

AGENDA

***Port of Kennewick
Regular Commission Business Meeting
Port of Kennewick Commission Chambers
350 Clover Island Drive, Suite 200, Kennewick, Washington***

Tuesday, February 11, 2020
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. APPROVAL OF AGENDA**
- IV. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- V. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments Dated February 4, 2020
 - B. Approval of Warrant Register Dated February 11, 2020
 - C. Approval of Special Commission Meeting Minutes January 28, 2020
- VI. PRESENTATIONS**
 - A. Stephanie Button, Historic Downtown Kennewick Partnership (TANA)
 - B. United States Census 2020, United Way of Benton & Franklin Counties, LoAnn Ayers (TANA)
- VII. NEW BUSINESS**
 - A. Purchase and Sale Agreement with Santiago Communities (Oak Street); Resolution 2020-03 (AMBER)
- VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Vista Field (LARRY)
 - 1. Management and Implementation Memo (TIM)
 - B. Columbia Gardens Update (LARRY/AMBER)
 - C. 2019-2020 Work Plan Memo (TIM)
 - D. Clover Island Master Plan Update (TIM)
 - E. Accounts Payable Fraud Avoidance Update (NICK)
 - F. Commission Rules of Policy and Procedure, Section 4
 - G. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - H. Non-Scheduled Items
- IX. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- X. ADJOURNMENT**

PLEASE SILENCE CELL PHONES



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Commission President Don Barnes called the Special Commission Meeting to order at 2:00 p.m. at the Bechtel Board Room located at 7130 West Grandridge Boulevard, Kennewick, Washington 99336.

The following were present:

Board Members: Don Barnes, President
Skip Novakovich, Vice-President
Thomas Moak, Secretary

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

PLEDGE OF ALLEGIANCE

Ms. Scott led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: *Commissioner Moak moved to approve the Agenda; Commissioner Barnes seconded.*

Discussion:

Commissioner Novakovich stated the Presentation on the Census has been cancelled for today. Additionally, the Clover Island Master Plan will be for discussion only.

Commissioner Barnes noted the suggested changes to Agenda.

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

PUBLIC COMMENT

No were comments were made.

CONSENT AGENDA

- A. *Approval of Direct Deposit and E-Payments Dated January 17, 2020***
Direct Deposit and E-Payments totaling \$130,460.17
- B. *Approval of Warrant Register Dated January 28, 2020***
Expense Fund Voucher Number 101802 through 101835 for a grand total of \$68,972.61
- C. *Approval of Regular Commission Business Meeting Minutes January 14, 2020***

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D. Approval of 2020-2021 Commission Organization Representation

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

Commissioner Barnes stated the presentation on the 2020 U.S. Census will be rescheduled for a later date.

NEW BUSINESS

A. Clover Island Master Plan Update

Mr. Arntzen stated in the Commission Agenda Packet for the Meeting today was an Agenda Report and resolution related to the Clover Island Master Plan. Mr. Arntzen is not sure if the Commission should take action on the resolution because there has been a slight change in plans. The resolution approves the CEO entering into a contract with Makers Architecture; however, staff was out of the office Thursday and Friday with the carpet remodel project and Julie Bassuk has been traveling. The information in front of the Commission is accurate except we are missing the contract and the potential scope of work. Mr. Arntzen suggested that it might be prudent for the Commission to wait for the contract and if the Port should engage in the Master Plan process. Mr. Arntzen wanted the Commission to be aware that we do not have a contract in the agenda packet and feels it would be prudent to not authorize the CEO to execute the contract with Makers, if that is the direction the Commission would like to take.

Commissioner Barnes received an email from Mr. Arntzen with this information and thanked him for the information.

Mr. Arntzen stated the Commission and staff have discussed the Clover Island Master Plan for some time and it was the intention for the Commission to have a Master Plan presented; however, we have been on other endeavors in the past number of months. Mr. Arntzen believes now is a good time to dust off the Master Plan and get it in front of the Commission. Ms. Bassuk and Makers Architecture is ready, willing and able to immediately start in on this project if that is the direction that the Commission would like to move. Mr. Arntzen wanted to raise some of the issues that could arise during the process, such as the breaching of causeway, which would not be included the scope of work, but stated a precedence has been set in our community. Mr. Arntzen asked the Commission for direction on the general concept and pros and cons, and if the Commission would like to pursue. The Commission has directed staff to pursue, but one of the other items that came up was discussion about what is happening with the causeway at Bateman Island. Should the Commission say they have few or no concerns, staff can move this forward, or come back at the next meeting with a proposed scope of work and contract.

Commissioner Moak asked if the causeway is anything the Port has control over.

Mr. Arntzen stated that is a good question, because he thinks the ownership of the causeway on Clover Island is questionable, at least portions of it. Mr. Arntzen believes the US Corps of Engineers (USACE) and obviously our viewpoint would be that our scope of work would not

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discuss the causeway. Mr. Arntzen is not sure how the process might morph as the public is involved. Mr. Arntzen asked Mr. Peterson to add details on the causeway ownership.

Mr. Peterson stated Mr. Arntzen is correct, the ownership of the causeway is questionable at best. The Port owns a portion of it with a clouded title. It goes back to 1913 with the shoreline maps that were hand drawn and do not reflect the current situation. Mr. Peterson does not believe the maps have been updated since the McNary pool was put in place. There is a question of whether it is state, Port, or federal ownership of the causeway. The question in the process would be, the Port may be discussing the upland areas, but in the ability to obtain a Master Plan with all the environmental agencies approval, there may be some mitigation requirements that will be discussed.

Commissioner Moak stated that wouldn't be anything Makers would be proposing and he does not believe the Commission is proposing that we do anything. When Commissioner Moak looks at the whole issue, it is the waterfront Master Planning and sorts of things that we have discussed, either official as a Commission or unofficially or as individuals, that need to be answered. We have discussed a culinary arts school, and what to do at The Willows and Cable Greens properties and Duffy's Pond, and traffic mitigation issues on Columbia Drive and traffic calming, we have talked about performance possibilities on Clover Island and the notch. The Commission and staff have talked about a whole lot of different things, ad hoc, over the last several years, and yet, we do not have a real plan directionally. The Commission has talked about parking, and Commissioner Moak thinks that is one of the key items on Clover Island and this whole area, and connectivity between this area and downtown and this area and the Port of Pasco. Commissioner Moak thinks there are a bunch of items that we have talked around for several years and because we don't have a Master Plan, we don't have clear direction from the Commission or clear direction from the public as to what we want to do in this whole waterfront area. Commissioner Moak stated this is a great area and as we start to develop Vista Field, it would be great if we were talking to developers and had two different projects that they were able to look at. Commissioner Moak thinks the area really calls out for clearer direction in terms of what we are going to do in the waterfront area and he has been an advocate for some time and dealing with these issues on an ad hoc basis is probably not the best way.

Commissioner Novakovich has three points: first of all, if the Port opens this up to public participation in this Master Plan, there is a good possibility that the causeway will come to light and people will discuss it. Second, in reviewing the minutes from the January 14, 2020 Meeting, Ms. Bader Inglima said "upland development cannot take place until the shoreline is completed," and if that is the case, why would we want to put the cart before the horse and do a Master Plan that may have to change once the 1135 project is done. Third, the Port of Kennewick has a lot of projects on our plate and Commissioner Novakovich would hate to put something else on there that may or may not be a benefit in the future, since it is an iffy thing to partake in this plan at this time.

Commissioner Barnes agrees with Commissioner Moak's comments and stated we have been talking about a lot of elements of the Master Plan for some period of time. Commissioner Barnes believes the Port has had this Master Plan in the queue as work to do at some point in the future. At

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the same time, Commissioner Barnes appreciates Commissioner Novakovich's point that if the funding for the 1135 project, as we learned at the last meeting, if the funding is now questionable, because the funds that were there for the 1135 project, as Commissioner Barnes understands it, were swept. Now the Port is in line again to queue up. Commissioner Barnes stated Commissioner Novakovich's point is well taken and it doesn't look like 1135 project will move forward right away. At the same time, the Port needs some long range planning and direction about what the upland development on Clover Island will be. And if there are some concerns or changes with respect to the causeway, perhaps it would be in the best interest of the Port to know about those sooner rather than later. Commissioner Barnes stated the scope of work for the 1135 project is well defined and the work is close to the water level in the river. He does not think this is an emergency endeavor to get the Master Plan done as soon as possible, but at the same time, he would like to see the Port pursue it and work it into our schedule of work. Commissioner Barnes would like to see the Port pursue the Master Plan, so that when the 1135 work does come about, we will be ready with a Master Plan.

Mr. Arntzen stated we have discussed a budget of approximately \$175,000 and it is his understanding through discussions with Mr. Peterson, that this is a fairly modest sum for Master Planning. Mr. Arntzen anticipates, when he speaks with Ms. Bassuk, she will let us know how frugal we need to be with budget, both with the time and the dollar amount. Mr. Arntzen's expectation is that the majority of the focus of the Master Plan will be on Clover Island and limiting it to the upland portion, which should help. However, there are other aspects that Mr. Arntzen does not think will be included, such as the Wine Village and the planning on Columbia Drive; he sees those as separate projects and does not believe the timing does not dovetail. Mr. Arntzen would like to pause at this point and get the Commission's feedback and reiterated that at \$175,000, this is a fairly lean project as far as Makers is concerned. Mr. Arntzen wanted to ensure that we are on the same page with the understanding of the work.

Commissioner Moak stated that is why it is important to see what the contract is and to see what it is we are buying for \$175,000. Does it do what we want it to do, because to Commissioner Moak, it has all been about the connectivity between our two properties. Commissioner Moak does not know exactly what it is that \$175,000 will get us or what Ms. Bassuk sees what the product will be. Commissioner Moak reiterated the connectivity and how to make them work better together rather than separately is an important element. Commissioner Moak stated we have a budget and we ought to see the contract.

Mr. Arntzen wanted to ensure that he is not quarreling, but he has spoken with Ms. Bassuk enough, that if we asked her to progress further out, she may stop the conversation and explain her focus is primarily Clover Island. Mr. Arntzen will clarify with Ms. Bassuk about what she sees for the scope of work. Mr. Arntzen stated one thought of his is that the island is a bite size chunk for the Port and we could take now, together with our Vista Field project. Mr. Arntzen thinks if we added The Willows, the Wine Village and the traffic calming, the project becomes very large and above the \$175,000 significantly. And from a staffing point of view, this project is a bit larger than anticipated on top of the Vista Field work, which is very significant. Mr. Arntzen posed that question and perhaps a thought, we take a bite size chunk with the Clover Island Master Plan while

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Mr. Peterson looks at some items independently on the Columbia Drive project; however, it is up to the Port Commission's discretion.

Commissioner Moak appreciates that, but he thinks of all the questions that have happened over last several years that staff has brought to the Commission, they have dealt with things off the island more than on the island, in terms of direction and where we are going. Part of it is, if we don't deal with off the island, and we deal with the rest of the waterfront, are we going to continue to deal with that ad hoc or how do we mesh. Commissioner Moak understands Mr. Arntzen's point and is not necessarily quarreling with that, but we do still have these questions. Commissioner Moak stated part of it would be, that does not need to be answered today, how are we going to deal with those other pieces that are outside the scope.

Mr. Arntzen will visit with Ms. Bassuk about this and stated the Port does have documents (pattern language) for the hinterlands prepared by Professor Gary Black. Mr. Arntzen will bring Ms. Bassuk up to speed with some of the thoughts with the City of Kennewick regarding Columbia Drive and ask her to provide feedback on that and perhaps we can look at those as an add on or an option to the contract. Mr. Arntzen will pose those questions to her and come back at the next meeting. Mr. Arntzen would like to have the scope of work and contract for Clover Island and if there are other add-ons, he would like to bring that as well. Mr. Arntzen stated if it is more than crystal clear to him what is presented, we can continue to discuss until we get to a point where the Commission is fine with him signing a contract. Mr. Arntzen will look at the core work on island and will look at some of the potential add-ons and will have more information for the Commission at the next meeting, if that is appropriate.

Commissioner Barnes recalls some of the discussions on the scope when Ms. Bassuk was in attendance and he thought we had a very nice conversation about this possibility. One of the things Commissioner Barnes recalls, he is not sure how effective master planning is in small bites. Commissioner Barnes is concerned, if we undertake to Master Plan Clover Island, he is not sure he would favor a Master Plan focusing exclusively on Clover Island when the Port has so many other projects, that are right there, virtually continuous to Clover Island, all along Columbia Drive and the Wine Village, The Willows and the Cable Greens property. Commissioner Barnes is in favor, but Mr. Arntzen's point is well taken about the work load, the commitment that the staff has, what are the available resources, the budget, but he not sure he would favor a Master Plan just exclusively on Clover Island, that ignored the continuous Columbia Gardens properties. Commissioner Barnes thinks it should be one Master Plan and it should incorporate all the Port's properties that are in that area.

Commissioner Novakovich has to agree with Commissioner Barnes and stated this amount of money for a master plan is relatively small and he does not see how we can do much more than just the small focus on the island. Commissioner Novakovich can go back to 1992 to the Downtown and the Port discussing connectivity and as Commissioner Moak stated, it is important, but he does not think we can get it for this amount of money in the master plan. And, the fact that we do the Master Plan on the island only and Commissioner Novakovich is still looking at the fact that perhaps it could change when the 1135 project does come to pass. Commissioner Novakovich mulled if the Port is throwing away money that could be used elsewhere. Commissioner

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Novakovich agrees with both of Commissioners Moak and Barnes points and believes connectivity is important, but he would like to see when we have the time and resources to do a Master Plan to do the whole thing.

Mr. Arntzen stated that he works for the Commission and staff wants to get as much accomplished as we possibly can, but he has been presented with a detailed calendar for the activities at Vista Field and it is very overwhelming. Mr. Arntzen stated it would be remiss if he did not tell you that he believes we are biting off more than we can chew, to put it bluntly, if we expand this Master Plan at this point. If the Commission really wants to do that, then he can bring you back a proposal to move forward; however, he believes the dollar amount will go up substantially and so will the staff time involved for this master plan. The Clover Island Master Plan will become a major project and the Port has a major product in front of us at Vista Field and Mr. Arntzen is struggling with getting all the pieces in Vista Field that we want. Mr. Arntzen stated staff is going at 110% on Vista Field and his view, as a manager for the past 17 years, a Master Plan of that magnitude will overwhelm the process and he thinks the results at Vista Field and the Clover Island Master Plan will be less than satisfactory. Mr. Arntzen stated that is his un-galvanized opinion.

Commissioner Moak stated until the Commission sees the contract and after Mr. Arntzen has a discussion with Ms. Bassuk and bring things back, he cannot respond to that. Commissioner Moak appreciates that, and he knows we are busy and we are only going to get busier too. Commissioner Moak stated if we don't do this, what is the future of our properties along the waterfront, because he thinks we are only going to get busier at Vista Field as the years go along.

Mr. Arntzen agrees and asked what is the direction the Commission would like to provide?

Commissioner Barnes would like to see the proposed contract and scope that Mr. Arntzen referred to, that Ms. Bassuk was not able to get to you. Commissioner Barnes would like to see what Ms. Bassuk can do and then go from there.

Commissioner Moak stated when Ms. Bassuk was here, she talked with the Commission, she talked to others, and she viewed the properties. The Commission did not get a debriefing from her as to what she saw and what she wants to do, and Commissioner Moak is curious as to what she saw as the scope and what she sees the needs are. Commissioner Moak stated we may find that is exactly where we want to go at this time.

Mr. Arntzen will work with Ms. Bassuk on the documents and inquired if the Commission would like her to present or to just to submit the paperwork that he could share.

Commissioner Novakovich wondered, rather than wasting Ms. Bassuk's time and staff time, would a conversation with Mr. Arntzen with her as to what she sees this encompassing, rather than having her spend time and money and resources developing a contract that we may or may not use.

Commissioner Moak stated to him, if it is not in a written contract that is what you would go by, what is in writing. Commissioner Moak assumes that Ms. Bassuk has been working on the contract, correct?

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Mr. Arntzen believes Ms. Bassuk may have hit pause, like the Port has. Mr. Arntzen spoke with Ms. Bassuk prior to the meeting and is requesting a call after the meeting to head her in the direction that the Port would advise her on. Mr. Arntzen believes Ms. Bassuk could prepare a scope of work rather quickly and the contract is a standard contract that the Port uses. Mr. Arntzen believes the Commission would rather focus on the scope of work. Mr. Arntzen will speak with Ms. Bassuk about the add-ons and he would like to share his concerns with her, about getting to many irons in the fire to see what she could do. And having worked with Ms. Bassuk previously, she is a self-starter, and the more that she could manage on this project, whatever scope it might be, is better for us. Mr. Arntzen will have those conversations with Ms. Bassuk and bring it back to the Commission for discussion for next time.

Commissioner Barnes stated that is acceptable.

B. City of Richland Columbia Park Trail Project Update

Mr. Arntzen stated Public Works Director Pete Rogalsky from the City of Richland is here today if the Commission would like to hear from him after he has completed his remarks. Last week Mr. Arntzen and Mr. Kooiker met with Mr. Rogalsky and discussed where we believe we are in this process, staff to staff, recognizing that the elected officials are the final arbiters of where this goes. Mr. Arntzen shared with Mr. Rogalsky, his perception that the ability for the Port to leverage Rural County Capital Funds (RCCF) on this project was limited at best. Mr. Arntzen spoke with Mr. Rogalsky about the potential of the Port to use some of our own funds, non-RCCF funds. The City requested \$800,000 and that number has not changed. Mr. Arntzen would like to find out if the Commission still wants to participate with the City in assisting and funding of the Columbia Park Trail project and whether the Commission would agree to substituting Port funds for RCCF funds in the amount of \$800,000 for this project.

Commissioner Novakovich stated the Commission has discussed this for two years and thinks it's a wonderful partnership. Partnering with jurisdiction where we put some money up front and partner with them on it and Commissioner Novakovich thinks there is very little, if any staff time involved. Commissioner Novakovich asked if this is correct.

Mr. Arntzen believes there is limited staff time and followed up with Commissioner Novakovich's question. This project is a shift in our thinking, previously, we would look at projects, such as Spaulding Business Park, where the Port would go in and purchase property. Then, over a period of ten to twenty years, take the property down and install the utilities, much like a mini-Vista Field project, where we would subdivide the property and sell it. Those projects are expensive and time consuming and if there is any profit, it is towards the tail-end of the project. And with ports, rather than developers putting that into our business, we tend to circulate the profit back into the community. Those projects are labor intensive and because we have a big, labor intensive project in front of us with Vista Field. We believe this project is helpful to the Port, with our limited funding and limited staff time, because this is a project that primarily Richland would perform, with some monitoring. Mr. Arntzen believes Commissioner Novakovich is correct, in that it has very limited staff involvement, but it does have a significant financial component to it. This is a project, at least from a staff level, we like, because we can

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ask the City for monthly updates while working on Vista Field, and from that perspective, this appears to be a good project.

Commissioner Moak stated this has not been a high priority of his and he does not think this is a terribly good use of Port funds, and still believes that; but that has been a minority position on this Board for years and he expects it still is.

Commissioner Barnes stated the City of Richland has been an excellent partner of the Port of Kennewick over the years and Mr. Arntzen's point is well taken. The Spaulding Business Park was a great success and added to the County tax rolls within the City and Port boundaries. Those were excellent additions, with jobs created and significant private investments made that had a positive outcome. To find raw land or undeveloped property of that type within the Port and City limits now would be pretty difficult and probably involve a much greater investment than what we are talking about here. If the Commission decides to use Port funds, then we would still have RCCF funds available, so it's not like there is a penalty to Port of Kennewick for using our own funds. It is not a situation, by use of these funds, we are foregoing forfeiting our expectations to receive RCCF funds in future. Commissioner Barnes confirmed that the RCCF funds would still be available.

Mr. Arntzen stated staff has a high level of expectation that they would be there. Mr. Arntzen stated the only concern he has is should the RCCF program abruptly and unexpectedly halt and we had not "cashed in our chips" so to speak, there would be a chance that the funding would not be available. At this point, Mr. Arntzen does not believe it is a significant risk, so yes in a sense you are moving money from one pocket to the other and the funds would be there for other identified projects that might be important.

Commissioner Moak stated that the County has to agree to our project.

Mr. Arntzen added, the Port has a potential source of the funds, there was \$700,000 in the budget for an unidentified Return on Investment (ROI) project. Staff would also propose using \$100,000 from the West Richland fund to make that balance of \$800,000. The rationale from staff is, previously, we budgeted \$100,000 to provide assistance to the City of West Richland, which was prior to the land sale of the racetrack property. When Mr. Arntzen asked Mr. Kooiker to find the funds, Mr. Kooiker suggested that the Port may no longer need the \$100,000 contribution to the City of West Richland. To answer Commissioner Moak's questions, yes, we always have to comply with state law, which defines what projects should or should not be approved. Also, we need to be cognizant of what Benton County has told us as far as the projects they like. The County likes projects where they can see something being built and where they can see small businesses take advantage of that. For example, the Vista Field hangar project, Mr. Arntzen has an expectation that that project would go way up the food chain at the County, should the Port make a proposal. But Commissioner Moak is entirely correct, the Port cannot just ask the County for funds, it has to be put in through an application and it has to be within the statutory criteria.

Commissioner Moak stated the Port does have a number of projects that could potentially meet that threshold.

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Mr. Arntzen stated the short answer is yes, but again, one of the things he believes we need to do, and when he brings back the work plan memo back to the Commission, he would like to suggest the Commission to consider authorizing staff to do an RCCF analysis. Because then we can tell you the money the Port has now and the money we have coming soon and a number of projects that might be good candidates for the RCCF program. One of those projects might be the connectivity between Clover Island Drive and the Downtown by Washington Street. Mr. Arntzen thinks one of the items the Commission may want to look at is having staff do a formal, in depth RCCF analysis.

Commissioner Barnes stated the Commission has a prepared resolution before them.

Mr. Arntzen stated that is correct and stated the source of funds would be internal Port funds in the amount of \$800,000 in lieu of RCCF. Mr. Arntzen is asking for authorization to enter into an agreement with the City of Richland on this and Mr. Rogalsky has provided the original Interlocal Agreement (ILA) with some edits. Mr. Arntzen believes we can sign the agreement which states that the Port is not using RCCF, but Port funds. Mr. Arntzen is requesting authorization to sign contractual documents to complete this transaction.

Commissioner Novakovich asked Commissioner Barnes if Mr. Rogalsky can give the Commission a brief on what the project is.

Mr. Rogalsky thanked the Commission for the invitation and stated the project is a character change project for Columbia Drive, from the transit center/highway off ramp to The Reach Museum. Mr. Rogalsky stated the character of the road now is a fifty year old rural highway that the City was built around and the road has no urban character. In Richland, urban character means places for bicycles, and includes sidewalks, urban lighting, and may include some landscaping features. The City has designed a scope of work that adds in all those features and converts the old highway into an urban road, with particular focus on the waterfront location. There is a direct connection to Columbia Park as a regional recreational facility and on the other end is Spaulding Business Park, more commercial, and a multi-family development. There is an obvious or desirable linkage of a lot of those features to make those connections easy for people, regardless of how they choose to travel. The City has assembled Benton Franklin Council of Governments Federal Funds awards, with City funds, and a Washington State Ecology grant to improve the storm water handling features in that area on both the road and the City park. This helps with the water quality entering into the river and is more environmentally friendly. The City is in the final design stages and permitting with USACE to launch construction this year. Mr. Rogalsky stated the City is keeping within the terms of the original ILA.

Commissioner Novakovich asked what the entire project budget is.

Mr. Rogalsky stated just under \$5,000,000 and stated there is also a substantial overhead powerline along the frontage of Spaulding Business Park and as a facelift to the area, the City is proposing to move the cable underground to open up the view scape.

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Commissioner Novakovich stated it is a nice benefit to the Port's project as well.

Mr. Rogalsky stated it compliments Spaulding Business Park quite well.

PUBLIC COMMENT

No Comments were made.

MOTION: Commissioner Novakovich moved to approve Resolution 2020-02 directing the Port CEO to enter into an agreement with the City of Richland for Columbia Park Trail Improvements funding from non-RCCF Port funding sources; and that all action by Port officers and employees in furtherance hereof is ratified and approved; Commissioner Barnes seconded.

Discussion:

Commissioner Novakovich stated this is a great project and the Commission heard how the Port will be contributing funds that will benefit the Spaulding Business Park and it is very limited staff time. Commissioner Novakovich thinks it fits perfectly into what we need to do.

Commissioner Barnes thinks it is an excellent project and he appreciates Commissioner Moak's comments here as well. It is one of these projects that won't have an ROI investment measured in terms of dollars, it appears to be a project more in line with enhancing the quality of life for our citizens in that area, to make it more user friendly for bicyclists and motorists as well and to improve the drainage. Commissioner Barnes believes that was an old highway, if he is not mistaken, that went to all the way to Benton City. If we can improve that for the residents in our area, that is a positive.

With no further discussion, motion carried. All in favor 2 (Commissioners Barnes and Novakovich Aye):1 (Commissioner Moak Nay).

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field Update

Mr. Peterson updated the Commission on the construction at Vista Field, which started on April 23, 2019. Mr. Peterson noted that a small portion of street at Vista Field is open to the public through Grandridge Boulevard. Total Site Services, the contractor on Vista Field, lost some days due to weather conditions and the contract completion date will be extended to March. Mr. Peterson stated the contractor could not pour concrete in certain temperatures and the City would accept the work. Mr. Peterson stated the substantial completion date will coincide with turning on the water feature and testing the system.

Commissioner Novakovich thanked Mr. Peterson for the update and stated he could not believe how much has been completed in nine months.

Commissioner Moak stated it is good to be able to look back at and see where we were versus where we are today and the photos from the aerial view really show the transformation of the area. When you see the changes you realize we are making a difference there and you can see the road

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network and the sidewalks. Commissioner Moak appreciates the work that goes into documenting these changes and improvements and what we are doing.

Commissioner Barnes thinks this is excellent and we are making great progress and he is hoping for no more bad weather.

B. Columbia Gardens Update

Ms. Hanchette stated the Columbia Gardens Wine building is nearly complete. The 2,500 square foot building was constructed at Columbia Gardens and will anchor the development along with the other buildings. Ms. Hanchette stated in 2017, the 211 building collapsed due to extreme snow and the Commission approved using the insurance proceeds and some general funds for the construction of the new building. Ms. Hanchette stated the City of Kennewick also contributed to the project by allocating \$200,000 for the additional parking lot. Ms. Hanchette received confirmation from Banlin Construction that we received conditional certificate of occupancy. There are a few minor items to take care of to receive our final occupancy: the City had questions on some of the civil drawings which Meier Architecture will address and then we will resubmit. Ms. Hanchette was very appreciative that the City turned in their comments in a few days rather than a few weeks. Thomas Kastner of Meier Architecture designed the building and was inspired by the cabin and boathouse feel. Ms. Hanchette explained the individual spaces for Gordon Estates and Cave B Winery and stated the tenants have already begun discussing collaborating on joint events. Ms. Hanchette indicated that there is a punch list of items that need to be addressed, but we are getting closer to final completion. Additionally, Ms. Hanchette will be meeting with tenants to finalize the leases and walk through the spaces. The tenants are responsible for any interior upgrades and they are both ready to go and have been promoting their spaces on Facebook.

Commissioner Novakovich stated this is great and just another feather in the cap of the Port of Kennewick.

Commissioner Moak was walking the trail last weekend and was pleased to see that the chain link fence was removed and he could look in the windows. Commissioner Moak stated the spaces are very inviting and he believes it will be a signature for the Port and the region. Commissioner Moak is looking forward to seeing the spaces occupied soon. Commissioner Moak noticed that Ben Franklin Transit installed their signage at the new bus shelter and inquired if they are accepting passengers.

Ms. Hanchette stated yes and thanked Ms. Bader Inglima for getting that moving by reminding Transit and the Kennewick School District (KSD) that the stop is ready to go. Ben Franklin Transit worked with our operations team on the sign installation. Ms. Hanchette believes they are using both stops until people become more familiar and move down. Ms. Hanchette is not aware if KSD is using the stop at this time.

Commissioner Moak stated it is a cool bus stop.

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Commissioner Barnes thanked Ms. Hanchette and offered congratulations and stated it is an excellent project. Commissioner Barnes visited with members of the Gordon family at an event and they were very enthusiastic and were looking forward to making things happen and creating vibrancy in the area.

C. Future Agenda Items

Mr. Arntzen stated items one through four were addressed in email from Commissioner Barnes that he and Ms. Scott received last Thursday. Mr. Arntzen thinks Commissioner Barnes wanted to have these items discussed so one through four are a package. Mr. Arntzen would like to address the inquiry and the process that staff would undertake to address the items and potentially implement them. Mr. Arntzen stated when staff receives an email, we are always responsive to it, whether by email or some other method, and we try to address it in an expedited manner. Some of the items on here, such as the audio recording, land valuation, and buy-back, Mr. Arntzen believes at the last meeting stated that they are still on the list and probably in all fairness, staff hasn't had the chance to implement and we would get to them as we go. Mr. Arntzen hopes this is adequate, because as he said earlier, his concern as a manager, he believes the Commission would want him to focus on the bigger ticket items, such as completing the construction at Vista Field, the Owners Association and getting property ready to sale. Mr. Arntzen is hoping where we can keep our eye on that North Star if you will. With that as a backdrop, when staff is asked if there are new things we can undertake, staff wants to answer yes we can. Mr. Arntzen would like to let the Commission know, that if we are given direction to do some new projects, we will certainly do that. But again, against the back drop, with the lean staff that we have, we are trying to balance the bigger priorities versus the things that maybe can be fit in over time.

1. Commission Meeting Audio Recordings added to Port of Kennewick website

Mr. Arntzen stated the audio recordings were brought up earlier, the question of could we do audio recordings of the Commission Meetings and then post on Port of Kennewick website. Mr. Arntzen believes that he said we would look into it, and he or Ms. Scott did not know much about it because we have not had a chance to work it. Mr. Arntzen would have to say that is probably where we are at now. We understand it is on the list, and if that is a Commission objective, we would certainly continue to look into and bring back information when we have it. At this time, we have no new information on the audio recordings and asked if the Commission had comments.

Commissioner Barnes recalls that we have discussed a couple times, and he thinks, what he recalls is that Mr. Arntzen or staff would look into it or research it. Personally, Commissioner Barnes would like to elevate it more to a please do this and he believes in the interest of transparency. In the interest of getting an audio recording out to our constituents. Commissioner Barnes thinks that whomever is assisting the Port maintain our website and add new features to the website, which he noticed almost immediately the changes to the Commission officers were made to the website. Commissioner Barnes would like to commend the staff for all the work that goes in the maintenance of website and understands that it is no small task or issue. But this is one item that we have discussed a couple of times in the past and maybe as much as a year ago, and personally, Commissioner Barnes would like to see this elevated from not let's look into it, let's

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research it, but personally he would like to see it elevated to please do this. Commissioner Barnes suggested asking the contractor or the person who helps the Port with the website, to please elevate this, not to research, but please do this. That is Commissioner Barnes' position.

Commissioner Moak is more interested in the scope of work and asked if it was really a complex issue, because we already tape the meetings and have a digital platform. Is it as easy as attaching the recording to the website or is there more to it than that and that is what Commissioner Moak does not know. Commissioner Moak agrees with Commissioner Barnes and stated that it would be important to have, but does it take extra software or an extra technician, or is something where staff can attach the digital recording to the website. Commissioner Moak stated it does not sound like a big project; however, he is not technical, so he does not know if it is.

Mr. Arntzen stated maybe by the February 25, 2020 Commission Meeting, staff could research and report back on what it may entail, the staffing time, and cost and implementation. Mr. Arntzen stated at that point, we would have a better idea of when it could be accomplished and inquired if that would be acceptable.

Commissioner Barnes stated the timeline is acceptable, but his position is, this is something he feels very strongly that the Port of Kennewick should do, and he thinks the sooner we do this, the better. Commissioner Barnes thinks our citizens want to listen to what goes on at a Commission meeting at their Port, they should be able to click a button on a website. Commissioner Barnes stated other websites do this and it is readily available, so it seems to him that it is established technology. Commissioner Barnes stated again, other government entities are doing this and he has gone online before and listened to other meetings. Again, Commissioner Barnes reiterated that he would like to see this done and he believes this is something the Port of Kennewick can do for its residents and its constituents.

Commissioner Novakovich agrees with Mr. Arntzen's comments and he would like to see what resources need to be allocated to this because we have a plate full of things to do. Commissioner Novakovich would hate to take away time and expense from Vista Field or Columbia Gardens or anything else that we are doing. If it not a big deal, then no problem, transparency is a good thing, but if we are going to start taking away staff time from what they could be doing on the projects we already have, he thinks we are doing a disservice to the public. Commissioner Novakovich agrees and wants to see what kind of resources need to be allocated to do this.

Ms. Scott stated our website has been upgraded and it does look great. We have checked with our consultant and it is not as simple as adding the recording to the website and there is more to it. Ms. Scott stated there is software that we are looking at and what other agencies have posted, but she has not had the time to invest to it so far.

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Commissioner Barnes stated we will look forward to hearing about audio recordings at the second meeting in February.

Mr. Arntzen stated we will have a detailed report back as to what this might entail; staffing, cost, and a time frame for implementation.

2. *Financial Presentations*

Mr. Arntzen had a chance to talk with Mr. Kooiker, Chief Financial Officer (CFO) regarding Commissioner Barnes' request for monthly financial reports and Mr. Arntzen would like Mr. Kooiker to give his input on this. Again, Mr. Arntzen wanted to make it clear to the Commission and public that when the Commission gives staff instruction, we will complete it. But he also needs to make it crystal clear that staff has been given a very substantial list of major projects that he thinks the public is really looking forward to the Port completing. A lot of them revolve around Vista Field and Columbia Gardens. We are human beings here and we have a staff of 12, so in the audience, they might say, we just want recordings on line, this is a lazy staff, why don't they just do it. Staff has been going at full throttle and Mr. Arntzen stated people are working overtime to just get the jobs in front of us completed and we have a very detailed lists of accomplishments that the Commission has directed him to do with respect to Vista Field. When we add another series of other projects, Mr. Arntzen stated in all honestly, we need time to do them and he may even ask what items should we take off the list to accomplish these. Mr. Arntzen does not want to sound like he is complaining, but we are human beings and we have been given a substantial work list from the Commission and he is questioning how they want him to run the Port. Does the Commission want monthly budget reports or do they want to complete Vista Field? That is the backdrop that he is looking at with this. Mr. Arntzen would like the CFO to give you a report as to what the budget reporting might entail.

Mr. Kooiker stated, as the Port financial department, we certainly we want to provide Commissioners with what they need to make decisions, foremost. Secondly, last July, Mr. Kooiker gave a detailed presentation to the Commission and the consensus from the Commission was that a budget presentation every six months was a good time frame. Mr. Kooiker was working on the next budget presentation when he received a directive from Commissioner Barnes on Thursday. Mr. Kooiker would like a consistent path forward, if the Commission would like a budget report ever six months, every quarter or every month. Additionally, Mr. Kooiker does not know what information the Commission would like to see and asked Commissioner Barnes what is it you would like to see or are you trying to solve a problem or what problem exists that we are trying to fix or what is wrong with what we are doing.

Commissioner Barnes does not have a problem, he sits on other boards such as TRIDEC, Visit Tri-Cities and every other meeting he attends there are monthly budget updates. The Port is in the last half of a biennium budget, and we will be working, towards the end of this calendar year, to finish that two year cycle, and to then embark on a new budget process for 2021-2022. Commissioner Barnes knows, that according to our rules of policy and procedure, anyone of the Commissioners can come to Mr. Kooiker and ask for a budget

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update. Commissioner Barnes has done that before with Mr. Kooiker and Ms. Story and what he received was a two page summary that would show, for example, the budget numbers through a specific date. The report would give a percentage of the biennium and it would show the revenues and expenditures from operations and the percentage of those items. It is not Commissioner Barnes' intent to create additional work, because he has every confidence in the world that Mr. Kooiker has this information and is reviewing it all the time and is looking at it. Commissioner Barnes believes that is what Mr. Kooiker is doing and he is asking, if Mr. Kooiker would please consider sharing the information on a more frequent basis, especially as we are embarking on the last half of biennium budget process. And then we will be entering into the new budget process and where we construct a new budget for the next two years. Commissioner Barnes thinks it would be good for Port of Kennewick and the Commissioners to have that information. But again, Mr. Kooiker's point is well taken about the amount of work. Commissioner Barnes would hope that Mr. Kooiker has this information already and he are already looking at it, and it is readily available, instead of printing one or three copies, print six copies so that the Port Commission could get a copy of what he sees. Commissioner Barnes is not looking to create a special presentation with all the bells and whistles, he is looking for information only, this is where we are, so that the Commission is a little more informed. Commissioner Barnes thinks every six months, and he has no reason to question the accuracy, the Port has a history of clean audits, it is nothing about that. Commissioner Barnes is asking that the information is shared more periodically, so the Commission has a better idea on a higher frequency base about what's going on. There have been a lot that has changed in last five months, what with the sale of the former raceway and the Southridge property, which are extraordinary items, not operations items. Commissioner Barnes stated there are a lot of moving pieces and that is the basis and background for the request.

Mr. Kooiker appreciates the detail of Commissioner Barnes' request and stated he is glad Commissioner Barnes mentioned the Southridge sale and the raceway sale. If Mr. Kooiker were to give monthly financial reports, there would be many qualifiers that come with it, for example, the Port uses a modified accrual accounting method. What that means is the Port received the money on December 31, 2019 and \$1,800,000 went into our bank account and it is still in there today. The bank account balance is going to be up there, but the finance department is not going to necessarily recognize the revenue or expense yet because we are still accruing expenses related to the land sales. Then Mr. Kooiker can take the accumulated depreciation off the balance sheet at that point, which could take several months. Mr. Kooiker stated there will be a lot contingencies that would not include certain items. Mr. Kooiker's only concern is that he is not sure how accurate it would be, in that respect, every single month.

Commissioner Barnes stated that is an extraordinary item as he understands it and is not routine. The Port has revenues and expenses from operations and then we have land sales, construction projects and other items.

Mr. Kooiker stated even with expenses, the Port will be paying December expenses until March 15, 2020. If Mr. Kooiker were to provide the Commission a report today, the

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December 31, 2019 numbers will be different in three weeks because we are still accruing back. Mr. Kooiker wanted it to be known that the numbers will change because of the accounting method.

Commissioner Barnes wants to work with Mr. Kooiker and knows he is busy and staff has a lot going on. If Mr. Kooiker were to say our preference it to not give a brief financial monthly report to the Commission, then Commissioner Barnes would like Mr. Kooiker to know that he would like to come in monthly and get it directly, if that were Mr. Kooiker's preference, he would be happy to do that. Commissioner Barnes was just thinking that if he is coming in and getting that information, then perhaps Commissioners Moak or Novakovich isn't getting the same information and then there we are, with one Commissioners with information, that perhaps one or the other two is not receiving.

Mr. Kooiker stated staff can produce whatever report they want, and he has an open door policy, and can set up an appointment where Mr. Arntzen could sit in if he would like to. Mr. Kooiker would prefer, the problem with the monthly presentations at a Commission Meeting is that it is not media friendly, but more an accountant form. Mr. Kooiker means no disrespect, but it takes a certain person to read through it and pick the numbers and understand what they mean. Mr. Kooiker suggested sticking with the six months possibly and then provide a shorter update every quarter. Mr. Kooiker feels monthly, at a Commission Meeting, a thirty minute presentation every other meeting on the budget would be a waste of everyone's time, in his opinion; however, it is up to the Commission and he is more than willing to do that.

Commissioner Novakovich agrees with Mr. Kooiker and if people do not understand the way that the numbers are prepared and the way the accounting is done, they could take it the wrong way and it could get out into the community and be a detriment to Port. Commissioner Novakovich believes doing those types of presentations are a complete waste of time and the Port has trust in Mr. Kooiker and we have clean audits. Commissioner Novakovich does not see any reason for this, and he thinks the way we are doing things and the way it's been done for a number of years, why do we want to change it now and why do Commissioners want to get down into the weeds and start looking at things. If the Commission has questions, Mr. Kooiker's door is open and they can ask questions on things and Commissioner Novakovich believes that is the way it should be handled. Furthermore, if there is an email out there requesting this, Commissioner Novakovich would like to see it and believes it should be available to all Commissioners to see this request.

Commissioner Barnes stated any Commissioner can submit a request for Agenda item, which is what he did.

Commissioner Novakovich stated that is fine, however he would like to see the email.

Commissioner Barnes stated that he is not going to email it to Commissioner Novakovich, as that would be an illegal meeting.

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Commissioner Novakovich is requesting it from staff.

Mr. Kooiker is requesting accurate direction from the Commission as to what they want to see.

Commissioner Barnes is hoping for something brief, similar to what he would receive if he asked for a one on one update. Commissioner Barnes will just fall back to that and will call, if Mr. Kooiker does not mind, or email, and make an appointment for an update on the budget. Commissioner Barnes just thought if he was doing that, then maybe the others might want the same information. Commissioner Barnes is doing this in the interest, the Port is in the second half of a two year budget cycle, and we will be embarking on a new budget coming up this fall and he would like to ramp up his understanding of where we are in preparation for construction of the budget for the next two years. That is the only motivation that Commissioner Barnes has for this and is not interested in making more work and he would hope that Mr. Kooiker has these reports readily available, that he is looking at them, and if Commissioner Barnes could please look over Mr. Kooiker's shoulder to see what he are seeing. Commissioner Barnes does not want anything specially created for him.

Mr. Arntzen stated if the Commission would like additional information or would like staff to pursue additional tasks, we will do that, we take direction from the Commission. What Mr. Arntzen would like to do is get the level of information that they are comfortable with, but he has spoken to Mr. Kooiker about this, and we are not trying to be evasive, Mr. Arntzen does not know what information Commissioner Barnes is looking for. Mr. Arntzen thinks Mr. Kooiker may still have a question of what it is specifically that Commissioner Barnes is looking for. Once we find that out, staff can determine how much time it will take to prepare it. Having spoken to Mr. Kooiker about Commissioner Barnes' request, because we wanted to be thorough, it will take some of his time, it isn't just pushing a button and printing out several copies, it will probably be one to two hours or more of his time on a regular basis. Again, if that is an investment that the Commission would like staff to make, we will make it. Mr. Arntzen would rather avoid having Mr. Kooiker produce information to share that doesn't get shared with the Commission. In fairness, if Mr. Arntzen is going to ask Mr. Kooiker to spend additional time, he would like to give him the opportunity to share the information that he has prepared with the other two Commissioners. And if it is important, Mr. Arntzen would like Mr. Kooiker to have time at a Commission Meeting to walk through it. Mr. Arntzen does not want Mr. Kooiker to produce a report that only one Commissioner will read, he would like a report, and would like the other two Commissioners to invest the time in that, as Commissioner Barnes will and give Mr. Kooiker the opportunity at a Commission meeting to walk through it. The Port has nothing to hide, but an error can be, to put information out there, that needs explanation, and we haven't been given the opportunity to offer the full information. Mr. Arntzen's request would be, first, what information would make you comfortable, second, he would like to evaluate how much time it will take and if it is a few hours, then it is a few hours that he cannot have his highly compensated CFO doing something else. If that is the direction the Commission is going to take, he would like to be authorized by the

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Commission, because he thinks that is what the policy requires of us. If the Commission authorizes this, Mr. Arntzen would be happy to have Mr. Kooiker produce the information, once we know what it is Commissioner Barnes would like produced, but because there will be some effort involved, he would like Mr. Kooiker to have the time to share the information on regular basis at a Commission Meeting.

Commissioner Moak stated, personally he does not have a need for a monthly report and is more interested in the bigger picture issues. Commissioner Moak stated a report every six months, for him, gives the bigger picture of where we stand with the budget is important. Commissioner Moak does not have a great desire for detail on a budget; however, he does have a great desire to see a longer picture. As we start preparing the budget it is typical that the Commission has not been terribly involved in preparing the budget, it has been a staff job and the Commission has approved the budget. Commissioner Moak has always felt, in any organization, that you need one person, from a policy standpoint, one that pays attention to the financials and Commissioner Barnes is that person. Commissioner Moak does not have a problem with Commissioner Barnes seeing whatever is important to him, but at same time, Commissioner Moak does not feel the personal need to have a close a detail on the financials. Commissioner Moak stated as we present or staff presents something that has financial impact, the Commission will learn what we need for that purpose, but from a Commission standpoint, he does not see the need for regular and frequent financial presentations. Commissioner Moak does think some longer term projections and what the budget is and for example, where are the funds for Southridge or the raceway are allocated or if staff is waiting for Commission direction. Those are more of Commissioner Moak's concerns and he thinks each Commission needs to look at what their own needs are and it is possible that the budget work Mr. Kooiker is already presenting meets Commissioner Barnes' needs. Commissioner Moak does not think Commissioner Barnes is asking, from what he can tell, is to create additional reports, but Commissioner Barnes believes there are these reports already being created and he just wants to see it. Commissioner Moak does not know that to be the case and does not know what physical reports Mr. Kooiker creates.

Commissioner Novakovich agrees with Commissioner Moak on his first comments and stated as Commissioners, we are supposed to look at a higher level of things and not get in weeds and not micromanage the staff. Commissioner Novakovich stated there is expertise on our staff that he could not hold a candle to and the reason they are there is because of the success the Port of Kennewick has had. Commissioner Novakovich thinks it is the Commission's job to direct staff if they go in the wrong direction, but to get down in the weeds with things that they are more capable of handling than we are, is a huge mistake. Commissioner Novakovich believes it is a waste of staff and Commission time. With that said, Commissioner Novakovich would agree with Commissioner Moak that the plan we had regarding the six month report is probably just fine, and if a Commissioner wants more information, then they should make an appointment with the CFO and be very specific as to what they want to accomplish.

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Commissioner Barnes thanked everyone and stated maybe the best path forward is to make an appointment with Mr. Kooiker and sit down and talk about it. Again, it is not Commissioner Barnes' intent to not create extra work or headaches, that is the farthest from his goal. Commissioner Barnes would simply like to feel that he has a better understanding of the finances of Port of Kennewick.

Mr. Kooiker stated he will not be at next meeting, staff will be traveling on Port business, but is planning to present a six month financial presentation on February 25, 2020.

3. *Land Valuation Procedure: is an appraisal needed for every property?*

Mr. Arntzen stated he had planned on bringing back the land valuation procedure regarding appraisals for every property at due course. Mr. Arntzen believes there is some timeliness to getting an answer on this, but would hope for some flexibility. Mr. Arntzen stated the first item from this meeting is to get in touch with Ms. Bassuk regarding the Clover Island Master Plan. Mr. Arntzen asked for a chance to think about the land valuation policy and what we might propose to the Commission, maybe down the road, staff could add to the Agenda, if appropriate.

Commissioner Barnes stated his email regarding the Agenda Items, he did not have, as he recalls, he did not have the draft minutes from the January 10, 2020 Commission Meeting. Commissioner Barnes recalls that Mr. Arntzen had mentioned three items future Agendas, and all he was trying to do was to get a bounce back that said these are the items that are out there in the future and he did not expect those three items to be on the Agenda. Commissioner Barnes did want the media audio recordings on this Agenda that is the only item he requested, the email was simply his attempt to bounce back to Mr. Arntzen, what he thought he said at the last meeting. Now that Commissioner Barnes has minutes from the January 10, 2020 Commission Meeting, he can see that.

Mr. Arntzen stated he was out of office when he received the email, due to the remodel.

Commissioner Barnes had forgotten about the office being closed.

Mr. Arntzen had asked Ms. Scott to refresh his recollection.

Commissioner Barnes recalls at the last meeting there was excellent discussion about whether we needed appraisals at Vista Field. Commissioner Barnes knew that we had discussions about buy back clauses and Mr. Arntzen did mention it at the last meeting. Commissioner Barnes did not request, it was not his intent to request, that the appraisals or the buy-back clauses be on this Agenda.

Mr. Arntzen wanted to get the items on the Agenda for discussion and he understands that staff will give independent review of the audio recording, which we will fast track. Mr. Arntzen stated with the other two items, we agree that they are still on the list and perhaps not assign a time frame, but he believes they will get done within the next six months. Mr. Arntzen believes that there is a universal recognition that the Port has a lot on our plates as

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a team, Commission, CEO and staff. Mr. Arntzen is trying to see where the pieces fit in and he reiterated that he does not want the Commission to think that staff is reluctant to take on any new projects, he stated that is not the case. Mr. Arntzen has been losing sleep over the major lifting that we have, primarily at Vista Field. Mr. Arntzen does not want it to sound like staff is unwilling to do some of these things, he is just very nervous because at the finish line, the reward for the larger project is when we have neat activities at Vista Field.

Regarding the financial reports, Mr. Arntzen appreciates the discussion, and stated we have had some very frank discussions, which actually gets the information out a lot better. As a manager, Mr. Arntzen would like to find common ground, where Commissioner Barnes gets the information he needs and the other two Commissioners get what they need, which may be at a different level. Mr. Arntzen also wanted to ensure with Mr. Kooiker that the agreement reached on the financial information is not a major burden that he is already working on. Mr. Arntzen is an optimist and believes we can get there and stated that he hopes we did not give Commissioner Barnes the impression that we simply did not want to do this. Mr. Arntzen stated our view was to find what it is Commissioner Barnes was looking for and then provide that level of information, because as Commissioner Moak pointed out, he is happy with the six month report. Mr. Arntzen stated we need to strike a balance with the Commission and they are receiving the level of information that they want.

Commissioner Barnes appreciates Commissioner Moak's other comment, where we have diversity on this board and there may be one of us that is more interested in the financial projections than the other two. Commissioner Barnes stated there may be items that Commissioner Moak is more interested in and Commissioner Barnes would take a back seat to him and trust him to closely monitor more than he is inclined to do.

Mr. Arntzen stated on these four issues, the financial issue in particular, he would like to hear from Commissioner Barnes directly, as to his satisfaction of the level of information that we have been able to provide.

Commissioner Barnes would welcome the opportunity to communicate with Mr. Arntzen and Mr. Kooiker about this. Commissioner Barnes believes our intent and our objectives are very closely aligned and he would like just a little more information.

Commissioner Moak stated the land valuation and appraisals only matter if you are buying or selling and he asked if the Port is either buying or selling in the short term, where this is an issue that we need to address sooner rather than later.

Mr. Arntzen stated in the short term, no, but what we are doing, is embarking on a larger project with the pricing component for Vista Field. That is a more detailed process and Mr. Arntzen will share with the Commission at a later date. Mr. Arntzen suggested dovetailing the pricing component and the land valuation policy together. Mr. Arntzen asked the Commission for patience on the land valuation policy, because staff may be able to solve that through the valuation process related to Vista Field. Mr. Arntzen stated in the

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short term, the Port is not buying or selling anything, but the big exception is Vista Field and staff is working on a procedure process to value the Vista Field properties.

Commissioner Moak stated it is the same with the buy-back clause, which only matters if you are going to exercise that option. Commissioner Moak is not sure that there is anything the Port is looking at exercising and we have discussed whether to include it or not with other properties. Commissioner Moak stated the urgency is there or isn't there, based upon what is out on the horizon.

Mr. Arntzen believes the buy-back clause dovetails with the question and answer related to the valuation. Staff is working on a list of where buy-back clauses exist and what the specific language states addressed to the buy-back clause. The questions the Commission will eventually need to address are, does the Port really need buy-back clauses and if so, what would be the attributes of them, such as duration, were they successful and did the provisions pose any issues. Mr. Arntzen stated staff is preparing a list of where buy-back clauses exist and then we can move on to the policy portion of were the Port to use them again and what might they look like. Mr. Arntzen believes the Commission would want to include buy-back clauses on all the property in Vista Field. Obviously, the Port is not selling land at Vista Field for speculation or for the right amount of money, but to someone who understands New Urbanism; however, the Port will still want to ensure there is a specified time frame for development. Mr. Arntzen believes the buy-back clause discussion is similar, where we need to solve the bigger issue for Vista Field and in the meantime, bring back a list of where they still exist.

Commissioner Barnes is interested in properties where the Port has existing buy-back clauses and inquired if staff has a way to track those. Commissioner Barnes is interested in that and believes we need to develop a system for tracking them, because we are going to have a lot of transactions in Vista Field going forward.

Mr. Arntzen stated there are many variations of the buy-back clauses and those variations make it difficult to track. Mr. Arntzen thinks if the Port were to use one for Vista Field, we might want to make it simple and clear so that they are easier to track. Mr. Arntzen appreciates the opportunity to discuss these items together and that the Commission did not put a due date on each item, because he believes we will be able to feather them into some of the bigger projects in front of us.

4. Buy-Back Clauses: Which properties have them and the Commission's philosophy

Ms. Luke stated, in her experience with the Port since 2011, the standard Purchase and Sale Agreement includes the buy-back clause and the exception has been where it was removed.

Commissioner Barnes repeated the standard form Purchase and Sale Agreement Port of Kennewick.

Ms. Luke stated yes, as a point of clarification, it has been part of the form used.

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Commissioner Barnes thanked staff for indulging him in this discussion and he appreciates it.

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

Commissioners reported on their respective committee meetings.

E. Non-Scheduled Items

1. Mr. Kooiker stated the Port received \$200,000 from the City of Kennewick for the parking lot in Columbia Gardens, as part of the 2017 Interlocal Agreement. Mr. Kooiker stated the Port and City have a great working partnership.
2. Mr. Arntzen wanted to mention that Ms. Bader Inglima and Ms. Hanchette had a good walk through Duffy's Pond with the USACE yesterday. As you may recall we recently discussed removing Duffy's Pond from the Work Plan; however, the Commission instructed staff to keep it in the Work Plan as a long range item. Staff has some potentially new information to share about Duffy's Pond as a viable project in a limited form.

Mr. Arntzen stated Commissioner Barnes raised a question from a comment made by Pete Rogalsky earlier. Mr. Arntzen has worked a lot with Mr. Rogalsky and he is a good person. Mr. Arntzen is surprised it would be mentioned in public setting, and we did hear it last week, when he and Mr. Kooiker were meeting with him about the Columbia Park Trail project. Mr. Arntzen stated there was a level of discussion about a path forward for Columbia Park Trail and then Mr. Rogalsky mentioned a few other projects on horizon for the City; however, staff does not make commitments about projects. This is good for us to discuss because the Commission has directed Mr. Arntzen to produce a next decade plan with the City of Richland. We wanted to avoid the City coming to the Port with only one project instead of several options to choose from. Mr. Arntzen is hoping to avoid that scenario in the future, and with the Commission authorizing Mr. Arntzen to come up with a next decade plan with the City, will allow staff to sit down together and come up with a list of items for potential projects. Then the City and Port can go through a public process and coming back to elected officials on both sides with a list. The Port hired Ben Floyd of White Bluffs Consulting to assist us with the next decade plan. Mr. Floyd has met with Mr. Rogalsky and City Manager, Cindy Reents on several occasions, but Mr. Rogalsky has a few projects that he would like to see completed. Mr. Arntzen has asked Mr. Rogalsky to wait for Mr. Floyd to write up a report on these projects. His projects might ultimately be on the list of exciting projects for the Port and the City that staff presents to the Commission. Mr. Arntzen does not see any harm in what Mr. Rogalsky said, but he is hoping to come back to the Commission with several ideas for discussion. The Port, Mr. Floyd, and the City staff are making good progress on the next decade plan and as Commissioner Moak expressed several months ago, he would like options, not just one idea.

3. Ms. Bader Inglima wanted to clarify some of her comments regarding the USACE 1135 project. Ms. Bader Inglima stated that while the USACE swept the construction fund, the Architecture and Engineering (A&E) design portion is moving forward on the Clover Island 1135 project. Ms. Bader Inglima met with the entire USACE team on Friday and walked around Clover Island. The team is working on the A&E design, which should be completed

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this year, and it is just a matter of securing the construction funding with the timing of the in-water work window. Ms. Bader Inglima stated the 1135 project is not gone, just delayed.

4. Commissioner Moak appreciated Mr. Arntzen's comments related to the City of Richland and he certainly hopes the past actions by the City have gnawed at him for several years in that we weren't given options for projects. Commissioner Moak stated Public Works is not the only place where he would like to spend money, in any given community, in terms of making a community better. Commissioner Moak wished that the Commission were on the same page on this last issue, but he hopes they will be on the same page for the next issue. Commissioner Moak appreciates Mr. Arntzen's work with Mr. Floyd and with Mr. Rogalsky and others at the City, to come up with some ideas that are good as we move forward. Commissioner Moak appreciates that and hopes it bears fruit in the future.

Commissioner Moak appreciate staffs concern about the amount of work we have and the small staff we have. The Port has a big project at Vista Field and it is the greatest project Commissioner Moak has been associated with in his public life. Commissioner Moak is still trying to figure out how do we deal with things that aren't Vista Field, whether it is Clover Island or Columbia Gardens or anything else the Port is trying to do. The Port has great projects, great tenants, whether it's at the Yacht Club or the wineries, the Port wants to do well for all of them and how do we allocate staff and staff time and Commission time. Commissioner Moak does not have a good answer either and he appreciates that we have to look at that and at the same time, we have other great things out there that we made commitments too. Commissioner Moak knows it probably causes Mr. Arntzen sleepless nights and maybe it causes the Commission sleepless nights too, trying to work on how do we do it all. And all these people that have confidence that the Port of Kennewick can do everything we think we can do, because of our past practice. The community thinks we can do everything and sometimes we think we can do everything too, and yet, we are human beings and not automatons and Commissioner Moak understands that and he has to wrestle with that too, because we still have great ideas and we still have great visions for this Port and this community. Commissioner Moak appreciates the push back and that's okay, it is also a dose of realism for us and the public, that we can't do everything all the time, but how do we march together towards a lot of good things.

5. Commissioner Barnes share a lot of concerns that he just heard Commissioner Moak voice about our limited resources and our very ambitious projects. Even though we just made the decision to sell the Tri-City Raceway to the City of West Richland, which was excellent recognition on the part of the Port of Kennewick, even though Commissioner Barnes voted against the sale for price reasons. Commissioner Barnes thinks it was excellent recognition on the park of the Port of Kennewick to say, we don't have enough resources to do this in the foreseeable future, let's sell this to the City of West Richland. We are humans and we are people and there is a lot of work going on at the Port of Kennewick and looking into the future, Commissioner Barnes does not see the workload diminishing, if anything he sees it going the opposite direction. Commissioner Barnes wrote a note and thought is it time to look at additions or an addition to staff. The Commission discussed at the last meeting about the Vista Field development, the collaborative design process, the team approach versus a

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project manager approach and maybe we need to take a look at our workload versus the number of people we have to do that work and maybe we need to add one or two to the number of people we have at the Port.

Commissioner Barnes appreciates the periodic updates that we receive on Vista Field and he inquired what the status of the contract with the Arts Center Task Force and the Port is. Commissioner Barnes has not heard much about the Arts Center Task Force in a while in the community lately or today and mulled what are their prospects and their fundraising process and what they have been doing.

PUBLIC COMMENTS

Jet Richardson, Habitat for Humanity, Richland. Mr. Richardson is the new Executive Director for the Habitat for Humanity (HFH) and thanked the Port for pursuing some of these projects. Mr. Richardson thinks they are great additions to what is really needed in the Tri-Cities. Mr. Richardson is very excited for the Vista Field project, for two reasons, as executive director for HFH and thinking about affordability and issues of affordability in the community, there is a lot of opportunity related to the Vista Field project. Mr. Richardson encouraged the Commission to continue to pursue a diverse community in this area, based also on affordability and income. Mr. Richardson stated with regards to the buy-back clause discussion, he believes it is important and he uses them at HFH as a way of maintaining affordability and he is happy to have further conversations of how that works. As the Commission considers the affordable aspect of Vista Field and keeping it affordable after people want to sell and move on is something that should be considered. As a return citizen to the community, this is the type of place he would want to live in, in the Tri-Cities.

Cal Coie, 705 South Oklahoma Street, Kennewick. Mr. Coie is very interested in seeing what the Makers Architecture scope will entail and if it will go over the \$175,000. Mr. Coie stated contractors, planners, architects and engineers have a way of increasing the price and he believes that is a given and will happen. Regarding the Causeway, Mr. Coie, likened the Causeway to the Snake River dams, if breaching the Causeway comes up, the Port will have a million different opinions just like we are seeing with the dams. Mr. Coie stated the Tribes, the environmentalists, and the USACE will want to be involved. The most interesting question is the one Commissioner Moak asked about who owns the Causeway and it might be beneficial to find out. Mr. Coie stated it will be just like the dams discussions.

COMMISSION COMMENTS

No comments were made.

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ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:08 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary



AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Real Estate & Operations

MEETING DATE: February 11, 2020

AGENDA ITEM: Purchase & Sale Agreement with Santiago Communities, Inc.

I. REFERENCE(S): Purchase & Sale Agreement
Site Plan
Resolution 2020-03

II. FISCAL IMPACT: \$810,250.00 purchase price

III. DISCUSSION:

Santiago Communities, Inc. offers to purchase 26.42 acres of land from the Port of Kennewick in order to develop an affordable manufactured home community in east Kennewick.

The property consists of three separate parcels (Exhibit A) located east of the City of Kennewick water treatment plant and north of the Port of Kennewick's Oak Street Industrial complex off of East 3rd Avenue. Parcels are zone industrial and located in two different jurisdictions; two of the parcels are under lease for agricultural use and the third has a residence and is encumbered by a life estate.

Buyer estimates that 200 lots will be constructed in a phased approach. The development will have a community center with kitchen, laundry, restrooms, recreation room and manager's office. Estimated value of the development improvements are \$5,000,000.00.

Buyer is seeking to provide affordable housing options in a booming economy. In house financing will be available to potential home buyers. Manufactured homes values average \$125,000 for a three bedroom, two bath home equating to \$25,000,000 at full build out.

Highlighted Terms:

- 26.42 acres
- Purchase price - \$810,250.00
- Art Policy – Total paid in cash at closing by Buyer: \$21,205.00. [Calculation: 3% on first \$500,000 (\$15,000.00), 2% on amount over \$500,000 (\$6,205.00).]
- Dry land purchase with water rights retained by port.
- Agriculture lease may remain in place until closing. Then is transferred to Buyer.
- Buyer assumes life estate on parcel #1-0580-202-0006-002.
- Buyer has requested an extended feasibility period in order to perform due diligence including comprehensive plan changes and rezoning process. Buyer is responsible for application documents, associated fees/costs and any meetings with jurisdictions. Seller to review documents and sign as needed.
- Closing – September 1, 2021.
- Commission waives buy-back option.
- Deed restriction related to use of property.

IV. ACTION REQUESTED OF COMMISSION: To approve or deny Real Estate Purchase and Sale Agreement between the Port of Kennewick and Santiago Communities Inc.

***Motion to Approve:** I move approval of Resolution 2020-03 authorizing the Port's Chief Executive Officer to execute all necessary documentation associated with the land sale to Santiago Communities Inc. and to take all other action necessary to close this transaction; and further ratifies and approves all action by port officers and employees in furtherance hereof.*



REAL ESTATE PURCHASE AND SALE AGREEMENT

1. **PARTIES.** THIS AGREEMENT is made and effective on the 7th day of February, 2020, by and between the

**Port of Kennewick
A Washington Municipal Corporation
350 Clover Island Drive, Suite 200
Kennewick, Washington 99336**

hereinafter "Seller", and

**Santiago Communities, Inc., a California corporation
registered to do business in Washington**

hereinafter "Purchaser".

2. **PROPERTY.** The Seller agrees to sell, and the Purchaser agrees to purchase, upon the terms and conditions herein specified, that certain real property located in Benton County, State of Washington, legally described in Exhibit "A" attached hereto and incorporated hereby reference (hereinafter referred to as the "Property"). The Property is sold to Purchaser as dry land without water rights.

Tax Parcel Nos.: 105802020006002, 105802013067002, and 105802020010005

The Purchaser's use of the Property shall be to develop an affordable manufactured home community consisting of approximately 200 spaces, clubhouse, playground, and swimming pool. If Purchaser's intended use changes within five (5) years of Closing, Purchaser shall obtain written authorization of Seller prior to such change. Seller's authorization shall not be unreasonably withheld. The conveyance deed referenced below shall contain a deed restriction consistent herewith.

3. **PURCHASE PRICE.** The total purchase price is Eight Hundred Ten Thousand Two Hundred Fifty and 00/100 Dollars (\$810,250.00). The Purchase Price, inclusive of any applicable Earnest Money deposit, shall be paid all in cash at Closing. In addition to the Purchase Price, Purchaser agrees to pay Seller in cash at closing an additional amount identified by Seller in compliance with the Seller's Art Policy of \$21,205.00.

4. **EARNEST MONEY.** Receipt is hereby acknowledged of Forty-one Thousand Five Hundred Seventy Three and 00/100 Dollars (\$41,572.75) delivered as earnest money. Earnest money shall be applied to the purchase price at Closing. Earnest money and this Agreement shall be promptly delivered by Seller to the Closing Agent hereinafter designated for the benefit of the parties.

5. TITLE INSURANCE. The Seller shall provide Purchaser with a standard form owner's policy of title insurance in the amount of the Purchase Price. The title policy to be issued shall contain no exceptions other than those provided in said standard form plus encumbrances or defects approved by Purchaser as provided below.

As soon as reasonably possible after escrow is opened Purchaser shall be furnished with a preliminary commitment therefore issued by Benton Franklin Title Company. Said preliminary commitment shall include legible copies of all documents forming the basis for any special exception set forth.

6. PURCHASER'S CONTINGENCIES. Purchaser's obligation to purchase the Property shall be contingent upon the following:

6.1 Condition of Title. Title is to be free of all encumbrances or defects except:

- i) Parcel #1-0580-202-0006-002 includes a life estate.
- ii) Ag lease shall remain in effect until December 31, 2021 with all rents through Closing paid to Seller and any rents due after Closing and before expiration of the lease shall be paid to Purchaser. If the lease remains in effect at the time of Closing, the Seller shall assign the lease to the Purchaser.
- iii) Those other encumbrances or defects approved by Purchaser.

The Purchaser shall be considered to have accepted the condition of title unless the Purchaser provides notice of specific written objections within ten (10) business days after Purchaser's receipt of a preliminary commitment as provided for above. If the Seller is not able to provide title in accordance with the Purchaser's written objections prior to closing, this Agreement shall terminate and earnest money shall be refunded.

6.2 Approval of Seller's Disclosure Statements. Purchaser shall have ten (10) business days to review Seller's Disclosure Statements. This contingency shall be deemed waived or satisfied unless Purchaser provides written notice to the contrary within said ten (10) business days. If Purchaser provides such notice, this Agreement shall terminate and the earnest money shall be refunded.

6.3 Feasibility Determination/Comp Plan Change/Rezone/Environmental Due Diligence. For the period from execution of this Agreement and expiring August 1, 2021, Purchaser may engage consultants or engineers of the Purchaser's choosing to conduct surveys, site studies and tests of the Property, as the Purchaser deems necessary. The Purchaser and its agents shall have the right to enter the Property at reasonable times to make such tests, inspections, studies and other investigations as the Purchaser may require, at the Purchaser's expense and risk. During its investigation of the Property, Purchaser shall also have the right to determine if the Property is suitable for Purchaser's contemplated use. Purchaser and its agents shall have full access to the Property for the purpose of conducting Purchaser's inspections and evaluation. Purchaser's feasibility study

process shall also include preparation of necessary documentation to request update(s) to the City of Kennewick and/or Benton County Comprehensive Scheme for any required rezoning, and to conduct environmental due diligence. The Seller shall review and sign documentation necessary to complete the Comprehensive Scheme update and rezoning. The Purchaser shall indemnify, defend and hold the Seller harmless from any and all claims of loss, injury, or damage to any person or property arising out of the Purchaser's access or Purchaser's agents' access to the Property for purposes of tests, inspections, studies and other investigations.

This contingency shall be deemed waived or satisfied unless Purchaser provides written notice to Seller the contrary within said feasibility period expiring August 1, 2021, in which case this Agreement shall terminate, and earnest money shall be refunded.

If this transaction fails to close due to a default by Purchaser, Purchaser shall immediately deliver to Seller copies of any studies or inspections, appraisals or surveys and any and all information, which either the Purchaser or Purchaser's consultants have obtained in connection with the Feasibility Determination and/or Environmental Due Diligence.

6.4 Survey. Seller shall have a survey conducted of the property and provide a copy to Buyer within 90 days of this Agreement. This contingency shall be deemed waived or satisfied unless Purchaser provides written notice to Seller to the contrary within ten (10) business days from the date survey is provided to Buyer.

7. CONDITION OF PROPERTY/"AS IS" SALE. Except as otherwise expressly set forth in this Agreement, Seller makes no representations or warranties and shall not in any way be liable for any representations or warranties, including, without limitation, representations and warranties concerning (a) the physical condition of the Property (including, without limitation, the environmental condition, condition of the soils and groundwater conditions); (b) the Property's suitability for Purchaser's intended use; (c) any applicable building, zoning or fire laws or regulations or compliance therewith or any required permits of any governmental entities or agencies or compliance therewith; (d) the availability or existence of any water, sewer or other utilities (public or private). Purchaser acknowledges that Purchaser is relying on its own examination and inspection of the physical condition of the Property and all matters relating thereto. Seller shall have no obligation to make any repairs to the Property, and Purchaser shall accept the property in its "as is" condition at closing. Purchaser shall assume, as of closing, the responsibility for and risk of all defects and conditions of the Property, including any defects and conditions that cannot be observed by casual inspection.

8. RISK OF LOSS. Risk of loss or damage to the Property or any part thereof prior to closing shall be assumed by the Seller. If such loss or damage occurs prior to closing, this Agreement shall terminate and the earnest money shall be returned to the Purchaser.

9. CLOSING.

9.1 Closing Agent. This transaction shall be closed by Benton Franklin Title Company ("Closing Agent").

9.2 Closing Costs. Closing costs shall be allocated as follows:

Seller	Purchaser
Excise Tax	Recording Fees
Title Insurance Premium	½ Closing Fee Costs
½ Closing Fee Costs	

Other incidental closing costs shall be paid and/or allocated in accordance with local practice.

9.3 Items to be Prorated. Taxes and assessments for the current year, water and other utilities, if any, constituting liens shall be prorated as of date of closing.

9.4 Closing Date - Possession. This transaction shall be closed when all contingencies have been satisfied but in any event no later than September 1, 2021. "Closing" shall be the date on which all documents are recorded and funds are available for disbursement.

9.5 Conveyance. At Closing Seller shall deliver to Purchaser a Statutory Warranty Deed, free of any encumbrance or defect except the deed restriction set forth in paragraph 2 above and the following :

- i) Parcel #1-0580-202-0006-002 includes a life estate.
- ii) Current Ag lease shall remain in effect until December 31, 2021 with all rents due through Closing paid to Seller and any rents due after Closing and before expiration of the lease shall be paid to Purchaser. If the lease remains in effect at the time of Closing, the Seller shall assign the lease to the Purchaser.
- iii) Those other encumbrances or defects approved by Purchaser.

9.6 Assignment. This Agreement may be assigned with the prior written consent of Seller, which consent shall not be unreasonably withheld.

10. REPURCHASE OPTION.

INTENTIONALLY LEFT BLANK

11. Notices. All notices required by this Agreement shall be considered properly delivered when (1) personally delivered, (2) when transmitted by facsimile or email showing date and time of transmittal, or (3) sent by regular overnight courier, delivered or mailed by U.S. registered or certified mail, return receipt requested, and, if mailed, shall be considered delivered three (3) business days after deposit in such mail. The addresses to

be used in connection with such correspondence and notices are the following, or such other address as a party shall from time to time direct:

Purchaser: Santiago Communities, Inc.
Address: _____ n/a _____
PO Box 11927, Santa Ana, CA 92711
Phone No.: (714) 744-4993
Fax No.: (714) 744-3955
Email: amolsberry@santiagocorp.com

Seller: Port of Kennewick, a Municipal Corporation
350 Clover Island Drive, Suite 200
Kennewick, WA 99336
Attn: Tim Arntzen, Chief Executive Officer
Phone No.: (509) 586-1186
Fax No.: (509) 582-7678

With copy to: Lucinda J. Luke
Carney Badley Spellman, P.S.
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010
Phone No.: (206) 607-4111
Fax No.: (206) 467-8215
Email: luke@carneylaw.com

12. MISCELLANEOUS.

12.1 Confidentiality. Both parties agree that this transaction shall remain completely confidential and shall not be disclosed to any other third party without the express written consent of the Purchaser and/or Seller, except as may be required by law. Note that the Seller is a public entity subject to the Public Records Act and may be required to the disclosure of records related to this transaction.

12.2 Default Remedies. If either party defaults under this Agreement, the non-defaulting party may seek specific performance of this Agreement, damages or any other remedy available at law or equity.

12.3 Dispute Resolution/Attorney's Fees. In the event of any claim or dispute arising under this Agreement, the parties agree to submit the same to arbitration at a location to be mutually agreed upon in Benton County, Washington. In the event the parties are unable to promptly agree upon an arbitrator, the same shall be selected by the presiding judge for the Benton County Superior Court at the request of, and upon seven (7) days' notice from either party.

The arbitrator so appointed shall be a retired superior court judge or an attorney having at least ten years' experience in matters similar to the subject of the claim or dispute.

The court may establish the ground rules by which the initial arbitrator fees are to be paid. The mandatory arbitration rules, as implemented in Benton County Superior Court, shall be binding as to procedure. The arbitrator shall determine an award of reasonable attorneys' fees to the substantially prevailing party. If any suit or other proceeding is instituted by either party that is alleged not to come within the foregoing agreement for arbitration, the substantially prevailing party as determined by the court or in the proceeding shall be entitled to recover its reasonable attorneys' fees and all costs and expenses incurred.

12.4 Time of Essence. Time is of the essence of this Agreement.

12.5 Calculation of Time Periods. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday. The final day of any such period shall be deemed to end at 5:00 p.m., Pacific [Daylight] Time.

12.6 Governing Law and Venue. This Agreement shall be governed by and construed according to the laws of the State of Washington. Jurisdiction and venue of any suit arising out of or related to this Agreement shall be exclusively in Benton County Superior Court, Benton County, State of Washington.

12.7 Authority to Execute Agreement. Each of the undersigned represents and warrants that, if not signing on his own behalf, he has the authority to bind the entity for which he/she is executing this Agreement.

12.8 Entire Agreement. There are no verbal or other agreements, which modify or affect this Agreement, and Purchaser and Seller acknowledge that this Agreement constitutes the full and complete understanding between Purchaser and Seller.

12.9 Amendments. This Real Estate Purchase and Sale Agreement may be amended or modified only by a written instrument executed by Seller and Purchaser.

12.10 Broker Compensation. Both Purchaser and Seller warrant to the other that it has not incurred a brokerage commission for which the other party would be responsible. The Buyer's Real Estate Agent is Dennis Gisi of John L. Scott Tri-Cities is the Real Estate Agent. Pursuant to Port policy, the Port shall pay a commission to John L. Scott Tri-Cities in the amount of 5% on the first \$500,000 and 5% on the balance of the Purchase Price above \$500,000 (\$310,250.00).

Except as specifically disclosed herein, neither party has had any other contact or dealings regarding said property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or finder's fee as a procuring cause of the purchase and sale contemplating this Agreement. If any broker or finder perfects a claim for a commission or

finder's fee based upon any other contract, dealings or communication, the party through whom the broker or finder makes his or her claim will be responsible for that commission or fee and shall indemnify, defend and hold harmless the other party from and against any liability, cost or damages, including attorney's fees and costs, arising out of that claim.

12.11 Obligations to Survive Closing. The obligations contained herein shall survive closing.

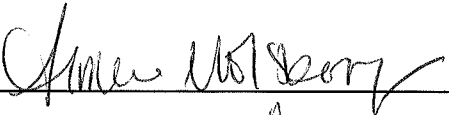
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Port of Kennewick,
A Washington Municipal Corporation
By Authority of its Board of Commissioners

By: _____
Tim Arntzen, Chief Executive Officer

Santiago Communities, Inc.

A California corporation registered to do business in Washington

By: 

Printed Name& Title: Amee Molsberry, President + COO

Reviewed:

Approved as to form:

By: _____
Title: Nick Kooiker, Port CFO

By: _____
Title: Lucinda Luke, Port Legal Counsel

ACKNOWLEDGEMENTS

State of Washington)
)ss:
County of Benton)

On this day personally appeared before me Tim Arntzen to me known to be the **Chief Executive Officer** of the **Port of Kennewick**, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation for the uses and purposes therein mentioned, and on oath stated he is authorized to execute the said instrument.

GIVEN under my hand and official seal this ____ day of _____, 2020.

Notary Public in and for the State of
Washington
Residing at: _____
My Commission Expires: _____

State of _____)
)ss:
County of _____)

On this day personally appeared before me _____, to me known to be the _____ of Santiago Communities, Inc., the limited liability company that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the use and purpose therein mentioned, and on oath stated he is authorized to execute the said instrument.

GIVEN under my hand and official seal this _____ day of _____, 2020.

see attached

Notary Public in and for the State of _____
Residing at: _____
My Commission Expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

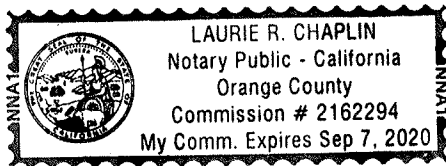
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Orange)
On Feb. 7th, 2020 before me, Laurie R. Chaplin, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Aimee Molsberry
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

EXHIBIT A
(Legal Description & Survey)

PORT OF KENNEWICK

RESOLUTION No. 2020-03

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF
KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT FOR
26.42 ACRES IN THE OAK STREET INDUSTRIAL PARK***

WHEREAS, *Santiago Communities, Inc.* (Purchaser), has offered to purchase approximately 26.42 acres of the area graphically depicted on “*Exhibit A*” and known as Parcel #’s: 1-0580-202-0006-002, 1-0580-201-3067-002 and 1-0580-202-0010-005 at the Port of Kennewick’s Oak Street Industrial development area, in Kennewick, Washington from the Port of Kennewick (Seller) for \$810,250.00; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the Port’s best interest; and

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port’s Chief Executive Officer to execute a Purchase and Sale Agreement and hereby authorizes the Port’s Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the port Chief Executive Officer is authorized to take all action and to pay all expenses necessary in furtherance hereof.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port’s needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 11th day of February 2020.

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

By: _____
DON BARNES, President

By: _____
SKIP NOVAKOVICH, Vice President

By: _____
THOMAS MOAK, Secretary

**RESOLUTION 2020-03
EXHIBIT A**



Memorandum

To: Tim Arntzen, Chief Executive Officer
From: Larry Peterson
Date: February 11, 2020
Re: Vista Field Phase #1 – Vista Field Tasks and Approximate Timeline

OVERVIEW

Numerous decisions at both the policy level (Commission) and functional level (staff) are needed for the Vista Field project to become the urban town center that has been envisioned for 6+ years. Discussions at the December 10, 2019 and January 14, 2020 Commission meetings provided direction on some policy issues. A task chart was developed and approximate timelines were established to aid all in understanding what information needs to be gathered and which decisions need to be made to move the Vista Field project to the marketing, sales/leasing and vertical construction phase.

The draft timeline identifies tasks, each Commission Meeting in 2020 and when Commission discussion (x) and Commission action (XX) would be needed. The timeline presumes a Request For Proposals (RFP) process will be utilized and the asterisk (*) identifies that numerous issues must be asked, answered & finalized before the marketing stage begins. The Port must answer the “what, where, how much and how will decisions be made” questions and create and share that information {marketing materials} before the Port solicits private sector response to the Port’s “who will build what, where and pay how much” questions.

Several factors have lead the Port to a situation where the site improvements look to be accepted as complete by the City and legal lots of record created in July 2020 and the RFP to purchase land and construction buildings being issued to the private sector in September 2020. The Port may hear that “in the private sector the sales and marketing start in advance of the infrastructure being completed” which is typically true. The redevelopment of Vista Field is anything but typical.

The Port as a public entity has elected to follow a land use pattern {New Urbanism} unseen in the region and therefore everything about the product {New Urbanism} is unique. The following list is provided as a reminder to all why Vista Field is not typical:

- **Port is a government agency** responsive to and receiving input from the public;
- **Port stresses transparency** in all actions, which adds time assuring all citizens have ample opportunities for input;
- **New Urbanism** is new to the community & Port requiring numerous factors not applicable to typical residential and strip commercial development be addressed; and
- **Vista Field is not the Port’s sole focus** as the Columbia Gardens and Clover Island projects and partnerships Benton County, Richland & West Richland are pursued too.

DRAFT

Purpose of timeline is identification of tasks and sequence.

Timelines identified are approximate, NOT certain.

DRAFT

DRAFT

DRAFT

Updated: 2/7/2020

PORT of KENNEWICK - 2020 TIMELINES (MAJOR PROJECTS Design, Construction; Market, Lease or Sell & Policy Issues)

X = Commission action (discussion & general direction)					2020																													
XX = Commission Decision (likely via Resolution)					January		February		March		April		May		June		July		August		September		October		November		December							
Month					14th	28th	11th	25th	10th	24th	14th	28th	12th	26th	9th	23rd	14th	28th	11th	25th	8th	22nd	13th	27th	10th	24th	8th	22nd						
Commission Meeting					Port Staff		Consultants																											
VISTA FIELD	Phase #1A	Roads & Utilities Construction	Larry	Parametrix, Hall, SCM	X												XX																	
	Phase #1A	Platting	Larry	Parametrix, Hall, RSI					X																									
	Phase #1A	Project Management "Team"	Amber & ALL	VF Team	X	X	X	X	XX											*														
	Phase #1A	Property Owner Association	Larry & Amber	Doris Goldstein & White Bluffs	X		X		X		X		XX						*															
	Phase #1A	Use Considerations	Larry & Amber	SCM			X		X		X		XX						*															
	Phase #1A	Architectural Considerations		VF Team			X		X		X		X		X		XX		*															
	Phase #1A	Property Pricing	Amber & Larry	SEWA	X		X		X		X		X		XX				*															
	Phase #1A	Real Estate Commission Policy	Amber & Nick	n/a			X				X		XX						*															
	Phase #1A	Marketing Approach	Amber & Tana	VF Team	X		X		X		X		XX						*															
	Phase #1A	Marketing Materials (<i>Project Folio, Collaborative Design, Builders Bible, Website</i>)	Amber & Tana	VF Team							X		X		XX		X		*															
	Phase #1A	Marketing-RFP (Issuance - Acceptance) {* completed prior to RFP issuance}	Amber & Tana	VF Team																														
	Phase #1A	Marketing-RFP (Review Response & Refinement materials)	Amber & Tana	VF Team																					X									
	Phase #1A	PSA Execution & Due Diligence	Amber & Larry																															
	Phase #1B	Hangar-Policy Direction & Scope	Tim	SCM			X		X		X		XX																					
	Phase #1B	Hangar Uses	Amber & Larry	SCM			X		X				X		XX																			
	Phase #1B	Budget Determinations	Nick, Amber & Larry	SCM					X				X		X		XX																	
	Phase #1B	Hangar Design	Larry & Amber	CJKT, VF Team & SCM																			X				XX							

Policy

Design/Permitting

Construction & CM

Planning & Mechanics

Marketing

VF TEAM: Port Staff; Amber as Point of Contact/Project Manager, DPZ Miami, DPZ Cascadia, Parametrix, Hall Engineering, SCM, White Bluffs,Doris Goldstein...

DPZ Miami: Elizabeth Plater Zyberk & Senen Antonio

DPZ Cascadia: Michael Mehaffy, Laurence Qamar & Matt Lambert

Parametrix: Sam Nielson, PE; Darren Sandeno, LA

Hall Engineering & Associates {Hall}: Gary Hall PE

Strategic Construction Management (SCM): David Robison, CCM, LEED AP

White Bluffs Consulting: Ben Floyd

"Other" Assistants:

Appraisal Gropup SEWA: Nikki Griffith, MAI, CCIM

Rogers Survey Inc., P.S. (RSI): Dave Baalman, PSL, CFedS

MEMORANDUM

To: Port Commission

From: Tim Arntzen, CEO

Date: 02/11/2020

Re: *Vista Field Management and Implementation Approach*

At a recent commission meeting we discussed the CEO assembling a team for Vista Field management and implementation. This would include fielding all inquiries related to the site, including inquiries related to property purchases; information requests; property tours; media information; processing development proposals for commission consideration; additional planning and site revisions, etc. With this memo I hope to share my thought process which has been developed after discussions with my staff and potential contractors along and with input from DPZ. At this time many of the details are in the preliminary stage. However, I do want the commission to be aware of the direction I am going and have this opportunity for input.

I offer the following thoughts:

1. Project Manager.

Amber Hanchette, port Director of Real Estate & Operations would serve as the point of contact related to Vista Field inquiries. She would meet with realtors, builders and others expressing interest in the project. Because this change in her duties would require her to spend more time on Vista Field matters, it would also limit the time she can spend pursuing her existing duties which include operations and maintenance. Thus, creating a need for “backfilling” in order to cover the duties she would need to transfer to other qualified individuals within the organization. Amber would bring in other staff and contractor assistance as necessary (primarily planning).

2. Assistant to Project Manager.

Amber will need administrative and other support. There is potential for these duties to be transferred internally.

3. Project Planner/Coordinator.

Larry Peterson, port Director of Planning and Development would serve as the coordinator with DPZ, Town Architects and Town Engineers related to the development of Vista Field.

4. DPZ Founder/Principal Advisory Team. Lizz Plater-Zyberk; Senen Antonio.

Vista Field will be one of the few projects worldwide which continues to have a DPZ founder as an active team member. Senen is now the managing partner and a primary owner of the world-renown firm. The port has been unusually successful in keeping these two highly-qualified individuals on the Vista Field team and sees the benefit of continuing this partnership through at least Phase I. Continued counsel from these two leaders is priceless. Nonetheless, they will bill on an as-needed basis as independent contractors with a budget of not to exceed \$_____ collectively in any calendar year.

5. Town Architect(s). Michael Mehaffy; Lawrence Qamar.

Michael and Lawrence have long been associated with the port and are known commodities. They can jointly fulfill the role of town architect to provide detailed planning assistance with any additional

improvements or alterations needed to Phase I of the project; and detailed evaluation of project proposals that the port receives through the collaborative design process. They will work as independent contractors with a budget of not to exceed \$_____ collectively in any calendar year. They would bill the port on an hourly basis for time expended on each task assigned to them (as they have done for the past number of years they have been contracting with the port). Staff will assist and manage their efforts, ensuring the best value for time spent.

6. Town Engineer(s). Gary Hall, Hall Engineering; Sam Nielson, Parametrix.

Gary and Sam will provide engineering support for review of private sector projects and integration into established and planned infrastructure.

7. Construction Management. Strategic Construction Services.

Firm President and CEO David Robison has assisted the port with numerous construction projects over the years including Oak Street industrial property renovation; wine village construction and Vista Field planning and Phase I infrastructure. David is listed as construction management but also provides invaluable insight into the many phases of any construction project. David will also provide local constructability analysis.

8. Operations and Maintenance Support.

Please see Items 1 and 2 above.

9. Maintenance Technician. New Hire.

Because of the overall increase in port-owned properties, including Vista Field, I have identified a need to hire an additional entry-level maintenance technician. Part of the need is to provide for potential realignment within this department. Even though the port will eventually contract out much of the Vista Field maintenance utilizing funding from the Property Owners Association (POA), staff will still be needed to provide oversight (i.e. ensuring contract compliance) and to perform emergency and priority maintenance matters on site; in addition to generally increasing maintenance demands from newly-developed port properties and construction projects.

10. Conclusion. TBA

11. Process Going Forward:

- a. Estimate costs (staff salaries/benefits; contractor compensation);
- b. Present concept to commission (cost; general overview of positions but not specific names);
- c. Address feedback;
- d. Discuss with individual staff members and consultants, one-on-one;
- e. Discuss as a team;
- f. Address feedback; and
- e. Implement.

Date of Implementation: October 1, 2020

PLEASE NOTE THAT THE INFORMATION CONTAINED IN THIS MEMO IS HIGHLY SPECULATIVE AT THIS TIME AND SUBJECT TO SUBSTANTIAL CHANGE.

MEMORANDUM

To: Port Commission

From: Tim Arntzen, CEO

Date: 12/10/2019; 02/11/2020

Re: Update of 2019-2020 Work Plan

At the commission meeting of December 10, 2019 staff and the commission discussed the 2019-2020 port work plan recognizing that a number of things had changed over the past year (e.g. Southridge Auction and West Richland Raceway land sale to the city). The commission directed the CEO to propose updates to the plan for the balance of its effective period (2020). As a result, I have included items from the memo I shared with the commission in December, with edits based on commission feedback in brackets. With any further commission comment, I will edit and finalize the memo to be utilized as the primary tool for amending the work plan for 2020.

I offer the following thoughts:

1. **General.** Whatever the update encompasses, we should consider elevating the work plan from a useful, but austere, internally-focused document, into an attractive, user-friendly executive summary document which complements our branding and better communicates with the public regarding our priorities. This will also help raise the visibility for our work in the community. In other words, we could take a plain, functional planning document “public”; making it into a glossy handout that can be taken to public meetings and speaking engagements, and distributed both online and in print. That way, it becomes a daily working document (which showcases our projects in a manner befitting the significance of the tremendous work we have underway). It would be on par with the port newsletter and website; and it would also be included on the website a “flip book” for the convenience of digital users.

[Comments from 12/10/19 commission meeting: Prepare a detailed work plan plus an executive summary, with the summary being the document most likely to be handed out on a large scale. Thus most focus will be placed on the summary document].

2. **Waterfront Master Plan.** I think that staff could work with Makers to get this planning process underway. I would suggest the following: (1) address Clover Island upland development questions (parking, building heights, public amenities, land sale potential) and collecting existing plans and concepts from the Columbia Drive area into one consolidated document. Discussion related to shoreline could cause concern for agencies and tribes. The issue of breaching the causeway at Bateman Island is heating up, and I would suggest that our port avoid any discussion related to breaching anything or removing barriers on or near the island; and (2) that any master plan implementation avoid impacting the on-going 1135 process.

[Commence master planning, with focus on upland portions of the island; incorporate analysis of Columbia Drive area and linkages to Downtown. Staff will work with Makers to present an updated Scope of Work and contract].

3. 1135. The work plan should acknowledge current conditions with respect to this project. Currently the USACE has just obligated funds by awarding the contract for design—delayed due to their fiscal year, budget, and concerns with the initial scope. We anticipate that design work will begin in January 2020; however, this project is at the mercy of federal timing, budgeting, and staffing resources. Current conditions and potential revision to the calendar should be considered. Additionally, the magnitude of the project should be reiterated; and budget contingencies considered as schedule delays may create the need for additional funding to complete as desired.

[No action required at this time].

4. Duffy's Pond. The Corps of Engineers is taking a national approach to reviewing wetland areas; and as such have indicated that it may be four years before their management plan is complete. As such, we cannot move forward without the Corps permission. Also, it appears that Corps regulations prohibit using sterilants in the pond. It also appears that they are opposed to dredging. Thus, this project does not appear feasible and continuing on with this objective may eat up valuable time and resources that could be spent on priority projects. Regardless, the USACE does not want to take a one-off approach to wetland management, so we must wait until their system-wide report with recommendations is complete.

[Comments from 12/10/19 commission meeting: Consensus from the meeting seemed to be to keep the pond issue (eliminating the unattractive smell during summer months) as a goal (continuing to work with the city and Corps). Discussion focused around formulating a pond management plan that would address the algae and adverse smell, together with a recognition that the plan may be more modest, considering Corps policy and both environmental and cultural concerns related to dredging. Thus, this goal will be retained. In addition, the commission may wish to potentially augment this goal by implementing modest enhancements at the wine village which are important to the tenants.

Staff has followed up on the commission directive and has determined that the USACE has received an approval process for emergent vegetation management and algae treatment is now a potential option; also there are several tenant requests and several staff-generated ideas which could be implemented to enhance the Wine Village experience. Should the commission amend this goal as discussed above, staff could commence on formulating the plan for accomplishing this goal].

Recommended Commission Action: 2020 Goal: Amend goal to read: Present plan for commission approval that addresses remedial action for algae buildup in pond, with all necessary approvals for implementation; present plan for upland enhancements in wine village for commission approval.

5. Vista Field Calendar. The redevelopment calendar should be updated with respect to current conditions, and consideration of the 2.2-acre arts center site should be addressed ASAP. The Port Planner will present more information related to scheduling and timing directly to the commission.

[First installment of commission decision-tree analysis was presented at the commission meeting of January 14, 2020 and a detailed calendar is scheduled for presentation at the February 11, 2020 meeting. Periodic updates as necessary].

6. Vista Field Hangar Remodel. I suggest the commission review and formalize this Phase 1B project as a priority goal (provided it remains a commission priority). Likely commission would reiterate that the port should continue with all efforts to successfully complete the Phase I infrastructure, and take no actions which would slow this down. Therefore, I believe a judicious approach to hangar renovation is doable, should not negatively impact progress toward association planning or securing private sector investments; and would foster vibrancy within that site. Given that, the commission might consider “phasing” the hangar project, which might look something like this:

- In 2020 staff could complete architectural and engineering for the hangars, as well as estimating a budget and preparing a draft financing plan.
- In 2021, staff could begin construction. Staggering the hangar project would have the following benefits:

First, not constructing in 2020 would mean that the port would keep out of the way of finishing the infrastructure. It would also mean that the port could pursue selling the first few lots to builders. Second, staggering would allow the appropriate level of resources to be put into the hangar project without competing for time and resources with finishing the infrastructure project.

Should the commission specify the hangar project as a priority goal, it should shortly thereafter determine the types of uses which would be appropriate and what design theme would be appropriate.

[Comments from 12/10/19 commission meeting: proceed cautiously in order to not slow other objectives; add basic Opportunity Zone analysis for commission consideration. Opportunity Zone discussion in item #7, below].

Recommended Commission Action: Add 2020 Goals: Complete A&E for hangars, and present estimated budget and draft financing plan for commission approval.

7. Rural County Capital Fund Strategy. The commission may want to have a 360 degree view of the present and near future status of the RCCF. Should this be the case, the commission could direct the CEO to undertake a staff review of the RCCF world. This may include an analysis of current funding, current projects identified for funding and future funding and project possibilities. One near term possibility might be potential use of RCCF funding for the Vista Field

hangar remodel project. *[Comments from 1/28/2020 commission meeting: fund City of Richland Columbia Park Trail project with non-RCCF funds. Brought forward for commission consideration as a potential additional goal. RCCF analysis could include a discussion of potential short-term funding available; potential long-term funding available together with short-term and long-term potential projects. Additionally, since this is primarily an economic analysis, staff could include and independent review of potential Opportunity Zone funding and project analysis]. Example:*

Recommended Commission Action: Add 2020 Goals: Present analysis described above for commission approval. Fund City of Richland Columbia Park Trail project with non-RCCF funds.

8. Arts Policy. The commission may want to discuss potential for implementation of the port's art policy. Perhaps some discussion could circulate around creating a fund-building period (1-3 years) and then an implementation period to allow for meaningful, significant artwork(s). With smaller art installations identified and funded with cash on hand (the commission has made significant investments in public art and consideration should be given to allocating funds toward curation (repair/maintenance/cleaning) of these installations).

9. Conclusion. Should the commission wish to revisit the two-year work plan, staff could be prepared to "cue it up" beginning in February. Should the commission decide to overhaul the work plan, it might also consider a reauthorization statement clarifying the importance of the work plan as a keystone document, and indicating its directives are to be paramount to other pursuits. Should the plan be revised, should appropriate support documents, including but not limited to the Comp Scheme and Goals & Objectives, also be reviewed and updated in order to dovetail with the updated work plan?

Please also note the special relationship between the hangar renovation project and the RCCF/Op Zone financial analysis. For example, if the commission directs staff to pursue the hangar project, it would make sense to also direct staff to perform the financial analysis so that a construction component could be coupled with a financing component.

Also, please note that the port may need to realign its focus: from project construction to project operations and maintenance. For example, in the past, a significant portion of port resources were invested in purchasing properties and building buildings (and other structures) on the property. That required a significant financial contribution. However, as the port has developed these properties over the years, staff has realized that a significant commitment in staffing and finances will be needed to maintain these properties in an appealing condition. Just one example is the commitment to maintaining Vista Field and the wine village in top condition.

3.14.3 The Commissioner shall declare his or her intention to refrain from deliberations and voting on issues related to the person or entity in such relationship. This requirement may be extended by Commission action to any individual or entity that, in the judgment of the Commission, could represent the potential for or the appearance of a conflict of interest. Even with disclosure, chapter 42.23 RCW may prohibit the Commission from acting in the face of a conflict of interest.

3.14.4 A Commissioner shall not receive reimbursement for expenses, per diem, or other Port payment for activities (e.g., travel, meals and other costs) when the Commissioner is engaged in or participating for both the Port and another Entity.

4. FULL TRANSPARENCY IN PORT ACTIONS

4.1 This policy shall ensure full, fair, and open discussion of matters of public importance, with opportunity for public participation and media coverage.

4.2 With respect to any quasi-judicial matter before the Commission, or reasonably expected to come before the Commission, it is the policy of the Port Commission that no Commissioner shall:

4.2.1 Have contact with any person, either oral, written, electronic or otherwise communicated, except in a Commission meeting; and

4.2.2 Receive any information or evidence except as a part of the public record at a Commission meeting.

4.3 If a Commissioner is not able to avoid contact with parties outside of an open Commission meeting or receipt of information from parties outside of an open Commission meeting, the Commissioner shall disclose at the next public meeting, the full content of the contact made or information received.

4.4 Avoidance of communications described above is preferred over relying on the public disclosure remedy because an incomplete or inaccurate conveyance of the contact, even if inadvertent, may bias the outcome and subject the Commission action to challenge.

4.5 All information any person or entity would like distributed to Commissioners should be first provided to Port staff; staff will then consistently distribute the information to all Commissioners and file the information as appropriate.

5. REPORTING MISCONDUCT

5.1 General. The Port is committed to lawful and ethical behavior in all of its activities and requires its staff and Commissioners to conduct themselves in a manner that complies with all applicable laws, regulations and this policy. Complaints against staff (other than the Executive Director) shall be resolved by the Executive Director, according to law and the Port Policies and Procedures manual. Complaints against the Executive Director shall be resolved by the Port Commission according to applicable contract, Delegation of Authority and