



# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 28, 2019 MINUTES

Commission President Thomas Moak called the Regular Commission Meeting to order at 2:01 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

## The following were present:

**Board Members:** Thomas Moak, President  
Don Barnes, Vice-President  
Skip Novakovich, 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 Financial Officer  
Larry Peterson, Director of Planning and Development  
Lisa Schumacher, Special Projects Coordinator  
Bridgette Scott, Executive Assistant  
Lucinda Luke, Port Counsel

## PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

## APPROVAL OF THE AGENDA

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

Ms. Luke requested Item E, Revision of Port Commission Rules of Policy and Procedure, Section Five be moved up in the Agenda.

It is the Consensus of the Commission to move Item E to Item A under Reports, Comments and Discussion Items.

## PUBLIC COMMENT

No comments were made.

## CONSENT AGENDA

**A. Approval of Direct Deposit and E-Payments Dated May 17, 2019**

Direct Deposit and E-Payments totaling \$59,093.08

**B. Approval of Warrant Register Dated May 28, 2019**

Expense Fund Voucher Numbers 101110 through 101147 for a grand total of \$482,798.71

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 28, 2019 MINUTES

---

## *C. Approval of Regular Commission Business Meeting Minutes May 14, 2019*

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

## **PRESENTATION**

### ***A. Vista Field Property Owners Association, Ben Floyd, Doris Goldstein, and Steve DiJulio***

Mr. Arntzen introduced Steve DiJulio, Doris Goldstein and Ben Floyd. The team has been working on the property owner's mechanism for Vista Field, which will yield enough financial returns to provide for upkeep of the property and an additional element for vibrancy. This is a complex process and the team has been working on this project for some time.

Ben Floyd of White Bluff's Consulting has been working on Vista Field since 2008 and stated Doris Goldstein has played a key role in formulating the documents and concepts for Vista Field. Because Ms. Goldstein is based out of Los Angeles, Steve DiJulio of Foster Pepper is acting as the official legal counsel, who is coordinating with Ms. Luke. Mr. Floyd stated along with Gary Ackerman of Foster Pepper, the team has been working to formulate documents and concepts for the Property Owners Association. Ms. Goldstein has worked very closely with DPZ for decades and she will share her background and how her experience has helped with the documents we are preparing. Additionally, we will be discussing the history, staffing, and the next steps for the Commission to consider.

Ms. Goldstein outlined several DPZ projects and the histories of the developments and how they were developed. New Urbanism features a compact, mixed-use development that is pedestrian friendly. Some of the characteristics of commercial and mixed-use areas feature:

- Open space is active: festivals, farmers markets, special events and outdoor cafes;
- Parking is usually on the street or behind buildings and is shared;
- Commercial space often has residential space above.

Additionally, commercial areas require separate governance for operation of common areas:

- Residential, commercial common areas need to be maintained differently;
- Developer may wish to control commercial areas indefinitely;
- Residential associations are subject to heavy statutory regulation;
- Commercial property needs to be protected from homeowner interference.

Mr. Floyd stated at the beginning, he believed that a Business Improvement District would be the way to address the common area maintenance and operations and promotion of Vista Field, with a separate Home Owners Association. Mr. Floyd and Mr. DiJulio continued working on the documents, but did not feel it was coming together as it should, and that was when Ms. Goldstein was brought in, at the recommendation of DPZ. While the team was working on the structure, the State passed the Common Owner's Interest Act, which led to this proposal.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 28, 2019 MINUTES

Mr. DiJulio stated it is important to understand that we are proposing two structures for management: residential and commercial. It would have been more convenient to have one structure; however, it did not work properly.

Mr. Floyd stated the team has come up with two separate structures that are cleaner and simpler in terms of administration and implementation.

Ms. Goldstein outlined the two structures for Vista Field.

Governance Structure: recommendation:

- One overall Property Owners Association (POA) to maintain shared common areas;
- Commercial property pays assessments to POA but is not regulated by it; and
- Separate Operating Agreement for Village Center maintains and regulates commercial common space, provides marketing and special events.

Mr. Floyd stated the handouts (Exhibit A) explain how the associations are formed and outlined the responsibilities.

Staffing up for Implementation Recommendations:

- Hire project manager familiar with New Urbanism;
  - Understands and implements vision
  - Works with buyers, contractors, architects
  - Advises on business decisions
- Hire property manager;
  - Pro forma budget for common areas and management and operations costs
- Hire commercial operations manager (in the future).

Mr. Floyd stated the Port does not need to hire three full time employees at the onset to manage this project, but could consider hiring a consultant and/or property management firm.

Next steps:

- September 2019 - finalize declarations and commercial properties operating agreements;
- Port updates Vista Field budget;
- By end of 2019 - Port hires project manager and property manager;
- Governing documents recorded just prior to first property sale (estimated spring 2020).

Mr. Floyd suggesting having a project manager in place by end of the year to translate the Vista Field Master Plan to property owners and developers.

Mr. Arntzen stated the Port budgeted for a town architect, which could possibly function as a project manager.

Commissioner Barnes asked about the collaborative design process instilled by the Port, and if that process would remain with the Port.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 28, 2019 MINUTES

---

Mr. Floyd stated the collaborative design process would remain with the Port and the project manager could be involved in the design process.

Mr. Arntzen stated the collaborative design process would stay with the Commission; however, the project manager could be involved in that process and may offer recommendations to the Commission.

Commissioner Barnes believes a town architect is more focused on the design elements, whereas project manager is more diverse, someone who may be able to delve further into the opportunity zones designation at Vista Field. Commissioner Barnes thought there would be a level of participation by DPZ regarding architecture.

Mr. Arntzen stated staff anticipated utilizing DPZ as the town architect; however, today we learned we would hire a project manager, which is a bigger role. Ms. Goldstein mentioned earlier, she would be able to provide the Port with a list of firms or consultants that would be able to perform the duties of a project manager. Mr. Arntzen stated as we work through the complicated process, we get further into the details and the term town architect was language we garnered from DPZ.

Mr. Floyd offered to provide definitions of a project manager and a town architect in terms of roles and responsibilities as part of the updated recommendations. Mr. Floyd inquired if the Commission is comfortable with the general direction that has been recommended.

Commissioner Novakovich inquired if a job description is available for the project manager.

Ms. Goldstein will be attending the Congress of New Urbanism and will speak to some potential firms and get a job description.

Commissioner Novakovich asked what the salary range is for a project manager.

Mr. Floyd believes it would be in the range of an architect and the Port could go through the Request for Qualifications process.

Commissioner Moak confirmed that the Port needs to utilize the Washington Uniform Common Interest Ownership Act.

Ms. Goldstein stated that the Port is subject to that act for residential homes; however, we can go outside the act for the commercial sector, which provides flexibility. Ms. Goldstein stated Mr. Ackerman of Foster Pepper was on the State Bar Committee that helped adopt the Act to Washington State and he has been invaluable. First off, the act is rigid, and secondly, it is brand new, which means there is no history to how it will be interpreted.

Mr. DiJulio stated before the act was adopted in 2018, the State had existing condo laws that applied to residential and commercial property. The new act provides an opportunity to have a

# PORT OF KENNEWICK

## REGULAR COMMISSION MEETING

MAY 28, 2019 MINUTES

---

system that provides for both residential and commercial properties. It is an advantage for the Port to use the act to provide for the main association of Vista Field.

Commissioner Moak inquired how the boards will be formed for these associations.

Ms. Goldstein stated the Port would select people to sit on the board and the Port can retain control of the board until 75% of buildout; however the Port can relinquish its majority on the association before 75% buildout if it so chooses. The document states that even if the Commission turns over its position on the board it does not lose the development rights.

Mr. Floyd stated a lot of this will be outlined in the bylaws, which will be developed once the Commission moves forward.

Ms. Goldstein stated the Port will need to run the association as formal board. The commercial board will differ, as it is not subject to the act. It is important for the Port to retain control of the commercial board while developing the town center.

Commissioner Moak inquired if the two boards would fall under open public meetings act (OPMA).

Mr. DiJulio stated at this point, we are proceeding with the assumption that the public records act and OPMA applies to much of the development of Vista Field, until the Commission gives up control of board.

Commissioner Moak inquired if the team could estimate how long the deficit would last and how much the deficit would be.

Ms. Goldstein stated we need to look at the budget at build out and number of units. Whatever that number is, that is where you start the assessments to determine how much per year the assessments will be. The Commission would draw up a budget and figure out how much is generated by assessments with the available number of units. The deficit is the difference between budget required and the assessments generated. It is a manageable number because you know the budget.

Mr. Floyd stated the Commission also has flexibility with the deficit because you control the budget.

Ms. Goldstein stated there is always deficit funding with every project for the first couple of years.

Mr. Arntzen and Mr. Kooiker are mulling over the information that was received this morning; however, we will work as quickly as we can. Mr. Floyd will draft a budget for the Port, but it is our obligation to get this done as quickly as possible so that the Port can start selling property. This is a large process and the Commission has stated that Vista Field is the primary project and staff may have to readdress other Port projects, due to the complexities of work.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 28, 2019 MINUTES

---

Commissioner Novakovich confirmed that the budget is the most critical element.

Mr. Floyd believes it is three things: having the documents solidified, and at the same time, open up conversations with a property management firm to determine costs and then formulate budget; and lastly, work on the project manager position. It is important to concurrently work on all three through the end of the year.

Commissioner Moak appreciates the executive summary and agrees with Mr. Arntzen's comments, this is a very complicated and complex work and there is no straight forward answer. Commissioner Moak stated we want to make sure we get this right and in the end, we may need to reallocate some monies.

Mr. Arntzen appreciates the discussion and thanked Mr. Floyd, Ms. Goldstein and Mr. DiJulio and expressed his gratitude for the team.

## REPORTS, COMMENTS AND DISCUSSION ITEMS

### *A. Revision of Port Commission Rules of Policy and Procedure, Section Five*

Ms. Luke stated the Commission originally adopted the Port Commission Rules of Policy and Procedure in 2011 and revised it in 2016. Ms. Luke presented a red lined and clean version of Section 5 for revision. Ms. Luke stated the inconsistencies in Section 5 came to light when the Port received a citizen complaint and realized that it does not fully address the processing of the complaint. Ms. Luke revisited the procedures and updated Section 5 to cover the proper processing of a complaint, and incorporated a recommendation in a case where one or more Commissioners have a complaint pending against them. In the case where there are two Commissioners named in a complaint, it is recommended that the hearing and decision process be sent to a neutral party for processing, rather than having the Commission consider. Ms. Luke received a suggested revision, which has been incorporated into Section 5.7, and states in the case where a complaint is made by a Commissioner against another Commissioner, that the complaint be processed by a neutral party as well. This removes the complainant and respondent are removed from the processing of the complaint. Ms. Luke inquired if the Commission had any questions or concerns regarding the revision of Section 5.

Commissioner Barnes inquired if he can have more time to process the revision since we had a three day weekend. Commissioner Barnes inquired if Ms. Luke reached out to Washington Public Ports Association (WPPA) general counsel.

Ms. Luke contacted other ports and public entities to for guidance regarding Section 5. The use of a neutral or hearing panel is a fairly common structure used in cases where there is a conflict of interest when the majority of the Commission is involved.

Commissioner Novakovich inquired if the neutral is a panel or person.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 28, 2019 MINUTES

Ms. Luke recommends the selection of one neutral, which is less expensive and easier to manage. Ms. Luke uses a neutral for arbitration and negotiations and finds managing a panel is more time intensive. In the case that the Commission cannot agree upon a third party neutral, the Commission has the option to go to a local presiding judge (Benton County Superior Court) to select a neutral.

Commissioner Moak confirmed that this process is similar to other types of mediation and dispute resolution cases.

Ms. Luke stated that is correct and she tried to build the policy so that it is similar to other dispute resolution processes, and mandated that the neutral determine the open hearing process. The neutral is usually a retired judge, who follows federal or local rules and let them guide the process, knowing that we are dealing with a public entity.

Commissioner Barnes inquired how a complaint would be handled if the Port did not have this policy in place.

Ms. Luke stated the Commission would need to come to an agreement about how the complaint would be processed.

Commissioner Barnes inquired if there are any specific RCW's regarding complaints.

Ms. Luke stated there is not a specific RCW that addresses processing a complaint.

## **PUBLIC COMMENT**

No comments were made.

***MOTION: Commissioner Novakovich moved to approve Resolution 2019-10, revising Section 5 of the Commission Rules of Policy and Procedure consistent with the attached revised Section 5. Commissioner Moak seconded.***

### ***Discussion:***

*Commissioner Barnes would like additional time to review the Section 5 revisions.*

***MOTION: Commissioner Barnes moved to table approving Resolution 2019-10, revising Section 5 of the Commission Rules of Policy and Procedure until the next Regular Commission Meeting. Commissioner Moak seconded. With no further discussion, the original motion will be discussed at the next Commission Meeting. All in favor 2:1 (Commissioner Novakovich)***

### ***B. Columbia Drive Update***

Mr. Peterson reviewed the construction progress of the new tasting room. Recently, a drywell was discovered during excavation and the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and the State Department of Archeological and Preservation confirmed

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 28, 2019 MINUTES

that it was not of historical value and could be demolished. Mr. Peterson described future potential lots for development.

Commissioner Barnes asked what the standard protocol is when you discover something in the field.

Mr. Peterson stated the Port has a monitor from the CTUIR Cultural Resource Protection on-site whenever there is excavation near the water. When the tank was unearthed, excavation is halted and the CTUIR monitor received further direction from Pendleton. Banlin moved to another area and continued excavation; the construction schedule was impacted by a week.

Commissioner Barnes inquired if it posed any environmental concern.

Mr. Peterson stated it was not an environmental concern.

Thomas Kastner of Meier Architecture stated the CTUIR determined that it was not significant within 48 hours; however, the State took a week to determine that it was not significant. Mr. Kastner stated it has been great working with Banlin Construction and once the framing goes up, the building will take shape.

## ***C. Vista Field Update***

Mr. Peterson reviewed the progress of Vista Field Phase 1A construction and stated excavation continues for the roadways, stream, sewer, and water.

Mr. Peterson stated there are three street closures with this project; the first has already occurred and no businesses were impacted negatively during the closure. Total Site Services (TSS) has been doing a great job with dust control, as we have not been contacted by EPA.

Commissioner Novakovich asked how many people are working at the site and how many are new.

Shannon Torranzano of TSS stated there are 20 or more people at Vista Field and we brought in at least six people to supplement our crew.

Commissioner Moak stated it is good to see people working at Vista Field to build the community the Port envisions.

## ***D. Clover Island Master Plan Scoping***

Mr. Arntzen reviewed the draft scope of work with Makers Architecture and plans to speak with Julie Bassuk later this week to discuss the draft scope and fees. Mr. Arntzen would like to revise the scope of work and make sure Ms. Bassuk is comfortable with the contract amount for her to hold interviews with local stakeholders. Once Ms. Bassuk holds the interviews, she would then formulate a larger scope of work for Clover Island. Mr. Arntzen anticipates moving forward with this project this summer and hopefully later this fall, Makers will provide a more thorough scope for Clover Island.



# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 28, 2019 MINUTES

Commissioner Moak feels this is good news and would like to proceed.

## ***E. Opportunity Fund***

Mr. Kooiker stated this is a follow up from the May 14, 2019 Commission Meeting, where the Commission asked staff to provide information in writing. Mr. Kooiker presented the opportunity fund information and Resolution for the Commission's consideration to approve the Columbia Drive traffic calming project utilizing the Opportunity Fund.

## **PUBLIC COMMENT**

No comments were made.

***MOTION: Commissioner Novakovich moved to approve Resolution 2019-09, authorizing the Port's Chief Executive Officer to execute Amendment #1 with Parametrix, Inc. for a traffic calming study on Columbia Drive; utilizing \$7,800 from the 2019/2020 opportunity fund budget to fund the project. Commissioner Barnes seconded.***

### ***Discussion:***

*Commissioner Novakovich inquired how much time did staff spend preparing materials, since this small amount falls under the CEO's Delegation of Authority and could have been handled internally.*

*Commissioner Barnes was looking for a broader review of budget, which he has requested several times. While Commissioner Barnes appreciates Commissioner Novakovich's comment on staff time, the Budget is the Commission's main priority. The Commission approved two major projects and have not had an update on the budget. Commissioner Barnes accepts responsibility and criticism for asking for the information in writing and thanked Mr. Kooiker for providing the numbers.*

*Commissioner Moak stated the Commission requested the information and this is typical information provided with Resolutions and he does not have issue with it.*

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

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

Commissioners reported on their respective committee meetings.

## ***G. Non-Scheduled Items***

1. Commissioner Moak appreciates Ms. Luke's work related to Industrial Development Districts (IDD) and is pleased that she was able to arrange a presentation. Commissioner Moak has been interested in IDD's for some time and it is unknown whether the Port may or may not pursue it.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 28, 2019 MINUTES

---

Opportunity Zones were also discussed at the WPPA Spring Meeting and the Port is fortunate to have two properties that fall under that category.

Commissioner Moak stated ten years ago, Steve Young was new to the City Council and believed that Vista Field should be closed. Closing Vista Field was not on the other Council Members radar; however, it became a priority for Mr. Young and the City. A lot has happened with Vista Field over the last ten years and now TSS is building a lasting memory for Mr. Young and others that pursued this. If Mr. Young did not speak up and lead the way, things may have turned out differently.

Commissioner Moak reported that Kathy White passed away last week and reported that she always wanted to make sure the history of Vista Field was protected.

2. Ms. Luke attended a roundtable presented by K&L Gates at the WPPA Spring Conference regarding Industrial Development Districts (IDD). Scott McJanet and Cynthia Weed of K&L Gates offered to come to the Port and present on IDD's. Ms. Luke scheduled K&L Gates to present at June 11, 2019 Commission Meeting at no charge.

Furthermore, Ms. Luke took her husband to Food Truck Plaza and he was very impressed and they had a lovely meal.

## **PUBLIC COMMENTS**

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated on Saturday, June 1, 2019 at the Richland High Auditorium, the Mid-Columbia Symphony will close the season with feature works from Shostakovich's Symphony No. 7. Also, on May 31, 2019 at 3:00 p.m. there will be a presentation about M.T. Anderson's Symphony for the City of Dead: Dmitri Shostakovich and the Siege of Leningrad at the Mid-Columbia Library on Union Street.

No further were made comments.

## **COMMISSION COMMENTS**

No comments were made.

**PORT OF KENNEWICK  
REGULAR COMMISSION MEETING**

**MAY 28, 2019 MINUTES**


---

**ADJOURNMENT**

With no further business to bring before the Board; the meeting was adjourned 4:02 p.m.

***APPROVED:***

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
\_\_\_\_\_  
*Thomas Moak, President*

  
\_\_\_\_\_  
*Don Barnes, Vice President*

  
\_\_\_\_\_  
*Skip Novakovich, Secretary*

**PORT OF KENNEWICK**

**RESOLUTION 2019-09**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE  
PORT OF KENNEWICK AUTHORIZING THE PORT CHIEF EXECUTIVE  
OFFICER TO EXECUTE AMENDMENT WITH PARAMETRIX**

**WHEREAS**, the Port has determined that it would be beneficial to analyze the possibility of calming traffic on Columbia Drive between SR-397 and Washington Street; and

**WHEREAS**, the Port Commission authorized use of the opportunity fund for the original contract with Parametrix on March 26, 2019 in the amount of \$13,000; and

**WHEREAS**, following commencement of the work, the City of Kennewick public works department identified additional requirements revising the scope of work.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Port of Kennewick authorizes the Chief Executive Officer to execute amendment #1 with Parametrix for work related to traffic calming on Columbia Drive.

**BE IT FURTHER RESOLVED** that the Board of Commissioners of the Port of Kennewick authorizes use of the "Opportunity Fund" fund in the 2019/20 budget, leaving a remainder of \$78,600 in the fund (attached as Exhibit "A")

**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.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick this 28th day of May, 2019.

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

By: 

THOMAS MOAK, *President*

By: 

DON BARNES, *Vice President*

By: 

SKIP NOVAKOVICH, *Secretary*

Opportunity Fund

EXHIBIT "A"

	19/20 Budget:	\$ 100,000.00
<b>Project</b>	<b>Vendor</b>	<b>Encumbrance</b>
Traffic Calming (Columbia Drive)	Parametrix	\$ 13,600.00
Traffic Calming (Amendment #1)	Parametrix	\$ 7,800.00
		\$ -
		\$ -
		\$ -
		\$ -
	<b>TOTAL</b>	<b>\$ 21,400.00</b>
	Remaining Budget	\$ 78,600.00