

MARCH 11, 2025 MINUTES

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

Commission President Skip Novakovich called the Regular Commission Meeting to order at 2:00 p.m.

## ANNOUNCEMENTS AND ROLL CALL

## The following were present:

**Board Members**: Skip Novakovich, President

Kenneth Hohenberg, Vice President

Thomas Moak, Secretary

**Staff Members:** Tim Arntzen, Chief Executive Officer

Tana Bader Inglima, Deputy Chief Executive (via telephone)

Nick Kooiker, Deputy Chief Executive Officer/CFO (via telephone)

Larry Peterson, Director of Planning and Building

Amber Hanchette, Director of Real Estate (via telephone) Michael Boehnke, Director of Operations (via telephone) Bridgette Scott, Executive Assistant (via telephone)

Lisa Schumacher, Special Projects Coordinator (via telephone)

David Phongsa, Marketing/Capital Projects Coordinator

Carolyn Lake, Port Counsel (via telephone)

## PLEDGE OF ALLEGIANCE

Kaden Andrews led the Pledge of Allegiance.

Mr. Phongsa introduced Kaden Andrews and Gabriel Ibarra, students from Delta High School, who are job shadowing today. Mr. Phongsa took them to Columbia Gardens, where they spoke with Bart Fawbush of Bartholomew Winery; the tasting room manager at Gordon Winery, and Ron Swanby from Swampy's BBQ, who gave them thoughtful insights on being a small business owner.

## PUBLIC COMMENT

No comments were made.

### CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated March 4, 2025
  Direct Deposit and E-Payments totaling \$158,152.46
- **B.** Approval of Warrant Register Dated March 11, 2025
  Expense Fund Voucher Number 106734 through 106760 for a grand total of \$98,754.65
- C. Approval of Regular Commission Meeting Minutes February 25, 2025

## MARCH 11, 2025 MINUTES

<u>MOTION:</u> Commissioner Hohenberg moved to approve the Consent Agenda presented; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

Commissioner Novakovich recessed the Regular Meeting at 2:05 p.m. and declared an Open Public Hearing for discussion regarding Resolution 2025-06, amending the Port of Kennewick's Comprehensive Scheme.

## **PUBLIC HEARING**

### A. Comp Scheme Amendment

Mr. Peterson outlined the potential revisions to the 2016 Comp Scheme, which includes adding the Kennewick Historic Waterfront Plan, and other housekeeping items for Commission consideration (*Exhibit A*).

The Commission discussed the revisions and stated they are reflective of the 2025-2026 Work Plan.

## **PUBLIC COMMENTS**

Kaden Andrews, Richland. Mr. Andrews stated all changes to the document would benefit the citizens of Kennewick and show how the Port continues to take action to improve the area. Mr. Andrews stated the photos presented demonstrate the changes that have been made, and how the Port continues to invest in the area.

No further comments were made.

<u>MOTION:</u> Commissioner Hohenberg moved to approve Resolution 2025-06 Amending the Comprehensive Scheme of Development; Commissioner Moak seconded.

## **PUBLIC COMMENTS**

No comments were made.

### Discussion:

Commissioner Moak expressed his appreciation to Mr. Peterson and others who worked on the revisions. Sometimes it is easy to forget what the Port has accomplished over the last nine years, especially at Vista Field. Commissioner Moak stated it is good to go back and look at what the Port has been able to accomplish and how those projects are important, especially for entities like Fire District #4.

Commissioner Hohenberg thanked Mr. Andrews for his public comments, and stated this plan is driven by the community, and we are taking action. The region and visitors that come from all over the state benefit from the Port's investment. Commissioner Hohenberg stated Mr. Andrews's comments were very profound, and he enjoyed hearing them.

## MARCH 11, 2025 MINUTES

Commissioner Novakovich enjoyed Mr. Andrews' comments and stated they were spot on, and we appreciate that. It is nice when people from the public can appreciate what the Port of Kennewick does and how we benefit this region and thanked him for recognizing that. Commissioner Novakovich thanked Mr. Peterson for the great presentation and his work on the document.

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

Commissioner Novakovich closed the Public Hearing at 2:42 p.m. regarding Resolution 2025-06, amending the Port of Kennewick's Comprehensive Scheme and reconvened the Regular Commission Meeting.

## REPORTS, COMMENTS AND DISCUSSION ITEMS

## A. Kennewick Waterfront

## 1. Marina Restroom Update

Mr. Boehnke stated the Port has two public restrooms on Clover Island: the boat launch restroom and the marina restroom, which has showers. The Port has been dealing with ongoing vandalism and vagrancy in the bathrooms and currently the marina restroom is closed due to damage. Because of the continual, costly damage to these restrooms, the marina restroom will be closed to the public and only available to marina tenants. The Port will be installing an external security camera and a key fob system, for marina tenants to access 24 hours a day. The public restroom at the boat ramp will remain open, and is currently on a timed lock and closed from midnight to 5:00 a.m., with continually monitoring.

The Commission stated it is unfortunate that vandalism keeps happening and appreciates the operations team continually working on the issue.

## B. CEO Report

Mr. Arntzen had nothing to report.

## C. Commissioner Meetings (formal and informal meetings with groups or individuals) Commissioners reported on their respective committee meetings.

### D. Non-Scheduled Items

Mr. Peterson appreciated the Commission working through the revisions of the Comp Scheme and stated there has been a lot accomplished since 2016, and it was very awarding to see how far the Port has come.

Mr. Arntzen thanked Mr. Boehnke for his report and taking the time to walk the Commission through the unfortunate restroom issues that we continue to face.

Mr. Arntzen thanked Mr. Peterson for his very thorough presentation on the Comp Scheme revisions and stated a lot has changed. Additionally, Mr. Arntzen thanked the Commission approving the revisions.

## MARCH 11, 2025 MINUTES

Commissioner Hohenberg thanked Mr. Phongsa for bringing the two students from Delta High School to the Commission Meeting today, and for helping keep the Comp Scheme presentation moving forward.

Commission Moak stated he has no conflicts of interest.

## **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 at 3:01 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS

DocuSigned by:

Skip Novakovich

OE53A30E1C8E442...

Skip Novakovich, President

DocuSigned by:

Kenneth Hohenberg

89F77EAC8921416...

Kenneth Hohenberg, Vice President

Thomas Moak

Thomas Moak, Secretary

-A35176A2D2CD413...

### PORT OF KENNEWICK

## **RESOLUTION No. 2025-06**

# A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AMENDING ITS COMPRHENSIVE SCHEME OF DEVELOPMENT AND HARBOR IMPROVEMENTS & DECLARING PARCELS WITHIN THE VISTA FIELD REDEVELOPMENT MASTER PLAN SURPLUS TO THE PORT'S NEEDS

**WHEREAS**, RCW 53.20 requires port districts to adopt a Comprehensive Scheme of Development and Harbor Improvements which serves as the guide for future Port investment and actions;

**WHEREAS**, the Port adopted a Comprehensive Scheme of Development by Resolution 2016-33 on November 8, 2016;

**WHEREAS**, the Port of Kennewick has and will continue to play a role in accommodating economic growth by acquiring, developing, selling and leasing land; and

**WHEREAS**, input from the public and City of West Richland regarding the future redevelopment of the former Tri-City Raceway was obtained throughout the planning process;

**WHEREAS**, the Port of Kennewick adopted the former Tri-City Raceway Master Plan by Resolution 2017-07 on March 28, 2017;

**WHEREAS**, input from the public and the City of Kennewick regarding the redevelopment of Vista Field was obtained throughout the planning process; and

**WHEREAS**, the Port of Kennewick adopted the Vista Field Redevelopment Master Plan by Resolution 2017-17 on October 24, 2017;

**WHEREAS**, the Port of Kennewick amended its Comprehensive Scheme of Development to incorporate the Vista Field Redevelopment Master Plan and the Tri-City Raceway Master Plan as evidenced by adoption of Resolution 2017-19 on October 24, 2017;

**WHEREAS**, the Port of Kennewick amended the Comprehensive Scheme of Development to deem the Port's West Richland Industrial Site as surplus to the Port's needs as evidenced by adoption of Resolution 2019-22 on October 8, 2019;

**WHEREAS,** input from the public and the City of Kennewick regarding Kennewick's Historic Waterfront was obtained throughout the planning process;

**WHEREAS**, the Port of Kennewick adopted the Historic Waterfront District Master Plan by Resolution 2021-22 on June 21, 2021;

**WHEREAS**, the Port Staff has determined parcels within the adopted 2017 Vista Field Redevelopment Master Plan are no longer needed and are surplus to the Port's purposes, and that the Port's mission of economic development is best suited by negotiated sales of the parcels;

**WHEREAS,** pursuant to RCW 53.08.090, the Port's Chief Executive Officer has certified to the Port Commission that parcels within the adopted 2017 Vista Field Redevelopment Master Plan are no longer needed for Port district purposes, and that Port's mission of economic development is best suited by negotiated sales of the parcels;

**WHEREAS**, the estimated value of the parcels within the adopted 2017 Vista Field Redevelopment Master Plan which are proposed to be declared surplus and exchanged exceeds \$22,000 in value and therefore requires Commission approval prior to transfer of the property pursuant to RCW 53.08.090,

WHEREAS, on Tuesday, March 11, 2025, after public notice, as required by law, the Board of Commissioners conducted a public hearing, held in the Commission Chambers of the Port Offices located at 350 Clover Island Drive, Kennewick, WA to amend the Comp Scheme to include the Historic Waterfront District Master Plan and modify the document text to clarify the Port's intent to sell and/or lease lands consistent with the adopted 2017 Vista Field Redevelopment Master Plan and proactively establish that lands encompassed within approved sale and/or lease proposals are deemed surplus to the Port's needs, provided however, each discreet sale and lease of land will require Commission consideration and approval at a meeting open to the public, consistent with the Port's adopted Polies and Procedures;

**WHEREAS**, notice of the hearing on declaring the properties surplus and the Comprehensive Plan amendment was given as provided by law (copy of said notice attached hereto as "Exhibit 1") and such public hearing was held at such time and place and on said date; and

**WHEREAS**, after public comment, Commission and Staff discussion and Commission consideration of the proposed amendment to said Comprehensive Scheme, the Board of Commissioners determined that parcels within the adopted 2017 Vista Field Redevelopment Master Plan are surplus to the Port's need, that Port's mission of economic development is best suited by negotiated sales of the parcels; and that the Port's Comprehensive Scheme should be updated accordingly.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the Board of Commissioners of the Port of Kennewick that after and pursuant to a public hearing held on the 11<sup>th</sup> day of March 2025, after notice thereof duly given in the manner required by law, and after public comment, the Board of Commissioners of the Port of Kennewick does hereby that lands encompassed within approved sale and/or lease proposals are deemed surplus to the Port's needs, provided however, each discreet sale and lease of land will require Commission consideration and approval at a meeting open to the public, consistent with the Port's adopted Polies and Procedures;

**BE IT FURTHER RESOLVED** that the Board of Commissioners of the Port of Kennewick adopt the Update to the Port's Comprehensive Scheme of Development as identified as "Exhibit 2";

**BE IT FURTHER RESOLVED** that previous versions of the Comprehensive Scheme and any resolutions amending the previous Comprehensive Schemes are superseded by this updated Comprehensive Scheme;

**BE IT FURTHER RESOLVED** that the Commissioners that the Commissioners hereby approve Goal #8 of the CEO's 2025/26 goals and objectives; and

**BE IT FURTHER RESOLVED** that the Port of Kennewick Board of Commissioners hereby ratify and approve all action by port officers and employees in furtherance hereof; and authorize the Port Chief Executive Officer to take all action necessary in furtherance hereof, provided however, each discreet sale and lease of land will require Commission consideration and approval at a meeting open to the public, consistent with the Port's adopted Polies and Procedures.

**ADOPTED** by the Board of Commissioners of Port of Kennewick on the 11th day of March 2025.

## PORT of KENNEWICK BOARD OF COMMISSIONERS

	DocuSigned by:
Ву:	Skip Novakovich
-	0E53A30E1C8E442
	SKIP NOVAKOVICH, President
	DocuSigned by:
Ву:	Kenneth Hohenberg
	89F77EAC8921416
	KENNETH HOHENBERG, Vice President
	DocuSigned by:
Ву:	Thomas Moak
	A35176A2D2CD413
	THOMAS MOAK, Secretary

From: <u>The Legals Adportal</u>
To: <u>Accounts Payable Group</u>

**Subject:** Thank you for placing your order with us IPL0219284

**Date:** Monday, February 24, 2025 11:50:52 AM

### **THANK YOU for your ad submission!**

This is your confirmation that your order has been submitted. Below are the details of your transaction. Please save this confirmation for your records. This transaction will show up on your credit card statement as McClatchy.

All orders include a 7% service fee. For any questions, please contact us directly by email: c3legals@mcclatchy.com.

### **Job Details**

Order Number: IPL0219284

Classification: Legals & Public Notices
Package: TRI - Legal Ads
Order Cost: \$220.10

#### **Account Details**

KENNEWICK PORT OF IP 350 N CLOVER ISLAND DR #200 KENNEWICK, WA ♦ 99336 509-586-1186

accountspayable@portofkennewick.org

KENNEWICK PORT OF

### Schedule for ad number IPL02192840

Sun Mar 2, 2025

Sun Mar 9, 2025

Tri-City Herald All Zones
Wed Mar 5, 2025
Tri-City Herald All Zones

Tri-City Herald All Zones

## Port of Kennewick Public Hearing Notice

The Port of Kennewick will hold a public hearing on Tuesday, March 11, 2025 at 2:00 pm, or as soon thereafter as possible, in the Commission Chambers located at Port of Kennewick, 350 Clover Island Drive, Suite 200, Kennewick, Washington, to receive statements for and against amending the Port's Comprehensive Scheme of Development and Harbor Improvements (commonly known as Comp Scheme). The public is welcome and encouraged to attend. Please direct questions to 509-586-1186.

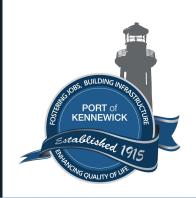
/s/

Skip Novakovich, President, Board of Commissioners, Port of Kennewick

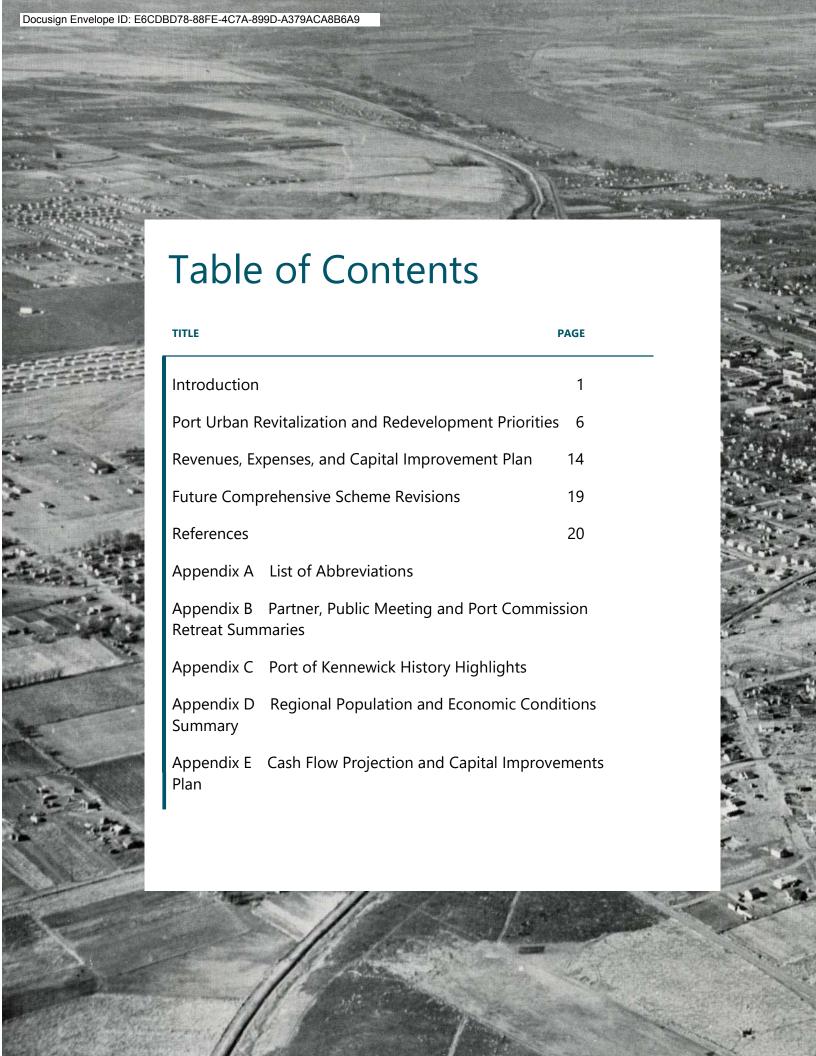
Noticed dated: February 24, 2025

IPL0219284 Mar 2,5,9 2025

# Port of Kennewick Amended Comprehensive Scheme







## INTRODUCTION

The Port of Kennewick (Port) has made limited updates its Comprehensive Scheme of Development (Comprehensive Scheme) consistent with Washington State requirements, and as approved by the Port Commission by Resolution 2017-19, approved October 24, 2017 and Resolution 2025-25, approved March 11, 2025.

Prior to this, the most recent update process was completed in 2016. It included public meetings and meetings with Port development partners, in addition to several meetings with Port staff and Commissioners. A Port Commission retreat was held in fall 2016 to confirm priorities and directions in the Comprehensive Scheme for the next several years. The Port Commission revisits and updates these priorities every few years, as appropriate. Every 2 years, the Port budgeting process includes a more detailed implementation plan for the priorities and projects identified in the Comprehensive Scheme.

In recent years, the Port has evolved into an agency focused on urban revitalization and redevelopment. Consistent with Port Commission direction, for the next several years, the Port expects to focus on projects for the Kennewick waterfront and Vista Field, Kennewick waterfront urban revitalization includes activities on Clover Island and along Columbia Drive. The Port will also continue to own, manage, and maintain its other holdings and properties.

## Comprehensive Scheme Process

The Revised Code of Washington (RCW) 53.20.010 requires ports in Washington to adopt a comprehensive scheme of harbor improvements and identify existing and future capital improvements. The requirements for a comprehensive scheme differ from the Washington State Growth Management Act (GMA) planning efforts. Therefore, this document does not qualify as a master plan or other GMA plan.

The Port has flexibility in what to address in the Comprehensive Scheme. The RCW requires Ports to identify improvements in the Comprehensive Scheme, and provide opportunity for public input on these improvements before implementing actions. Although the RCW language is specific to harbor improvements, the Port is addressing all major improvements planned during the next several years within this document.

## Stakeholder and Public Participation

Ports are required to involve the public in the planning process by making the draft Comprehensive Scheme available for public comment. In accordance with Washington State regulations, the Port has involved agency partners and the public in the scheme planning process. In 2015, the Port (and

members of the consultant team who are supporting the Comprehensive Scheme update) held meetings and conference calls, and conducted a qualitative survey with representatives from the Cities of Kennewick, Richland, West Richland, Benton City, Benton County, and the Ports of Benton and Pasco. At these meetings, agency representatives provided input on potential Port development goals, plans, and opportunities for the properties or opportunity areas within each jurisdiction. Appendix B includes a summary from these meetings (Appendix A include a list of abbreviations used in the document).

The Port held four public workshops in spring 2015 to receive public input on the focus and direction of the updated Comprehensive Scheme. Meetings were held in West Richland, Richland, and Kennewick. Additionally, the Port held a retreat in September 2016 focused on Comprehensive Scheme priorities, held workshops on updated plan elements, and conducted a public hearing in November 2016 to accept and consider additional public comment on the 2016 draft Comprehensive Scheme. The public meetings, retreat, workshops, and hearing were advertised extensively. Notes from the public meetings, retreat, workshops, and hearing are provided in Appendix B. This 2025 update includes the most recent information on applicable port approved master plans and priorities for Vista Field.

## Port Mission and Goals

The Port's mission in recent years, and as reaffirmed in this Comprehensive Scheme, is to identify and implement sound urban revitalization and redevelopment opportunities that create jobs and/or improve the quality of life for citizens of the Port District. To carry out this mission, the Port plans to take the following actions:

- Undertake Vista Field redevelopment.
- Continue with Kennewick <u>Historic</u>-Waterfront urban revitalization projects.
- Pursue fewer projects while selecting projects with the greatest benefit to the community.
- Focus on waterfront development/redevelopment.
- Realize and support economic development opportunities with wine, culinary, and tourism industry.
- Continue to secure grant funding opportunities.
- Remain focused on containing operational expenses.
- Remain solidly focused on the Port's core redevelopment business lines and established priorities; not swayed by the oscillating influence of external entities.
- Maintain a strong focus on successfully running daily Port operations.

Consistent with Port Commission direction, for the next several years, the Port will focus on redevelopment projects for the Kennewick waterfront and Vista Field (PoK 2016). The Port will continue to own, manage, and maintain many of its other

holdings and properties and also encourage sustainable business and commercial development District-wide. Port budgets, staffing assignments, and other resources will be aligned with the redevelopment direction established by the Port Commission.

Through this Comprehensive Scheme, the Port Commission also reaffirms primary elements of resolution (No. 2014-31) with budget and financing goals for Port projects. This resolution included the following elements:

- Pursuing fewer projects and selecting projects with the greatest return to the Port and taxpayers
- Pursuing projects with development partners who demonstrate support (i.e., matching funds, political/citizen/taxpayer support, and enthusiasm)
- Working toward closing an existing operating gap between operational revenue coming in and expenses

The Port intends to apply these principles in Port financial decisions, capital expenditure, and management activities for Port operations and properties.

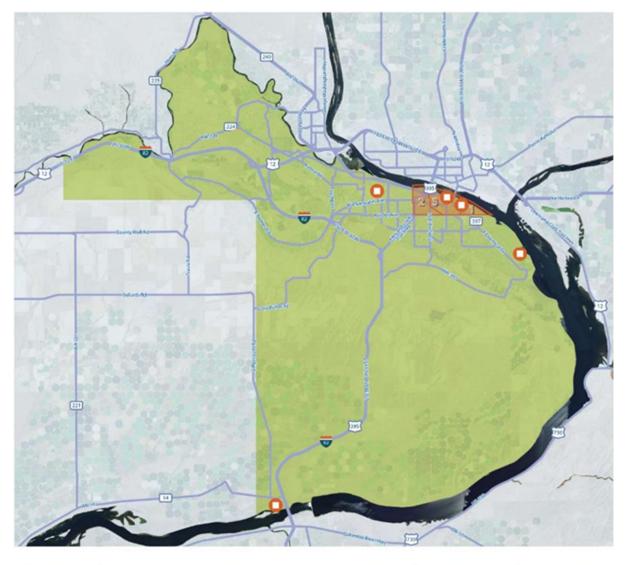
## **Port History**

The Port was created in 1915. In 1916, the Port held a public hearing and adopted its first Comprehensive Scheme document, which needed voter approval before any funding could be expended. Included in the Comprehensive Scheme were modest proposed improvements to the Ivy Street Terminal, a suggested concept to close off the upstream end of the channel between the shoreline and Clover Island, and dredge to create a boat basin. The Port's budget was \$2,000 in 1916 and \$1,800 in 1917.

Since 1915, the Port's mission and services have evolved as the local economy has grown—what started out as a small Port District providing docking and terminal facilities for steamboats has grown to a large Port District with a mission focused on urban revitalization and redevelopment and serving the cities of Kennewick and West Richland, and portions of the City of Richland, Benton City, and Benton County. Highlights of this history are provided in the timeline in Figure 1.

The Port has achieved several notable successes during its 100-year history, including success in barging, warehousing, rail services, and industrial development. The Port has fostered the creation of thousands of jobs in the Port District boundaries, stimulating Clover Island and Spaulding Business Park redevelopment, and helping businesses such as TiLite, GBW Railcar Services, and Pacific Rim Estates grow. What started out as a modest Port beginning focused on just a few services has grown to a multi-faceted organization providing redevelopment services in the Port District and for the region. Appendix C includes a Port history throughout the last 100 years, highlighting in greater detail the many accomplishments achieved by the Port, as well as its development partners through the years. This action enlarged the Port District to the current boundaries identified in Figure 2.

#### Port of Kennewick Highlights (1915 – 2015) 2015 Board of Commissioners: Don Barnes, President; Skip Novakovich, Vice President; Thomas Moak, Secretary Executive Director: Tim Arntzen Port acurares Vista Field Airport from City of Kennewick Wid 1990s - Porting as improvements to the support such as extending and saidering the runeay Public meetings and discussions begin on a rport future. 1993 Allied Chemica, innovabandoned) Convincioners vote to close almost and plantfor its redevelopment 1957 Kedey Chemical 1957 Phillips Pacific Chemical i 1958 Gas Ice (now Air Liquice) 1960 Cal-Spray Chamical (nove Agrium) 1967 Collier Carbon and Chemical Inpov A ompany distribution plan elevator opens, the 2nd tallest 2004 Port acquires Metz Marina Cover island Drive project starts and new Port rdiffice building complexed 2010 Cover island Lighthouse Plaza, and Sateway completed an the Port installs "Call of the River" and "Family Group" artwore Awards 1941 – 1978 Clover Island Developmen 2011 Completion of the Clover Island Riverwalk ★ 2006 Port/Tri-Cities Rivershore Enhancement Council recognized as Tourism 1014 The Port installs 'Mother of Reinvention 2' artwork 1941 Port acquires Clove: Bland Champions of the Year (Visit Tri-Cities). 1953 Clover Island reconfigured to current size; Clover Island Root Clicb (now Yacht Club) 2007 Port receives Downtown Revitalization Award (City of Kennewick Block Grant Advisory Committee). isorganized 2008 - Clover Island Marina—Top Construction Project of the Year (Associated General 1984 Metz Marina noeni Contractors of Washington). Oak Street Did 1 2007 2009 - Spaulding Business Park (Governor's Workforce and Economic Development Port orgins conceptual picturing and public input concessfor Columbia Drive redevelopment and begins clearing the trailer park. Portmores from downtown Kennewick is new offices on Clover Island Vista Field CB 1 Best Practices Award), and Rivershore Enhancement efforts (Governor's Smart Communities Award). Vista Field DB 2 Oak Street DB 3 1976 Codars Restaurant opens 2010 – Clover Island Lighthouse (American Council of Engineering Companies of Oregon) Clover Island Motor inn opens (Hesent sizy Clover Island Inn) 2013/2014 Port demolshes buildings to begin creation of wine village 2015 Construction begins on urban wine village 2010 – Clover Island art projects--Visual Arts Award (City of Kennewick Arts Commission). 2011 - Clover Island Lighthouse and Plaza—Concrete Community Award (Washington Aggregates & Concrete Association) ANCHOR OEA



### **Recent Transition to Urban Revitalization and Redevelopment**

In recent years, the Port has started to concentrate its efforts on urban revitalization and redevelopment. In the mid-2000s, redevelopment focus areas included the Spaulding Business Park in Richland and Clover Island. Other redevelopment opportunities have emerged in recent years with the Port Commission decision to close Vista Field Airport in 2013, expand redevelopment beyond Clover Island to include other areas of the Kennewick waterfront. Objectives for redevelopment include:

- Reconnect community areas to water, where possible.
- Concentrate investment in developed areas.
- Complement existing public and private investments.
- Encourage economic sustainability.

# PORT URBAN REVITALIZATION AND REDEVELOPMENT PRIORITIES

This section is an overview of the Port's existing redevelopment priority properties as established by the Port Commission, including recent development initiatives and future plans for the properties. For the next several years, the Port will focus on redevelopment projects for Vista Field and the Kennewick waterfront. The Port will manage its other projects to support successful implementation of the redevelopment priorities. This would include, but not necessarily be limited to, continuing operations and maintenance of facilities but not making additional investments in other properties, selling, or otherwise divesting other properties (such as Plymouth, or Hedges properties) and other activities. The Port will also continue to monitor local and regional economic conditions and make adjustments accordingly. A summary of current economic conditions is provided in Appendix D.

## Vista Field Redevelopment Area

The Vista Field Airport is in the heart of the Tri-Cities metropolitan area within the Kennewick city limits, between Grandridge Boulevard and Deschutes Avenue. It is adjacent to the Three Rivers Entertainment District (Toyota Center Coliseum, Three Rivers Convention Center, and Tri-Cities Business & Visitor Center).

In fall 2012, the Port Commissioners decided to conduct a comprehensive planning effort to obtain additional information to use in making a final decision. The planning effort included preparing a comprehensive economic analysis and Environmental Impact Statement. The Port initiated this additional planning effort, which included evaluating three alternatives for Vista Field: 1) further develop and enhance the airport for aviation and associated commercial development; 2) close and redevelop the airport properties; or 3) retain Vista Field as an operating airport with an annual subsidy. The planning effort provided significant opportunity for public input, and included environmental review for alternatives 1 and 2 through the preparation of an Environmental Impact Statement, with associated economic analysis.

On April 17, 2013, the Port Commissioners unanimously voted to close and redevelop the airport. The decision was based on the additional financial information and findings of the latest planning and analysis effort, which clearly showed Vista Field redevelopment was economically advantageous to the regional economy and the Port financial operations, compared to the limited revenue opportunities without Federal Aviation Administration funding and costs of maintaining airport operations or making additional airport investments. The Vista Field property is highly visible due to its central location in the City of Kennewick's entertainment district.



FIGURE 3. VISTA FIELD REDEVELOPMENT AREA

The property encompasses approximately 103 acres (Figure 3). The parcels are zoned <u>Urban Mixed Use</u> (<u>UMU</u>). Municipal services are available to the site. <u>The Port owns several former aviation-oriented buildings at Vista Field, including a corporate hanger (4,500 square feet); and two "T" hangers (21,000 square feet).</u>

In 2014, a citizen committee chose the firms Integrated Structures Incorporated (ISI) and Duany Plater-Zyberk (DPZ) to help develop a master plan for Vista Field redevelopment, a process that includes actively seeking public input to plan and redevelop this site into a modern urban center that creates jobs, attracts businesses, and provides a central gathering place for

generations to come. A pattern-language and charrette process was used by DPZ, ISI, and Port staff, with nearly 300 people attending meetings and providing comments. The community showed an interest in small-scale city blocks with open spaces and transit-oriented, pedestrian-friendly neighborhoods with a mix of locally unique shops, restaurants, and workspaces as critical elements. Connectivity with existing public facilities and high-traffic intersections, as well as stakeholder participation, were deemed essential to realizing the site's full potential.

DPZ refined the community's input, and in February 2015, they presented the draft plan for additional public comment and that plan was refined and evaluated regarding cost, feasibility, and community support. A transportation system impact evaluation was prepared in November 2015. In October 2017, the Port Commission adopted the Vista Field Redevelopment Master Plan, which identifies the infrastructure and development plans, phasing, and administrative actions needed for successful implementation. Subsequently in December 2017 the City of Kennewick adopted the master plan as an update to the City's Comprehensive Plan, and changed the land use designation to

Mixed Use for the redevelopment area. The Port and the City also worked together to establish a Development Agreement that identifies applicable code provisions and standards tailored to conditions at Vista Field, applicable through at least December 2027. Phase 1 infrastructure improvements were completed in 2021 which opened approximately 20 acres in the core of the site for private sector development. The Vista Field Southern Gateway project which converted two 4,500 square foot corporate hangar building into public use pavilions was completed in spring 2025.

Private sector response is strong with numerous projects in various stages ranging from under design, within the permitting process and under construction. Port continues redevelopment efforts at Vista Field by working diligently to implement the approved Master Plan. The Port intends to sell and lease properties consistent with the adopted master plan.

## City of Kennewick Historic Waterfront

The Port currently has two urban revitalization <u>areas within the Kennewick's Historic Waterfront</u> <u>District</u>, including the Columbia Drive Urban Revitalization Area and Clover Island.

Columbia Drive Columbia Drive is located adjacent to the Columbia River and Duffy's Pond in the City of Kennewick's historic downtown. The property includes three areas, Willows, Columbia Gardens, and Cable Greens, which total 15.6 acres (Figure 4). Zoning is Urban Mixed-Use (UMU), and the properties have all municipal services, as well as wireless Internet coverage.

The Columbia Drive area faces development challenges, including



FIGURE 4. COLUMBIA DRIVE URBAN REVITALIZATION AREA SITE MAP

aged development and inconsistent city development standards; however, it also has many desirable qualities. Most prominent is proximity to the Columbia River and Duffy's Pond, which allow for tourism opportunities. The area is also near historic downtown Kennewick and easily accessible by several major Tri-Cities roads. It is within a few minutes of Columbia Center Boulevard, Richland, Pasco, and West Kennewick.

Redevelopment in the early phases will support creation of an urban wine and artisan village within the historic Columbia Gardens and Willows neighborhoods. The vision is to create a place where residents can stroll among wine, craft brew, and distillery tasting rooms, as well as galleries, restaurants, and boutique shops, and enjoy outdoor concerts, public art, and wildlife along a scenic nature trail.

Part of this effort has included purchasing mobile homes and assisting tenants with relocation, and demolishing vacant homes. The Port has improved its Columbia Drive properties by removing undesirable buildings, making limited infrastructure improvements, grading sites, and establishing development conditions and covenants.

The Port and the City of Kennewick signed an agreement to kick start development of the Columbia Gardens area and made at least \$5.5 million in improvements. In Phase 1, the City of Kennewick extended the public trail and added streetscaping to the site in 2015, with the Port constructing three buildings to accommodate boutique-production wineries, which were completed in 2017. Phase 2 involving constructing a loop road and joint-use parking was completed in 2018. The third phase completed in 2020 included a tasting room building and additional joint-use parking improvements. As the phases are implemented, the Port will continue to explore potential and complementary private-sector partnerships, including property sales and leases.

### Clover Island

Clover Island is in the City of Kennewick along the southern shore of the Columbia River at river mile 329, and is connected to the mainland by a causeway. The Port owns all but 1 acre of the approximately 18-acre property. The U.S. Coast Guard also owns approximately 1 acre on the southeast portion of the island.

Zoning is Commercial Marina (CM) and available utilities include water, sewer, electricity, and natural gas. Current Port-owned buildings at this site include the previous administrative office, administrative office/retail space, yacht club/office space, Clover Island Marina, and a lighthouse.

Clover Island is a mixed-use development area centered on waterfront access and amenities. The island is home to the Clover Island Marina, which was relocated and completely rebuilt in 2007 to 2008. The Port developed the marina into the premier boat moorage facility in the Tri-Cities as a portal for citizens and visitors to experience the Columbia and Snake rivers, as well as a place for Tri-Cities residents to fish and enjoy river views. In addition to the marina, Clover Island supports many businesses, including two restaurants (Cedars restaurant and Ice Harbor Brewing Company), a 150-

room hotel that includes a bar and grill (Clover Island Inn), and the Clover Island Yacht Club, which is located on the west side of the island.

Over the past 20 years, the Port has steadily made additional improvements on the island. These Port investments were guided by a 2005 Clover Island Master Plan (Makers 2005) and <u>future investments will be guided by the Historic Waterfront District Master Plan (Makers 2021)</u> associated updates are incorporated by reference for this comprehensive scheme document. In 2009, the former single-use Yacht Club site was completely redeveloped as a mixed-use facility. A parking lot was built just east of the Yacht Club, and an outdoor seating and railing area was added outside of Ice Harbor Brewing Company restaurant. The Port also constructed a lighthouse and gateway to the island, along with the Metz Family Plaza and placement of several public art displays. Paths and viewing locations, along with a statue and other improvements, provide public access and enhancements to the waterfront. In 2016, the Port constructed a boat launch parking lot and restrooms with grant and Port funding. The Port completed in 2017 the construction of the "Gathering Place" in partnership with the Confederated Tribes of the Umatilla Indian Reservation.

In 2021 Port partnered with USACE through their 1135 program to complete shoreline improvements that enhance nearshore habitat functions and shoreline aesthetics. The nearshore environment enhancement included improving substrate and refugia for salmonids in designated areas around the island. Riparian enhancement involved removing concrete along the shoreline and enhancing riparian vegetation through native plantings. These improvements are intended to reduce predatory impacts on species such as steelhead trout and Chinook salmon, and will provide additional rearing opportunities.

The Port intends to continue Clover Island enhancements to develop a mixed-use waterfront village, including retail, condominium housing, and restaurants. The Port will continue to foster tourism and economic development on Clover Island by implementing projects outlined in the <u>Historic Waterfront District Master Plan (Makers 2021)</u> and in this Comprehensive Scheme.

The Port will continue to market properties on Clover Island for <u>development consistent with the Historic Waterfront District Master Plan. Per Port Commission Resolution 2022-05 adopted on January 25, 2022 the Port will not sell any land on Clover Island.</u>

## **Other Port Properties**

## Oak Street

The Oak Street site is in northeast Kennewick off East Third Street and State Route 397. The site is approximately 29 acres and segregated into two pieces of land (Figure 5). Zoning is Heavy Industrial (IH) in the City of Kennewick for the four development buildings and the former Joe Schmidt building, and Industrial Light (IL) for the remainder of the site. The Port owns seven buildings, which cumulatively total 83,000 square feet. In 2013, two of the development buildings were renovated and revisions to a fire damaged building were started in fall 2024 with completion scheduled for spring 2025.

Throughout the past several years, the Port has averaged close to 100% occupancy in the development buildings. Oak Street businesses include manufacturing, specialty metals, warehousing, and construction, along with the Humane Society. This area's strengths include close proximity to rail service, city and transportation corridors, and State Route 397. Oak Street has flat topography although a Floodplain Designation "A," which exists due to infrequent pools of groundwater ranging from 2 to 4 inches in dept posed a development challenge. This challenge has been overcome through site design with building finished floors elevated 1 foot above the surrounding grade.

The Port intends to hold the improved Oak Street <u>buildings</u> for the foreseeable future and divest vacant and agriculture properties to support its redevelopment priorities.



**Figure 5. OAK STREET SITE MAP** 

## Vista Field Development Facilities

Near Vista Field, the Port owns 3.7 acres of industrial property, including Port-owned Vista Field Development Facilities (VFDF) A and B (Figure 6). VFDF rehabilitation and remodeling work was completed in <u>March 2025</u>. This area is fully served by municipal services. The Port will continue to market the development buildings as space within them is available is available.



FIGURE 6. VISTA FIELD DEVELOPMENT FACILITIES SITE MAP

## Finley Property (Twin Tracks and Hedges Lagoon)

In recent years, the Port has divested much of its Finley holdings. It currently owns two remaining properties—Twin Tracks and Hedges Lagoon—located close to the Columbia River in unincorporated Benton County about 8 miles southeast of Kennewick (Figure 7).

The Twin Tracks property is 110± acres and zoned IH. Available utilities include well, power, and natural gas. Potable water is available only through exempt wells, and sewer is provided only through on-site septic systems. Fire protection is provided by facility-specific fire-suppression systems consistent with requirements in the International Fire Code as adopted by Benton County (Benton County Code 3.18.035). Surrounding these properties are chemical manufacturing facilities, large- and small-acreage farms, residential development, and open-space recreational areas.

A portion of the Twin Tracks property (40 acres and 8,000 linear feet of rail line) is currently occupied by GBW Railcar, Inc., for rail car refurbishing, with other parcels leased for agriculture uses. The site is unique in that it is served by UP and BNSF rail, and is large enough to be able to accommodate a rail loop for unit freight train setup and loading.

The Hedges Lagoon property is 55 acres and zoned IH, with all but 3.65 acres below the ordinary high water mark. The Port could find a public agency such as the Washington State Department of Natural Resources or other resource management agency interested in owning or managing this property for recreation and/or habitat protection purposes. The Port would also want to ensure the arrangement that is proposed would be supported by the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) per the Port/CTUIR Memorandum of



FIGURE 7. FINLEY SITE MAP (TWIN TRACKS AND LAGOON PROPERTIES)

Understanding (MOU), if the property were to be transferred or sold to another agency.

## Plymouth Waterfront and Island

The Plymouth site is in southern
Benton County near Interstate 82 and
State Route 14 (Figure 8). The
property totals 157.10 acres, and
includes river frontage and island
property, and has limited
development opportunity, even
though the northern parcel is zoned
HI. The southern portion of the
parcel is zoned Park District.
Substantial electrical service is
available in the immediate vicinity
and natural gas is within 1,000 feet of
the site. The property does not have



FIGURE 8. PLYMOUTH SITE MAP

municipal water service, sewer service, or interior roads. Water could potentially be available from the nearby Plymouth Water District. The Port has no plans for the Plymouth parcel and is open to divesting this property to an organization(s) acceptable to Native American tribes and consistent with the Port/CTUIR MOU for permanent protection of cultural and natural resources, and to provide for continued public recreation opportunities.

# REVENUES, EXPENSES, AND CAPITAL IMPROVEMENT PLAN

This section includes a summary of Port revenues, expenses, and Capital Improvement Plan for the next 10 years, along with a policy and process for evaluating future investment opportunities.

## **Current Revenues and Expenses**

In 2015, the combined property tax revenue received from Port-owned properties in Kennewick, Richland, Benton County, West Richland, and Benton City amounted to \$3,669,499. The majority of that revenue (50.7%) came from property within the Port District in the City of Kennewick, followed by property owned in Richland (20.8%), Benton County (19.4%), West Richland (9%), and Benton City (0.044%).

Additional, ongoing Port revenues include operating income from industrial, building, and agricultural leases; operating income from marina leases; and interest income. The Port is also starting to receive funding from Benton County through the Rural County Capital Fund, which is a funding source of approximately \$3 million total, expected to be received by the Port as reimbursements for approved projects through 2023. Other revenues include land sales and grants, which vary year to year and by project. Average Port annual revenues in recent years have been around \$5 million.

Port expenses include general and administration expenses (e.g., salaries, benefits, and partner agency dues), general lease property operations and maintenance, building and equipment replacement, non-operational costs (Port funding provide to projects sponsored by Port partners), and marina operations and maintenance. Average annual Port expenses in recent years have been around \$3 million.

The difference between annual average revenues (\$5 million) and annual average expenses (\$3 million) is approximately \$2 million. This is the amount available on an average basis to support Port projects each year. As noted above, this amount can be supplemented by grants, property sales, and other funding sources.

The Port has developed cash-flow projections for the 2016 to 2026 period, as provided in Appendix E, Table E-1. This table projects beginning cash balances and reserves, less planned expenditures, including capital projects. The capital projects are summarized below and identified in Appendix E, Table E-2. The cash flow projection is based on current operations and current capital assets. A \$2.5 million reserve is also accounted for each year. This projection is reviewed regularly and updated, at least annually, by the Port. The Port develops a detailed 2-year operating budget. The current Port budget period will end December 31, 2016, and the next budget period is 2017 to 2018.

## Capital Improvement Plan

The following capital improvements are planned at the various Port-owned properties, consistent with Port priorities, during the next 10 years:

- Vista Field Redevelopment \$5.9 million in infrastructure and other improvements
  consistent with the master plan expected to be finalized in early 2017. Land sale revenues
  from Vista Field are being reinvested in Vista Field redevelopment.
- **Kennewick Waterfront Urban Revitalization** \$2.9 million, including \$1.3 million to construct and maintain shoreline improvements at Clover Island, in partnership with USACE, and \$1.6 million to continue work at the Columbia Gardens site.
- **Return on Investment (ROI) Project** \$6 million on one or more projects to bring in additional operating revenues for the Port.
- **Port Facilities Asset Replacement Program** \$2.6 million (approximately \$250,000 per year) to support renewal and replacement of Port facilities, with specific projects identified in the Port 2-year operations budget.
- Opportunity Fund \$500,000 (\$50,000 per year) for partnership opportunities. These will
  include funding requests for community programs or smaller community or Port projects
  emerging outside of the Port budgeting process. Once funding is allocated for a budgeting
  period, additional proposals will be considered during the next budgeting period.
- Rural County Capital Funds Project \$1.2 million for an additional project to be funded through this source. This project will be identified in coordination with one or more development partners and selected consistent with the Process for Evaluating Future Investment Opportunities below.
- **Miscellaneous Capital** \$570,000 for smaller capital expenditures, such as equipment, on Port properties that are expected to emerge during each 2-year budgeting period.

Total capital improvements for the 10-year period (2017 to 2026) add up to \$28.8 million. Table E-2 in Appendix E includes these capital projects on a 10-year timeline. The Capital Improvement Plan is expected to be reviewed annually and updated every 2 years by the Port. The latest version of the Port's Capital Improvement Plan is included by reference to the Comprehensive Scheme.

The extent of funding available for capital improvements varies substantially from year to year and depends on multiple sources of funds for implementation, as described in Port Revenues and Expenses above, and as outlined in the 2017 to 2026 One-time Revenues in Table E-2. The outside sources of revenue include grant funds from the state and federal government, local partnering agencies' contributions for economic development, and private contributions. The one-time revenues include expected land sales from Port properties. These outside revenues and property sales, when combined with the annual revenue available to the Port and less Port annual operating

expenses, provide the funds for capital improvements. As noted in Port Revenues and Expenses, the Port brings in approximately \$5 million annually, and has \$3 million in operating expenses, leaving approximately \$2 million per year, plus grants and funding from land sales and Rural County Capital Funding to fund capital improvements.

The Port will comprehensively evaluate capital improvements every 2 years in the budgeting process and review the plan annually, with adjustments made as necessary based on any changes in land sale or other assumptions, partner commitments, and other relevant information updates.

## Capital Improvement Plan Assumptions

The Capital Improvement Plan serves as a long-term financial plan for the Port and is not a budget. A detailed 2-year budget is developed every 2 years.

The Port's Capital Improvement Plan is based on the following assumptions:

- 1. The Port obtains a bank loan in the amount of \$5 million in 2017 to help fund improvements for Vista Field redevelopment.
- 2. The projected land sales occur generally as assumed in timing and sales amount. Changes in land sales assumptions could substantially affect the project's implementation schedule.
- 3. The Port receives the full amount of Rural County Capital Funding (projected at \$2,950,000 through 2023) from Benton County.
- 4. The Port Commission adopts a policy on how to disburse funds from the "Opportunity Fund," which is a small funding amount set aside each year to support projects proposed by development partners.
- 5. The Port hires another maintenance technician and another staff person for Vista Field in 2018.
- 6. Operating revenues increase by at least 2% per year.
- 7. Operating expenses increase by no greater than 4% per year.
- 8. Non-operating expenses increase by no greater than 5% per year.
- 9. Property tax revenues increase by at least 4% per year.
- 10. The analysis does not factor in the acquisition of any additional properties by the Port. If the Port wanted to modify the Capital Improvement Plan by acquiring, for example, one or more additional properties, then other adjustments in the plan would need to be made to offset the impact. Similarly, as another example, delays in expenditures could also result in plan adjustments.

## Process for Evaluating Future Investment Opportunities

## Overview

Consistent with the Port Mission and Goals described above, including the referenced resolution (No. 2014-31) describing Port objectives for budget and financing goals for future Port projects, the Port Commission adopts the following additional policy as part of the 2016 Comprehensive Scheme update. The Port intends to use this process to identify, evaluate, prioritize, and implement its most

important future capital projects. The Port Commission recognizes the numerous opportunities regularly proposed for Port consideration must be balanced against available resources, including availability of staff and availability of financial resources. The main components of the Port's Capital Project Prioritization Policy are:

- Project Identification Projects will be identified through various sources, including:
  - The adopted Comprehensive Scheme of Harbor Improvements
  - The adopted biennial budget and work plans
  - Discussions with jurisdictional partners and staff, and the public
- Project Evaluation With the assistance of staff, the Port Commission will prioritize projects based on cost estimate evaluation, cost/benefit analysis, and public demand and other, less easily quantified factors, including jurisdiction priorities, emerging needs and opportunities, supplemental funding for projects partially funded, and public input received.

### **Organizational Considerations**

Review will be conducted to evaluate if the project is consistent with the Port's mission and priorities established in the Comprehensive Scheme and associated documents adopted by reference. Additional considerations would also include:

- Does the project meet an identified need?
- Does the project support Port, community, and/or private-sector economic development objectives?
- Does the project serve multiple user groups?
- Does the project foster or enhance a public/private or public/public partnership?

### **Fiscal Considerations**

Fiscal considerations will also be reviewed as part of determining whether the Port will invest in future opportunities:

- What are the costs of the project, including initial costs, maintenance costs, and lifecycle costs?
  - How were costs calculated and by whom (finance director, Certified Public Accountant,
     Certified Financial Planner, economic planner, or others)?
- Does the Port have the financial and organizational capacity to undertake and manage the project?
- Can the project leverage public or private resources with other partners and funds to maximize benefits?
- Does the project have a positive ROI?
- Would the project increase the tax base, increase revenues to the Port, contribute to the vitality of the community, and help attract regional and national tourism?

### Social/Environmental/Legal Considerations

Social, environmental, and legal considerations will also be reviewed:

Is the community involved and supportive of this project?

- If the project is not implemented, will a strategic opportunity be lost?
- Is the project appropriate for the proposed site's natural systems, topography, and/or neighboring land uses?
- Are there potential adverse impacts associated with the project?
- Does the project comply with all federal, state, or local government laws or regulations?

## Project Design, Planning, and Readiness

Design, planning, and project readiness considerations will also be reviewed:

- Does the site or project require extraordinary or unique purchase cost, architectural/engineering, or other efforts or commitments of financial or staffing resources?
- Is the project ready (e.g., design completed and permits in hand)?
- Is there a reasonably foreseeable user for the project (i.e. "bird in hand")?

## **Project Evaluation**

Initial project screening shall begin with staff providing a brief description of each project. The Port Commission shall then review, evaluate, and rank each project based on the above criteria. High-priority projects shall be incorporated into the draft work plan.

# FUTURE COMPREHENSIVE SCHEME REVISIONS

Future Comprehensive Scheme document review and update is planned every 5 years. The next comprehensive update is planned to begin in late <u>2027</u> and be finalized by the end of <u>2028</u>.

Review and updates that result in more minor adjustments to certain elements of the Comprehensive Scheme are planned every 2 years, in parallel with the Port budgeting process, to incorporate new information and adjust strategy changes in redevelopment priorities and changes in policy that could occur. The updated budgets and Capital Improvement Plans will supersede the financial projections included in this 2016 Comprehensive Scheme, in effect amending the financial components of the Comprehensive Scheme every 2 years.

## **REFERENCES**

PoK (Port of Kennewick), 2016. Port of Kennewick September 10, 2016 retreat meeting minutes.

Port of Kennewick Resolution No. 2017-19. A Resolution of the Board of Commissioners of the Port of Kennewick Amending its Comprehensive Scheme of Development and Harbor Improvements. Approved October 24, 2017.

City of Kennewick Ordinance No. 5731. An Ordinance Adopting the Vista Field Redevelopment Master Plan as a New Element of the Comprehensive Plan. Passed by the City of Kennewick City Council on December 12, 2017.

Port of Kennewick Resolution No. 2019-27. A Resolution of the Board of Commissioners of the Port of Kennewick Amending its Comprehensive Scheme of Development and Harbor Improvements. Approved October 29 2019.

Makers (Makers Architecture and Urban Design), 2021. Historic Waterfront District Master Plan.