mr. Kooiker is available for comments.

Commissioner Barnes offered a comment and he appreciates that and looking back to the Meeting we had in February, the Meeting where Mr. Kooiker provided the last budget update. Commissioner Barnes thought we had some very positive and very constructive discussion regarding quarterly budget updates going forward and Commissioner Barnes was looking forward to this Meeting in anticipation of receiving a new update. But given the circumstances under which we are working now, with the pandemic and now given the new development of fraudulent claims using Port employee personal information. That is a serious matter and Commissioner Barnes really appreciates the fact that Mr. Kooiker and Mr. Arntzen basically elevated this to the front burner, it is a very important matter. Commissioner Barnes stated it is completely understandable that the quarterly budget update was set aside to take care of a more serious, a more urgent, a more pressing matter. Commissioner Barnes thanked Mr. Arntzen for the update, he does appreciate knowing and understanding what is taking place and why the quarterly budget update has been pushed back. Commissioner Barnes thanked Mr. Arntzen and stated he appreciates all the work and efforts that have gone in.

Mr. Arntzen thank Commissioner Barnes for his understanding and we will be working to get that presentation for him at the next Commission Meeting.

Commissioner Barnes stated it is very much appreciated and thanked Mr. Kooiker for all the work he is doing regarding these fraudulent claims. Commissioner Barnes believes in today's *Tri-City Herald*, there is an article about Nigerian hackers, he does not remember the number quoted in the article in the paper, but it was a huge number, he thinks it was millions of dollars. Commissioner Barnes thinks also there was a recent Editorial by the Tri-City Editorial Board encouraging people to go to a State website and establish an account with the Employment Security Department even if they are not filing a claim. Just the mere fact of establishing an account will protect your number and your information. Commissioner Barnes stated all of this is really close to home and thank you very much again, Mr. Kooiker and Mr. Arntzen for all your work on this and hopefully you can reach a satisfactorily resolution in short order.

Ms. Bader Inglima wanted to clarify; it was mentioned that there was a data breach related to employee information. For the record, Ms. Bader Inglima clarified, the Port's systems are secure,

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it was not a breach of the Port system. Many of these have been tied to a breach of Equifax, which is a major credit bureau in 2017 and there are a variety of other sources that are linked to these State Unemployment hacking scams that are going on. Ms. Bader Inglima reiterated that it was not a breach in Port's system.

Commissioner Barnes thanked Ms. Bader Inglima and stated that is a very important clarification to make, that this data breach was not a Port of Kennewick data breach, but it landed on Mr. Kooiker's desk nonetheless. Again, thank you for all your work.

A. Vista Field

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

Mr. Arntzen stated this is a further update related to this matter, frankly it has been slow going, if he can give an honest appraisal of the situation. However, it has been very rewarding, sometimes projects take a little bit longer and we sometimes get a little bit frustrated with the length of time that it takes to conclude a project, at least he does. This has had some very good discussion between two great community partners, the Port of Kennewick and the City of Kennewick. We have had a number of players on each team that had to interface and Mr. Arntzen can tell you he has been a part of many of these discussions. They have been cordial, they have been helpful, and his good friend, City Manager, Marie Mosley, has mentioned the partnership aspect throughout our discussions. There has been some heavy lifting, there has been some negotiating, there has been some give and take, but Mr. Arntzen wanted to include Ms. Mosley's email that summarizes her feelings throughout this process. Mr. Arntzen thinks that's really important for the Commission to see. Mr. Arntzen also included an email from the Public Works Director, Carey Roe, that gives the Commission the "meat and potatoes," if you will, of the issue. Mr. Arntzen wanted the Commission to have a chance to look at that and what he wanted to do was bring this email to the Commission because it does set up the basis of the bargain. The Interlocal Agreement (ILA) itself will have some of the wording that puts everything into context, but this is the basis of the bargain. Mr. Arntzen would like the Commission to have a chance to think about this today. The bottom line and that is what Mr. Arntzen is focusing on, our commitment to the City of Kennewick would be to not exceed \$125,000. That is a number we think is well within our grasp, we believe we have the funding for that, we believe the Port will have at least that amount of value received on this project. Remember, it is on one of the borders, if you will, of the Vista Field New Urbanist development. This is a project that will be very helpful to our future development. The road and utilities going in are setting the table for further development at Vista Field. With that being said, Mr. Arntzen summarized the Port's total commitment is not to exceed \$125,000 and the City received some good bids on this. Again, it is an opportunity to partner, to get a road in that will be usable for Vista Field, or street he should say, Mr. Peterson will correct him. It is a street that will have the trimmings and the fire station project will be developed and built in consistency with the standards that the Port has set through the community Master Plan for Vista Field. Mr. Arntzen stated his intention, now that we have the numbers, he will work with Ms. Luke, we will get the ILA language and plug these numbers into it. Mr. Arntzen would then like to get it to Ms. Mosley for review, to make sure she is comfortable with the language. Mr. Arntzen thinks we can get it all done and get it back to the Commission for approval at the next meeting. Mr.

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Arntzen stated, but again, this is the operative language of the document and he would like to pause at this point, to see if the Commission has questions or would like to have discussion. Mr. Arntzen stated we do have Mr. Peterson here, who has been very close to this matter as well, in case we have additional detailed questions.

Commissioner Moak asked Mr. Arntzen when he presents this back to the Commission at our next meeting, could he have a map that might show us exactly where this road is or any other visual document that might sort of set the parameters of exactly where this is going and how it ties into what we are doing, please.

Mr. Arntzen stated in response to Commissioner Moak, the ILA has several attachments and he has been working with Mr. Peterson on those attachments. We will have a map and some construction drawings, because these things need to be identified with particularity in the ILA. Mr. Arntzen thinks we can have those attachments as part of the packet as well.

Commissioner Moak inquired if Chief Michael is a participant in this or is Chief Hines the one who is really working this issue from the Fire Department standpoint.

Mr. Arntzen would have to say yes and he says that with “tongue and cheek.” We are in the transition period, where we are working with the new Chief. He has had some participation in this, so Mr. Arntzen would say yes, he has some participation. Mr. Arntzen thinks this project might have been the thoughts and goes back prior to his time, but yes, we have talked with Chief Chad Michael on this one as well.

Commissioner Moak thinks it was mentioned at our last Meeting that this was outside of the Urban Mixed Use (UMU) boundaries, but would the building fit within the guidelines of that, if it were within that or are there other certain provisions that probably would not fit within the Vista Field zoning.

Mr. Arntzen asked if Mr. Peterson could offer comments on that.

Mr. Peterson stated the City of Kennewick property for Fire Station #3 is outside the UMU zoning district; however, many of the elements or principles of the UMU zoning are being incorporated. The building is being cited as close to both Grandridge and to this yet to be named roadway, that Mr. Peterson will refer to as Roosevelt. The building is single story, there is quite a bit of glass along the Roosevelt frontage for partial display of their 1910 fire truck, the first fire truck the City of Kennewick had. So, there are many principles in terms of citing, the parking lot is behind the building, but there are some challenges with a fire station with large turn around areas, meeting the strict interpretation of UMU. The City has done a good job in incorporating the principles of UMU without following the letter of the law. And from a clarification standpoint, the road involved is the drive isle that connects the FBO to Grandridge Boulevard, which is about 400 feet long. This project will improve the road 185 feet or about half of that distance, that is where it is located.

2. Construction Update

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Mr. Peterson reported that the contractor, Total Site Services (TSS) is continuing the cleanup of the site and those that have been through the scissors intersection of Grandridge and Crosswind Boulevard may have noticed the remaining piles of rock near the pond and in the future park known as Daybreak Commons, have been leveled and moved around the site. TSS is finishing up some of the clean-up issues, finishing up some minor sidewalk work adjacent the stream, and the long-awaited saw cutting of Azure Drive, in a cycloptian or tortoise shell type pattern is underway and should be completed by end of this meeting. That would be the construction activity.

3. *Task Status Update*

Mr. Peterson reported that DPZ in Miami and Portland are working through that grocery list of questions and we look to bring the Commission some initial responses back at the first Meeting in June. Again, staff will be bringing back those questions in batches, manageable batches of information and the suggested responses or thoughts from DPZ on many of the questions posed. Low and behold, they are generating a few new questions or subsets of the questions we have already asked, so, the learned professionals are on the job.

B. *Clover Island/Columbia Drive*

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

Mr. Peterson stated in the Agenda Packet was a Resolution and Agenda Report related to the close out or acceptance of the work by Banlin Construction for the Wine Tasting Building at 313 East Columbia Gardens Way. Mr. Peterson stated at this time, he would ask that the Commission postpone this until the next meeting, as there was one minor detail that needs to be resolved before we bring this back for the Commission's formal consideration. It has nothing to do with the construction in the field, it is about "dotting an I and crossing a T" on the paperwork. Mr. Peterson asked that the Commission postpone this item to the June 9th Commission Meeting.

Commissioner Barnes stated the Commission has received a recommendation from staff to take no action regarding item B1. Commissioner Barnes thinks the expectation is that this will be an item on the Agenda for our next Meeting on June 9, 2020.

2. *Kennewick Waterfront Master Plan Update*

Mr. Peterson stated the consultants that the Port engaged, Makers architecture and urban design, have worked with Port staff and incorporated Commission direction on a list of stakeholders to contact with outreach questions. Because we are in this unique environment, working through the pandemic, the approach has evolved. There is still going to be a significant public participation process, it will just have to occur in a different manner. There was a suggestion that the Port consultant, Makers, conduct a phone call with each of the Commissioners to talk with them briefly about the proposal and assure the outreach happens in this electronic, non-meeting in public process that we have. They would walk the Commissioners through the proposed process that would still achieve the input that we seek from the public. That might be a series of individual calls, this is to take the Commission's temperature and share with the direction that this moves and lets you know what they are

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thinking. As we all know, if the process is questioned, the outcome will also be questioned. We want to assure that, this is new territory, this isn't the standard ad in the newspaper and reserve a meeting room. This is a different way of conducting the outreach and we are embracing the technology. Rather than treating it as crutch, we are looking at this as an opportunity. We would like to bring in Makers to talk directly with the Commission, unfortunately we can't do that in person. That is what we would like to do over the next couple of weeks. We would ask Ms. Scott to coordinate with the Commission, if they have time, possibly conduct a 45-minute phone call with the consultants, so they can run the Commission through what Makers is thinking and what the approach is.

Commissioner Barnes stated the Commission will expect to hear from Ms. Scott and/or Makers and we will plan to set aside an appropriate amount of time to do what we can to help the process along. Commissioner Barnes thanked Mr. Peterson for the update and he appreciates his work on this.

Mr. Peterson stated it is a team effort; a modification has been made to our website, so we can start populating our website on a very easy to find page, with information as it becomes available. So, the embracing of the technology is already in place and our updated website is helpful to that, so that involves Ms. Bader Inglima and Mr. Arntzen has been deeply involved in this and Ms. Hanchette has been involved and will be coordinating with all our tenants. Mr. Peterson stated it is a team approach and he somehow forgot Mr. Kooiker's role in this, but he is writing the checks for it. Mr. Peterson stated we are all working towards getting the Kennewick Waterfront Master Plan put together.

C. *Communications with Public*

Ms. Bader Inglima wanted to give the Commission a status report on some of the things we have been doing to communicate our projects with the public. We have had a couple of stories recently done by the *Journal of Business* and Wendy Culverwell has been participating in our Meetings remotely and then following up with staff. They did a recent story regarding the renewal of the Green Brier Lease as well as the progress at Vista Field. It was nicely done and great coverage and Ms. Bader Inglima appreciates the staff following up with the *Journal of Business*.

Ms. Bader Inglima has some kudos she was asked to share with the Commission from Bobbi Conner. Ms. Conner is a member with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), the Commission of course knows that, but that is for the public, who might not. Ms. Conner is the Executive Director the Tamástslíkt Cultural Institute. The Port is partnering with the Tamástslíkt Center, as we have done in the past, to help advertise the Port, in partnership with some of the events that they do, and their activities, and getting reopened for the Tamástslíkt Center. Ms. Conner wanted Ms. Bader Inglima to express to the Commission their gratitude for the Port's continued support in our partnership and she again talked about the Gathering Place and opportunities to maybe continue leveraging that story and bringing the voices to our website. They had limited time, because a lot of them are working from home as well, but Ms. Conner wanted to make sure that the Commission knew that they continue to appreciate the partnership and support and the relationship that we have developed over the years. That was part of Ms. Bader Inglima's

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report, to bring those kudos back to the Commission and let them know we are continuing that advertising partnership with them.

Also, Ms. Bader Inglima has had a number of people ask about grand opening events, we had one planned for Columbia Gardens and that had to be postponed due to the pandemic. And now that we are getting closer to the being done at Vista Field, Ms. Bader Inglima is being asked about a ribbon cutting there too and getting the partners involved and giving them the recognition. Ms. Bader Inglima has had quite a conversation with Mr. Arntzen and has been thinking about how do we approach that. And again, as Ms. Bader Inglima cautioned the Commission at last Meeting, about getting too excited about doing things too far in advance, because there is still some trepidation in the community. Ms. Bader Inglima thinks about who got to do construction projects and when, who got laid off, who got hurt because they didn't have a job to do, or lost their job and are now on unemployment. Ms. Bader Inglima thinks the timing is going to be important, so that we don't end up fostering any animosity in celebrating a construction project while people are still recovering from their unemployment or their projects being stopped. The other thing is, we have some practical considerations, we need to not rush into celebrating a ribbon cutting for Vista Field for practical considerations. The City needs to accept some of the streets and those need to be turned over before we open that up to the public. We also have the process of formally closing out the affidavits and final payments and ensuring that no lawsuits are filed and everything is complete and there is no additional reconstruction that needs to be done. Probably even more importantly, Ms. Bader Inglima expressed to Mr. Arntzen, she believes that perhaps holding a ribbon cutting too soon, could foster some general confusion about, and maybe even public ridicule to the Port, if we open and we aren't yet ready to provide all the details regarding pricing or the parcel information. Ms. Bader Inglima thinks the public perception of the ribbon cutting or grand opening is going to be seen as "ready for sale." There is a caution there that we make sure there is work to do on the property owners association and finalizing parcels, Commissioners setting pricing and all of those things, before we are able to market the available lots. Ms. Bader Inglima stated part of the reason we do the formal events and formal openings are to generate interest in the area, raise the visibility for the project and that they are available for sale. Given all of that, Ms. Bader Inglima is thinking perhaps a fall event would be better for the Port, at least to put a pin in the calendar for something to do in the fall. Ms. Bader Inglima has had this conversation with Mr. Arntzen, when she thought everyone was gearing up for a June 1st opening. Now Benton and Franklin Counties may be more delayed than that. We have not heard when our start into phase 2 will be. Ms. Bader Inglima is saying fall, but those things may need to be adjusted, based on when the Governor's mandates regarding when we can gather, when we can move forward, when any large gatherings are going to be allowed. Ms. Bader Inglima will stop there, but those are some of the considerations for maybe even doing an event to highlight Columbia Gardens being reopened or opened in the Vista Field ribbon cutting event as well. Ms. Bader Inglima thinks we need to start planning for some things, but knowing we are going to have to move into this as the phases are allowed and groups are allowed to gather. We also want to make sure that those are aligned better with the sales details, so that we don't have that delay and lose that momentum from the ribbon cutting to when we can have some things transpire out there.

Ms. Bader Inglima concluded her report and is happy to answer any questions and if Mr. Arntzen had anything he wanted to add, she would stand down at this point.

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Commissioner Barnes inquired if Mr. Arntzen had any remarks at this point.

Mr. Arntzen stated no, other than he thinks it was a very good report.

Commissioner Novakovich had a comment and he wanted to commend staff for evaluating this situation very carefully and coming up with the most logical solution they probably could and in the best interest of the Port of Kennewick and our constituents. Thank you for doing that, thank you for coming up with a conclusion to what we need to do moving forward.

Commissioner Barnes thanked Ms. Bader Inglema very much for all of her work in the area of communications with the public and we really appreciate it. These are extraordinarily challenging times, so, your work here is very much appreciated.

D. Director Reports

Mr. Arntzen stated he has at least one matter here he would like to finish with and it can be done either here or under non-scheduled. The matter might take a few minutes and might require some discussion. Mr. Arntzen inquired if he should do it here or wait until non-scheduled.

Commissioner Barnes stated while not knowing anymore about the item, he would trust Mr. Arntzen's judgement and defer to him. Commissioner Barnes inquired where would Mr. Arntzen prefer to have it discussed.

Mr. Arntzen stated he would rather do it under non-scheduled.

Ms. Bader Inglema stated she has one thing to add and she could have probably put this under communications, but she didn't originally have that planned. Prior to this meeting, as Ms. Bader Inglema always does, she works with our media, and she was talking to Wendy Culverwell, who was not able to join us on our Meeting today. That was a conscious decision she made because she is so impressed with the new system we have in place, where the Agenda is tied to the audio recording. Ms. Culverwell had another compelling commitment as we talked through the Agenda. Ms. Culverwell stated since the Port has that new system with the recordings on-line, she would take care of her other business and go ahead and wait until it is posted. She can jump between Agenda Items and listen to the recording. Ms. Culverwell wanted Ms. Bader Inglema to express kudos for getting out recordings in place, so Ms. Scott, you are doing a great job, even our media is appreciating that.

Commissioner Barnes thanked Ms. Bader Inglema and stated that it is wonderful feedback to hear and very much appreciated.

Mr. Kooiker stated a couple of things, the finance department at the Port has been, he is amazed at how busy we have been. It is amazing the software we have implemented to enable us to work remotely and accomplish what we have done. We have been very busy with various different things, and as Mr. Arntzen mentioned, the most interesting, and it gets more interesting every week, the unemployment fraud thing was a very shocking thing. At this point, from what Mr.

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Kooiker knows of, we have eight Port employees, so over half of our employees are subject to this kind of fraud. Most employers would probably say this is not our problem, let the employees deal with it on their own; however, Mr. Kooiker thinks that is part of the reason why the Port has had no turn over basically, because we take very good care of our staff members. Mr. Kooiker is trying to help the employees work through this, because we have had at least eight people who have had their identity stolen, including him, he is one of the lucky ones. Mr. Kooiker has gone through the process, so he is lucky he was the first one to go through all the steps, he is able to walk everyone else through it, which has been helpful. Mr. Kooiker is able to direct employees where to go and what to do. A couple things to note, Commissioners aren't subject to unemployment in the State of Washington, so the Port does not report for Commissioners and that is a statue, which Mr. Kooiker has clarified over the years with the State Employment Security Department. Mr. Kooiker has not been dispersing those emails to the Commissioners, but if Commissioners have outside employment, if they are employed elsewhere other than the Port and if they were subject to this, he can certainly help them through this as well. Mr. Kooiker has done a lot of research about what needs to be done to protect yourselves. It is certainly a difficult thing to deal with and it wears on you mentally and emotionally, when you think your identity has been stolen. The second thing is, the Port is lucky, to where we are self-insured and this has helped the Port because we have received a lot of bills from the State, telling us we owe unemployment premiums for all of these staff members. It is a substantial amount of money, if you can imagine unemployment for eight people is not an immaterial amount. The Port does not pay the claims, because obviously they are not real, but a typical unemployment insurance program that is managed by the State has already sent that money overseas, to wherever those people routed it. We are lucky in that respect that we have not lost any money, but nonetheless, we have gone to great efforts to help our staff members through this strange thing.

Another subject, this has primarily been Ms. Schumacher and Ms. Scott, but they are working, and Mr. Kooiker is lightly involved, but at a different level, but the contract routing process that we have had in place for years. We are updating that to be 100% paperless and it is really impressive the things you can do without printing out paper anymore. We are working on that and at one point, Mr. Kooiker was going to present that to the Commission, but that was before the whole Coronavirus happened, so right now, he is not sure about how to present that very well. It is a pretty neat process and it certainly is really advantageous to processing documents at the Port.

Commissioner Barnes thanked Mr. Kooiker and stated it is very challenging times, very interesting times.

Ms. Hanchette had something to report related to our tenants and real estate leasing and Covid-19 has created a lot of heartbreak and hardship for people in our community, but she did want to share a bright spot. Ms. Hanchette is continually amazed by the ingenuity of small businesses we have and how they have dealt with their own business challenges during the Corona Virus crisis. Palencia Winery, they are very creative and have been offering tasting kits to go, which is basically small versions of the tasting you would get in person. Gordon Estate Winery has done virtual tastings, where you can go on a Zoom and do a virtual tasting with them. A lot of the wineries are offering local delivery, bringing their product to your door. Also, Cedars, Ms. Hanchette does not know how many folks follow Cedars on social media pages, but they are hosting a Saturday drive-

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thru fresh market on June 6, 2020. Ms. Hanchette thanked Ms. Bader Inglima for letting her know about this. You can drive-thru the Cedars parking lot, which will have vendors that you can purchase goods from and they will also have take-out food. Very creative and a lot of ingenuity from our tenants and then the small businesses are also cross promoting each other and helping lift each other up. Ninja Bistro, who is an Asian Fuzion food truck that we have a Columbia Gardens, they hosted a pop up cookie business one weekend a few weeks ago. Morsel Cookies is a local, small business and she had a table next to the food truck, she has all of her health department requirements and a business license. They were promoting each other through their social media pages and folks were coming down and buying cookies and lunch from Ninja Bistro. On June 11, David Phongsa, who owns Ninja Bistro, will be hosting Karma Juice, a local entrepreneur who has a healthy beverage cart. The Port and the Commission, through supporting these small businesses, are helping to lift them up and they are trying to look for silver linings wherever they can. Ms. Hanchette wanted to share a bright spot and something to encourage us for the future, some of these great things that are happening within our own Port district.

Commissioner Barnes stated that is an excellent report, excellent information and hats off the local small businesses and their creativity and ingenuity.

Ms. Luke wanted to give a quick report at this time and hopefully a fuller report at our next meeting. Tomorrow morning, counsel has a conference call with Judge Kallas regarding the hearing schedule and we will be discussing hearing dates in September and also a briefing schedule. Ms. Luke wanted to give the Commissioners a heads up about that. Ms. Luke is hoping to nail down hearing dates that would be a Special Commission Meeting in between our regular Commission Meeting, sometime in September. As Ms. Luke stated, she will have more for the Commission after we have the phone conference and she will report back at the next Commission Meeting.

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

Commissioners reported on their respective committee meetings.

F. Non-Scheduled Items

Mr. Arntzen thanked Commissioner Barnes and apologized for having to bring a potentially lengthy matter to the Commission and he will try to keep it brief. Recently staff was notified that a party would like to discuss a proposal for Vista Field development. Mr. Arntzen let the Commission know that we are not receiving proposals, because that is the reason why he is here today. The question that Mr. Arntzen would like to pose to the Commission is, is your executive director even authorized to receive proposals? Before Mr. Arntzen gets to the question, he would like to give a little bit of a background. A local developer has expressed interest to Port staff, this person has met with Mr. Peterson and Ms. Hanchette, and Mr. Arntzen even met briefly with the gentleman. The local developer would like to lease land at Vista Field for a non-permanent use, not for building a building, it could be a long term, potentially permanent use. It would be more akin to a pop-up development; however, it is not necessarily a true pop-up development because some infrastructure would be needed. Part of Mr. Arntzen's questioning here is, the fact that it is a hybrid use, it's not really a development proposal, but it could potentially be long term. Mr. Arntzen wanted to walk through the process and again; he is not bringing a proposal to the

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Commission now, because he thinks that is the central question: whether Mr. Arntzen or Port staff are authorized to even receive proposals. The Port has two guiding documents that he would like to reference: one is in 2014, the Commission indicated its policy directive that there would be no interim uses of property, such as community events. You may recall that around that time frame we had a number of requests for shorter term uses for the property. At that point, the Commission indicated through a policy directive that it did not want to entertain interim community uses for the Vista Field property. Mr. Arntzen thinks one of the things the Commission highlighted was the potential for liability and the potential interim uses would impact construction. The second guiding document that Mr. Arntzen looked at to try to shed some light on this question is the collaborative design process from 2016. The document that has been in front of the Commission once or twice and it is a fairly significant document and it talks about the process by which the Port Commission would formally review proposals. A couple of important points the collaborative design process talked about an opportunity for notice to the community, to the developers, to the world at large, if you will, notice, that the Port, in a sense was “open for business.” Mr. Arntzen thinks the Commission raised some legitimate concerns about, if party a just pops in and gets a deal from the port, how does party b, c, and d know that there was a fair process, that everybody had notice. One of the major elements of the collaborative design process is that the Port will ready parcels and then notify the development community that those parcels are available. Mr. Arntzen looks at those two documents to provide guidance for himself and staff as to whether or not the Commission would be willing to entertain a proposal for this development or use of the property. The way Mr. Arntzen looks at these policies, it seems to bookend the potential uses, the 2014 policy directive was saying “no community events or interim uses,” and the 2016 collaborative design process seem to say “no formal development, either on purchased property or leased property” unless it complies with the collaborative design process. Mr. Arntzen is seeking guidance from the Commission, he surely did not want to bring the Commission a proposal because, at this point, it is his understanding that staff is not authorized to entertain proposals or to even be in receipt of proposals. Mr. Arntzen can tell you, this has been the custom and practice of staff, because he can think of two other folks that have had a lot of interest in the Vista Field property and Ms. Hanchette, Mr. Peterson and Mr. Arntzen have told those two individuals that we are not ready to go yet. The Port has guiding documents that say, once we are ready to go, we will provide sufficient notice, so that everybody gets that opportunity at the same time.

Mr. Arntzen stated as custom and practices, we have been talking to folks that have some interest, we have been directing them to the website, to the documents that are there. We have been directing them to some of the design standards and articles on New Urbanism, but we have stopped short of accepting proposals. We have even told them that until further notice, the directive from the Commission and our interpretations, is that we are not accepting proposals. This doesn't fit exactly where it should, but Mr. Arntzen does think our two policies that the Commission has passed might seem to bookend this potential use. Mr. Arntzen will pause at this time, and again, because he wants to stop short of saying what the use is, who the developer might be, any of the details, because first of all, folks want to be able to come to staff and sound this out before their project might see light of day. Again, unless we have a formal proposal, Mr. Arntzen does not think it is appropriate to discuss a lot of the details of the project. Mr. Arntzen is pausing and again, his central question to the Port Commission is, is the executive authorized to receive proposals. Staff has been acting as if we were not authorized to receive proposals for Vista Field.

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Commissioner Barnes thanked Mr. Arntzen and stated that is interesting and he would hold that Mr. Arntzen is not authorized to receive proposals. Commissioner Barnes would offer, as work that is in progress that supports that, Mr. Arntzen clearly referenced the collaborative design process and he thinks the Port Commission, working with staff and with legal counsel went to a lot of work and a lot of effort to lay out a clear, fair process, when the Port is ready to takes some steps to come out of the ground at Vista Field with development. And then you look at Mr. Peterson's earlier report on the task status update, we have a laundry list of items, or we have a list of items, a list of questions, that are being processed right now by our professional in Miami and Portland, the DPZ team. Commissioner Barnes would have a really tough time justifying, even looking at any proposal for development at Vista Field, even if it is one that may not involve building. Commissioner Barnes would have a very difficult time accepting any proposal at Vista Field when we have this work in process with DPZ and when we clearly spent so much time to put in place, a collaborative design process. These are Commissioner Barnes' initial thoughts and will yield to fellow Commissioners on this.

Commissioner Moak appreciates Mr. Arntzen bringing this to the Board and he thinks it is a very serious question. Commissioner Moak thinks Commissioner Barnes covered most of his feelings that way. Commissioner Moak thinks, he might feel differently, frankly if Mr. Arntzen had said this was a multi-million dollar project that we need to get off the ground and this is an opportunity zone and this is, and someone is going to invest millions and millions of dollars, he might have a different answer to that. That doesn't seem to be what this is, it sounds like it is fairly minor within the scheme of Vista Field and it isn't just a pop-up, Mr. Arntzen referenced there was going to be some development work that needs to be done. Commissioner Moak's biggest concern, is we are trying to get these answers from DPZ, we want to focus clearly on that, Vista Field is the mega project we have going, and Commissioner Moak thinks for us to start taking smaller, one off development proposals...if this were truly pop-up, and Mr. Arntzen said we were going to put them on a month-to-month lease and they are going to have a food truck out here, Commissioner Moak stated it might be a different answer. But with what Mr. Arntzen provided the Commission, he does not think the answer can be anything other than what Commissioner Barnes has suggested.

Commissioner Novakovich thinks there are times when we need to take a look at what opportunities might present themselves, but he thinks a precedence has been set here. Commissioner Novakovich would hate to see some opportunities go by the wayside, but again, he thinks the comments of the other two Commissioners probably stand firm. Commissioner Novakovich has no further comment.

Mr. Arntzen thinks the Commission discussion has been useful and what he would like to do is get a copy of the minutes of this discussion and keep them in our files with respect to the two policy directives that we have. Again, those two seem to bookend it, the range of proposals, this one seems to be in the middle. Mr. Arntzen thinks this discussion was very helpful, kind of on that scale of what staff would bring to the Commission and what they would not. This has been a helpful discussion and Mr. Arntzen will print this out and keep for future reference. Mr. Arntzen heard loud and clear from the Commission that we would be closer to the end of the spectrum of the collaborative design process of waiting until we have parcels ready to go, going through a

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formal notice process and then most likely receiving Request for Proposals in response. Mr. Arntzen thanked the Commission and stated it has been a helpful discussion for him to resolve this issue.

Commissioner Barnes would like to recognize and voice appreciation for Mr. Arntzen's work as the point man for the Port of Kennewick. Vista Field is gaining greater and greater attention, especially that now we have nearly completed the phase 1 infrastructure. Commissioner Barnes thinks the interest among local developers, community developers, the interest in the community is going to really begin to increase and take off. And so, Commissioner Barnes thinks Mr. Arntzen is going to be faced with some difficult questions and he thinks Mr. Arntzen is doing an excellent job as the point man for the Port of Kennewick. Commissioner Barnes really appreciates the communication. He really appreciates that Mr. Arntzen would bring this matter to the Commission, that we could have a discussion about it, we can discuss it, we can talk about. It is also reassuring to know that our team of professionals is working down a list of questions that we will be discussing in the not too distant future as well. Commissioner Barnes thinks it's clear that things are really going to heat up at Vista Field and he appreciate Mr. Arntzen's work as point man for the Port of Kennewick.

Mr. Arntzen stated thank you Commissioner Barnes, he appreciates that.

Commissioner Moak expressed his appreciation to Mr. Kooiker's work related to this fraud scandal with Employment Security. A lot of times we think we have things under control or we know what we are doing and then we get a curve ball like that and it does disrupt our efforts, our work, the things that we are trying to do, we are trying to work off-site, we are trying to develop an off-site office and the software and everything that it works on it. And then suddenly we get thrown a curve ball with this fraud scandal. Commissioner Moak appreciates Mr. Kooiker and he would expect this and rest of staff, when issues like this come to the fore, we meet them head on and work with that and work with our employees to be successful and overcome these things. We know we have a lot of things on our plate but sometimes we have to deal with some things that are very personal and very potentially damaging. Commissioner Moak appreciates Mr. Kooiker; he appreciates the work of staff as we are trying to negotiate through a lot of this off-site stuff and having to make decisions on the fly, we are having to make decisions that aren't always the easiest ones. And Commissioner Moak does recognize that we don't have the ability to have those in-person contacts that are important, as we move forward. Commissioner Moak wanted to express his appreciation.

PUBLIC COMMENTS

No comments were made.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

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

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APPROVED:

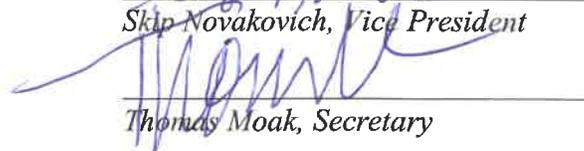
**PORT of KENNEWICK
BOARD of COMMISSIONERS**



Don Barnes, President



Skip Novakovich, Vice President



Thomas Moak, Secretary

*The May 26, 2020 Commission Meeting Minutes were Approved by the Port of Kennewick Commissioners on June 9, 2020 at the Regular Commission Business Meeting.

PORT OF KENNEWICK

Resolution No. 2020-10

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK ACCEPTING THE
COLUMBIA GARDENS WINE VILLAGE PHASE #2B PROJECT ON COLUMBIA DRIVE***

WHEREAS, Banlin Construction LLC provided notification that the improvements to Columbia Gardens Wine Village Phase #2B Project on Columbia Drive, Kennewick has been completed in accordance with the plans and specifications; and

WHEREAS, Thomas Kastner AIA, Meier Architecture • Engineering, the Port of Kennewick staff, and the City of Kennewick have inspected the work and certified that it has been completed in accordance with the plans and specifications.

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby accepts the work of Banlin Construction LLC as being completed in accordance with the contract documents.

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the port Chief Executive Officer is authorized proceed with the necessary requirements to finalize the project account.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 26th day of May, 2020.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By:


DON BARNES, *President*

By:


SKIP NOVAKOVICH, *Vice President*

By:


THOMAS MOAK, *Secretary*