



# PORT OF KENNEWICK

## REGULAR COMMISSION MEETING

APRIL 27, 2021 MINUTES

Commission Meeting recordings, with agenda items linked to corresponding audio, can be found on the Port's website at: <https://www.portofkennewick.org/commission-meetings-audio/>

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

### ANNOUNCEMENTS AND ROLL CALL

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)

### PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

### APPROVAL OF THE AGENDA

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

### PUBLIC COMMENT

April Connors, 1914 South Arthur Street, Kennewick. Ms. Connors is a real estate agent and recently conversed with Ms. Hanchette regarding The Willows, Columbia Gardens Wine Village, and Vista Field. Ms. Connors expressed her frustration that most of the Port land available for purchase does not have pricing or information available on how to move forward. The Tri-Cities real estate market is the hottest it has ever been, and Ms. Connors feels it is a disservice to the area that the Port has land and is not developing housing or commercial land. Ms. Connors proposed the Port utilize a real estate commission comprised of 2-3 residential agents and 2-3 commercial agents with Ms. Hanchette acting as a functionary agent. This commission could help guide the Port with information about people who are moving to the area and what people are looking for, from residential to commercial property. Ms. Connors believes the Port could use our help right now, because agents see the new population coming in and what people are looking for.

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Commissioner Barnes thanked Ms. Connors for her comments and concerns and stated it is important for the Port to proceed in orderly fashion with these ambitious redevelopment efforts at Columbia Gardens and Vista Field. Commissioner Barnes has heard feedback from the public about the slow and deliberate process, but what the Port is trying to accomplish is responsive to the public comments the Port received during the planning process and charrette sessions for Vista Field. The Port is trying to adhere to the Master Plan and the guidance and expertise of DPZ. Commissioner Barnes stated Ms. Connors point is well taken, and he understands that the timing of the process can be frustrating.

Commissioner Novakovich stated the Commission is instructing staff to work on other projects and he thinks we are possibly applying them in the wrong direction instead of getting land ready for sale. Commissioner Novakovich thinks we are overburdening staff with various other projects that are not servicing the public in the way the public wants. Commissioner Novakovich stated the Port has land and believes we need to unburden our staff with projects that are not related to getting the properties listed. Commissioner Novakovich has previously suggested that staff prepare a list of projects they are working on and let the Commission prioritize, based on what best serves the public.

No further comments were made.

## CONSENT AGENDA

**A. Approval of Direct Deposit and E-Payments Dated April 19, 2021**

Direct Deposit and E-Payments totaling \$66,334.49

**B. Approval of Warrant Register Dated April 27, 2021**

Expense Fund Voucher Number 102853 through 102888 for a grand total of \$66,647.62

**C. Approval of Regular Commission Meeting Minutes April 13, 2021**

**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

Ms. Hanchette shared that The Willows trailhead parking has been closed this past year due to COVID and historically, the Port has had a lot of vandalism and loitering in the parking lot. Ms. Hanchette stated staff is going to open the trailhead parking next week on a trial basis.

## NEW BUSINESS

**A. Request for Letter of Support – The Nineteen by Andrew Klein**

Ms. Hanchette stated Mr. Klein is looking to apply for loan funding through the Hanford Area Economic Investment Fund (HAEFIC) program and is requesting a letter of support from the Port for his funding application. Mr. Klein sited that his development is located on the corner of Auburn and Canal and is in proximity of Port properties and believes it would benefit both developments. Mr. Klein is attending today and available for any Commission questions.

Commissioner Barnes inquired what staff is requesting.

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Ms. Hanchette stated staff is looking for guidance or consensus from the Commission regarding a letter of support from the Port's perspective for Mr. Klein's construction project.

Commissioner Barnes is not sure if a letter of support is appropriate for the Port.

Commissioner Moak stated the proposed development is located a block off Washington Street in downtown Kennewick and the Historic Downtown Kennewick Partnership is a partner of the Port. Additionally, the Port is assisting the City of Kennewick with improvements on Washington Street. Commissioner Moak believes it is appropriate that the Port provides a letter of support to assist Mr. Klein's HAEFIC funding application. Commissioner Moak stated additional housing is very important in our community and he would support a letter prepared by staff in support of this project.

***MOTION: Commissioner Novakovich moved staff construct and offer a letter of support for Andrew Klein's project, The Nineteen, in downtown Kennewick; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.***

## REPORTS, COMMENTS AND DISCUSSION ITEMS

### A. *Columbia Gardens Wine and Artisan Village*

Mr. Arntzen stated recently the Commission and staff discussed the impediments to selling property at Columbia Gardens. Mr. Arntzen prepared a memo (EXHIBIT A) for the Commission in response to Mr. Swanby's questions at the April 13, 2021 Commission Meeting:

- Waterfront Master Plan: potentially adopted by the Commission mid-June;
- Zoning issues: Makers architecture & urban design to prepare design standard guidelines and Mr. Swanby will work with the City of Kennewick regarding City Urban Mixed Use guidelines;
- Lot pricing: appraiser has been contracted and is working on lot pricing;
- Owners association: potential to streamline Spaulding Business Park covenants for Columbia Gardens.

Mr. Arntzen inquired if the Commission had any questions related to selling property at Columbia Gardens.

Commission and staff discussed the potential timeline for marketing properties and the current impediments.

Mr. Arntzen stated he does not have a date for completion, but staff and consultants will work as quickly as possible on the impediments if directed by the Commission.

Commissioner Moak stated the Port is working in the right direction and the decisions that we make will impact the area for the next generation. Commissioner Moak stated there is a reason to be deliberate and get it right. The Commission needs to be good stewards of our properties and we are doing what we need to do, even though it is frustrating, but we are moving forward.

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Commissioner Barnes stated if the Port can move forward with Makers on the design standards, it will move us forward to addressing the impediments and selling lots at Columbia Gardens.

Mr. Arntzen commended Mr. Peterson and Ms. Hanchette, who proposed several suggestions on how to move this project forward.

### ***B. Port Logo Signage***

Ms. Bader Inglima stated at the March 9, 2021 Commission Meeting, Commissioner Moak asked about the Port's current logo and intent regarding use of that logo and signage. Commissioner Moak asked if there were plans to remove the old logo and adopt and use the new logo on signage or continue to use the new logo by attrition. Staff had not developed a plan to replace the old logos that appear on existing signage, nor was it identified in the 2021-2022 Budget or Work Plan. Ms. Bader Inglima stated staff has been utilizing the current lighthouse logo on items as things are identified moving forward. Ms. Bader Inglima inquired if the Commission would like staff to begin compiling an inventory of existing signage and a preliminary cost of replacing signage or inventory now with the thought that our next two-year work plan and budget could include funding or begin implementing a phased approach to replacing signage with the new logo.

Commissioner Novakovich stated the Port logo is important, but there are other projects that need to be addressed. Commissioner Novakovich reiterated his request for the Commission to review Port projects and resources and how should they be applied in the best manner to serve the public. Commissioner Novakovich is hearing that the Port needs to develop land for use as the public intended it and stated all of these other projects are important but are they as important as economic development.

Commission Barnes stated it is important to have uniform, consistent signate, but does not see this as a top priority given the high projects on our plate.

Commissioner Moak does not think signage is higher than anything else, but when you look at it as a whole project, we did not finish the marketing project. Commissioner Moak believes the mismatched logos and mismatched design, reflects poorly on the Port and the Commission should approve staff to complete the marketing modernization if we are going to utilize the lighthouse logo. Commissioner Moak believes staff should identify dated signage and staff should formulate a plan to finish the job we started.

Ms. Bader Inglima will add inventory signage to the task list and look at what we can implement in phased approach.

### ***C. 2021 Staff Project Overview***

Mr. Arntzen provided the Commission with a brief overview of staff projects for 2021 (EXHIBIT B).

Commission and staff discussed the 2021 projects outlined in Mr. Arntzen's memo, which included a recap of 2020, the Kennewick Waterfront, Vista Field, jurisdictional partners and projects, and general administrative matters.

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

Commissioners reported on their respective committee meetings.

***E. Non-Scheduled Items***

Ms. Hanchette reported that the property located at Oak Street and Verbena has been vacated and is now ready to market for auction. Ms. Hanchette asked the Commission to review their calendars and let Ms. Scott know when they will not be available in June and July.

Ms. Bader Inglima is preparing to submit to The Willow's project to Senator Murray's office for the potential direct appropriations request. Ms. Bader Inglima spoke with Senator Murray's Central Washington Director, Raquel Crowley, who was very supportive of The Willows, which meets several of their objectives including critical need for housing and supporting and stabilizing marginalized communities. Ms. Crowley requested a Zoom meeting with Port staff, Lona Hammer from the Housing Authority, Matt Sammons from the Columbia Basin Veterans, and Carol Moser to discuss a collaboration to address housing needs for veterans, families and other identified people needing safe, reliable housing. Ms. Bader Inglima requested Mr. Peterson to assist her with the details for the May 14, 2021 appropriations application.

Ms. Bader Inglima reported that The Willows has been identified as a staging and storage area for the US Army Corps of Engineers contractor to use during the 1135 Clover Island Shoreline restoration process. The USACE posted the pre-solicitation notice, and they plan to bid the project after May 6, 2021. Mr. Peterson believes there is a way to work around that being the storage and/or staging area for the 1135 restoration.

Commissioner Moak reported that the Mayor of Benton City seem to be aggressively pursuing the DNR land in the Port of Kennewick jurisdiction and inquired if the City has contracted Port staff.

Ms. Hanchette attended several meetings with Benton City, Red Mountain property owners, and DNR regarding the potential acquisition and Benton City has discussed what they would like to see done with the DNR land.

Commissioner Moak stated Benton City recently dedicated their Uranus Orbital Marker with the SILAS Education and inquired if the Port is still considering locating a Mars Marker at Vista Field.

Ms. Bader Inglima reported that Ms. Carter continues to communicate with the SILAS Education representative. The Port requested some additional time to determine a location for the Mars Marker since there was a potential new vision for the hangars. Staff continues to pursue the art project and would like to incorporate the marker in a well thought out location.

Commissioner Novakovich stated Ms. Connors suggested a real estate advisory committee to assist the Port and he thinks that might be beneficial. Commissioner Novakovich would like to have further discussion regarding this.

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Commissioner Barnes stated per the Port Commission Rules of Policy and Procedure section 3.14: Commission Disclosure of Economic Associations, he does not have an economic relationship that is a conflict with the Port of Kennewick.

## PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick reported the Badger Club Planning Committee meets May 6<sup>th</sup>, 12:00 p.m. to discuss smart development. Mr. Burdick stated during the request for a letter of support for The Nineteen project, the Commission did not inquire as to what kind of development it was. Mr. Burdick googled The Nineteen and found it was luxury apartments. Mr. Burdick does not believe the Port should support this and the community is in need of more low- and moderate-income housing, not luxury apartments.

No further comments were made.

## COMMISSION COMMENTS

No comments were made.

## ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:35 p.m.

**APPROVED:**

## PORT of KENNEWICK BOARD of COMMISSIONERS

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*DN Barnes*

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*Don Barnes, President*

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*Skip Novakovich*

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*Skip Novakovich, Vice President*

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**Thomas Moak**

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*Thomas Moak, Secretary*

\*Chief Financial Officer's Memo was included in the Agenda Packet and is included with these minutes as EXHIBIT C.

## Memorandum

To: Port Commission  
From: Tim Arntzen, POK CEO  
Date: April 21, 2021  
Re: Columbia Gardens Development

Recently Ron Swanby of Swampy's BBQ presented the port commission with a memo related to the progress of lot sales at Columbia Gardens. A number of procedural issues were discussed, and the commission directed me to look into Mr. Swanby's questions and provide an update. I will address the issues in the same order as referenced in Mr. Swanby's memo.

1. Waterfront Master Plan. The plan will be presented for Commission consideration in May and depending upon citizen and Commission reaction, could be adopted by the Commission in mid-June. If so, the master plan will not remain an impediment to lot sales at the Gardens.

2. Zoning Issues. Zoning compliance issues are city-generated and would need to be addressed directly between Mr. Swanby and the city. The port does not have design standards for the Gardens at this point, yet these standards would be necessary to guide development as envisioned by the master plan. Larry is working with Makers to complete this task as a supplement to the master plan with the unanticipated budget available because consultant travel was curtailed due to COVID-19. Assuming the commission adopts design standards for the Gardens, then the port planner would work with Mr. Swanby to assure his development would be consistent with these guidelines.

3. Lot Pricing. Amber expects the appraiser to have lot pricing suggestions for commission consideration soon.

4. Owner's Association. Larry is working with a local planner to propose a "streamlined" set of covenants for the Gardens, which would include a dues element, similar to those at Spaulding Business Park.

Depending on the discussion related to this memo, staff would proceed as directed by the commission with the objective of moving forward with creation of marketable lots at the Gardens.

Thank you.

## *Memorandum*

To: Port Commission

From: Tim Arntzen, CEO

Date: April 13, 2021

Re: 2021

With this memo I hope to brief the commission on what your CEO and his staff believe their focus will be this year. It will be interesting to see how accurate my predictions will be. As usual, I anticipate unforeseen circumstances and changing conditions along the way.

### 2020 RECAP

#### COVID-19:

2020 was one of the most unusual years I have experienced both personally and professionally. Most of the uncertainty was related to COVID-19. I am confident its effects will continue to impact us throughout 2021 in some fashion. For those of us who did not endure the Great Depression or WWII, perhaps COVID-19 is our major lifetime event. We have experienced lockdowns, rent relief requests, business closures, community illness, loss of cost-effective labor, increased fear and anxiety, a tremendous uptick in recreation and demand for quality public spaces; and a host of other unforeseen impacts resulting from the pandemic and state and federal mandates.

We currently live in a time where the future is very uncertain. Having said this, given our traditionally conservative approach to budgeting, the port has so far navigated the COVID-19 pandemic well. Staff is healthy, and port finances are sound. And we have responded as best we could to the situation. Most of our port tenants are still with us. We are in a position, as a port, to move forward in a constructive manner in 2021 to accomplish many of the things the public has asked us to do. However, it is good to remember that while functioning through the COVID-19 pandemic, operational challenges did substantially impact progress. Meetings, sometimes with multiple agencies, needed to occur remotely in a somewhat disconnected world rather than collectively around the table where all involved would feel a sense of ownership. And project scheduling and coordination was also impacted by illness and/or lack of material availability, and local, state, and federal requirements.

#### Cyber Event:

In addition to dealing with a global pandemic, the port experienced a cyber-incident which limited access to port computer files for over a month. Both before and after our incident, we learned that similar nefarious cyber-attacks had also targeted and affected schools, hospitals, businesses, media, cities, and state agencies. Indeed, the US government and its agency branches were also hit with significant cyber-attacks. The Port's November 2020 cyber security incident further complicated productivity due to both losing electronic access for a period and then needing to rebuild the computer network. However, having to reestablish the network



while operating was quite challenging, as even the simple task of connecting to a printer had to start from scratch. Although seemingly turned off with the “flick of a switch” the computer network was, of necessity, brought “back to life” in a carefully sequenced manner that rightfully prioritized the finance department first. Thus, planning and development activities basically lost six weeks from mid-November thru December 2020; and the backlog this incident created is still having a ripple effect on activities previously planned to occur January thru March of 2021. The entire impact has yet to be assessed but this ‘incident’ was far greater than a simple inconvenience. Thankfully, we were successful in retrieving nearly all the files and data. What a year!

## 2021 Look Ahead

Looking forward here is what I see:

### KENNEWICK WATERFRONT

#### Waterfront Master Plan:

The Waterfront Master Plan will be finished in early 2021. It will be interesting to see what emerges from that process. Many elements of the master plan will likely be unfunded, so the commission would need to review the plan’s objectives while keeping budget and funding considerations in mind. Outside of the master plan, the port may look forward to the culmination of more than a decade of administrative and planning work as the 1135 project may be ready to bid, with construction planned for late 2021 and into the winter of 2022. As we have witnessed, however, patience and caution with respect to this project will serve us well.

#### Traffic Calming:

Included in the master plan is review of Columbia Drive and SR-397 intersection along with Columbia Drive traffic calming concepts, and evolving plans for City of Kennewick Washington Street enhancements. Traffic calming will have a major positive impact on the wine village, making both sides of the street more pedestrian friendly, and creating additional parking and connectivity across Columbia Drive. These are important elements articulated by Professor Gary Black in the Pattern Language document that was developed via an extensive public process.

#### Wine Village:

Work slated for the wine village is likely to include installation of amenities that benefit our tenants and their guests, such as pond improvements to reduce algae buildup, additional restroom facilities, and shade structures for the wineries. Subject to available staff time, I also anticipate working with the Kiwanis Club and perhaps others to begin planning for the proposed playground area, with anticipated construction (provided feasibility is established and partnering is in place) in 2022.

#### Sales/Leasing Lead Follow Up:

Staff is receiving some interest in acquiring land for development in the wine village area. However, current port policy directs that staff wait for completion of the Waterfront Master Plan and the establishment of land values prior to moving forward. However, decisions will soon need to be made so that staff can address inquiries related to a potential tenant expansion, and

both a new business and a service group proposal.

Washington Street:

I anticipate the port working with the city on planning and implementation of the Washington Street improvements. As Professor Black noted, the connection of Clover Island to downtown is critical and finally linking the two improvement areas will be a major accomplishment. This connection was first identified in the Bridge to Bridge plan many years ago.

Clover Island Marina:

Staff will continue to provide regular maintenance work and respond as needed to the Clover Island Marina. Staff is already working to install rub rails for the fuel dock and guest moorage areas, and to prepare the marina for a busy recreational boating season. And the marina is nearly full—several months sooner than previous years—which is likely a continued result of the COVID-19 pandemic which prompted the highest volume of people visiting, biking, boating, and recreating on Clover Island in the port's history.

**VISTA FIELD**

Implementation Team:

Now that the port's New Urbanism town center site has basic infrastructure, with parcels soon ready to be sold, I am implementing the team for Vista Field administration (the Team). The Team will respond to nearly all Vista Field related issues, including fielding all inquiries related to the site; property purchases; information requests; property tours; media information; processing of development proposals for commission consideration; additional planning and site revisions, etc. Some of the tasks in support of creation of the Team, including our internal staff reorganizations and associations with contractors, identified below, have been implemented. Some have not. The Team approach and composition is familiar to the commission, so not a lot of information needs to be added here. It will be significant, however as the Team moves from theoretical to action, getting the team in place and ready will permit the commission to move toward the milestone first land sale at the site. As discussed before, the team will be assembled as follows:

Project Manager. The project needs a "Point Person" to meet with realtors, builders and others expressing interest in the project. As of fall 2020, Amber Hanchette is serving as the point of contact related to Vista Field inquiries. This addition to her duties now requires her to spend more time on Vista Field matters. It also limits the time she can spend pursuing her existing duties which include all phases of port operations and maintenance. Thus, this change in Ms. Hanchette's duties created a need for "backfilling" to cover duties transferred to other qualified individuals within the organization. Specifically, Ms. Hanchette has transferred some of her duties to current Maintenance Supervisor Mike Boehnke. This phased transfer began in fall 2020 and is now nearly complete. In administering her Vista Field related tasks, Ms. Hanchette will utilize the services of other staff and contractors as necessary (planning, marketing, administrative services, etc.) and would not be viewed a stand-alone asset assigned solely to Vista Field. Rather she would be a part of a team as described below.

Maintenance Supervisor. Current Maintenance Supervisor, Michael Boehnke has assumed tasks from Ms. Hanchette, effective mid-February 2021.

Maintenance Technician(s): New Hire or Temporary Workers. Because of the overall increase in the number of port-owned/maintained properties (including Vista Field), and further compounded by the loss of the Coyote Ridge labor crews, I have identified a need to hire an additional entry-level maintenance technician or part-time workers. Even though the port will eventually contract out much of the Vista Field maintenance to a private management firm, utilizing funding from the Property Owners Association (POA), staff will still be needed to provide oversight (i.e., ensuring contract compliance) and perform emergency and priority maintenance matters on site, which is in addition to the generally increasing overall maintenance demands from other port development properties.

Project Planner/Coordinator. Larry Peterson, port Director of Planning and Development would serve as the project planner/coordinator for engagement with the port's long-standing architectural advisors, DPZ, as well as Town Architects and Town Engineers (referenced below) related to the development of Vista Field.

Architectural Advisory Team/Town Architect. Lizz Plater-Zyberk (DPZ Founder) and DPZ partner Senen Antonio are currently under contract to fulfill the role of the advisory team. Vista Field will be one of the few projects worldwide which continues to have a DPZ founder as active team members. The port has been unusually successful in keeping these two highly qualified individuals on the Vista Field team; and the benefit of continuing this partnership through at least buildout of Phase I, and continued counsel from these two leaders is priceless. DPZ will also assist with the Request for Proposals (RFP) process for identification of project interest and evaluation of proposals via the collaborative design process.

Property Owner's Association Managers. The port is currently in a contractual relationship with Ben Floyd (planner) and Doris Goldstein (New Urbanism attorney) to provide for set-up of the property owner's association. This is anticipated to be a multi-year task with initial set up and continued monitoring and implementation advice and assistance (through a portion of Phase I).

Project Manager Assistant. Ms. Hanchette will need part time administrative support. There is potential for these duties to be supported internally by the port office assistant/marina manager, likely two days per week.

Office Support. Additional office support will be needed, and this could be accomplished by internal realignment or an outside part-time person.

Town Engineer(s): Gary Hall, Hall Engineering; Sam Nielson, Parametrix. Gary and Sam will provide engineering support for review of private sector projects and integration into established and planned infrastructure. They will bill on an hourly basis.

Construction Management. I will contract with on-call construction management services on an as-needed basis to assist the port in review of construction proposals and to assist with review of construction progress.

Town Architect Protégé. It has been noted by several outside sources that the port seems to rely too heavily on out-of-town contractors. To offset this, I will consider contracting with a local architect who has the ability and desire to learn “New Urbanism”. This person could sit in as the port progresses through the collaborative design process and obtain some on-the-job training as they assist the Team in processing Vista Field development proposals. In a few years, this person could play a more extensive role as needed and as situations warrant. This person would work as an independent contractor, billing on an hourly basis for time expended on each task assigned.

Vista Field Policy Decisions & Operational Mechanics: Prior to the first land sale, the Port Commission needs to set land pricing; revise the port’s realtor commission policy for land sales; establish concise development guidelines for builders; and put in place a rudimentary administrative structure for the owner’s association. These and other related tasks will be time consuming.

Vista Field Corporate Hangars:

This project consists of identifying potential uses, opportunities, cost impacts and funding avenues. This process will include DPZ participation as well as participation of local architects and engineers. It would also dovetail with the COVID-19 Related Economic Impacts Analysis the commission authorized. Staff have been tasked with considering current and near-future COVID-19 economic impacts to Vista Field as well as analyzing what types of uses, if any, the hangars could facilitate, as well as viability/potential for selling or ground leasing as appropriate. And of course, the funding for any hangar-related project, should the commission choose to move towards implementation, would likely require Rural County Capital Funding (RCCF) and working closely with the county as a funding partner. Other funding partners would also be explored/invited to discussions.

It should be noted that the consulting team will focus on “lean” alternatives for the hangars; including uses that would complement the early stages of Vista Field project vibrancy, and which uses might be viable under current COVID-19 conditions. It is anticipated that future potential uses for the hangars will be identified in 2021, with funding and potential implementation taking place in 2022.

The hangar evaluation was recently placed in the hands of a consultant and it is anticipated that a draft report would be circulated in August. The final report could be presented to the port commission (with remote attendance by the consultant) by fall.

Vista Field Construction Closeout/Right of Way Dedication:

Staff is working to close out the \$5,000,000+ contract with Total Site Services which involves dedication and formal acceptance of most roadways to the City of Kennewick and project acceptance by the Commission. This work is underway.

Perimeter Fencing/Site Clean-Up:

When the question is asked, “when will the streets be opened for public use?” part of the answer is that the port needs time and staffing to perform some critical housekeeping matters related to a Vista Field “unveiling”. Those matters include cleaning weeds and debris from the site and restricting public access to other portions of the site. This means building fences and installing ecology-blocks to keep the public from driving onto areas that are not yet meant for automobile access. In the past, the Coyote Ridge work crews were ideal candidates for such projects – many fences were built by the work crews in The Willows, Cable Greens, the Wine Village and other places. However, because labor crews are restricted due to COVID-19, the port has lost that 16-person-strong maintenance team. As a result, we are extremely short handed when it comes to providing our previous and expected level of property maintenance activities. To offset this, we have hired several temporary, part time workers; and the port will surely benefit from the return of our Coyote Ridge workforce whenever that becomes possible.

In addition to maximize publicity and interest in the site, care should be taken to open the site to traffic in alignment with the RFP process; because having an extended time between the opening and RFPs risks casting a pall on the site that could create negative impressions and raise questions regarding the site’s potential as a vibrant, exciting development opportunity.

A/E, Bid and Construction Management VFDF Building Remodel:

As set forth in the bi-annual budget and work plan, Ms. Hanchette and the maintenance team will be making major repairs and upgrades to the light industrial buildings adjacent to Vista Field.

**WEST RICHLAND**Racetrack Site:

Because the racetrack property was sold to the City of West Richland, little to no port-led development activity was planned to take place in West Richland during the upcoming year. However, the West Richland mayor has requested that the port provide irrigation water to Alexander Farms for the farm to continue working the land. However, the port is no longer in a landlord/tenant relationship with the farmer. Once the port sold the land to the city, the prerogative to lease to the farmer rested with the city rather than the port. In discussions at the time of the land sale to the city, the port offered additional water rights to the city, however the city only purchased a limited amount of water to assist with the 12 acres for the police station. Therefore, port staff is now reviewing the water rights issue and will brief the commission when more information is available. Port staff could suggest a one-year lease of water rights to the city for the farmer’s use while the larger issue is determined.

**OAK STREET**Verbena Tenant Matters, Land Auction:

Port Director of Operations and legal counsel have spent countless hours to get the unauthorized holdovers at the Verbena property to vacate the premises. While it appears that the holdovers have no legal right to the property, the Governor’s office has issued directives that protect the holdovers and require additional actions on the part of the port to acquire the property in a condition to sell via the auction process. Thus, this part of the equation has taken

substantially longer than anticipated. Once the land is free from holdovers, it is the intent of the port, by commission directive, to sell the three associated parcels via the auction process. It is anticipated that the property could be ready to auction by late spring, barring additional unforeseen difficulties.

## **RICHLAND**

### Center Parkway Follow-Up:

The commission recently committed to paying the city \$400,000 to assist with the multi-jurisdictional issue related to extending Center Parkway to create passage over the railroad tracks. The port's involvement will be focused on establishing the MOU, offering planning advice, updating commissioners, and reviewing and processing payment requests.

### Columbia Park Trail Follow-Up:

Several years ago, the commission committed to paying the city \$800,000 to assist with the redevelopment of utilities and roadway in the Island View area. That city-led project is now under construction; and the port's involvement will be focused on offering planning advice, updating commissioners, and reviewing and processing payment requests.

## **GENERAL MATTERS**

### COVID-19 Related Economic Impacts Analysis:

I have reviewed the credentials of several economists and have selected a PhD level economist with substantial experience in state, local and regional economies. The consultant is also an esteemed professor at Eastern Washington University.

I anticipate that I will have significant involvement in working this issue with the professor and anticipate it will be a major issue for the port CFO as well. This project consists of the consultant providing a report detailing the past, present and near-term future economic impacts related to the COVID-19 Pandemic. It is understood that no one can accurately predict what the future holds. However, the port CEO hopes that the consultant can offer facts and insights which might provide some realistic prediction related to future actions which may be prudent for this port district to consider as it continues its mission of economic development activities. In short, some analysis related to national, state and regional impacts experienced due to COVID-19 would be appropriate, especially if impacts upon the Port of Kennewick are addressed.

The consulting team may consider the following questions:

- The immediate effects of the virus on local economic activity
- What sectors have been hardest hit, and which are the ones that are thriving?
- State and local government reaction; will income and sales tax revenues plummet? Will demand for rent relief and other programs increase? Will governments cut spending—mostly by cutting employment—or raise taxes?
- Businesses—bankruptcies and lower investment
- Household economic viability
- Ability and willingness to spend



- Vulnerable jobs by sector
- Work from Home (anywhere) Policies and their impact and effectiveness
- What a recovery might look like
- What will determine the shape of the recovery?
- What industries are poised to make the biggest comeback following coronavirus?
- Which industries appear COVID-19 resistant?
- What strategies will help local economies recover more quickly from the COVID-19 pandemic?

For this project, the port CEO has asked the consultant to focus on suggested courses of action the port may undertake to position itself appropriately as it continues its economic development mission.

Together with the economic impact analysis, the port is contracting with a planning firm to offer suggestions for viable reuse/redevelopment/sale/lease of old aircraft hangars at the port's Vista Field town center site. The consultant will familiarize itself with the Vista Hangar Reuse Project and overall Vista Field master plan, to better understand the port's economic development intentions.

The CEO would like to assign the project to the consultant in early spring and it is anticipated that a draft report would be provided by summer 2021, with a final report presented to the port commission (with remote attendance by the consultant) by fall 2021.

#### Governance Audit:

The commission has directed the CEO to prepare a governance audit, which has been formalized as a goal. The process would be divided into two main parts. First, the creation of a quality scope of work (SOW). Second, formulation of an RFQ/RFP; solicitation and production of the work. A third party (consultant) would provide a SOW which would form the basis of an RFQ/RFP. The RFQ/RFP process is where the firm providing the actual project work is selected.

As part of the SOW, the consultant would interview each commissioner, which would allow each commissioner's objectives to be identified and folded into the SOW. Staff could also be interviewed. Once the SOW is formalized, staff will work up an acceptable RFQ/RFP to publicly solicit consultant firms interested in that work. From there, the commission would review qualifications and select the firm best suited to perform the work described in the SOW. While the commission has directed that I fast-track this process, I believe the port should not go so fast that other important projects suffer, and not so fast that transparency and impartiality are jeopardized.

#### IT Analysis; Path Forward:

In the wake of the cyber incident, I have directed our IT consultant to conduct a post event review with other cyber security experts to provide the port with critical information we can use to strengthen security into the future. Port staff and our IT contractors have already enacted additional protocols and security redundancies; and this review will further advise us with respect to emerging technologies and constantly-evolving best practices.

COVID-19 Reopening Plan:

I am working with port HR consultant, Ann Allen of Spokane to research and address this issue. Ms. Allen is an attorney and is an adjunct professor at the Gonzaga University School of Law. Ms. Allen will review all past and current port directives as well as the directives of the Governor and health agencies to formulate a best-practice, "Return to Work" reopening plan for the port, with consideration given to both limited and full-return.

Water Rights Analysis:

I have contracted with one of the most respected water rights attorneys in the state who, with the assistance of consultant Ben Floyd and port legal counsel Lucinda Luke, will review the status of port water rights. As Mr. Floyd discussed with commissioners last fall, there is still some uncertainty with respect to port water rights associated with the racetrack. Clarification of this issue will benefit the port's assessment of its water rights inventory, not only at the Racetrack site, but also at the Verbena site in East Kennewick.

Finance Department Analysis:

The finance department needs additional assistance and Ms. Allen (referenced above) is assisting in evaluating this matter. It is anticipated that her assessment would be completed by mid-summer and implementation, as needed, would follow according to port policy.

Public Records/Information Management/Administrative Systems:

Executive Assistant Ms. Scott is planning to update the 10-year-old public records and information management policy with the assistance of port legal counsel Lucinda Luke for commission consideration. In particular, the process would include revising the process for how requests are received and updating the fee schedule to include fees for electronic documents and media, in accordance with the provisions of RCW 42.56.070 and RCW 42.56.120.

Last year, Lisa Schumacher processed and removed 100 boxes from offsite storage. In 2021, staff will continue working to manage our records inventory to comply with state laws regarding retention and destruction; and begin converting physical files into electronic files in Laserfiche. In addition, Ms. Scott, Ms. Yates, and Ms. Schumacher will work to create Laserfiche workflows and streamline procedures for contract routing, small works & professional rosters, marina and guest moorage forms and applications, expense reports, credit card statements, and facilities work orders.

Marketing Strategies:

Marketing activities will include designing and placing property-specific advertising related to selling parcels at Vista Field as that site is readied; and for other land sales, including auctions, as deemed appropriate by commission. Marketing will also involve refreshing the port website; implementing property-specific signage and wayfinding as appropriate; promoting community engagement for Kennewick's Historic Waterfront; and collaborating on shared endeavors such as the "shop small", and "shop downtown" campaigns in partnership with the City of Kennewick and the Historic Downtown Kennewick Partnership. Also planned is a five-year update to the port's history report (the port history/timeline was last compiled for the 100<sup>th</sup> anniversary in 2015).



State Auditor's Office (SAO) Outside Audit Review:

The finance department will be preparing for the upcoming SAO audit, which requires many hours of staff time (and commission involvement).

Quarterly Budget Reports to Commission:

Since 2020, a new task for the finance department has been the preparation of quarterly budget reports for presentation to the commission. This task takes approximately 32 hours of the CFO's time (8 hours each report x 4 reports). As stated above, the finance department requires additional staff resources to continue meeting state and federal legal requirements, and GASB and FASB guidance; and to ensure appropriate oversight for the expanded complexity of the growing number of port projects/properties and the additional contracting, leasing, and land sales activities that will be undertaken at Vista Field. There is no implication that quarterly reporting is responsible for the additional staffing need, but recognition is warranted of the continued and growing burden being placed upon the Finance Department as they strive to ensure clean audits.




Port of Kennewick

# MEMO

DATE: 4/22/2021

TO: Port Commission

FROM: Nick Kooiker 

RE: Legal Fee Reimbursement (Commissioner Barnes)

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At the 4/13/2021 commission meeting, the board approved a motion to reimburse legal fees to Commissioner Barnes in the amount of \$49,282.75.

I am prepared to issue this payment as approved by the Commission, but am waiting to receive the following documents:

- 1) Legal memorandum from Steven DiJulio substantiating payment.
- 2) Unredacted invoices, with spreadsheet summing to the amount listed above.

I emailed Mr. DiJulio on April 14<sup>th</sup> requesting these items but haven't received them yet. As a result, this check will miss the cut-off date for our 4/27/21 check run. Once these documents are received for invoice support, the payment will be presented for formal board approval at the following meeting.

This is a standard and customary process for processing any payment, and is required by the State Auditor's Office in the Budgeting Accounting & Reporting Systems (BARS) manual.