



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 8, 2015 MINUTES

CALL TO ORDER

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

Staff Members: Tim Arntzen, Executive Director
Tana Bader Inglima, Director of Governmental Relations & Marketing
Tammy Fine, Director of Accounting/Auditor
Amber Hanchette, Director of Real Estate and Operations
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Administrator
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Mr. Boyce Burdick led the Pledge of Allegiance.

PUBLIC COMMENT

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton stated he is a documentarian and enjoys finding the original source of things. Mr. Eaton stated, former Kennewick teacher, Laurel Piippo was very involved in the community and an active contributor to the *Tri-City Herald*. Mr. Eaton read an excerpt from the November 24, 2013 editorial, in response to a fast focus on branding. "My brand of first choice is home. My brand of second choice is provincial and parochial. It's difficult to comprehend, but in all these years, a region of 250,000 people have not found a way to pull together to create that essential structure of a civilized community, a quality arts theater. If you plan out, I'll support it, and so will many others. I am starting an endowment fund and calling it the 500 Club." Mr. Eaton stated, a year later, Ms. Piippo, while very ill, wrote another letter to the *Tri-City Herald* editor. Mr. Eaton summarized the editorial: after reading the front page story on a proposed art center and discussing the story with Justin Raffa, Ms. Piippo is in favor of the Port of Kennewick moving forward to build a performing arts center and asked the Commission to make the decision.

No further comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated September 2, 2015**
Direct Deposit and E-Payments totaling \$57,225.58
- B. Approval of Warrant Registers Dated September 8, 2015**



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 8, 2015 MINUTES

Expense Fund Voucher Numbers 37155 through 37196 for a grand total of \$85,398.36

C. *Approval of Amendment to Commercial Lease Agreement with Soulek, Inc. (dba Washington Surplus); Resolution 2015-19*

MOTION: Commissioner Novakovich moved for approval of Consent Agenda, as presented; Commissioner Moak seconded. With no discussion, all in favor, 3:0. Motion carried unanimously.

PRESENTATION

A. *Vista Arts Center Update, Steve Wiley, Arts Center Task Force Chairman*

Mr. Arntzen reported Mr. Wiley and Port staff have met a number of times over the past few months to discuss the possibility of a Performing Arts Center at Vista Field; with the hopes of presenting the Arts Center Task Force's vision to the Commission. Mr. Arntzen has thoroughly enjoyed meeting with Mr. Wiley and stated he has been very successful in bringing various groups together.

Mr. Wiley thanked the Commission and stated he was recruited by Mr. Eaton to serve on the Arts Center Task Force, which has been around for over thirty years. The Arts Center Task Force has been working diligently on getting an arts center constructed and there has never been a better opportunity to actually make this a reality than at Vista Field. The Arts Center Task Force represents the community and the following organizations:

- Mid-Columbia Symphony;
- Mid-Columbia Musical Theatre;
- Mid-Columbia Mastersingers;
- Mid-Columbia Ballet.

The Arts Center Task Force is proposing the following:

- Build a state-of-the-art Vista Arts Center as the first major project of the Vista Field redevelopment;
- Phase 1 will include 800 seats; 525 seats on the main level, with 275 seats in the balcony;
- An attached art gallery, space for receptions, events, demonstrations, education and public gatherings;
- An outstanding acoustics, amenities and extremely comfortable seating;
- Full-scale, phase one Performing Arts Center.

The facility will be a place where all of the arts community will be represented and where people can come together to enjoy art, culture and entertainment.

Phase 1 Development:

- 40,000 square foot facility;
- Estimated cost between \$15,000,000-\$19,000,000;
- Annual operational cost between \$500,000-\$600,000;
- Expected Ground Breaking within 2-3 years;
- Opening Night within five years;
- Major capital campaign planned to begin early next year.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 8, 2015 MINUTES

Mr. Wiley stated the Vista Arts Center will include:

- Space for local performing arts and music groups;
- A performance space for touring music, dance, comedy and theatre groups;
- Facilities for displaying and promoting the visual arts;
- A central location for a wide variety of arts, entertainment, receptions, demonstrations, lectures, and events;

Mr. Wiley stated Phase 2 Development will include the addition of 1,200 seats. Mr. Wiley believes the Vista Arts Center will be an economic driver for the Vista Field redevelopment and the Tri-Cities and a new social and cultural center for the entire Mid-Columbia Region. Mr. Wiley cited the Hult Center, located in Eugene, Oregon, as an example the Vista Arts Center would like to emulate. The Hult Center is a 2,000 seat performing arts center that has driven economic development in Eugene; and Mr. Wiley believes the Vista Art Center will do the same for the region.

The Arts Center Task Force is requesting the following from the Port:

- Sufficient land in a central location to construct the Vista Arts Center;
- Assistance with the infrastructure needed for the Center together with access to auxiliary parking;
- A commitment to help bring in developers who can build complementary facilities (ie. restaurants, shops);
- Team with us to help create a cohesive design for the Vista Arts Center and surrounding area.

The Arts Center Task Force pledges the following:

- Raise funds to build and operate the Vista Arts Center;
- Create a mutually agreeable set of timelines and deliverables;
- Work closely with the Port to make sure the proposed Center is a catalyst for the Vista Field Redevelopment;
- Continue to engage the public, arts organizations, educators and city representatives to ensure it meets local needs;
- Run a completely open and transparent process.

Mr. Wiley stated the Arts Center Task Force's next steps are as follows:

- Sign letter of intent to work together with the Port;
- Further develop conceptual plans and facility scope to refine project cost estimates;
- Develop timelines for project development;
- Develop multi-year pro-forma to help refine governance, funding and operations plans;
- Begin funding development and explore project financing opportunities;
- Develop and implement a marketing plan.

Mr. Novakovich inquired how much land the Arts Center Task Force anticipates needing for Phase 1.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 8, 2015 MINUTES

Mr. Peterson estimated three to four acres for a 40,000 square foot building and parking.

Mr. Novakovich asked Mr. Wiley what the timeframe is for raising \$15,000,000-\$19,000,000.

Mr. Wiley stated there are two steps to the fundraising process. The first step is to conduct a feasibility study, which will address timelines and costs. Mr. Wiley indicated a typical fundraising period for a project of this magnitude is approximately 18 months. The Task Force does not intend to drag the fundraising period out and intends to line up prospects and contact the private sector and private citizens. The Task Force expects the fundraising campaign to last 18 months and the goal is to raise all the funds.

Mr. Novakovich inquired how much of the operational costs were for wages and labor.

Mr. Wiley stated approximately \$350,000 to \$400,000.

Mr. Moak thanked Mr. Wiley for his presentation and the Task Force for all of their hard work and appreciated the business focus. Mr. Moak inquired what things people like or dislike most about the Vista Arts Center Draft.

Mr. Wiley stated people have voiced their opinion about the 800 seats. With only 800 seats, we will not be able to bring in the Broadway shows, the facility needs approximately 2,000 seats for the larger scale for touring groups.

Mr. Moak voiced his concern about the Task Force raising all the funds by private means. Mr. Moak inquired if the Task Force has reached out to the Kennewick Public Facilities District (KPF) or the Regional Public Facilities District (RPF) for a possible joint partnership between public and private entities.

Mr. Wiley stated the fundraising is a concern as well, however, other groups have been successful. The Task Force is reaching out to private donors, as well as asking corporations, and will look at grants for these types of endeavors. Mr. Wiley stated a tax will be the last resort and is confident the Task Force can raise the first phase project funding. Mr. Wiley stated the Ste. Michelle Wine Estates WSU Wine Science Center was fully funded by outside donors and the land was donated by the Port of Benton. Furthermore, there are several models of public/private partnerships that the Task Force could emulate.

Mr. Moak inquired about the next steps and if timelines had been discussed.

Mr. Arntzen stated he has not started a timeline and would like to work with Mr. Wiley on specific dates. Mr. Arntzen further stated, he has been working with Ms. Luke on a letter of intent, which has been reviewed and revised by Duany Plater-Zyberk (DPZ). Mr. Mehaffy offered comments regarding a collaborative design process. Mr. Arntzen is pleased with letter of intent and believes the letter can be used when discussing Vista Field or Clover Island projects. Mr. Arntzen stated a draft document will be ready to share with the Commission and partners



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 8, 2015 MINUTES

very soon and there are several policy issues that will need to be addressed prior to executing the letter of intent.

Mr. Barnes stated the fundraising is an ambitious amount and inquired if the Task Force continues to explore possibilities with KPPD, in conjunction with the efforts to expand the Three Rivers Convention Center.

Mr. Wiley stated the issue that arises with partnering with the KPPD is that they have to own the facility. Mr. Wiley stated there are specific laws in place for Public Facilities Districts where a public/private partnership may not work. The Task Force has retained an external consultant to assist in creating a viable public/private partnership.

Mr. Arntzen stated staff has been working on safeguards that would protect the Port while assisting a private group in need.

Mr. Barnes thanked Mr. Wiley and believes there is a high level of interest from Commission to make this happen. Mr. Barnes stated there are many details that still need to be addressed to bring to the Vista Arts Center to fruition, and welcomes the opportunity to work with the Task Force.

Mr. Novakovich inquired if the Task Force has a plan B if the funds could not be raised in a specific timeframe.

Mr. Wiley stated the Task Force would come back to the Commission and reassess and revise the timeline and scale. Mr. Wiley intends to actively manage the process, adjust as needed and build in an active management strategy.

Mr. Arntzen stated as staff continues to work on the mechanics, he suggested the Commission deed the property to the Task Force when a fundraising milestone has been met. This will safeguard the Port and help with the fundraising efforts on behalf of the Task Force.

Ms. Luke has enjoyed working with Mr. Arntzen in creating a document which reduces the risks to the Port as much as possible and move forward, with a manageable level of risk.

Mr. Wiley thanked the Commission for taking the lead and making a dream look like it could happen.

B. Clover Island Fair Game Artwork and Basalt Benches

Ms. Bader Inglima reported the *Fair Game* artwork, which depicts two eagles fighting over a salmon was recently installed and is one of the initial elements of the Clover Island Boat Ramp improvement project. The Port received some RCO grant funding, which helped enable the Port to move forward with elements such as a public restroom, new picnic areas, additional parking and an overlook with basalt benches. Ms. Bader Inglima reported that Kennewick Police Chief Hohenberg expressed his appreciation for the newly installed artwork and the contributions made to the island.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 8, 2015 MINUTES

Ms. Bader Inglima stated she is preparing a thank you letter from the Commission, to John and Dara Foster for their contributions to the island. The Foster's live in the Bridge to Bridge neighborhood and are impressed with the improvements the Commission has been making on the island. The Foster's met with Barb Carter, Port Art Liaison, to explore the possibility of placing an "in memory" plaque on one of the metal benches that were currently located on the island. Ms. Bader Inglima and Ms. Carter presented the Boat Launch improvements plan to the Foster's, who were so impressed with plan, decided to sponsor all three, new basalt benches.

Mr. Barnes believes the new artwork is phenomenal and is happy that members of the public are speaking out in appreciation of the artwork and other additions to the island.

Mr. Moak inquired if there is there a schedule for sponsoring items on the island.

Ms. Bader Inglima stated the Port has not been previously approached by the public regarding "in memory" plaques, but we may now have inquiries about contributions to artwork or benches because of the Foster's contribution.

Mr. Moak appreciates the work of staff and stated people are pleased with the new sculpture. Once the fencing comes down, Mr. Moak believes it will be an amazing attraction, like the lighthouse.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Port of Pasco, Tri-Cities Airport Passenger Facility Charge

Mr. Arntzen reported the Commission received a request to assist the Port of Pasco with a Tri-Cities Airport Facility Charge. Mr. Arntzen contacted Randy Hayden, Port of Pasco Executive Director, who asked Mr. Arntzen to table the topic with no further action.

B. Vista Field Update

Mr. Peterson has been working with DPZ and Parametrix on the transportation model, which includes the skinny (narrow) street road network, and transportation factors, to demonstrate to City of Kennewick Council and Public Works department that the network can be successful. Furthermore, we are identifying intersections for necessary enhancement around Vista Field, such as Columbia Center Boulevard and Canal Drive.

Furthermore, DPZ and staff are working on zoning details and design standard guidelines, which would set up the mixed use zoning for the City of Kennewick. Mr. Peterson and DPZ are working on the phasing plan for the development and believe it will be six to seven phases. Mr. Peterson reported the Port should receive the transportation analysis on October 13, 2015 and he will be presenting the transportation analysis to the City Council at a workshop on October 27, 2015.

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

Commissioners reported on their respective committee meetings.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 8, 2015 MINUTES

D. Non-Scheduled Items

1. Mr. Moak stated every community needs a Laurel Piippo to keep ideas alive and she believed in a Performing Arts Center for our community. Ms. Piippo asked the Port, in her final comments, to help build a Performing Arts Center and Mr. Moak believes the Port has an obligation to live up to that. Mr. Moak appreciates those that are carrying the torch for Ms. Piippo and admired her passion and stated she will be missed.
2. Ms. Scott received an email from author, Jeremy D'Entremont, who is writing a book called "The Lighthouse Handbook: West Coast." Mr. D'Entremont would like to include a photo of the Clover Island Lighthouse in the book. Ms. Deborah Bourque, a community member, will be providing a photo for Mr. D'Entremont's book.
3. Ms. Bader Inglima shared that Mr. Novakovich and the City of Kennewick represented the America's Best Communities Community Event. Ms. Estes-Cross gave a brief synopsis of the project and Kennewick's project is very solid with the transformation of the waterfront and Columbia Drive.

Mr. Novakovich added, that Ms. Estes-Cross' presentation highlighted what we have accomplished thus far and where we are going, whereas the other cities only spoke about what they planned to do.

4. Mr. Arntzen will be meeting with Hillary Franz, Executive Director of Futurewise. Ms. Franz is very interested in Vista Field and would like to see the airport and believes the redevelopment is in line with urban renewal. Ms. Franz has pledged to help the Port to whatever extent possible and feels it is very sensible to work collectively to create a good model of urban growth.

Mr. Arntzen reported Sandeep Kaushik, from Sound View Strategies will be meeting with Futurewise and Department of Commerce Director, Brian Bonlender, to discuss the Vista Field redevelopment.

Mr. Arntzen stated staff has received the design guidelines for the Willows from Gary Black, of Integrated Structure Inc. Staff will review the draft to be sure it is consistent with the pattern language and the City's planning efforts.

5. Mr. Peterson reported that construction of a medical office building in Spaulding Business Park has recently started and Northwest Orthopedic will soon begin construction on a 36,000 square foot medical and office building.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick, President of the Mid-Columbia Symphony Board reported the Symphony has exceeded attendance of 800 twice and believes the Vista Arts Center proposal is perfect. Mr. Burdick stated there are several ways to fundraise, in addition to selling seats, Mr. Burdick stated there are at least 100 individuals or families in our region prepared to donate \$100,000, as he is, towards the Vista Art Center.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 8, 2015 MINUTES

Justin Raffa, 1214 Gowan Avenue, Richland. Mr. Raffa commented on the potential funding mechanism with the KPFD that was addressed earlier. A few years ago, the Task Force wanted the Regional PFD to take the Arts on as their private property, however, the aquatic center was selected, which went to the ballot and failed. Since then, the Regional PFD has not had a clear path forward and have been unable to define their goals. Mr. Raffa's role, as a Task Force Member is to attend the KPFD meetings and believes the KPFD's Board's number one priority is the expansion of the Three Rivers Convention Center. The KPFD is ready to unveil the expansion to the public and prepared to ask for the .2% sales tax. If the KPFD goes out for the .2% sales tax, the Regional PFD taxing ability is moot. The Vista Arts Center is our priority and we do not want to wait for a PFD or municipality to build the center. A year ago, the Task Force decided to take on the venture and raise the funds for a performing arts venue, and although the amount is scary, we are ready to take on the challenge. Mr. Raffa stated the Roger Brooks branding report identified several major product development items and a performing arts center is one of them. Mr. Raffa believes there is tremendous support for the Vista Arts Center and we will be celebrating amazing history here today, and in the next few years.

No further comments were made.

COMMISSIONER COMMENTS

No comments were made.

Mr. Barnes anticipates the Executive Session will last approximately 35 minutes, for Real Estate (Site Selection), per RCW 42.30.110(1)(b) and Real Estate (Minimum Price) per RCW 42.30.110(1)(c) with no action anticipated. Mr. Barnes asked the public to notify Port staff if they will return after the executive session.

Mr. Barnes recessed the Regular Commission Meeting at 3:50 p.m. for ten minutes.

Mr. Barnes reconvened into Executive Session at 3:59 p.m.

EXECUTIVE SESSION

- A. Real Estate (Site Selection), per RCW 42.30.110(1)(b)*
- B. Real Estate (Minimum Price), per RCW 42.30.110(1)(c)*

Mr. Barnes convened the meeting into Executive Session at 3:59 p.m. for approximately 35 minutes.

Ms. Hanchette exited the meeting at 4:34 p.m. to extend the Executive Session 10 minutes.

Ms. Hanchette exited the meeting at 4:44 p.m. to extend the Executive Session 10 minutes.

Ms. Hanchette exited the meeting at 4:54 p.m. to extend the Executive Session 10 minutes.

Ms. Hanchette exited the meeting at 5:04 p.m. to extend the Executive Session 5 minutes.

Mr. Barnes adjourned the Executive Session at 5:09 p.m.



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 8, 2015 MINUTES

Mr. Barnes reconvened the meeting into General Session at 5:09 p.m.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 5:10 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS

A blue ink signature of Don Barnes, written in a cursive style.

Don Barnes, President

A blue ink signature of Skip Novakovich, written in a cursive style.

Skip Novakovich, Vice President

A blue ink signature of Thomas Moak, written in a cursive style.

Thomas Moak, Secretary

PORT OF KENNEWICK

Resolution No. 2015-19

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING AN AMENDMENT TO A COMMERCIAL LEASE AGREEMENT WITH SOULEK, INC.

WHEREAS, the Port of Kennewick (Port) is authorized to enter into certain leases upon such terms as the Port Commission deems proper; and

WHEREAS, the Board of Commissioners approved Resolution 2015-10 on May 12, 2015 for the renewal of the Commercial Lease Agreement with Soulek Inc. (known as Washington Surplus); and

WHEREAS, Soulek Inc. desires to lease an addition 2,915 square feet of warehouse space located at 1426 E. 3rd Ave., Suite C103, Kennewick, Benton County, Washington, effective September 1, 2015; and

WHEREAS, a total monthly lease of \$4,125.43, including leasehold excise tax, has been negotiated by Port staff; and

WHEREAS, the Port Commission has called a regularly scheduled public meeting with notice of such meeting given as provided by law and such public meeting was held at such time and on said date; and


WHEREAS, Port staff and the Port attorney have reviewed the proposed Amendment to Commercial Lease Agreement and find it is in proper form and it 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 approves the attached Amendment to Commercial Lease Agreement with Soulek Inc. as presented and authorizes the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 8th day of September, 2015.

PORT of KENNEWICK BOARD of COMMISSIONERS

By:


DON BARNES, *President*

By:


SKIP NOVAKOVICH, *Vice President*

By:


THOMAS MOAK, *Secretary*