



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

AUGUST 9, 2016 MINUTES

CALL TO ORDER

Commission President Skip Novakovich called the Regular Commission meeting to order at 2:00 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: Skip Novakovich, President
Thomas Moak, Vice-President
Don Barnes, Secretary

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

PLEDGE OF ALLEGIANCE

Ms. Barb Carter led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick reported the results of the current election which featured Proposition 16-8 for The Link Theater. By precinct, only 20 out of the 76 precincts voted in favor of The Link. Mr. Burdick is unaware of how the precincts are divided, but the majority of the precincts that did vote showed support for The Link. The proposition failed by a relatively close margin.

No further comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

A. Approval of Direct Deposit and E-Payments Dated August 2, 2016

Direct Deposit and E-Payments totaling \$60,757.42

B. Approval of Warrant Registers Dated August 5, 2016 and August 9, 2016

Expense Fund Voucher Numbers 38149 through 38177 and 38186 through 38193 for a grand total of \$155,476.17

C. Approval of Commission Meeting Minutes Dated July 26, 2016



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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Columbia River Land Conveyance Letter (Exhibit 1)*

Mr. Arntzen reported the Columbia River Land Conveyance Letter (*Exhibit 1*) reflects the discussion of the reconveyance of 34 miles of shoreline under control of the U.S. Army Corps of Engineers (USACE) presentation by Mr. Peterson, Mr. Fisher, and Former Congressman Hastings at the June 28, 2016 meeting. Mr. Arntzen indicated he has spoken with representatives of the Confederated Tribes of the Umatilla (CTUIR) regarding their position, and the CTUIR requested the Port strengthen the section which references local tribes and the concern about the federal land transfer and loss of tribes' treaty rights. Mr. Arntzen inquired if the letter captures the comments and concerns of the Port Commission.

The Commission supports the letter and feels it conveys the Commission's position and the CTUIR's request.

Mr. Moak requested the letter be addressed to Mr. Peterson, Mr. Fisher, and Former Congressman Hastings and sent to their residence. Furthermore, the letter should be sent to Gary Burke, CTUIR Board of Trustees Chairman. Mr. Moak would like to see Mr. Tovey and the USACE Coronel curtesy copied.

Ms. Luke stated for the record, it would be prudent for the Commission to make a motion approving the letter with the noted revisions. Furthermore, if the document is approved today, the revised letter can be circulated and signed.

B. ***MOTION:*** Commissioner Moak moved for approval of the Columbia River Land Conveyance Letter (*Exhibit 1*), with the noted revisions:

1. *Individual letters addressed to Mr. Peterson, Mr. Fisher, and Mr. Hastings at their residence;*
2. *Copy of letter sent to Gary Burke, CTUIR Board of Trustees Chairman;*
3. *Curtesy Copy sent to Mr. Tovey and USACE Coronel;*

Commissioner Barnes seconded.

PUBLIC COMMENT

No comments were made.

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

C. *Vista Field Update*

Mr. Peterson recently met with City of Kennewick planning staff to discuss the zoning and design standards regulation. The City staff has been very supportive of Vista Field over the past two years and the meeting was very positive. The Port used the City's existing downtown regulations as a starting point and added on, planning for short term and long term development. The zoning regulations will apply to Columbia Drive and Vista Field. Mr. Peterson will bring the draft Zoning and Design Standards regulations to a future meeting for input and discussion. Mr. Peterson stated



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once the regulations are approved by the Commission, the regulations will go before the City of Kennewick Planning Commission and then the Kennewick City Council. Mr. Peterson reported the working name of the zoning and design standards regulations is the Urban Mixed Use District.

Mr. Moak inquired if the zoning regulations will apply to all properties on Columbia Drive and of Vista Field.

Mr. Peterson stated the Urban Mixed Use District will apply to the 103 acres at Vista Field and the properties along Columbia Drive designated as mixed use by the Beckwith Plan. Mr. Peterson believes the minimum size for the district is a combination of parcels, making 40 acres or more, which means one or two parcels do not need to be rezoned. The mixed use would stretch from Highway 397 at the Cable Bridge, with Columbia Drive acting as the boundary, all the way to Fruitland Street and also included is the land purchased by the Bitton/West group at the base of Highway 395. There is a zoning corridor called auto row on Columbia Drive which will allow Overturf and other auto dealerships up to John's Auto Mart to remain. The majority of the Columbia Drive corridor will be the Urban Mixed Use District.

Mr. Moak inquired if it is a total rezone of the area.

Mr. Peterson reported it is a separate zoning district, all-inclusive, rather than additional layers to the current zoning, to simplify the process.

Mr. Moak stated previously there have been concerns from property owners regarding the rezoning North of Columbia Drive and is concerned that there might be issues that would lengthen the approval process by the City.

Mr. Peterson stated the previous non-conforming regulations that caused concern for existing residents were clearly explained by the City and the land use that legally exists today, can legally exist tomorrow if the regulations change. The City Council took the residents comments into consideration and the zoning allows for conversion.

Mr. Barnes is looking forward to viewing the material as soon as possible to garner a better understanding of the Urban Mixed Use District. Mr. Barnes recognizes and praised Mr. Peterson's collaborative work with City and thanked staff for their hard work.

Mr. Novakovich echoed Mr. Barnes comments and congratulated Mr. Peterson on his collaborative relationship with City staff.

D. Artwork Policy

Mr. Arntzen presented a draft Artwork Policy, which addresses funds and the purchase of artwork for the Port District. Mr. Arntzen stated the Port has purchased artwork over the past several years without a policy and as we move forward, it is important to have a policy in place to keep from setting precedence.

The general provision of the artwork policy states the Commission shall determine whether artwork shall be installed, when the Port designs, engineers and constructs new capital projects of its own undertaking, and when the Port sells undeveloped land.



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If the Commission decides to include artwork in a capital project, the Port shall establish an artwork budget of ½% to 1% of the total capital cost of the construction project. However, the funds can be used for artwork anywhere within the Port district. Furthermore, the Port would add an artwork fee to the sale of bare property (2%-3%), which would allow for an art feature to be placed near or on the property.

The artwork selection process allows the Port to work with the local arts commission groups within each city regarding the call to artists for submission of artwork and evaluation and selection of artwork. Artists responding to calls for art shall provide a detailed sample or rendering of the artwork, and the Commission has the sole discretion to pass on inappropriate material. Furthermore, the Commission may review, evaluate, select or reject any artwork submission. Mr. Arntzen asked for Commission comments regarding the artwork policy.

Mr. Barnes would like to see “Section 3: Artwork required as part of Port Land Sales,” defined as an internal policy without being an additional add-on to the buyer. The internal policy would allow a portion of the proceeds from the land sale to be reinvested into artwork and would be clearer to a prospective buyer. Mr. Barnes stated is it important for the Port to look at return on investment opportunities and be good stewards of tax payer dollars, however, it is important to provide public benefit such as the new boat ramp, parking at Badger Mountain trailhead and artwork.

Mr. Moak likes the direction of the policy and the idea of setting funds aside for art and has a few procedural questions.

Mr. Novakovich stated 4A states “the Port *may* seek the advice of the arts commission” and also states “the Port Commission *shall* request advice,” and inquired if the language for both should read *may*. Furthermore, section 1A covers art received as gifts and inquired if 4F should be referenced for clarification purposes.

Mr. Arntzen will revise the language in 4A and add the cross reference in 1A. Mr. Arntzen hopes this policy sets out framework for the artwork process and helps to provide structure and notice to artists. Mr. Arntzen stated if the Commission and Ms. Carter have additional comments regarding the draft artwork policy, to please email or call him.

E. Columbia Drive Update

Mr. Peterson presented photos of the construction taking place at the Columbia Gardens Wine Village.

F. West Richland Inundation Clause

Mr. Arntzen stated the Commission previously asked staff to work on the West Richland Racetrack property entitlements, which include:

- Bring property within the Urban Growth Boundary;
- Annex property into the City of West Richland City Limits;



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- Partner with Benton County and West Richland to pursue Red Mountain Interchange Project; and
- Remove Kennewick Irrigation District (KID) Inundation Clause.

Mr. Arntzen stated the property is now in the Urban Growth Boundary and was annexed into the City of West Richland in December 2015. Furthermore, the Washington State Department of Transportation transportation package was approved and the Red Mountain Interchange received funding. One of the last remaining items to address is a KID Inundation Clause, which states KID has the option to flood the racetrack property should there be a failure at the canal. Even though this has never happened, it clouded the title. Mr. Peterson and Steve De Julio, legal consultant have been working diligently to extinguish the inundation clause and have been negotiating with KID. Mr. Arntzen assisted Mr. Peterson with the final details and the paperwork, in draft form that has been presented to Mr. Freeman, KID Manager, for review. Mr. Arntzen does not anticipate any issues, as Mr. Peterson and Mr. Freeman have been working very closely on removing the clause. Mr. Arntzen anticipates the final document will be approved by the Commission and the KID Board late fall and a payment of \$75,000 will be made within 30 days of codification.

Mr. Peterson stated the \$75,000 is for KID to purchase two gates, at a cost of approximately \$32,000 each, and install them in the canal which protects the land from being flooded and allows KID to better utilize the canal.

Mr. Barnes thanked staff for their hard work on this property and stated a lot has been completed to ready the property for redevelopment.

Mr. Novakovich concurs with Mr. Barnes and stated sometimes projects take a long time, but there is a lot of work that is being done behind the scenes. Mr. Novakovich thanked Mr. Peterson and Mr. Arntzen for their efforts.

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

Commissioners reported on their respective committee meetings.

H. Non Scheduled Items

1. Ms. Scott stated previously the Commission had a joint meeting scheduled with the CTUIR Board of Trustees, however, unforeseen circumstances arose and the meeting was cancelled. Ms. Scott has been working with the Commission and CTUIR to reschedule the joint meeting, however, with the fall schedule approaching, she has been unable to find a date that works for both entities. Ms. Scott inquired if she should continue looking for a date or would the Commission prefer the joint meeting be postponed until spring time.

Mr. Arntzen stated Ms. Scott has been working very hard on rescheduling the joint meeting, however, with Board conferences, 2017-2018 Work Plan and Budget meetings, and the Comprehensive Scheme Update, she has been unable to find a date. Mr. Arntzen suggested the Commission reschedule for late winter or early spring and asked for Commission discussion.



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Mr. Arntzen will speak with Mr. Tovey to see if the CTUIR is amiable to postponing the meeting for a more convenient time.

2. Mr. Arntzen reported Ms. Bader Inglima is in Olympia presenting to the Recreation Conservation Office for the Washington Wildlife Recreation Program Trails Account (WWRP) grant, in an effort to leverage Port and federal funding for the 1135 Shoreline Restoration project. Don Sampson, a member of the CTUIR is lending his support and assisting with the presentation. The presentation is for the extension of the Clover Island Riverwalk and restoration on the north shoreline.
3. Mr. Arntzen received a financial overview from Ms. Fine and Mr. Kooiker and appreciated all the detailed work by the accounting team. Currently, the Port is in good financial condition and staff has been working on a decade budget with the assistance of Ben Floyd of Anchor QEA. The long term capital scheme for the Port over the next decade looks very solid.

Mr. Novakovich reported the CTUIR Fire Department was the first to arrive on the scene at the recent fire outside of Pendleton, Oregon (Cabbage Hill).

4. Ms. Luke stated she has had the opportunity to work with other municipalities and the Port of Kennewick team rises far above any municipality with what they are able accomplish, with the number of employees, and she is honored to work with the Commission and staff.
5. Mr. Peterson stated after 6:00 p.m. weekdays or on the weekends, Clover Island is filled with bustling activity, from families enjoying the island and the levy, to bike riders, walkers and boaters, the Island is becoming an active waterfront and the community is enjoying the amenities.
6. Ms. Hanchette reported several months ago the Commission approved a land sale to Rocking River for 37 acres at the Hedges Industrial Park, located in Finley. Rocking River is utilizing the property to expand their current sand and gravel business into Washington State. The land sale closed the end of last month for \$237,000. Wade Aylett, owner of Rocking River is currently working on a well and readying the property for a fence. The vacant land was previously used by the public as a recreation area and to reduce risk, Mr. Aylett is installing a fence. Mr. Aylett has asked for an easement with the Port, to extend the fence fifty feet on to Port property, so vehicles cannot access the land around the fence.

PUBLIC COMMENTS

Aaron Lambert, 3801 West Van Giesen, West Richland. Mr. Lambert, Community Development Director for the City of West Richland, expressed his appreciation for the Port Commission and staff for their effort to remove the KID inundation clause. Mr. Lambert was impressed by Port staff and their ability to strengthen the relationship with KID. Mr. Lambert reported the City is not pursuing annexation to the interchange, because the bulk of the property, owned by D and R is entering into a twenty-five year lease and there is not a potential for development. Therefore the raceway property will remain the entrance to West Richland. The City will be working on their Comprehensive Plan which will highlight the raceway as the anchor for the west side of the City.



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Amanda Jones, 9342 West 5th Place, Kennewick. Ms. Johnson stated, in support of Mr. Peterson's comments regarding Clover Island, she recently purchased a John Clements photograph of the Clover Island Lighthouse and is sending the photo to her family back east as a symbol of where she lives. Ms. Jones believes the Lighthouse is a fine representation of the forward thinking by the Port Commission and staff into making our community beautiful.

Barb Carter, 3121 West 30th Avenue, Kennewick. Ms. Carter updated the Commission on the Latino Heritage Mural and stated the artist proposal submittal deadline is August 30, 2016 and copies of the proposal will be dispersed to the Latino Heritage Mural Committee for their input. Ms. Carter stated on September 14, the Kennewick Arts Commission and the Latino Heritage Committee will meet to review the proposals, where a few of the artists will be presenting their proposals in person. Once the Arts Commission agree on a proposal, then the two committees will come together on a consensus. Once the buildings are approved for construction, then the Committee will come back to the Commission for final approval of the selected artist. Ms. Carter stated the Artwork Policy that Mr. Arntzen has laid out fits well within the parameters of how the Kennewick Arts Commission would like to stay involved with the Port.

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated the *Tri-City Herald* recently reported that Governor Jay Inslee appointed Justin Raffa, Artistic Director of the Mid-Columbia Mastersingers, to the Washington State Arts Commission.

No further comments were made.

COMMISSIONER COMMENTS

No comments were made.

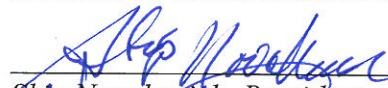
ADJOURNMENT

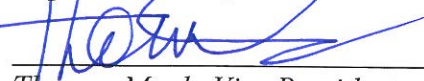
With no further business to bring before the Board; the meeting was adjourned 3:26 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


Thomas Moak, Vice President


Don Barnes, Secretary



PORT of KENNEWICK

COMMISSIONERS | DON BARNES | THOMAS MOAK | SKIP NOVAKOVICH

August 9, 2016

Mr. Brad Fisher
272 Adair Drive
Richland, WA 99352

Mr. Doc Hastings
7319 Columbia River Road
Pasco, WA 99301

Mr. Gary Peterson
238 Summerset
Richland, WA 99352

Dear Gentlemen:

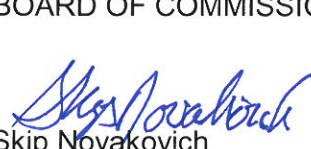
Thank you for your presentation to the Port Commission on June 28, 2016 related to the potential rivershore transfer of lands from the federal government to local jurisdictions. We agree with you that this is an important community issue.

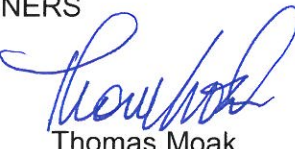
We appreciate your discussion related to the question of how much development the public would support if lands were transferred, the type of development such as condos and commercial development, and even whether the public would be supportive of the tribal casino which you mentioned in your presentation. We applaud you for asking these questions and we support a full community discussion including meaningful dialog with local tribes, who we believe are very concerned about lands being transferred out of federal ownership because that may result in the loss of their reserved treaty rights and protection of tribal resources. Finally, we appreciate your efforts to gain Senator Murray's support which we feel is critical to this process.


Again, thank you for your outreach to the port.

Sincerely,

PORT OF KENNEWICK
BOARD OF COMMISSIONERS


Skip Novakovich
President


Thomas Moak
Vice President


Don Barnes
Secretary

Cc: Gary Burke, BOT Chairman, Confederated Tribes of the Umatilla Indian Reservation
Dave Tovey, Executive Director, Confederated Tribes of the Umatilla Indian Reservation
LTC Damon A. Delarosa, District Commander, U.S. Army Corps of Engineers