



PORT OF KENNEWICK REGULAR COMMISSION MEETING

JANUARY 11, 2022 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 Vice President Skip Novakovich 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: Skip Novakovich, Vice President (via telephone)
Kenneth Hohenberg, Commissioner Elect (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 (via telephone)
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Commissioner Moak led the Pledge of Allegiance.

ELECTION OF OFFICERS 2022-2023

Commissioner Novakovich stated the Port Commission revised Section 6.1 of the Port Commission Rules of Policy and Procedure, to define the terms of office and the process in which the officers are elected. The process states:

- There shall be three Commission officers: a president, a vice president and a secretary;
- The terms of office for each officer shall be two years or until his/her successor is elected;
- Officers shall be elected at the first regularly scheduled Port Commission meeting in January in even years; and
- Newly elected officers shall take office effective the next regularly scheduled meeting following the election.

MOTION: Commissioner Hohenberg moved for the approval for the following slate of officers for the Port of Kennewick Board of Commissioners for the 2022-2023 years, effective January 1, 2022; President, Commissioner Novakovich; Vice President, Commissioner Hohenberg; and Secretary Commissioner Moak. Commissioner Novakovich seconded. With no further discussion, motion carried. All in favor 2 Ayes (Commissioners Hohenberg and Novakovich):0:1 Abstain (Commissioner Moak).

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Mr. Arntzen stated on behalf of the Port of Kennewick team, we would like to welcome Commissioner Hohenberg as the new Vice President. Mr. Arntzen is thrilled with this new and exciting transition and senses a rebirth at the Port and is excited to see the new majority in action.

Commissioner Novakovich welcomed Commissioner Hohenberg and offered his congratulations on being the Vice President of the Port of Kennewick.

Commissioner Hohenberg appreciated the comments and is excited to get back and focus on the mission and see some great things happen this year.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. *Approval of Direct Deposit and E-Payments Dated December 17, 2021***
Direct Deposit and E-Payments totaling \$65,024.46
- B. *Approval of Warrant Register Dated December 15, 2021***
Expense Fund Voucher Number 103413 for a grand total of \$116,163.87
- C. *Approval of Direct Deposit and E-Payments Dated December 30, 2021***
Direct Deposit and E-Payments totaling \$83,097.47
- D. *Approval of Warrant Register Dated December 30, 2021***
Expense Fund Voucher Number 103414 through 103443 for a grand total of \$119,588.61
- E. *Approval of Regular Commission Meeting Minutes December 14, 2021***

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

PRESENTATIONS

- A. *Build Northwest Awards, Shannon Toranzo of Total Site Services***

Mr. Peterson introduced Shannon Toranzo from Total Site Services (TSS), the contractor for Vista Field Phase 1A.

Ms. Toranzo stated each year the Inland Northwest Association General Contractors (AGC) awards members of the AGC who build the region's most impressive construction projects. The projects are reviewed by a panel of neutral judges and are selected based on uniqueness, innovation, and overall excellence. In September, TSS submitted the Vista Field project for consideration, and we received notice that we won in the heavy, civil and utilities category. Ms. Toranzo stated there will be an event on February 4, 2022 at the Davenport Grand Hotel in Spokane and invited the Port to attend. Ms. Toranzo stated it was the Port's vision and design and a great team that helped TSS construct an old airport into a future urban city center.

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Commissioner Novakovich thinks that is exciting news and stated it takes teamwork and he is very proud of TSS and the team at the Port and our partners.

Mr. Arntzen stated this is a huge honor and invited Commissioner Novakovich to represent the Port at the event in Spokane.

Commissioner Novakovich would be proud to represent the Port of Kennewick and appreciates everyone's work on this project that earned this prestigious award.

Mr. Peterson stated this AGC is a major award and stated there were many significant projects in our region. Mr. Peterson stated TSS worked with Ms. Bader Inglima on the application, but it was the Port's design that was based on the community's vision for Vista Field to construct a unique development.

B. Fortify Holdings, Rob Jacobs and Ziad Elshahili

Ms. Hanchette introduced Rob Jacobs and Ziad Elshahili of Fortify Holdings, who will be presenting a proposal for the Clover Island Inn.

Mr. Elshahili and Mr. Jacobs presented a proposal to purchase and renovate the Clover Island Inn and create a catalyst for economic development that fits with the Port's Master Plan (*Exhibit A*).

Commissioner Moak thanked Mr. Elshahili and Mr. Jacobs for their presentation and stated in seventy years, the Port has only sold property on the Island to the U.S. Coast Guard. Additionally, Commissioner Moak recalls the Master Plan strongly recommended that the Port maintain the policy of land leases on Clover Island.

Mr. Elshahili and Mr. Jacobs believe it is a great opportunity that could be beneficial to all parties. Fortify currently has projects in the Tri-Cities and stated the City of Kennewick Municipal Code allows for this kind of mixed used development.

Commissioner Hohenberg inquired if Mr. Arntzen has a recommendation of next steps for the Commission to consider.

Mr. Arntzen thanked Mr. Elshahili and Mr. Jacobs for their presentation; however, this is the first opportunity the Port has had to review the proposed project. Mr. Arntzen recommended the Port Commission authorize him to perform some due diligence and engage with a third party to review the proposal, the proposers and the projects, and the proposal consistent with the Master Plan. Additionally, Mr. Arntzen suggested that the Commission engage with the public on this proposal before taking any action.

Mr. Jacobs inquired if Fortify Holdings should start the appraisal process.

Mr. Arntzen stated an appraisal would be a necessary component, but he believes it is a bit premature.

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Commissioner Novakovich believes it would be a game changer for the Port; however, there is a lot to consider. Commissioner Novakovich thinks a renovation of the hotel is a fantastic idea, provided it meets with public approval, per past practice.

Commissioner Hohenberg received an anonymous citizen phone call yesterday expressing their concerns that this would turn the Island into a low income, homeless housing project. Commissioner Hohenberg believes this project should be vetted properly and publicly.

Mr. Jacobs thanked the Commission for their time and looks forward to addressing any comments or concerns that may exist.

Mr. Elshahili stated that Fortify Holdings would be happy to assist the Port in any way and indicated that they do not have any low-income housing projects.

It is the Consensus of the Commission for the Port CEO to move forward with due diligence for the Fortify Holdings proposal.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field

Mr. Peterson outlined the remaining tasks that need to be completed at Vista Field and policy questions for the Commission to consider (*Exhibit B*).

Ms. Hanchette stated the content which Mr. Peterson outlined will be included in a “builder’s bible.” It will be a roadmap for the builder/buyer to reference information such as the processes for the purchase proposal, design standards, FAQ’s, and owners association. This will be a living document and may require revisions as we move through the processes and transactions.

Commissioner Moak appreciates that staff will bring back policies for the Commission to review and to confirm where we are at and make sure we are on board with where the Port is going.

Commissioner Hohenberg is very excited for Vista Field, and it is his number one priority. Commissioner Hohenberg stated the Port has excellent consultants and appreciates Mr. Peterson’s insight and vision. Commissioner Hohenberg is ready to get this project moving and focus on the mission without distractions.

Commissioner Novakovich inquired if we need to address the policies in a Special Meeting.

Mr. Peterson would like to see how many policies can be reviewed before making that determination.

B. Governance and Management Audit

Mr. Arntzen outlined the history of the governance and management audit proposal for the Commission and stated before the Commission is Resolution 2022-01 approving or rejecting the governance and management audit as well as Resolution 2022-02 hiring a project manager to oversee the governance and management audit.

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Commissioner Moak cannot support proposed Resolution 2022-01 or Resolution 2022-02 because it does not consider the recommendation made by the 2021 Commission which was to engage Moss Adams to conduct the tier one audit for \$85,000; however, it is up to the 2022 Commission whether it wants to move forward. Commissioner Moak stated the audit was to review tier one and he does not believe the staff report reflects what the 2021 Commission recommended. Commissioner Moak stated a lot of the policies have been in place for some time and things have changed over the past decade that need to be reviewed. Additionally, Commissioner Moak stated the staff report states, “a provision of this audit calls for Commissioner Barnes to continue shaping the audit outcome,” and he does not believe there has been any discussion on his part that former Commissioner Barnes would have anything to do after December 31, 2021, after he left office. Commissioner Moak inquired where that language is and stated he never contemplated former Commissioner Barnes would have anything to do with this.

Mr. Arntzen stated page 6 of the Request for Proposal (RFP) of the governance and management audit states “interviews of current and former elected Commissioners to better define the extent of each task.” Mr. Arntzen believes Commissioner Moak is correct in that it was never mentioned, and perhaps it should have been. When Mr. Arntzen reviewed the RFP, he had never seen a situation where a person who left office was still involved. Mr. Arntzen inquired if the Commission would like to move forward with the governance and management audit.

Commissioner Novakovich stated the Commission received the Agenda Reports and Resolutions prior to the Meeting. Commissioner Novakovich believes Commissioner Moak’s concern should have been addressed when he received the Draft Agenda.

Commissioner Hohenberg reiterated that he is excited about Vista Field and the Port needs to stay focused, and he sees this as a distraction regardless of whether it is \$85,000 or \$125,000, it is still taxpayer dollars. Prior to being seated in this position, Commissioner Hohenberg stated, you can have the best governance, and you can have the best policies in place, but if you have the wrong people at the table, you will still have issues. One thing Commissioner Hohenberg learned at the New Commissioner Training, is the Commission sets the culture and tone and he has heard loud and clear from constituents across the Port district, that they want the Port to be focused on the mission and to start moving forward.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Hohenberg moved that the Port Commission reject the Governance and Management audit proposal from Moss Adams. Commissioner Hohenberg further moves that the Port CEO officially close out the Governance and Management audit process; and that the CEO refrains from expending further staff or financial resources on this matter; Commissioner Novakovich seconded.

With no further discussion, motion carried. All in favor 2 Ayes (Commissioners Hohenberg and

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Novakovich) : 1 Nay (Commissioner Moak).

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Hohenberg moved that the Port Commission reject all proposals for project management services; Commissioner Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

C. CEO Direction Topics

1. Consent Agenda

Mr. Arntzen recommended placing more routine items on the Consent Agenda to keep the meeting flowing and on track and allows the team to focus on more important topics. Additionally, it could reduce the length of the meetings and make them more succinct.

2. Public Comments – revise requirement to not provide home address

Mr. Arntzen stated at the November 9, 2021 Commission Meeting, Commissioner Novakovich informed the Commission that an individual making a public comment does not need to provide their address, only name and city. Mr. Arntzen inquired if the Commission would like to remove the address requirement related to public comment.

3. Meeting length / Time limit per issue

Mr. Arntzen stated the Commission Meetings have been running over three hours as of late and if we utilize the Consent Agenda, our meetings could be shorter and perhaps consider adding a time limit per topic.

Commissioner Moak inquired what items would be placed on the Consent Agenda.

Mr. Arntzen stated routine items that do not require public input or discussion. The Commission always can remove items from the Consent Agenda for further review and discussion.

Ms. Scott stated for example, items the Commission have discussed previously that there is consensus on.

It is consensus of the Commission to utilize the Consent Agenda for routine items, remove the address requirement for Public Comment; and strive to reduce the time limit of the Commission Meetings.

D. 2022-2023 Commissioner Committee Assignments

Mr. Arntzen presented the 2020-2021 Commission Committee Assignments (*Exhibit C*) for Commission review and stated there are several assignments that need to be reassigned. The Commissioners will review the list and approve new assignments at the next meeting.

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E. State of the Port's Luncheon

Ms. Bader Inglima reported that the Tri-Cities Regional Chamber of Commerce invited the port districts to present an annual report and overview of projects at the February 23, 2022 luncheon. Ms. Bader Inglima is confirming with the Chamber if it will be an in-person and/or virtual meeting. Each port will present a video introduction and overview followed by a question and answer period.

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

Commissioners reported on their respective committee meetings.

G. Non-Scheduled Items

Ms. Hanchette presented photos from the Clover Island Marina, where a tenant's boat sank on A Dock on January 8, 2022 (*Exhibit D*). Ms. Hanchette stated it was a team effort and we were able to get the situation under control.

The Commission complimented the Port team for their efforts over the weekend and how quickly they were able to resolve the situation.

Mr. Arntzen thanked the Port team for their swift and efficient actions to resolve this matter.

Commissioner Hohenberg thanked Mr. Arntzen and the team for getting him all set up and taking care of things. Commissioner Hohenberg stated this has been a great onboarding experience and he is excited to be moving from many years of public service with a great team to another great team.

Commissioner Moak welcomed Commissioner Hohenberg to the Commission and shared that he has had an opportunity to work with him in the past in a different capacity. Commissioner Moak is looking forward to working with Commissioner Hohenberg and appreciates that he sees Vista Field as our number one priority. Commissioner Moak looks forward to a lot of great things from Commissioner Hohenberg and hopes it is productive for him over the next six years and thinks he will be a very good Commissioner for the Port of Kennewick.

Commissioner Novakovich echoed Commissioner Moak's comments and welcomed Commissioner Hohenberg.

Commissioner Novakovich would like to take a few minutes to first thank all members of the dream team that Mr. Arntzen has assembled at the Port of Kennewick. These are men and women who, in spite of having to work in a hostile work environment created by the past Commission and faced all the issues Covid has brought about, have remained loyal to this organization and dedicated to serving our taxpaying public. To Commissioner Novakovich, they are truly heroes in every sense, and he thanked them for who they are and what they do. Secondly, Commissioner Novakovich wants everyone to know that as of today, the Port of Kennewick will embark on a new path forward. What does that mean? He doesn't know for sure, but he will guarantee it will be far superior and much more enjoyable than the past 3-4 years. Commissioner Novakovich hopes that wherever this new path takes us, and how it is created, is that we can all work together, creating something we enjoy working on and can be thankful and proud of our efforts.

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Commissioner Novakovich has a few thoughts he would like to contribute to this effort.

First, in the over a decade that Commissioner Novakovich has served on this Commission, he has never seen such negativity, unjustified lack of trust, and lack of mutual respect as was created by the Commission over the past four years or so. His assessment is we have been severely wounded, but although the healing process will take some time, it begins right now with what he would like to see from the Commission. He would like to see this Commission take the lead at re-establishing a solid relationship of trust and mutual respect between the Port team members and the Commission. He would like to see this Commission encourage and support team leadership, allowing them to once again become the visionary assets they once were. He would like to see this Commission work with our team to prioritize the Port of Kennewick work, based on available resources both personnel and financial, and not interject new Commissioner assigned tasks, unless properly vetted, approved and allowances are made for the slowing of already assigned tasks. Commissioner Novakovich would like to see Commissioners understand the need to trust team members, allowing them to do their jobs, prioritizing Commission assigned work, deciding what to do, when to do it, and how to do it, based on the ever-changing demands team members encounter daily, that Commissioners may not be aware of. He would like to see Commissioners be required to sign an oath of commitment to adhere to all laws and approved policies and agree to accept the strictest punishment provided by new Port policies and all appropriate local, state, and federal laws. He would like to see Commissioners understand their role does not involve micro-management of the Port. Furthermore, understand that to have an efficiently run Port, the Commissioners must learn to delegate responsibly, then let the executive and his team function in their areas of authority and expertise. Individual Commissioners should not be meddling in team affairs. He would like to see each Commissioner recognize and understand their personal limitations. As Commissioners, we individually have a certain skill set based on our education, work, and life experiences, but our team provides a combined set of professional skills and abilities we as individuals or even all combined Commissioners cannot equal. As Commissioners we need to not only realize this fact but respect it. We may question why and allow for explanations, but we should not try to tell team members how to do their jobs. He would like to see no Commissioners direct the Executive Director to initiate any action, prepare any report, initiate any project or study without the consent of the majority of the Commission. And lastly, Commissioner Novakovich is so proud and blessed to be associated with the team. Our CEO, Tim Arntzen, not only strategically assembled, but has miraculously managed to hold together through extremely trying times. And he pledges to do everything he can and is capable of, to help create a new path forward based on mutual trust, appreciation, thankfulness, and respect.

PUBLIC COMMENTS

Cal Coie, Kennewick. Mr. Coie has attended numerous meetings over the past 20+ years, and heard very similar proposals by numerous individuals and companies that paint a pretty picture like they did today. Mr. Coie applauds the Port for more study and hopefully the Port will come out with a good solution, one way or another. Mr. Coie is also interested in the subject of purchasing land on Clover Island and stated if you do sell the property, then the Commission will open a book for other people to purchase the property as well. Mr. Coie stated a study is tremendous and the Port has three meetings before March 1st, and

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hopefully in that time, the study will provide some type of answer that is beneficial to all above.

No further comments were made.

Commissioner Novakovich anticipates the Executive Session will last approximately 20 minutes, Potential Litigation, per RCW 43.30.110(1)(i) with potential action expected. Commissioner asked the public to notify Port staff if they will return after the executive session so staff can advise if the session concludes early.

RECESS FOR EXECUTIVE SESSION

Commissioner Novakovich recessed the Regular Commission Meeting at 4:01 p.m. and convened the Executive Session at 4:05 p.m. for 20 minutes.

Ms. Schumacher extended the Executive Session for 5 minutes at 4:25 p.m.

Ms. Schumacher extended the Executive Session for 5 minutes at 4:30 p.m.

Ms. Schumacher extended the Executive Session for 5 minutes at 4:35 p.m.

EXECUTIVE SESSION

A. Potential Litigation per RCW 43.30.110(1)(i)

Commissioner Novakovich adjourned the Executive Session at 4:39 p.m.

Commissioner Novakovich reconvened the Regular Commission Meeting 4:39 at p.m.

Ms. Luke stated during Executive Session she discussed the issue of potential litigation pending before the Port involving a tort claim filed by Mr. Arntzen. Ms. Luke requested action be considered by the Commission to authorize the retention of attorney Matt Mensik of Witherspoon Kelley in Spokane as outside counsel to represent the Port in this matter.

MOTION: *Commissioner Hohenberg moved that the Port Commission approve the recommendation; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

COMMISSION COMMENTS

No comments were made.

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JANUARY 11, 2022 MINUTES

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:41 p.m.

APPROVED:

PORT of KENNEWICK BOARD of COMMISSIONERS

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Skip Novakovich

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Skip Novakovich, President

DocuSigned by:

Kenneth Hohenberg

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Kenneth Hohenberg, Vice President

DocuSigned by:

Thomas Moak

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Thomas Moak, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2022-01

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK
REJECTING A GOVERNANCE AND MANAGEMENT AUDIT***

WHEREAS, in January 2021 at the urging of former Commissioner Barnes the Board of Commissioners directed that the Port CEO contract with a third party to perform a “governance and management audit”; and

WHEREAS, the record indicates that the “audit” is driven by an ethics complaint lodged against Commissioners Barnes and Moak; and

WHEREAS, the audit will consist of a review of, and potential re-write of port policies and procedures; and

WHEREAS, the audit is expected to cost \$125,000 and up to \$41,500 for project management services; and

WHEREAS, the audit is anticipated to take at least six months to complete; and

WHEREAS, there has been nearly a year’s time invested in the audit’s “preparatory” phase; and

WHEREAS, the audit calls for former Commissioner Barnes’ continued participation, despite him no longer remaining in office; and

WHEREAS, the Moss Adams proposal is the only proposal received pursuant to a Request for Proposals, resulting in a “sole source contract;” and

WHEREAS, sole source contracts are generally disfavored by the legislature.

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners hereby rejects the Governance and Management audit proposal from Moss Adams in the amount of \$125,000.

BE IT FURTHER RESOLVED that the Port of Kennewick Board of Commissioners hereby directs that the port CEO officially close out the governance and management audit process.

BE IT FURTHER RESOLVED that the port CEO shall refrain from expending further staff or financial resources on this matter.

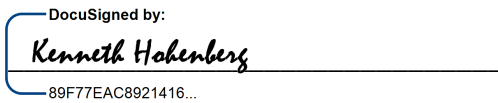
BE IT FURTHER RESOLVED that the Port of Kennewick Board of Commissioners hereby ratify and approve all action by port officers and employees in furtherance hereof; and authorize the Port Chief Executive Officer to take all action necessary in furtherance hereof.

RESOLUTION No. 2022-01
Page 2

ADOPTED by the Board of Commissioners of Port of Kennewick on the 11th day of January, 2022.

PORT of KENNEWICK
BOARD of COMMISSIONERS

By: 
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SKIP NOVAKOVICH, President

By: 
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KENNETH HOHENBERG, Vice President

By: NAY
THOMAS MOAK, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2022-02

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK
RELATED TO PROJECT MANAGEMENT SERVICES
(AUDIT RELATED)***

WHEREAS, in January 2021 at the urging of former Commissioner Barnes, the Board of Commissioners directed that the Port CEO contract with a third party to perform a “governance and management audit”; and

WHEREAS, associated therewith, the Commission also directed that a Request for Proposals (RFP) be solicited for project management services related to the audit; and

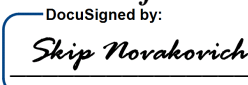
WHEREAS, in response to the RFP, the port received two proposals for project management services.


NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners hereby rejects all proposals for project management services.


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.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 11th day of January, 2022.

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

By: 
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SKIP NOVAKOVICH, President

By: 
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KENNETH HOHENBERG, Vice President

By: 
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THOMAS MOAK, Secretary

Rejuvenating the Clover Island Inn

Creating a Catalyst for Economic Development

January 2022



Decades of Experience Building Communities



WHO WE ARE:

- Oregon based, family-owned real-estate company since 1995; OR, WA, ID, NV, CA properties
- Specialize in improving and operating multi-family housing: More than 6,500 residences, 65 properties (completed or under construction)
- Long term investors with commitment to local community partnerships (never sold a building)
- Large Tri-Cities presence



Clover Island Inn: A \$20 Million Transformation



Purchase

- Fortify Holdings is currently under contract to purchase the Clover Island Inn on or before 3/31/2022.
- The current lease with the Port of Kennewick has extension options through 2034.
- Fortify Holdings would like to work with the Port of Kennewick to purchase the land on which the hotel sits.

Renovation Plan

- Mixed-use property featuring a restaurant, shops, and apartment homes along with other amenities
- Renovations will include complete interior renovations, a new restaurant/bar, new pool area, new landscaping, new exterior elements of the building (paint, siding, architectural elements, artwork, etc.), parking lot upgrades, new signage, and more

Projected Total Investment: \$17 Million - \$20 Million



Why Work with Fortify?



- **A CATALYST FOR ECONOMIC DEVELOPMENT**
- **NEWLY RENOVATED INTERIOR AND EXTERIOR
ENHANCING AESTHETICS FOR ISLAND**
- **PERFECT FIT WITH THE MASTER PLAN**
- **IMPROVED COMMUNITY SAFETY**
- **HISTORY OF STRONG PARTNERSHIPS
AND SUCCESS IN CREATING COMMUNITIES**



Catalyst for Economic Development



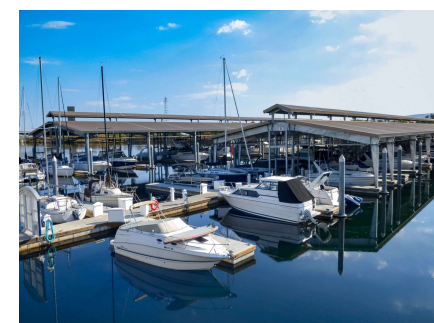
Transforming an underperforming hotel into 180-200 permanent residents:

- A renovated Clover Island Inn with 200 permanent residents will enhance commercial activity
- Benefits adjacent businesses (restaurants, breweries, the marina, the wine village, etc.)
- Permanent residents lead to safer neighborhoods

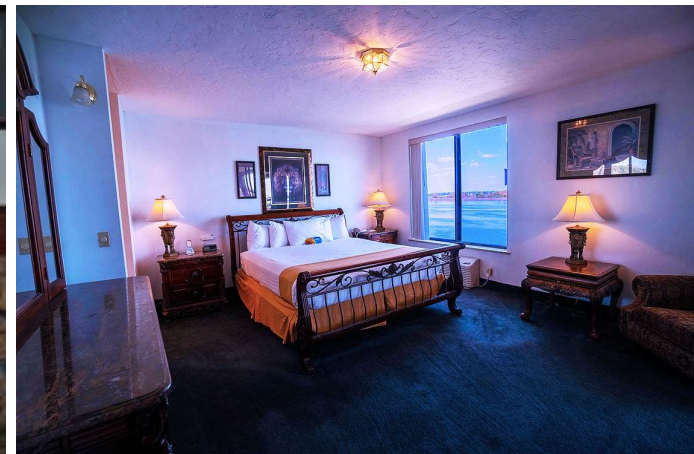


Fortify has been developing multi-family communities for 20 years:

- Our portfolio's average occupancy rate of 98% translates to 200 residents living on the island
- The current hotel has closer to a 50% average occupancy rate



Clover Island Inn Today...



Clover Island Inn Tomorrow...



Clover Island Inn Tomorrow...



Clover Island Inn Tomorrow...



Advancing the Clover Island Masterplan



After diligently reviewing the Master Plan, we believe our project at the Clover Island Inn fits perfectly into the port's vision for the island. Some key points include.....

- Community Feedback ☒
 - A common theme from the public feedback portion of the Master Plan was to completely upgrade the Clover Island Inn.
- A Place to Call Home ☒
 - Add a residential community to the island
- Architecture and Local Art ☒
 - We will partner with the port to incorporate desired architectural plans for the building and commission local artists to add works of art to the property. See next slide featuring artwork at other Fortify properties.
- Clover Island East – An Active District ☒
 - We will work with the port to create an entertainment venue/event space, improved dining and bar experience, water recreation, coherent walking paths, and more.
- Partner with Developers ☒
 - The Master Plan describes working with developers who will champion the port's goals. And in so doing, the Master Plan directs the port to negotiate land sales and/or work on favorable long-term leases to attract development.

Working with Local Artists



A Partner with the Port and the Tri-Cities Community



- Fortify will be a strong partner with the Port of Kennewick
- We would endeavor to develop other parcels on Clover Island and the surrounding district that align with the port's Master Plan

Across all communities where Fortify exists, we create partnerships with local stakeholders to advance interests of all parties.

We are excited to partner with the Port of Kennewick on the Clover Island Inn rehab, and future projects!



Supported by City of Kennewick's Municipal Code



- Clover Island is in the Commercial Marina (CM) zoning district
 - Allows for multi-family residential communities featuring at least 20% commercial
- Our Multi-Use Vision
 - Residences
 - Restaurant
 - Bar
 - Shops
 - Amenities



CONCLUSION



- MAJOR FINANCIAL INVESTMENT
- BOON FOR ECONOMIC DEVELOPMENT
- NEW ARCHITECTURAL DESIGNS AND ART WORK
- FURTHERS GOALS OF MASTER PLAN
- SUPPORTED BY PUBLIC OPINION
- IMPROVING COMMUNITY SAFETY
- LONG TERM, FINANCIALLY VIABLE PARTNERSHIP



With this transformation, Clover Island and the port district will become one of the marquee waterfront communities in the region.

Thank You



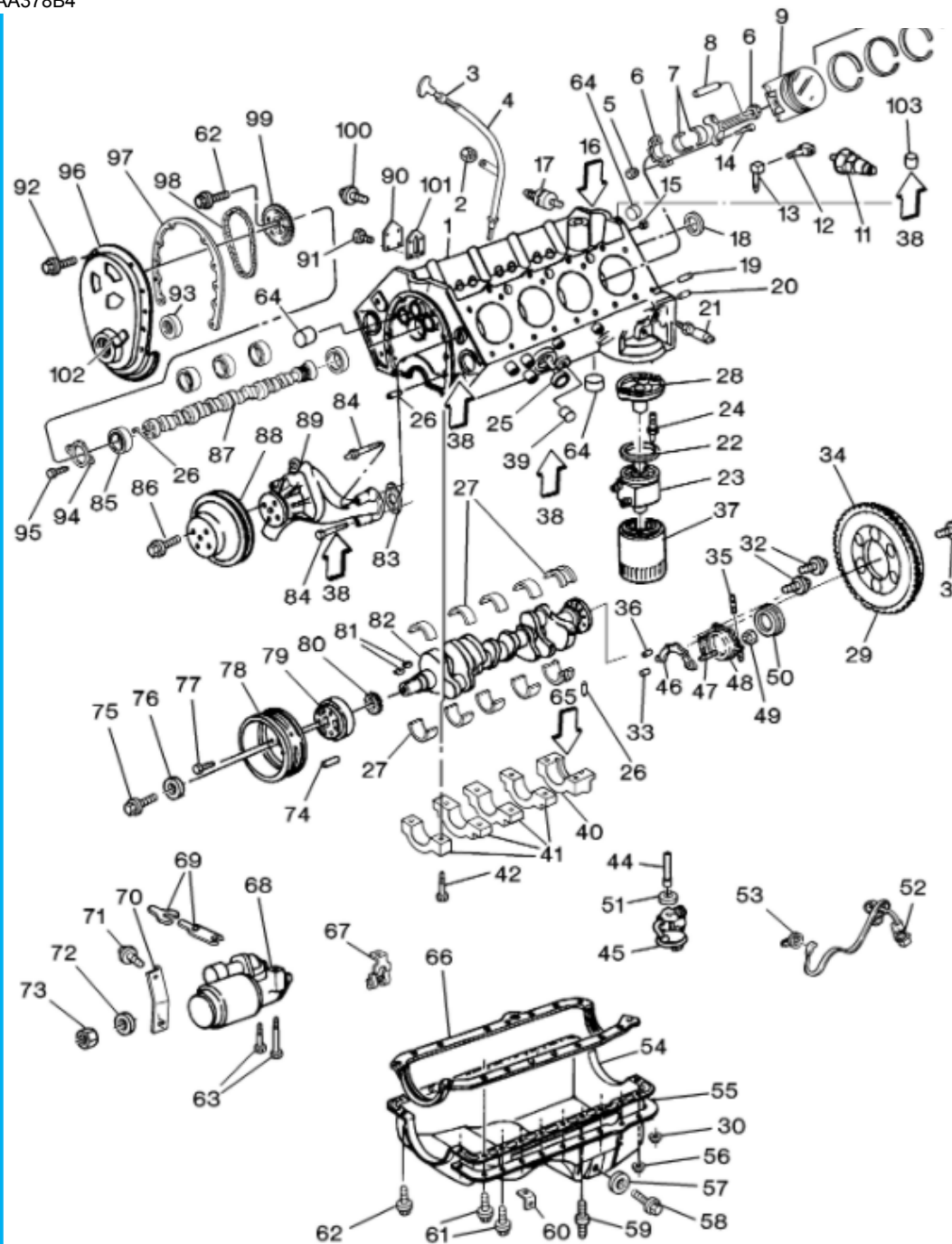
Questions / Comments



VISTA FIELD

Pieces are Coming Together

(January 11, 2022)



Think of the remaining Vista Field tasks as the steps to assembling an engine. EXHIBIT B

There are an **overwhelming number of parts** when considered individually, but when grouped into sub-assemblies (*short block, heads, fuel delivery*) the puzzle becomes manageable.

Also like an engine **many steps must occur in a prescribed order** (*pistons & rods before heads*) and yet **whole sub-assemblies can progress separately** (*heads & carburetor*) from the overall progress.

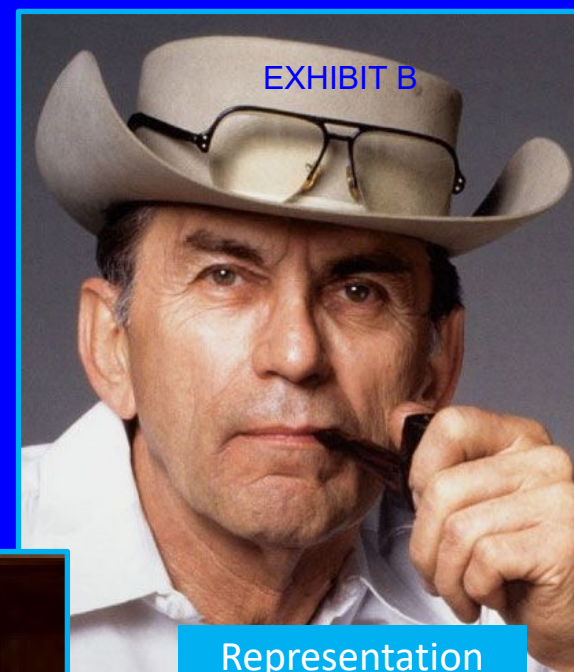


Representation
of
DORIS'
&
BEN's
influence

VISTA FIELD

Pieces are Coming Together

(January 11, 2022)



Representation
of
MATT
&
DPZ's
influence



PORT "TEAM"

VISTA FIELD

Pieces are Coming Together

(January 11, 2022)

NOTE: Don't get hung up on comparing a Vista Field task to a specific engine part OR arraignment from top to bottom OR left to right

just trying to convey the sub-assemblies involved.

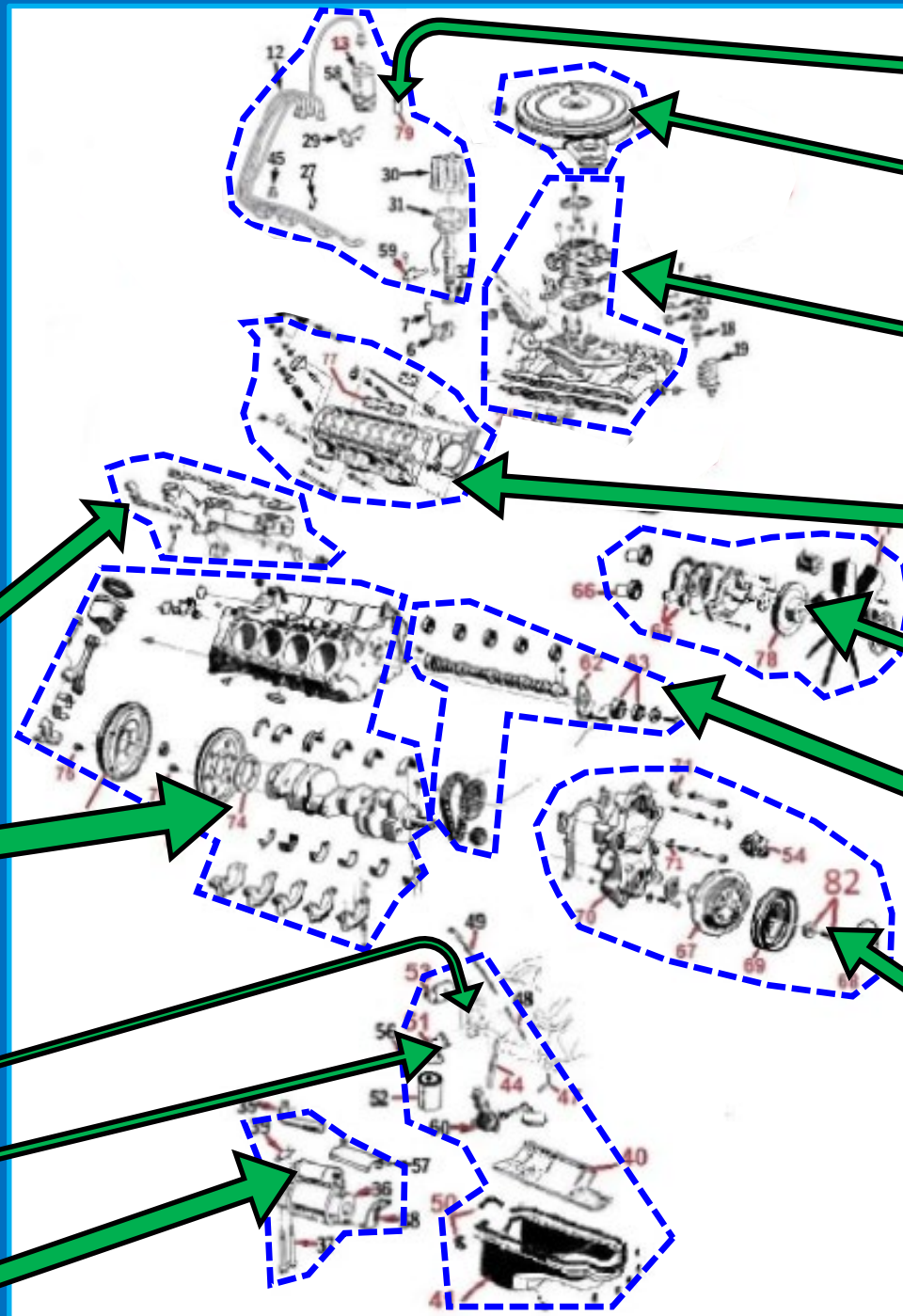


EXHIBIT B
DEVELOP
MARKETING PLAN

DEVELOP
MARKETING
MATERIALS

TOWN
ARCHITECT

MARKETING
POLICY
DECISIONS

FINALIZE BY-LAWS

DEVELOPMENT
POLICY
DECISIONS

FINALIZE
PROPERTY OWNER
ASSOCIATION

ESTABLISH
BUILDER
EXPECTATIONS

INFRASTRUCTURE
CONSTRUCTION

CITY Right-of-Way
ACCEPTANCE

LEGAL LOTS of RECORD

R.F.P. PROCESS

VISTA FIELD

Pieces are Coming Together

(January 11, 2022)

EXHIBIT B

LEGAL LOTS of RECORD

Binding Site Plan (BSP) Survey
submittal to City;

City Internal & External Review;

Address/Incorporated all Public
Works & Utility company
comments;

Address/Incorporate all Fire Dept.
comments

Obtain signatures on final
document;

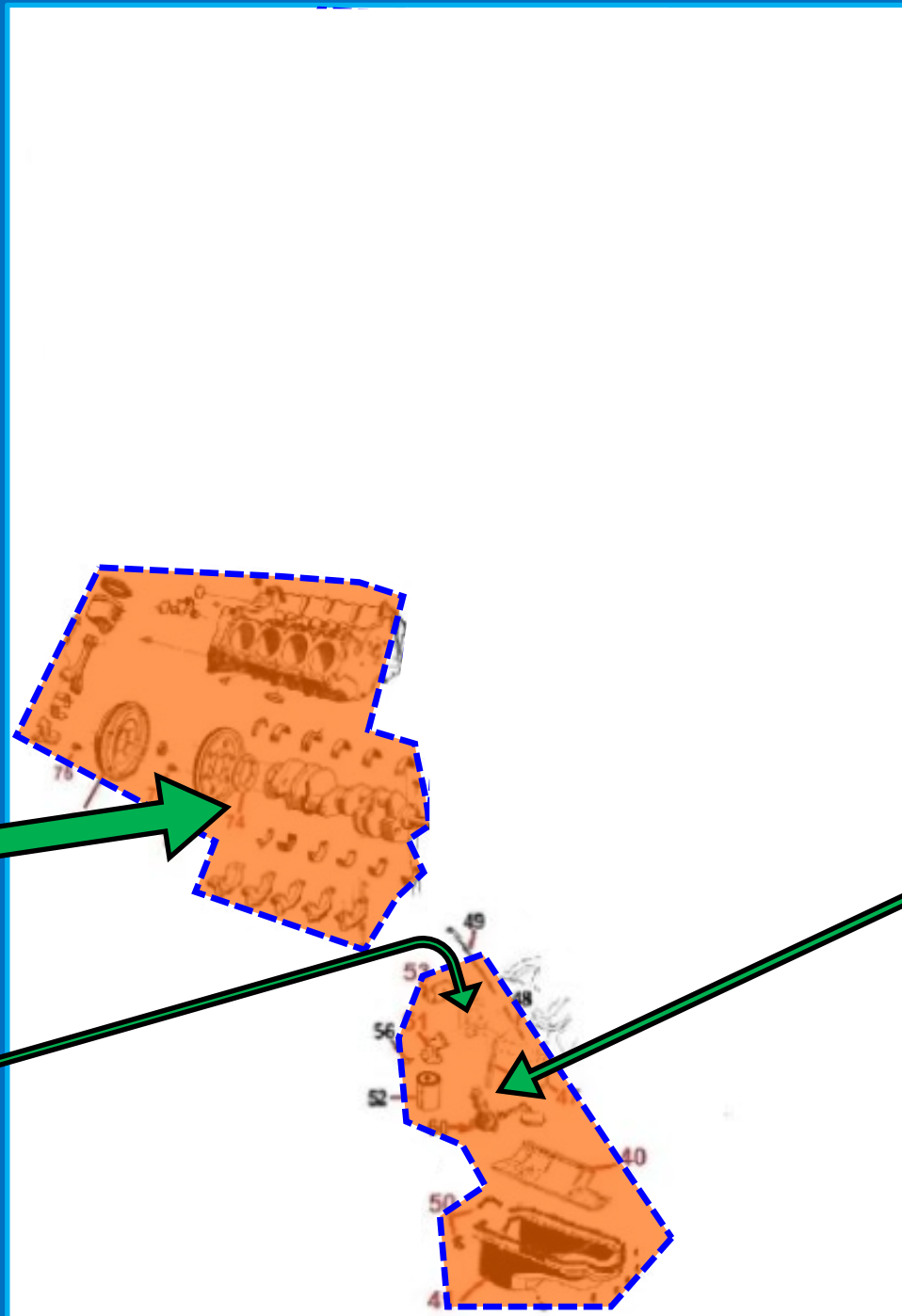
Record BSP;

INFRASTRUCTURE
CONSTRUCTION

DONE!

CITY Right-of-Way
ACCEPTANCE

Recording BSP results in City
"accepting the Right-of-Way;



VISTA FIELD

Pieces are Coming Together

(January 11, 2022)

Working to develop initial budget and buildout budget;

Estimates for water feature, woonerfs, alleys, parking lots, landscaping, garbage, sweeping & plowing;

Following pro/con analysis finalize R.F.P for Property Management company;

FINALIZE
PROPERTY OWNER
ASSOCIATION



Develop Scope of Work with MEIER (Michael Dale) to serve as ^{EXHIBIT B} "on-site Eagle Eye" compliance officer;

DPZ to review Chris Ritter rendering for consistency with adopted Design Standards;

TOWN
ARCHITECT

DPZ to help establish "common vision" text that paints the picture of Port expectations;

FINALIZE BY-LAWS

Compile & Present final Version on non-subjective documents

VISTA FIELD

Pieces are Coming Together

(January 11, 2022)

DEVELOPMENT POLICY DECISIONS

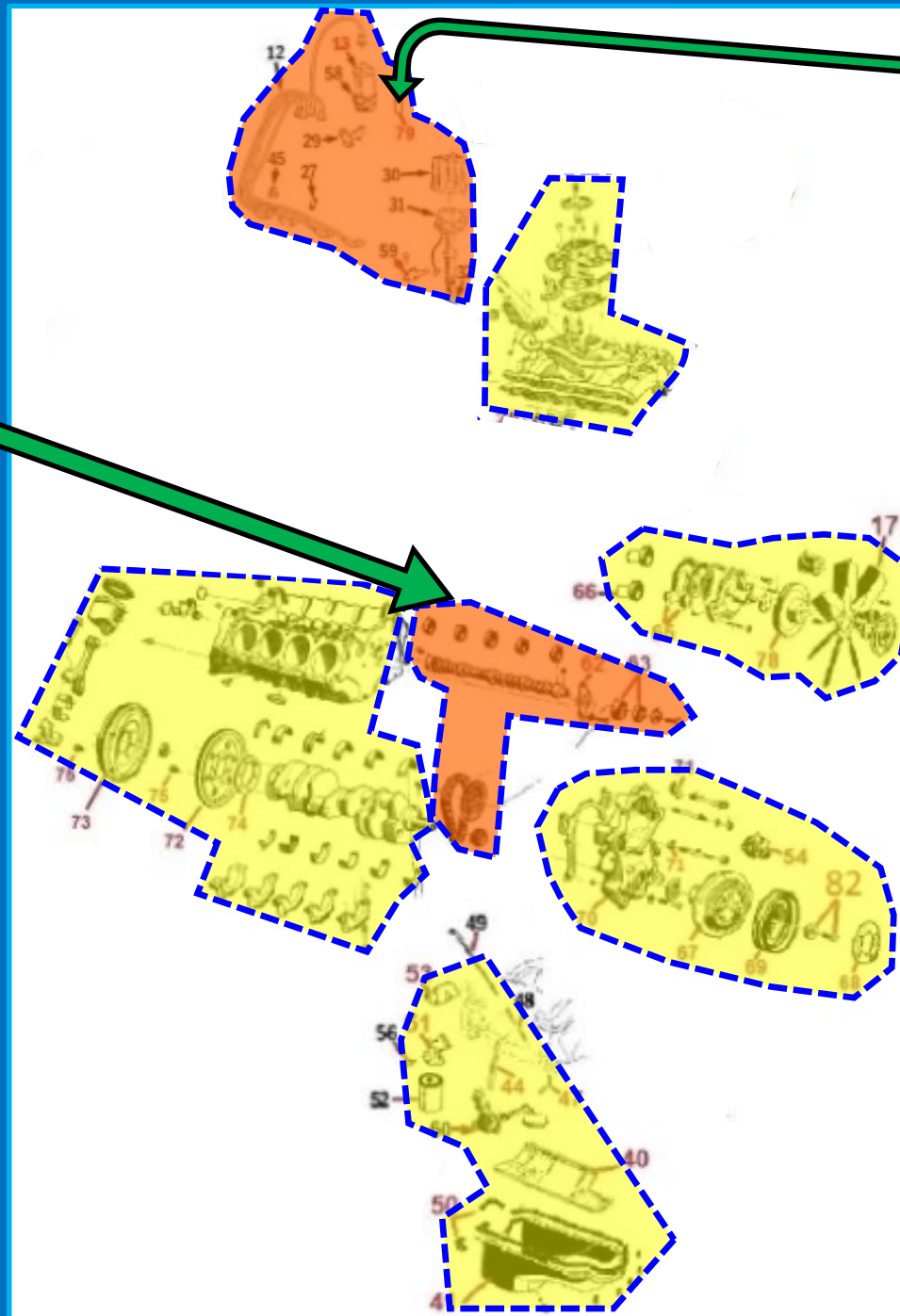
Reaffirm decisions of prior Commission to still be current Policy;

Establish clear direction on desired and prohibited uses on a site by site basis;

Compile philosophy and draft policies regarding Port development of joint use-parking lots using land sale proceeds;

Present philosophy and draft policies to Commission and revise and resubmit as necessary to achieve final decision on issue;

Compile philosophy and applicable code into a "Parking Explained" document consistent with Commission direction;



DEVELOPMENT MARKETING PLAN

Establish/confirm Commission marketing expectations;

Establish/confirm Commission timeline expectations;

VISTA FIELD

Pieces are Coming Together

(January 11, 2022)

EXHIBIT B

“Run” prospective project(s) through the 2016 Collaborative Design Process mechanism and identify pitfalls;

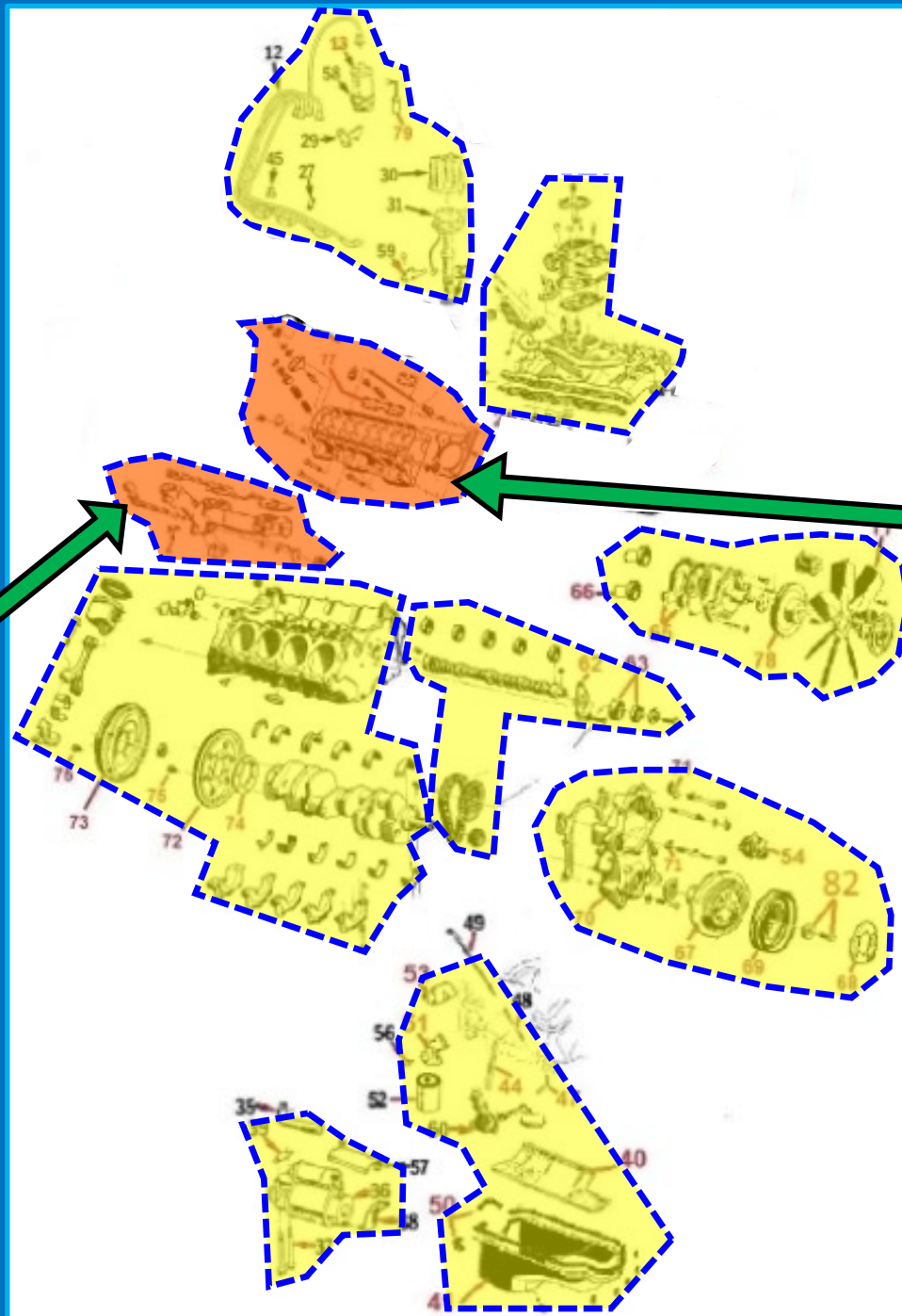
Focus on practicality, realistic expectations, buyer/buyer effort/expense and timeline; Implications of existing mechanism and possible revised mechanism;

ESTABLISH
BUILDER
EXPECTATIONS

Outreach to Tri-City HBA about proposed process and observe their responses; Address those pitfalls and finalize process;

Create F.A.Q. document based upon above items for prospective buyers/builders;

Create F.A.Q. document based upon above items for general citizens;



MARKETING
POLICY
DECISIONS

Establish Letter of Intent format and what information must be included;

Confirm/revise price decisions of prior Commission;

Present and seek Commission concurrence on contractual forms (Mutual Intentions Agreement, Purchase & Sale Agreement, etc.)

VISTA FIELD

Pieces are Coming Together

(January 7, 2022)

EXHIBIT B

DEVELOP
MARKETING
MATERIALS

Revisions to website;

Preparation of digital
materials including FAQ's,
Design

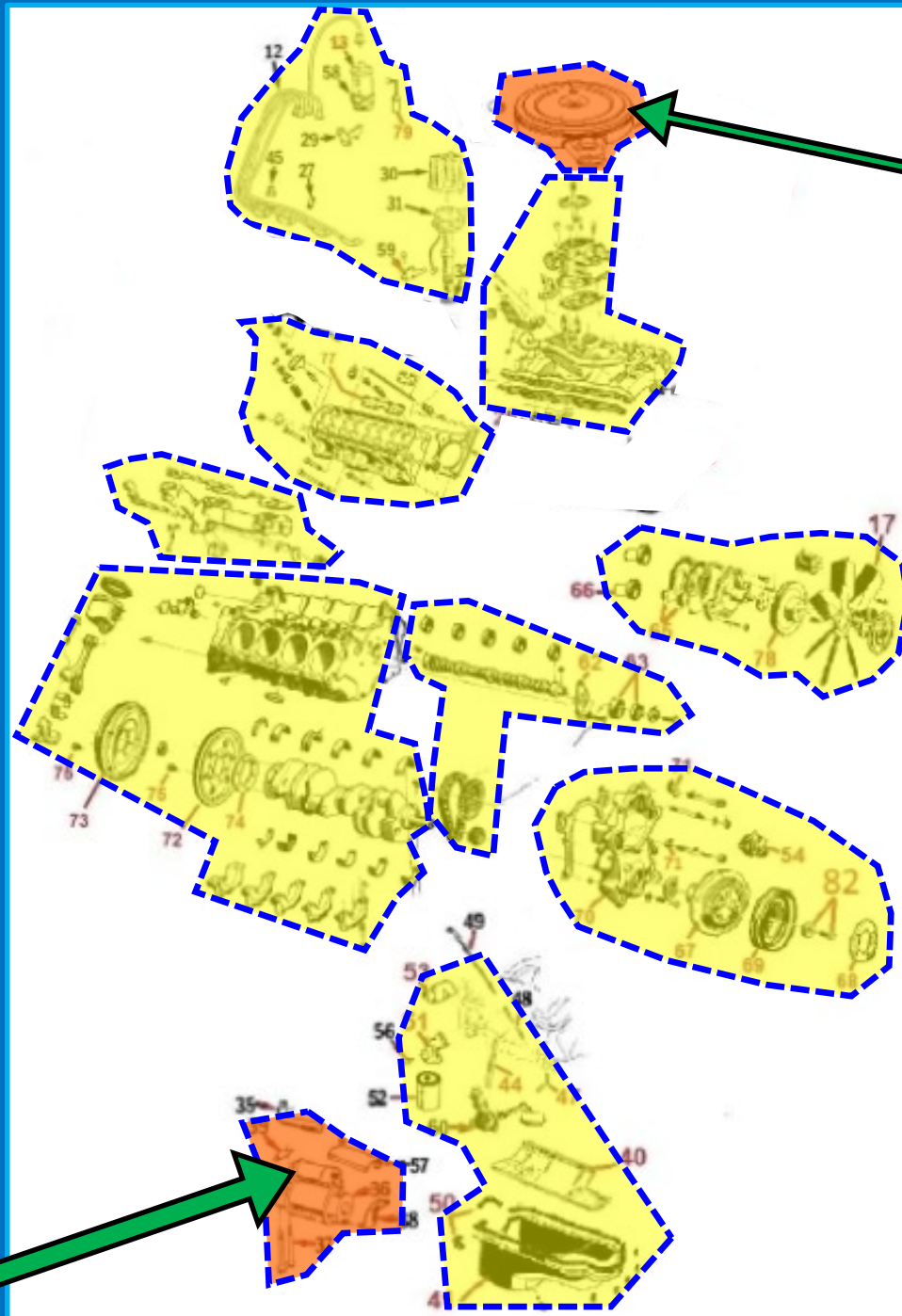
Standards, CC&R's, Parking
Explained document, all

Contractual documents, etc.;
Obtain parcel dimension
details and maps;

Identify missing items (photos,
statistics, incentives
{opportunity zone}, etc. and
obtain as necessary;

Clear identify "triggers" or date for initial
publication/release of RFP;

R.F.P. PROCESS



VISTA FIELD

Pieces are Coming
Together

(January 11, 2022)



VISTA FIELD

(January 11, 2022)

COMMISSION INPUT/DECISIONS

MARKETING POLICY DECISIONS

Establish Letter of Intent format and what information must be included;

Confirm/revise price decisions of prior Commission;

Present and seek Commission concurrence on contractual forms (Mutual Intentions Agreement, Purchase & Sale Agreement, etc.)

Clear identify "triggers" or date for initial publication/release of RFP;

R.F.P. PROCESS

DEVELOP EXHIBIT B MARKETING PLAN

Establish/confirm Commission marketing outreach and marketing timeline expectations;

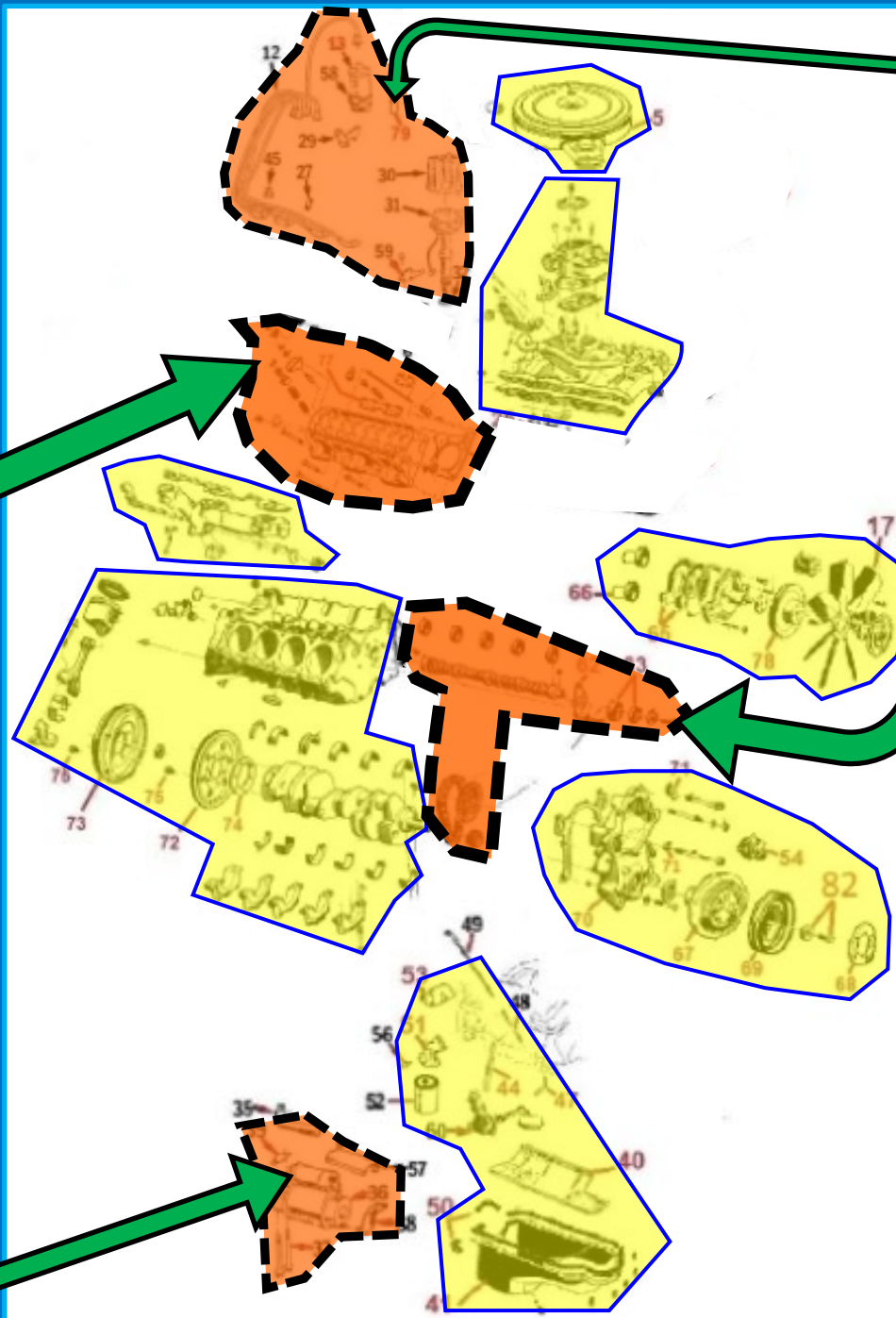
DEVELOPMENT POLICY DECISIONS

Reaffirm decisions of prior Commission to still be current Policy;

Establish clear direction on desired and prohibited uses on a site by site basis;

Compile philosophy and policies regarding Port development of joint use-parking lots using land sale proceeds;

Compile philosophy and codes into a "Parking Explained" document consistent with Commission direction;





PORT of KENNEWICK 2020-2021 COMMISSION ORGANIZATION REPRESENTATION

NAME	MEETING SCHEDULE	MEETING TIME	MEETING PLACE	CURRENT COMMISSIONER REPRESENTING POK	COMMENTS
Benton-Franklin Council of Governments Board of Directors (BOD)	3rd Friday	10:00 AM	Benton Franklin Transit Conference Room	Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes
Local Good Roads & Transportation Association	3rd Wednesday every other month	5:30 PM	Crow's Nest, Clover Island Inn	Commissioner Thomas Moak	Alternate: Commissioner Don Barnes Meets Feb, April, June, August, October, December
Confederated Tribes of the Umatilla Indian Reservation (CTUIR)	As Called			Commissioner Skip Novakovich	Alternate: Commissioner Thomas Moak
Historic Downtown Kennewick Partnership Board Meeting	4th Friday	5:30 PM	HDKP Conference Room	Commissioner Thomas Moak	Alternate: Commissioner Don Barnes
Historic Downtown Kennewick Partnership Organization Committee	2nd Friday	8:00 AM	HDKP Conference Room	Commissioner Thomas Moak	
Tri-Cities Hispanic Chamber of Commerce (Luncheon)	3rd Tuesday	11:30 AM	Pasco Red Lion	Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes
Tri-City Regional Chamber Board of Directors Meeting	3rd Wednesday every other month	7:00 AM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Thomas Moak Meets Feb, April, June, August, October, December
Visit Tri-Cities (formerly Tri-Cities Visitor & Convention Bureau) (Full Board Meeting)	4th Wednesday	7:30 AM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Thomas Moak
TRIDEC Board of Directors Meeting	4th Thursday	4:00 PM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Skip Novakovich
TRIDEC Executive Board Meeting	2nd Thursday every other month	4:00 PM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner Don Barnes Port of Kennewick	Tri-Ports Executive Board Rep (Rotates Annually) 2019 - Port of Pasco 2020 - Port of Kennewick 2021 - Port of Benton Meets Feb, April, June, August, October, December
West Richland Area Chamber of Commerce (Luncheon)	1st Wednesday	Noon	The Mayfield Gathering Place	Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes



PORT of KENNEWICK 2020-2021 COMMISSION ORGANIZATION REPRESENTATION

NAME	MEETING SCHEDULE	MEETING TIME	MEETING PLACE	CURRENT COMMISSIONER REPRESENTING POK	COMMENTS
WPPA Board of Trustees	As Called			Commissioner Don Barnes	Alternate: Tim Arntzen
WPPA Economic Development Committee	As Called			Commissioner Thomas Moak	Alternate: Tim Arntzen
WPPA Legislative Committee	As Called			Commissioner Skip Novakovich	Alternate: Tim Arntzen
WPPA Marina Committee	As Called			Commissioner Don Barnes	Alternate: Tim Arntzen
WPPA Marketing Committee	As Called			Commissioner Skip Novakovich	Alternate: Tim Arntzen

January 8, 2022





