



# PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 22, 2020 MINUTES

Commission Meeting recordings, with agenda items linked to corresponding audio, can be found on the Port's website at: <https://www.portofkennewick.org/commission-meetings-audio/>

Commission President Commissioner Don Barnes called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

## ANNOUNCEMENTS AND ROLL CALL

The following were present:

**Board Members:** Commissioner Don Barnes, President (via telephone)  
Skip Novakovich, Vice-President (via telephone)  
Thomas Moak, Secretary (via telephone)

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

## PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

## APPROVAL OF THE AGENDA

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

## PUBLIC COMMENT

No comments were made.

## CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated September 17, 2020***  
Direct Deposit and E-Payments totaling \$59,450.49
- B. Approval of Direct Deposit and E-Payments Dated September 18, 2020***  
Direct Deposit and E-Payments totaling \$1,884.24
- C. Approval of Warrant Register Dated September 22, 2020***  
Expense Fund Voucher Number 102379 through 102411 for a grand total of \$158,228.46
- D. Approval of Regular Commission Meeting Minutes September 8, 2020***

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 22, 2020 MINUTES

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

## EMERGENCY DELEGATION UPDATE

Ms. Hanchette shared that COVID-19 continues to impact businesses and one tenant has seen a slowdown of business internet sales. The tenant is making an effort to get caught up in his rent and has not requested a rent deferral or abatement.

## PRESENTATIONS

### **A. 2020 Year in Review**

Mr. Peterson presented the year in review, October 2019 through today (Exhibit A).

Commissioner Moak stated one of his favorite meetings every year is when Mr. Peterson presents the year in review. Commissioner Moak appreciates Mr. Peterson's enthusiasm and the way he includes the partnerships and projects. As Mr. Peterson pointed out, the Port had many limitations due to COVID-19, yet we had a very successful year.

Commissioner Novakovich stated Mr. Peterson did an excellent job presenting the year in review. Commissioner Novakovich stated as a constituent and a Commissioner, he is very proud of what the Port has accomplished and what we have done for the Mid-Columbia.

Commissioner Barnes stated it is a source of great pride to look at the past twelve months and see what the Port of Kennewick has been able to accomplish, even during the pandemic. Commissioner Barnes stated well done and it is time to keep moving forward and make meaningful improvements and contributions to our community. He believes everyone on the team is looking forward to next year and making it even better than the year that we just completed. Commissioner Barnes offered congratulations to Mr. Peterson and all members of the Port staff and Commission.

### **B. 2021-2022 Planning Workshop**

Mr. Arntzen expressed how proud he is of the staff and how they have been working hard on the draft work plan.

Mr. Peterson presented the draft work plan for the Commission review (Exhibit B).

Ms. Hanchette outlined the potential plan for updating the exterior of the Vista Field Development Buildings (VFDF).

Commissioner Novakovich stated that the Port is working on a Master Plan for the Kennewick Historic Waterfront District and yet no funds have been set aside for projects. Commissioner Novakovich stated the Commission has discussed the possibility of a stage on Clover Island for years and he has spoken to the owners of Clover Island Inn, who would really like to see that come to fruition. Makers Architecture talked a lot about adding vibrancy to the island and what people wanted to see was entertainment and music and an investment on a stage would make a

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 22, 2020 MINUTES

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lot of sense.

Commissioner Barnes recalls being approached by the owners of the Clover Island Inn regarding a stage as well; however, the Port committed to the 1135 Habitat Restoration project and at the last meeting, staff indicated that the project will cost more than was originally estimated. The 1135 project will clearly benefit all of the tenants on Clover Island, including Clover Island Inn. Commissioner Barnes stated he would like to see the 1135 project completed before committing to a stage on Clover Island.

Commissioner Moak agrees with Commissioner Novakovich regarding adding funds to the Kennewick Historic Waterfront District for recommended projects from Makers; however, the Port has not received any recommendations yet. Commissioner Moak has heard from Clover Island Inn for years and he has yet to see a design or what they would bring to the table. Commissioner Moak is reluctant to allocate money to a stage but he would like to see some funds committed to the Kennewick Historic Waterfront District, but that would be based on what the 1135 project would cost.

Commissioner Novakovich believes the Port should move forward on maintaining the exterior of the VFDF Buildings.

Commissioner Moak thinks the numbers are too high for the VFDF Buildings and suggested spreading that out over the course of two budget cycles.

Commissioner Barnes confirmed the proposed budget allows for \$1,300,000 for total asset replacement costs, which includes the VFDF Buildings at \$800,000.

Mr. Peterson stated the VFDF exterior work is above and beyond the standard asset replacement costs, which are budgeted at \$500,000.

The Commission continued to discuss the VFDF Building allocation and the Kennewick Historic Waterfront District.

Mr. Arntzen would like to discuss options with staff related to the draft work plan.

Mr. Kooiker added that in the current budget cycle, the Port will expend the total \$500,000 on asset replacement by the end of the year.

## **RECESS**

*Commissioner Barnes called for a recess for at 4:09 p.m. until 4:14 p.m.*

*Commissioner Barnes reconvened the meeting at 4:14 p.m.*

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 22, 2020 MINUTES

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## REPORTS, COMMENTS AND DISCUSSION ITEMS

### ***A. Vista Field***

#### ***1. Public Owners Association Update***

Mr. Peterson introduced Ben Floyd of White Bluffs Consulting and Doris Goldstein. They have been working on the Vista Field Public Owners Association with Steve DiJulio and Chris Napier of Foster Garvey.

Mr. Floyd reviewed information that was presented at the September 8, 2020 Commission Business Meeting.

Ms. Goldstein outlined the proposed Vista Field Owners Association structure and timeline (EXHIBIT C).

The Commission discussed the various options that were laid out by Ms. Goldstein and Mr. Floyd.

Mr. Floyd gave a brief overview of the next steps that will take place during future Commission Meetings.

### ***B. Chief Executive Officer Evaluation Process***

Ms. Luke reported that she sent the Commission the Chief Executive Officer Evaluation packet for review on September 17, 2020, which included a summary of 2020 accomplishments and achievements, the 2019 performance review, and a blank evaluation form for the 2020 review process. Ms. Luke stated she would like to receive the Commission comments by October 2, 2020. Ms. Luke will then compile all of the comments into one document for review at the October 13, 2020 Commission Meeting. Ms. Luke stated the CEO evaluation process deadline is November 15, 2020.

### ***C. All Aboard Washington Presentation Update***

Mr. Peterson reached out to Mr. Burdick regarding his request related to All Aboard Washington passenger rail service. Mr. Peterson contacted the Benton Franklin Council of Governments, which is the regional transportation entity and suggested Mr. Burdick reach out to them.

### ***D. Director Reports***

Mr. Peterson appreciated the opportunity to present the year in review and the discussion surrounding the work plan.

Ms. Hanchette reported that she will be presenting the Port's Real Estate Policy for discussion related to modifications to the current broker's commission.

Ms. Hanchette stated there is a sensitive issue with the marina in that a boat needs to be removed. The tenant has been in the marina for several years and has paid sporadically and is currently behind in payments. Ms. Hanchette is working with tenant to remove the boat, to mitigate the risk to the Port and the possible exposure of gifting of public funds.



# PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 22, 2020 MINUTES

Commissioner Moak inquired if this falls under the moratorium on evictions.

Ms. Luke has not researched that specifically; however, that moratorium relates to residential rather than a boat or non-residential rental agreement. Ms. Luke will review the moratorium prior to Ms. Hanchette taking any action.

Mr. Arntzen thanked the Commission for giving staff the ability to walk through these complicated projects. Mr. Arntzen was very pleased with how staff and the consultants rolled out important information to the Commission.

**E. Commissioner Meetings (formal and informal meetings with groups or individuals)**  
Commissioners reported on their respective committee meetings.

**F. Non-Scheduled Items**  
No comments were made.

## PUBLIC COMMENTS

No comments were made.

## COMMISSION COMMENTS

No comments were made.


## ADJOURNMENT

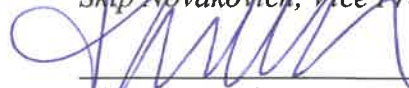
With no further business to bring before the Board; the meeting was adjourned 5:15p.m.

**APPROVED:**

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
Don Barnes, President

  
Skip Novakovich, Vice President

  
Thomas Moak, Secretary

\*The September 22, 2020 Commission Meeting Minutes were Approved by the Port of Kennewick Commissioners on October 13, 2020 at the Regular Commission Business Meeting.

# **PORT of KENNEWICK**

## **2020 - Year in Review**

*(period October 30, 2019 – September 22, 2020)*

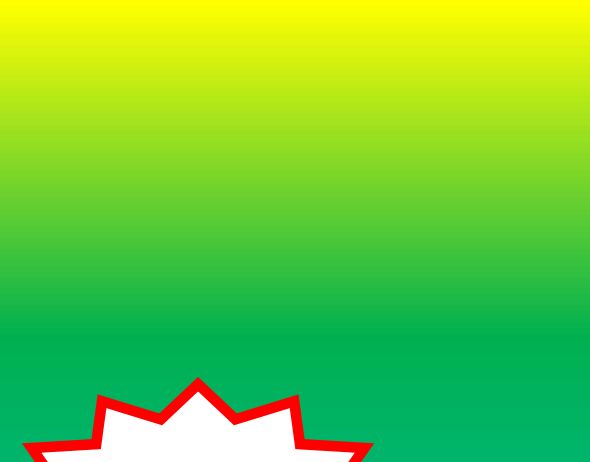
### **Project Accomplishments**

### ***Daily/Annual Operation Accomplishments***

### **Land Transactions**

### **Partnership & Outreach**

Presentation to Port Commission  
September 22, 2020



**January  
2020**



**December  
2019**

**Pre COVID-19**

# COVID-19



March  
2020



# PARKS CLOSED

# PROJECTS



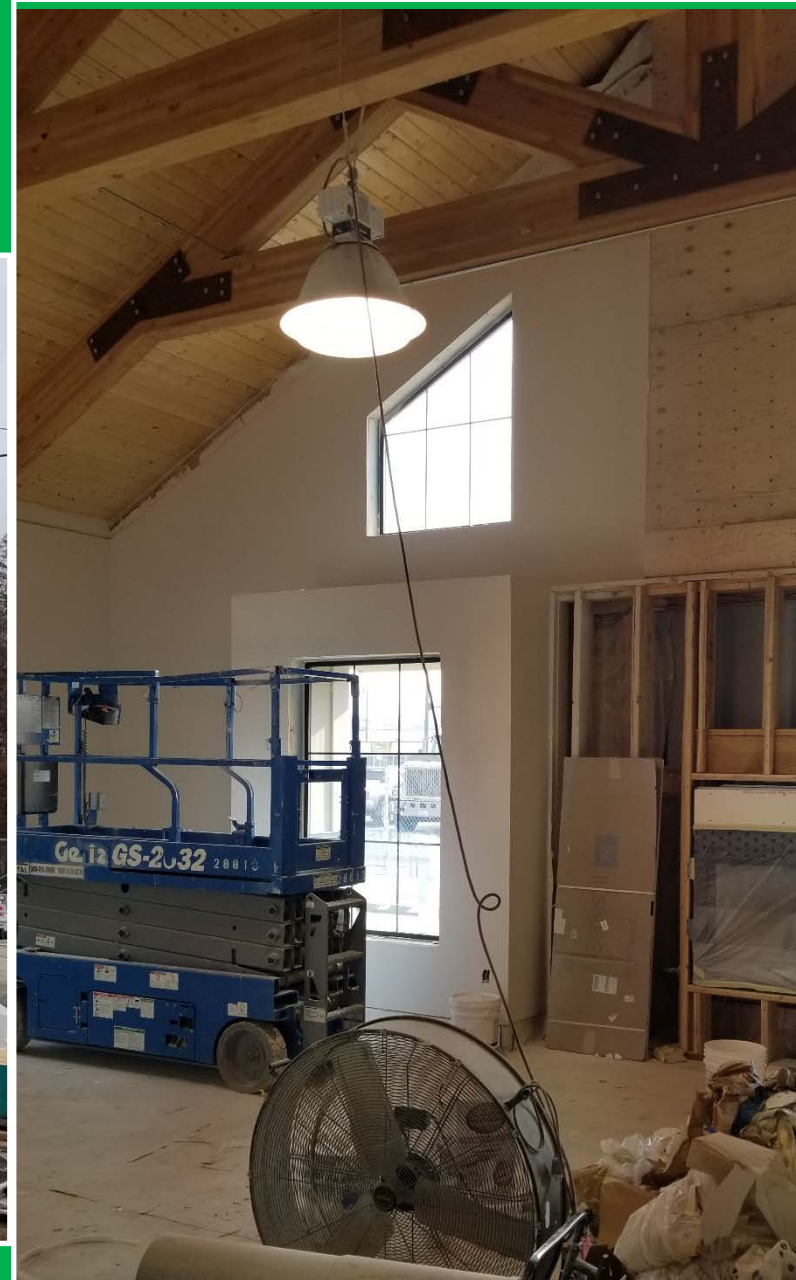
# Columbia Gardens Phase #2B

Rendering  
2018



# Columbia Gardens Phase #2B

November 2019





# Columbia Gardens Phase #2B

January 2020





# Columbia Gardens Phase #2B

January 2020





# Columbia Gardens Phase #2B

January 2020





# Columbia Gardens Phase #2B

February 2020



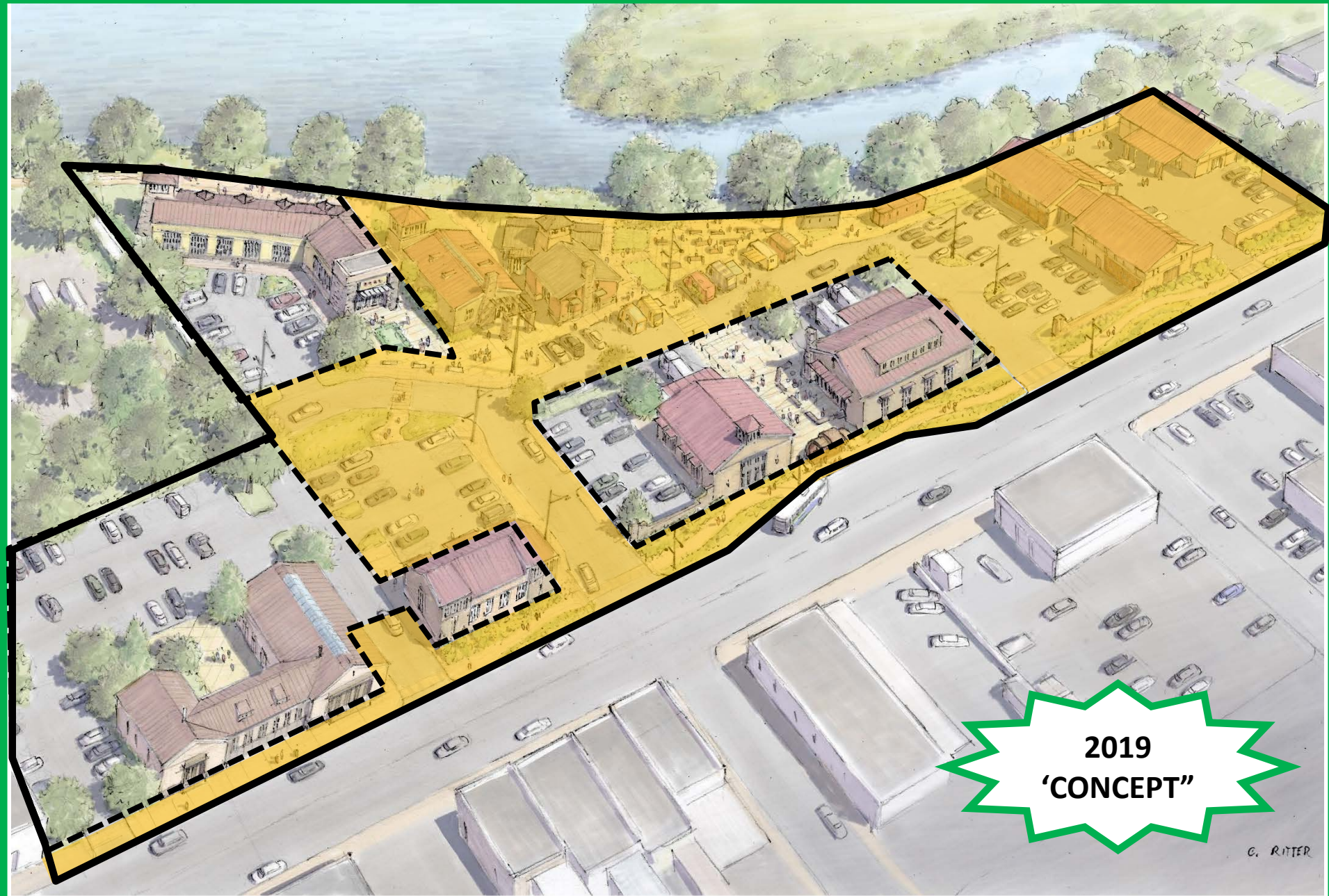
# Columbia Gardens Phase #2B

June 2020





# Columbia Gardens Phases #1 - #2C



2019  
'CONCEPT'



# Columbia Gardens Phases #1 - #2C



2020 REALITY



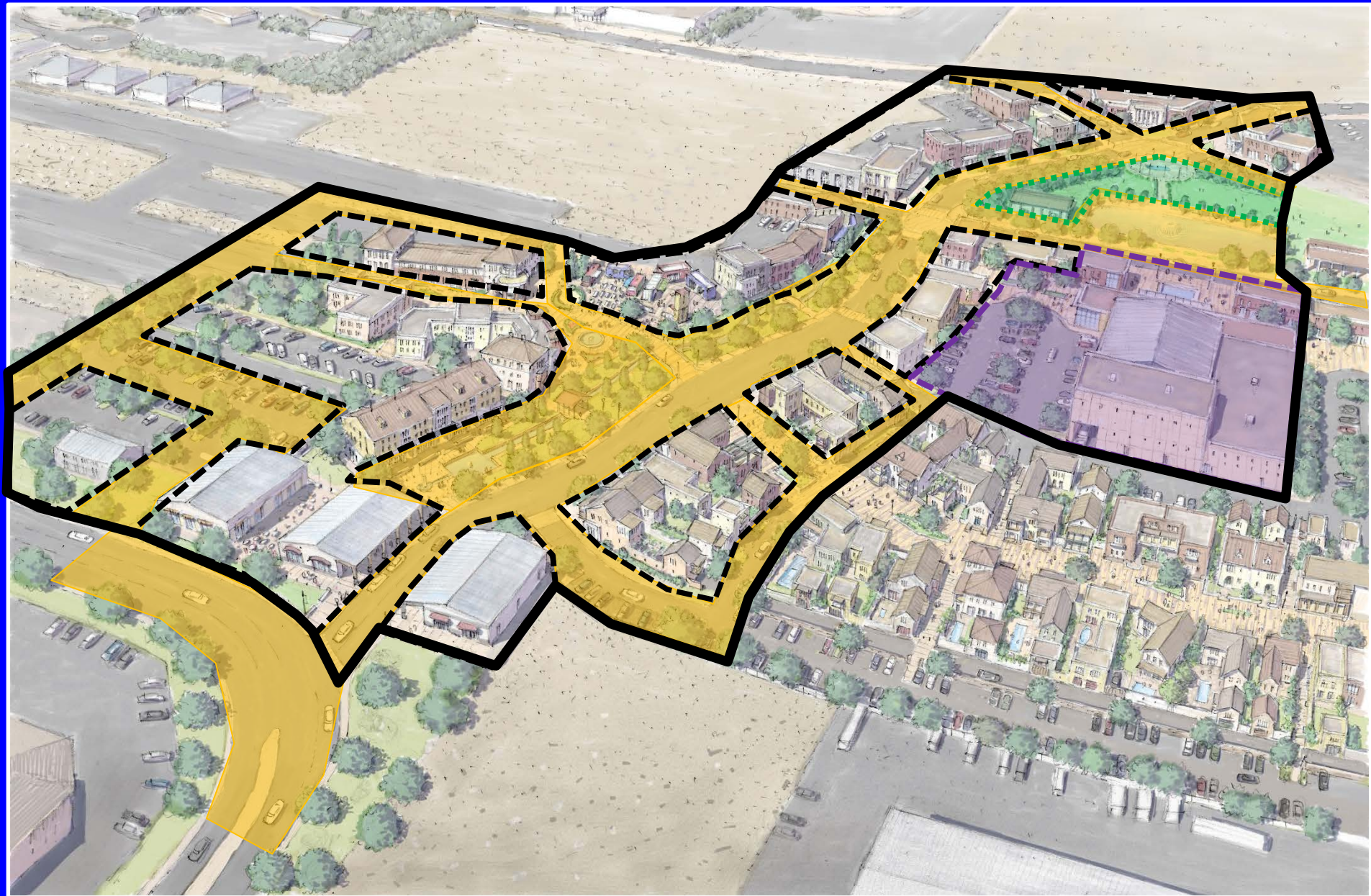
# VISTA FIELD

Rendering  
2018





# VISTA FIELD





# VISTA FIELD

November 2019





# VISTA FIELD

November 2019





# VISTA FIELD

December 2019





# VISTA FIELD

February 2020





# VISTA FIELD

February 2020





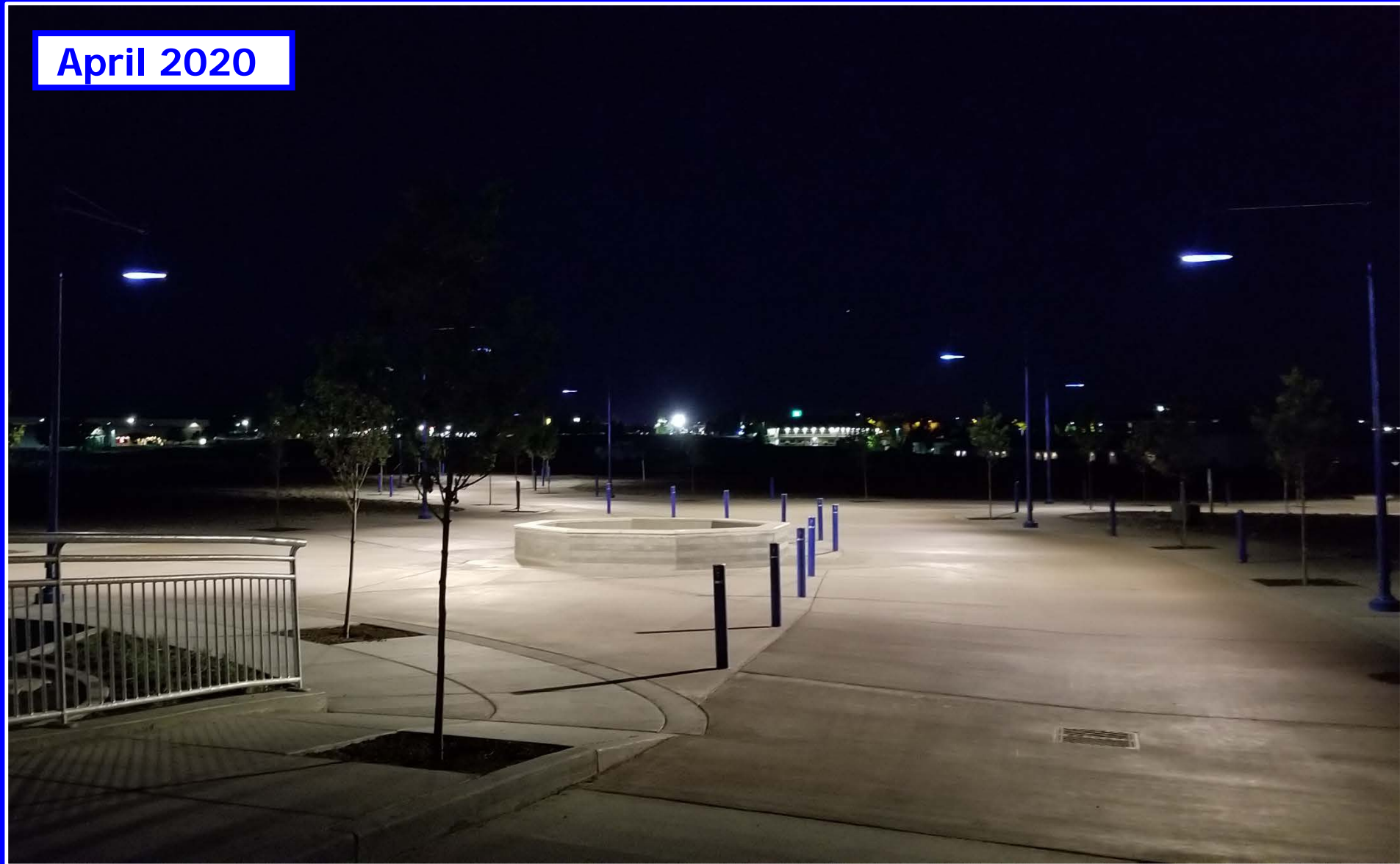
# VISTA FIELD

February 2020



# VISTA FIELD

April 2020





# VISTA FIELD

July 2020





# VISTA FIELD

July 2020





# VISTA FIELD

July 2020





# VISTA FIELD

July 2020





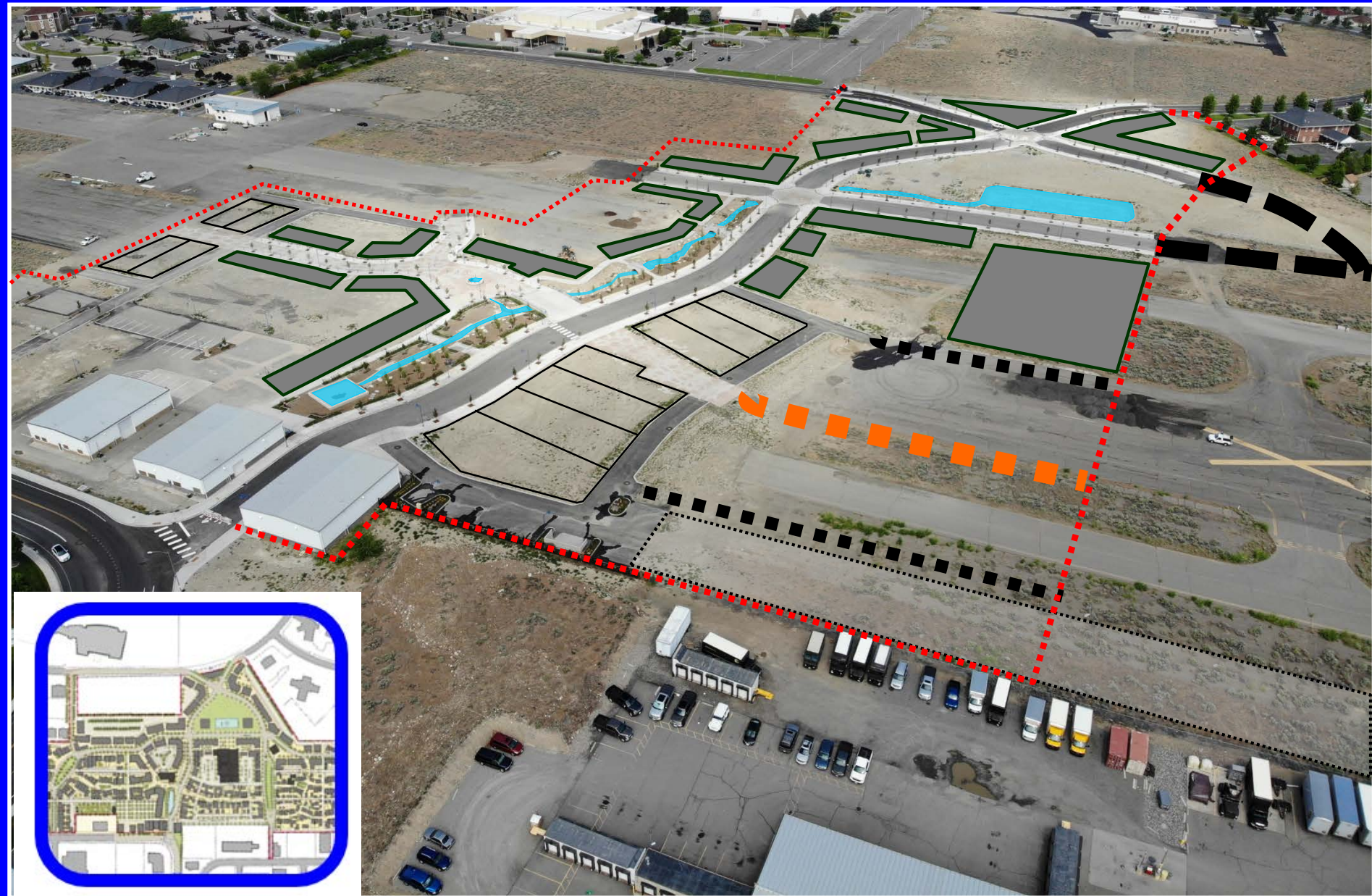
# VISTA FIELD

July 2020





# VISTA FIELD



***Daily/Annual  
Operation  
Accomplishments***



# Facilities Occupied

MARINA



**100%**  
Summertime  
Occupancy

# Facilities Occupied



**INDUSTRIAL and R&D**  
Oak St. & Quay St. (VFDF)

**95%**  
Occupancy



# Facilities Maintained & Enhanced

February 2020



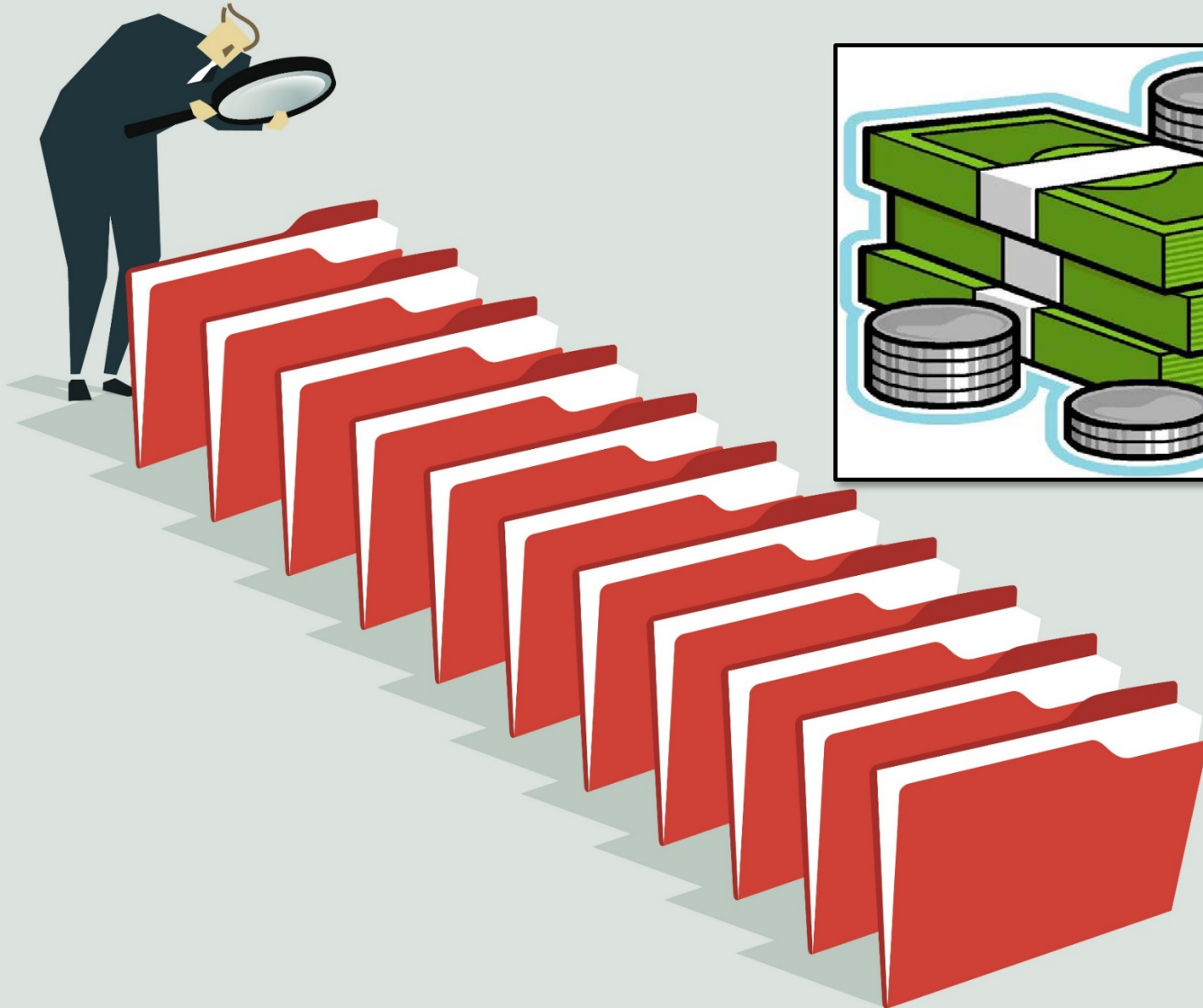
Oak St. Building A HVAC Replacement

March 2020



Columbia Garden-Food Truck Plaza  
Shade Structure

# Clean Audits/Strong Financials



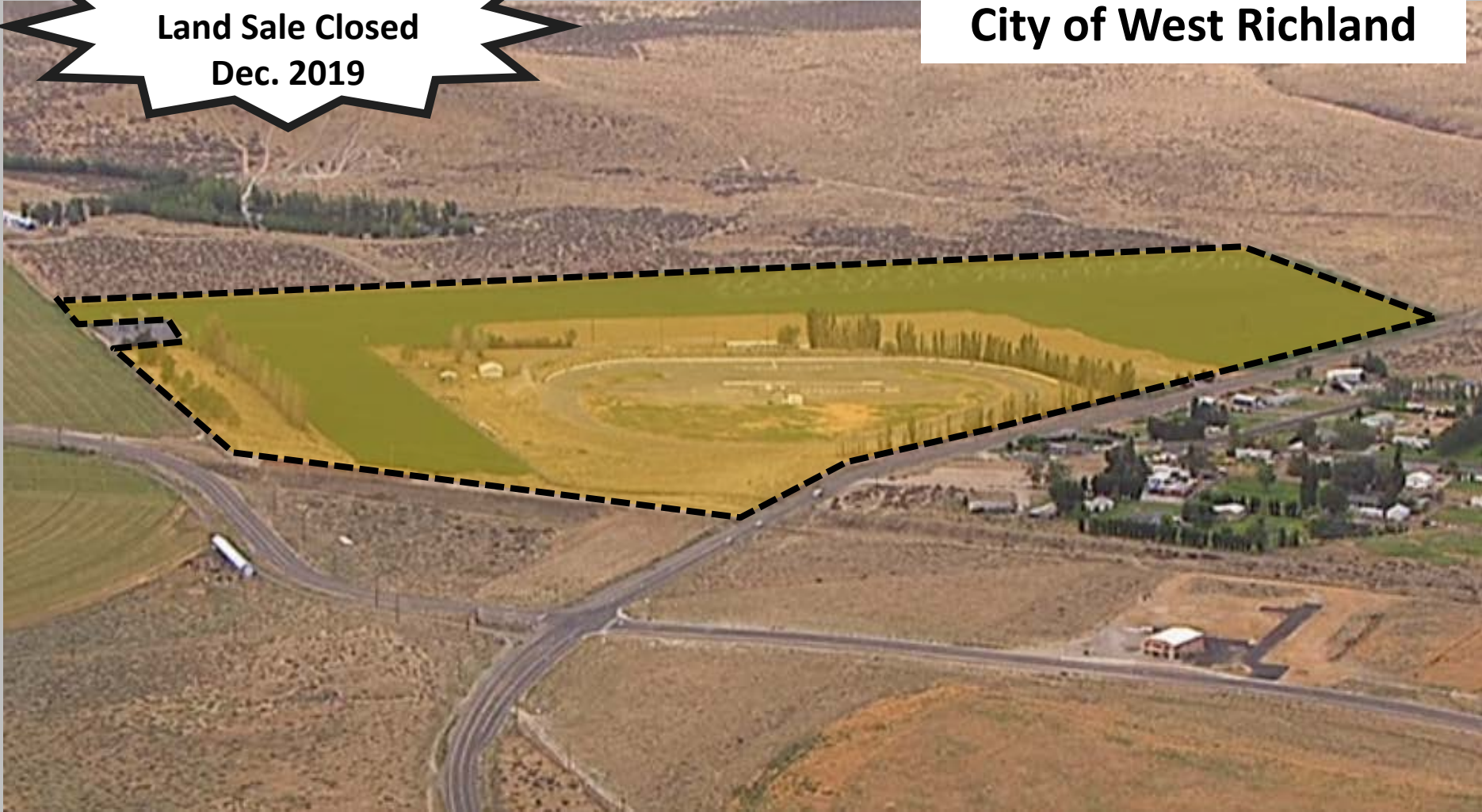
# **LAND TRANSACTIONS**



# West Richland – TC Raceway

**\$1,800,000**  
**Land Sale Closed**  
**Dec. 2019**

**92+ Acre Land Sale**  
**City of West Richland**

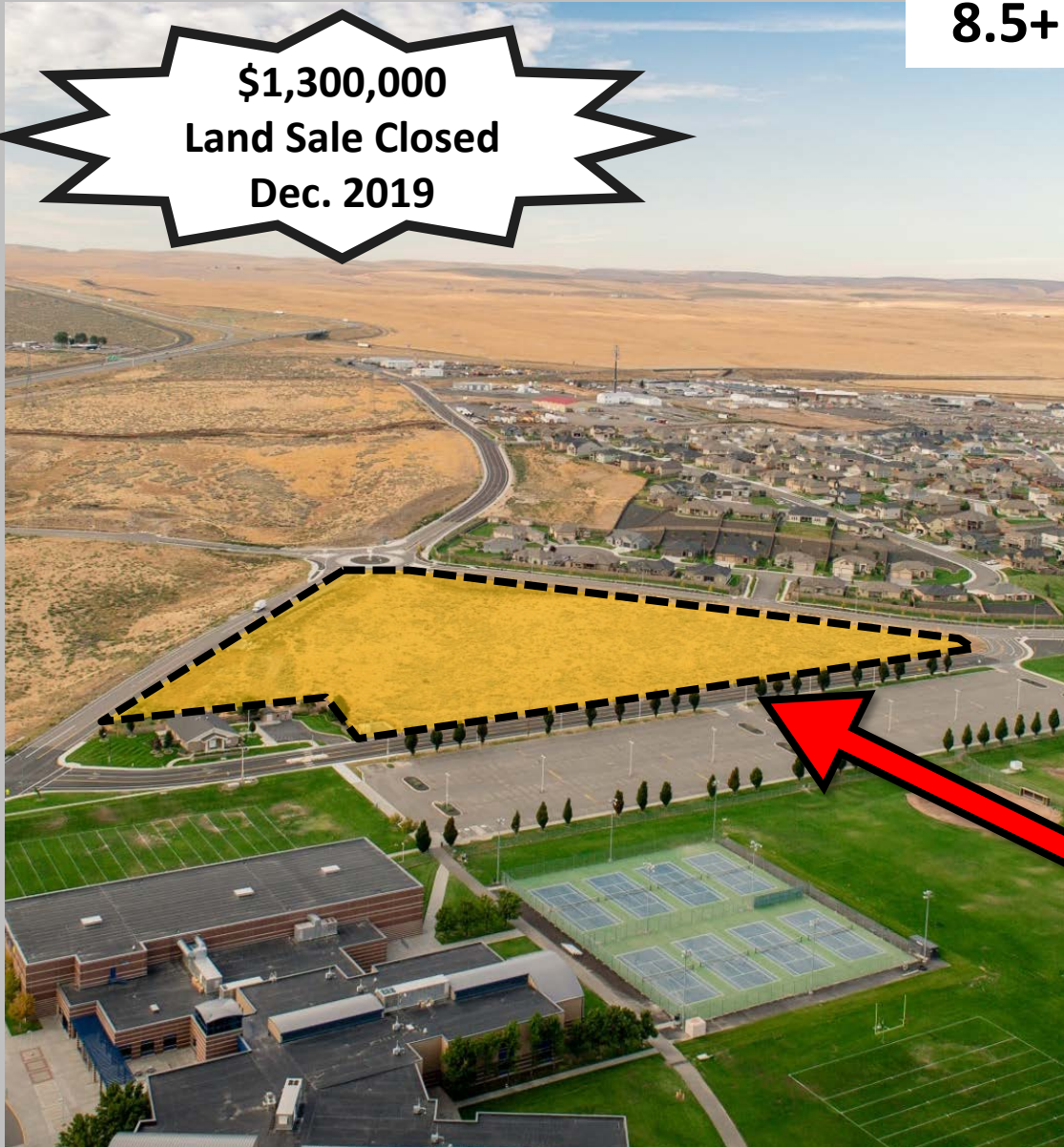




# Southridge

**8.5+ Acre Land Sale via Auction**

**\$1,300,000**  
**Land Sale Closed**  
**Dec. 2019**



## **4 Commercial Kennewick Parcels**

Located in the heart of the Kennewick's Southridge District, these parcels are ripe for development in a fast growing residential neighborhood. Conveniently located near the intersection of Interstate 82 and Highway 395, and the new Bob Olson Parkway.

Zoned Community Commercial, potential uses include medical, residential, restaurants, hotels, entertainment, retail and more.



**AUCTION: NOVEMBER 15 @ 11AM**

At the Musser Auction Facility  
3125 Rickenbacker Drive, Pasco, WA 99301

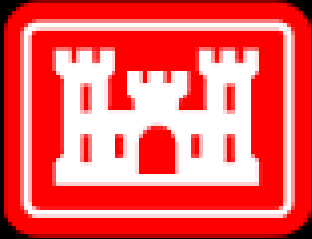
**Musser Bros.**  
AUCTIONS AND REAL ESTATE

**bidtricity.com**  
**509.416.6060**

# **PARTNERSHIPS & OUTREACH**



# Strategic Partnerships



**US Army Corps  
of Engineers®**



# Strategic Partnerships

January  
2020



August  
2020



USACE 1135 Design Team &  
Commander Childers' Site Visits



# Strategic Partnerships

December  
2019





# Strategic Partnerships

April  
2020



Benton County Economic  
Development Staff

\$500K of Benton County's RCCF Allocation Awarded to Vista Field Project



# Strategic Partnerships

City of Kennewick  
Fire Station #3



\$1M of City of Kennewick's RCCF Allocated to Clover Island Shoreline 1135  
which allowed reallocation of \$1M Port funds to Vista Field

*AND*

Cost sharing on roadway serving both City of Kennewick Fire Station #3 and  
Vista Field future phases

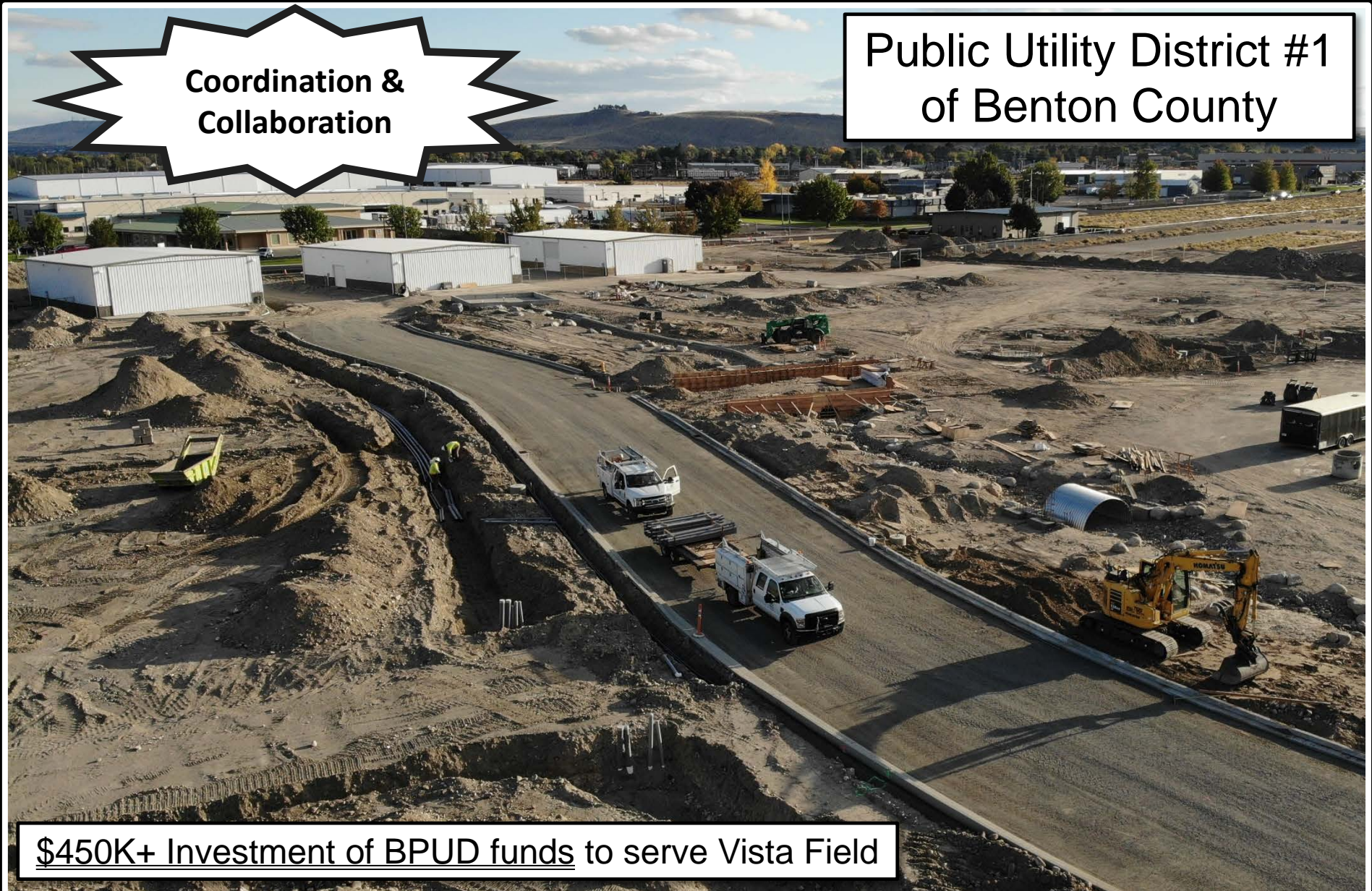


# Strategic Partnerships

Coordination &  
Collaboration

Public Utility District #1  
of Benton County

\$450K+ Investment of BPUD funds to serve Vista Field





# Strategic Partnerships

## FINANCIAL RECAP for Current projects

**\$5,000,000+ USACE:** Clover Island Shoreline Restoration (1135 Program) funding 75% of total project cost.

**\$1,000,000 CITY OF KENNEWICK:** City's portion of RCCF funds directed to Clover Island Shoreline Restoration (1135 Program) thereby funding Port's 25% match of total project cost.

**\$500,000 STATE OF WASHINGTON-RCO:** Clover Island Shoreline Improvements.

**\$500,000 BENTON COUNTY:** County's own funds allocated to Vista Field Phase #1A.

**\$450,000+ BPUD:** BPUD own funds allocated to Vista Field Phase #1A.

**CITY OF KENNEWICK:** Cost sharing on roadway (Roosevelt) abutting City's Fire Station #3 and serving future Vista Field phases.

# Strategic Partnerships

**\$910,000 INSURANCE PROCEEDS:** Negotiated Settlement from 211 E. Columbia Drive building collapse.

**\$200,000 CITY OF KENNEWICK:** City's general funds allocated to Columbia Gardens Phase #2B Tasting Room project.

**BENTON COUNTY FIRE PROTECTION DISTRICT #4:** Land Sale for crucial Public Safety purpose results in construction of Keene Road Fire Station 430.



NOT Pictured

**CITY of WEST RICHLAND:** Tri-City Raceway Land Sale for Economic Development purposes.

**CITY of RICHLAND:** Columbia Park Trail Road Diet project benefiting Port's prior investment to create the Spaulding Business Park.



# Public Outreach



## Historic Waterfront District Master Planning



PORT of KENNEWICK

# We want to hear from you!

## Help shape the future of Kennewick's Historic Waterfront District.

Provide ideas and input via a survey, mapping exercise, and idea wall from August 3 to 16.  
Attend one of our virtual project orientation sessions on August 3 at 5 p.m. or August 11 at noon.  
Details online:

<https://www.portofkennewick.org/historicwaterfrontdistrict/>









## **2021-2022 WORK PLAN**

Public Meeting  
Port Commission Chambers  
September 22, 2020 2:00 p.m.

Approved by Resolution 2020-xx  
TBD, 2020

350 Clover Island Drive, Suite 200  
Kennewick, WA 99336

Tel: (509) 586-1186  
Fax: (509) 582-7678

[www.PortofKennewick.org](http://www.PortofKennewick.org)

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<b>PROSPECTIVE VISION</b>	Page 2
<b>ACHIEVEMENTS (October 1, 2018 — September 30, 2020)</b>	Page 3
<b>WORK IN PROGRESS</b>	Page 5
<b>DISTRICT BOUNDARY MAP</b>	Page 6
<b>PROPERTY PORTFOLIO</b>	
<b>PRIORITY PROJECTS</b>	
Vista Field Redevelopment	Page 7
Kennewick Historic Waterfront District (Clover Island & Columbia Drive)	Page 9
<b>OTHER PROJECTS/PROPERTIES</b>	
Oak Street Industrial Park	Page 11
Vista Field Industrial Park	Page 12
Finley: Hedges / Twin Tracks Industrial	Page 13
Plymouth Island	Page 14
<b>ADDITIONAL WORK PLAN PROJECTS</b>	Page 15



## PROSPECTIVE VISION

- **Follow direction established by 2016 Comprehensive Scheme of Development and Harbor Improvements as amended in 2017 and 2019**
- **The Port is an economic development entity focused on redevelopment**
- **Undertake Vista Field Redevelopment**
- **Continue with Kennewick Waterfront District projects: Columbia Drive — Wine & Artisan Village and Clover Island - Shoreline Improvements "1135 Program"**
- **Pursue projects with development partners demonstrating support (match funding, political support and enthusiasm)**
- Pursue fewer projects while selecting projects with the greatest benefit to the community
- Realize & support economic development opportunities with wine, culinary & tourism industry
- Continue to pursue grant funding opportunities
- Remain focused on containing operational expenses
- A strong focus must be placed on successfully running daily Port operations
- Remain solidly focused on the Port's core business and established priorities; not swayed by the oscillating influence of external entities

**ACHIEVEMENTS ( Oct. 1, 2018—Sept. 30 2020 )****PRIORITY PROJECTS****VISTA FIELD REDEVELOPMENT**

- ☑ Secured \$5,000,000 private placement bond with favorable terms to the Port for Vista Field redevelopment
- ☑ Completed design, obtained all permits and bid and awarded Phase #1A infrastructure contract to Total Site Services (\$4,905,0560)
- ☑ Substantial completion of Phase #1A infrastructure including roads, utilities and landscaping
- ☑ Identified potential members and formalized the “Vista Field Team” and refinement of design and development
- ☑ Completed and implemented the Vista Field branding
- ☑ Requested and obtained City of Kennewick approval to utilize street names identified through the branding process
- ☑ Secured integrity of Vista Field master plan through brokered agreement with the City of Kennewick to ensure Fire Station #3 building and roadway design are complementary to new urbanism principles

**KENNEWICK WATERFRONT****AREA-WIDE**

- ☑ Initiated Waterfront District master planning effort with Makers Urban Design to update and consolidate vision for the Port’s Clover Island and Columbia Drive properties (30% complete)

**CLOVER ISLAND**

- ☑ U.S.A.C.E. 1135 Program design coordination with Corps, plans completed, bidding process schedule for fall 2020
- ☑ Negotiated new lease with Cedars to retain that iconic business and ensure vibrancy for Clover Island
- ☑ Marina at 100% occupancy

**COLUMBIA DRIVE**

- ☑ Phase #2A loop roadway, utilities, 30-space parking lot & food truck plaza improvements completed
- ☑ Phase #2B tasting room building and 24-space parking lot completed
- ☑ Secured leases with Gordon Estates and Cave B wineries
- ☑ Phase #2C bus shelter and “aspirations” artwork installations completed
- ☑ Internal lighting installed in “Rolling Mass” aka the bus shelter
- ☑ Orchestrated development and operation of the Columbia Gardens Food Truck cluster (currently 5-6 regular vendors) and installation of shade structure



**ACHIEVEMENTS ( Oct. 1, 2018—Sept. 30, 2020 )****RICHLAND PROJECT**

- ☒ Executed Interlocal Agreement with City of Richland for Columbia Park Trail “road diet” improvements benefiting the Port’s prior Spaulding Business Park redevelopment effort (\$800,000)

**WEST RICHLAND PARK**

- ☒ Closed 2.00 ac Land Sale (Benton County Fire Protection District #4) - \$10,000
- ☒ Closed 92.61 ac Land Sale (City of West Richland) - \$1,800,000

**OTHER PROJECTS/PROPERTIES****SOUTHRIDGE**

- ☒ Closed 8.50 ac Land Sale (Czebotar & Peterson Properties, LLC) - \$1,300,000

**OAK STREET INDUSTRIAL PARK**

- ☒ Closed 12.00 ac Land Sale (Three Rivers Acquisitions, LLC) - \$375,000
- ☒ Development Buildings A, B & C at 97% occupancy

**FINLEY / HEDGES / TWIN TRACKS INDUSTRIAL**

- ☒ Renewed lease with Greenbrier Rail Services

**DISTRICT WIDE**

- ☒ Pandemic response and thoughtful, strategic management during global pandemic. Unprecedented times required CEO to manage a complex situation to ensure port is following best practices to keep staff and public safe, and to demonstrate compliance, transparency, and sensitivity by the port as an institution
- ☒ Washington State Auditor issued another clean audit report with no findings for the Port of Kennewick
- ☒ Complete revision and update of the Port’s website
- ☒ Technology enhancements included Just FOIA public records tracking software; as well as new audio-visual equipment and AV Capture All digital meeting software with the renovation of the Commission chambers
- ☒ Office improvements: Coordinated a seamless and successful installation of and carpeting for the port offices and commission chambers
- ☒ Continued Energy Conservation Efforts by replacing incandescent Clover Island roadway and parking lot lights with LED components
- ☒ Asset Maintenance and Improvement efforts included replacement of five rooftop HVAC units at the Oak Street Industrial Development Building A

## WORK IN PROGRESS

### PRIORITY PROJECTS

- **Remaining functional and productive while protecting the public and employees during the COVID-19 Pandemic**

#### VISTA FIELD REDEVELOPMENT

- Phase #1A - Final Completion & Closeout Process
- Phase #1A - Coordination with Vista Field Team regarding use, design, marketing and pricing and property owners association formation issues
- Consideration of Deschutes Hanger reuse/identification of optional development

#### KENNEWICK HISTORIC WATERFRONT DISTRICT AREA-WIDE

- Historic Waterfront District Master Planning process

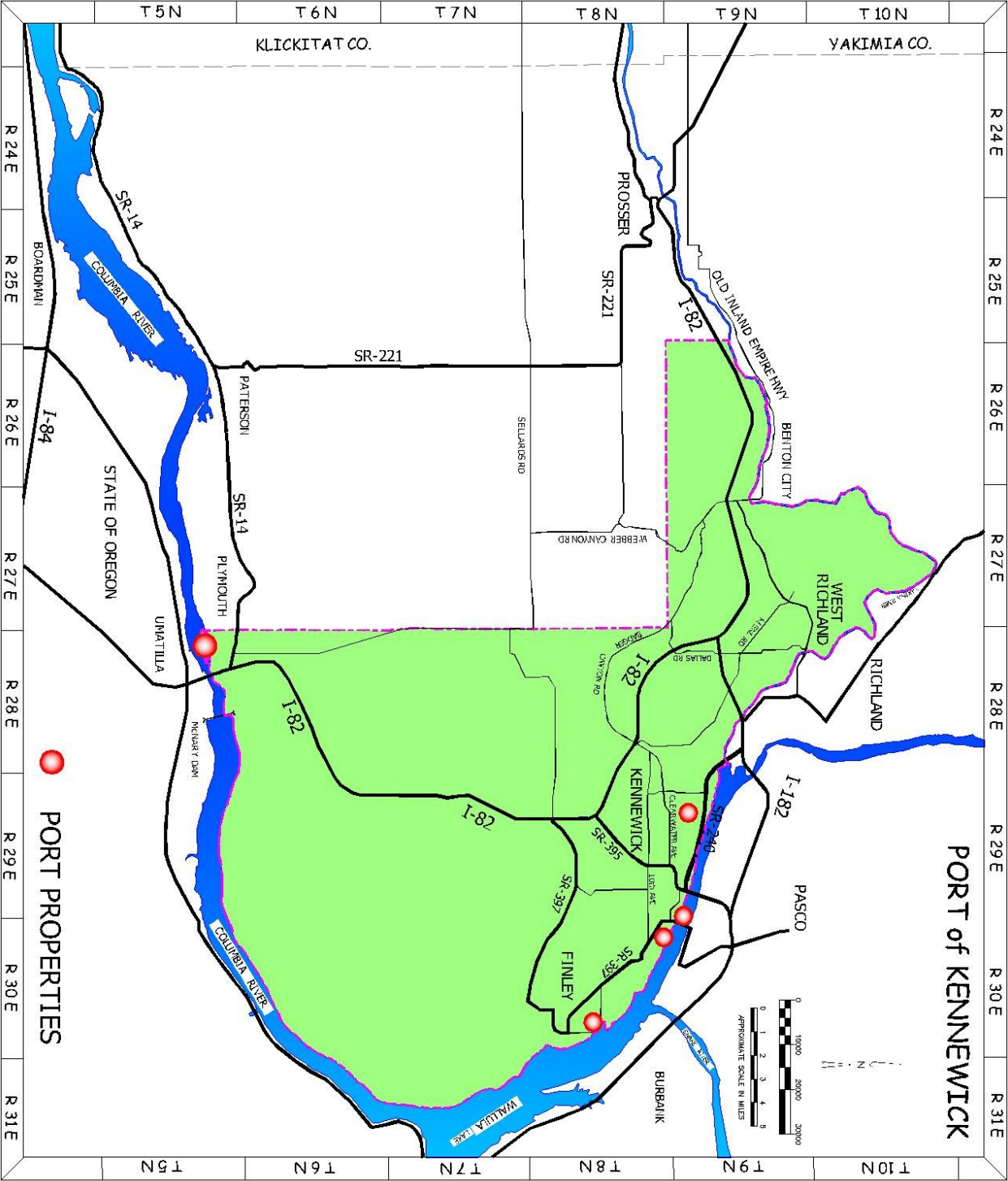
#### **CLOVER ISLAND**

- U.S.A.C.E. 1135 Program coordination & participation
- RCO grant coordination for shoreline improvements
- Oversight of City of Kennewick RCCF for 1135 project

#### **COLUMBIA DRIVE**

- Phase #2D - Bathroom shipping container fabrication and installation
- Food Truck cluster coordination
- Duffy's Pond and tenant enhancement efforts





## VISTA FIELD REDEVELOPMENT

- 103± Acres Combined
- Zoning: UMU (Urban Mixed Use)
- Municipal Services Available (Phase #1 infrastructure completed)

### STRENGTHS

- Centrally located in the Tri-Cities, surrounded by vibrant commercial district (Columbia Center Mall) and adjacent to the Three Rivers Entertainment District (Toyota Center Coliseum, Three Rivers Convention Center and Tri-Cities Business & Visitor Center)
- Located within “Opportunity Zone” per 2017 Tax Cuts & Jobs Act
- Entitlement secured via 2017 City of Kennewick Development Agreement

### CHALLENGES

- ✱ Undertaking massive redevelopment effort while balancing district-wide objectives
- Limited financial resources
- Establishing a new land use and development paradigm in the community

### SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Vista Field Redevelopment-Loan Repayment - \$900,000 ®
- ☐ Identify scope and funding partners, then initiate a To Be Determined RCCF project (\$3,785,000 RCCF) ®
- ☐ Matching funds for roadway adjacent Fire Station #3 - \$125,000
- ☐ Vista Field Irrigation Well including connection to existing system - \$250,000
- ☐ Vista Field Team (supporting Commission efforts) - \$150,000 ®
- ☐ Vista Field Redevelopment-Traffic Mitigation fund - \$100,000 ®
- ☐ Vista Field Redevelopment-Property Maintenance Organization fund - \$200,000 ®
- ☐ Market properties through RFP process & review proposals through the Collaborative Design Process ®

Existing Contractual Obligation  
Support Previously Expressed  
 ® **Revenue Generation Potential**





## KENNEWICK HISTORIC WATERFRONT DISTRICT

- Clover Island 16 Acres; Columbia Drive 15.32 acres
- Zoning: Clover Island CM (Commercial Marina); Columbia Drive UMU (Urban Mixed Use)
- Municipal Services: water, sewer, electricity, natural gas and wireless coverage

### STRENGTHS

- Unique waterfront property with tourism opportunities - lighthouse, gateway, marine, public plazas, shoreline trails, public art amenities & food truck cluster with commercial & recreational opportunities
- Located within "Opportunity Zone" per 2017 Tax Cuts & Jobs Act
- City, County & Port partnership for Columbia Drive Wine & Artisan Village Development

### CHALLENGES

- ✱ Balancing focus on both Kennewick waterfront and Vista Field redevelopment priority projects
- Clover Island Shoreline work must be completed before private sector development occurs
- Surrounded by blighted neighborhoods consisting of residential, low-income, commercial-general and light industrial business-use properties

### SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

#### OVERALL AREA

- ☐ **Complete Historic Waterfront District Master Plan - \$50,000** (carry-over from 2019/2020 budget) ®

#### CLOVER ISLAND

- ☐ **Shoreline Restoration design assistance & construction matching funds (USACE 1135 Program) - \$1,000,000** ® (Port funds augment \$500,000 RCO grant & \$1,000,000 City of Kennewick)
- **Hold Clover Island properties until completion of USACE shoreline restoration and of Port's overall waterfront plan**

#### COLUMBIA DRIVE

- ☐ **Complete in-water and upland improvements (Phase #2D shipping container bath-room, August 2020 Duffy's Pond Plan, Kiwanis' community playground - \$450,000**
- ☐ **Support City of Kennewick Washington Street enhancements - \$500,000**
- ☐ **Establish design and marketing expectations based Historic Waterfront Master Plan then market opportunities to the private sector development (sale or lease) ®**

Existing Contractual Obligation  
Support Previously Expressed  
 ® **Revenue Generation Potential**





## OAK STREET INDUSTRIAL PARK

- 62+ Acres
- Zoning: City of Kennewick - IH (Industrial Heavy)  
Benton County - LI (Light Industrial)
- Municipal Services: water, sewer and electricity available

### STRENGTHS

- Close to SR 397; flat topography; all municipal utilities available to incorporated parcels

### CHALLENGES

- ✱ Kennewick Waterfront and Vista Field redevelopment priority projects require most of Port resources
- Poor visibility; no rail access; high ground water; perceived as isolated
- Municipal utilities unavailable to land located in county

### SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Continue to actively market Development Buildings A, B, C and D as available for lease ®
- ☐ Ordinary property maintenance activities during 2021-2022 period
- Market for sale all vacant/ag parcels ®

Existing Contractual Obligation  
Support Previously Expressed  
® Revenue Generation Potential





## VISTA FIELD DEVELOPMENT BUILDINGS

- 3.73 acres
- Zoning: City of Kennewick - IL (Industrial Light)
- All municipal services available

### STRENGTHS

- Centrally located in the Tri-Cities, surrounded by vibrant commercial district
- VFDF-A Building rehabilitation/remodel work completed September 2016

### CHALLENGES

- ✱ Kennewick Waterfront and Vista Field redevelopment priority projects require most of Port resources

#### SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ VFDF buildings A & B exterior and site improvements - \$800,000 ®
- ☐ Continue to actively market Development Buildings A & B as available for lease ®

Existing Contractual Obligation  
Support Previously Expressed  
® **Revenue Generation Potential**





## FINLEY (TWIN TRACKS & HEDGES LAGOON)

### TWIN TRACKS:

- 113.48 acres
- Zoning: Benton County - HI (Heavy Industrial)
- Utility Services: ground well, electricity and natural gas available

### HEDGES LAGOON:

### STRENGTHS

- Current dual rail service (Twin Tracks)

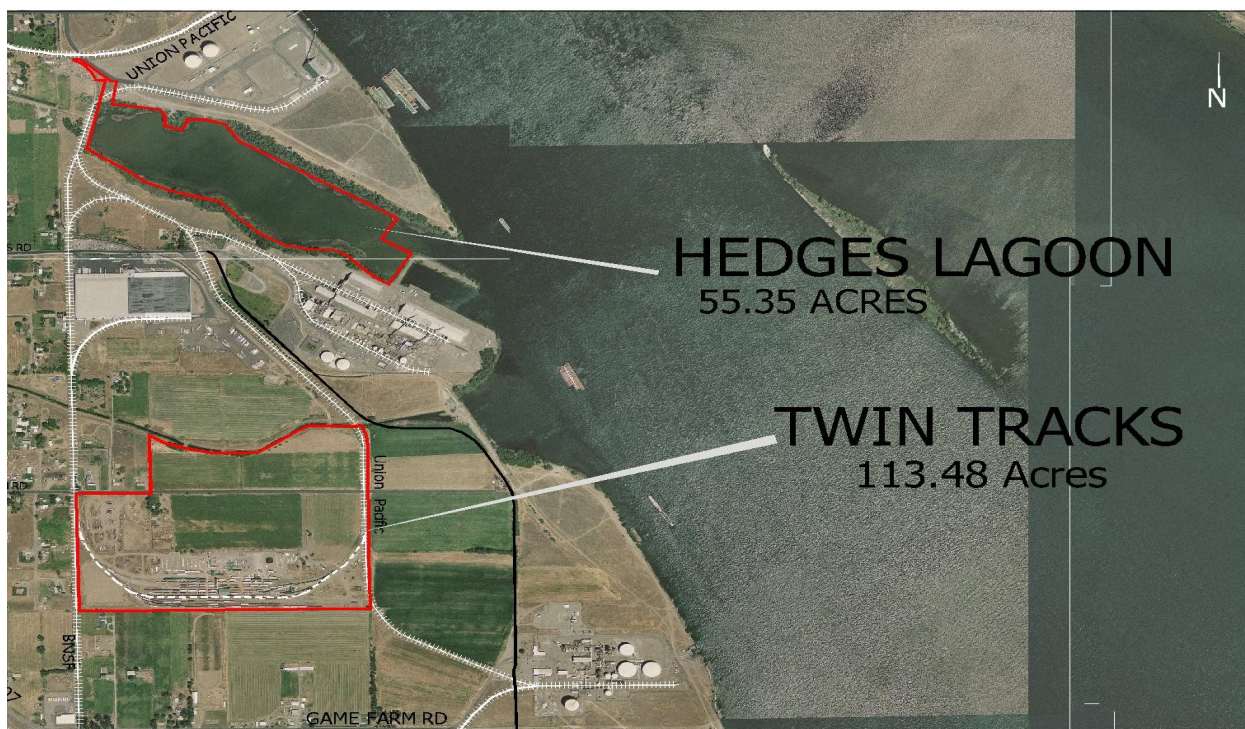
### CHALLENGES

- ✱ Kennewick Waterfront and Vista Field redevelopment priority projects require most of Port resources
- No municipal utilities and adjacent to existing & expanding residential (Twin Tracks)

### SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Ordinary property maintenance activities during 2021-2022 period

Existing Contractual Obligation  
Support Previously Committed  
 ® **Revenue Generation Potential**





## PLYMOUTH ISLAND

- 157+ Acres
- Zoning: Benton County - P (Park District) and HI (Heavy Industrial)
- Municipal Services: ground wells and power available

### STRENGTHS

- Near Interstate 82 and State Route 14

### CHALLENGES

- ✱ Kennewick Waterfront and Vista Field redevelopment priority projects require most of Port resources
- Cultural resource protections on island areas and nearshore

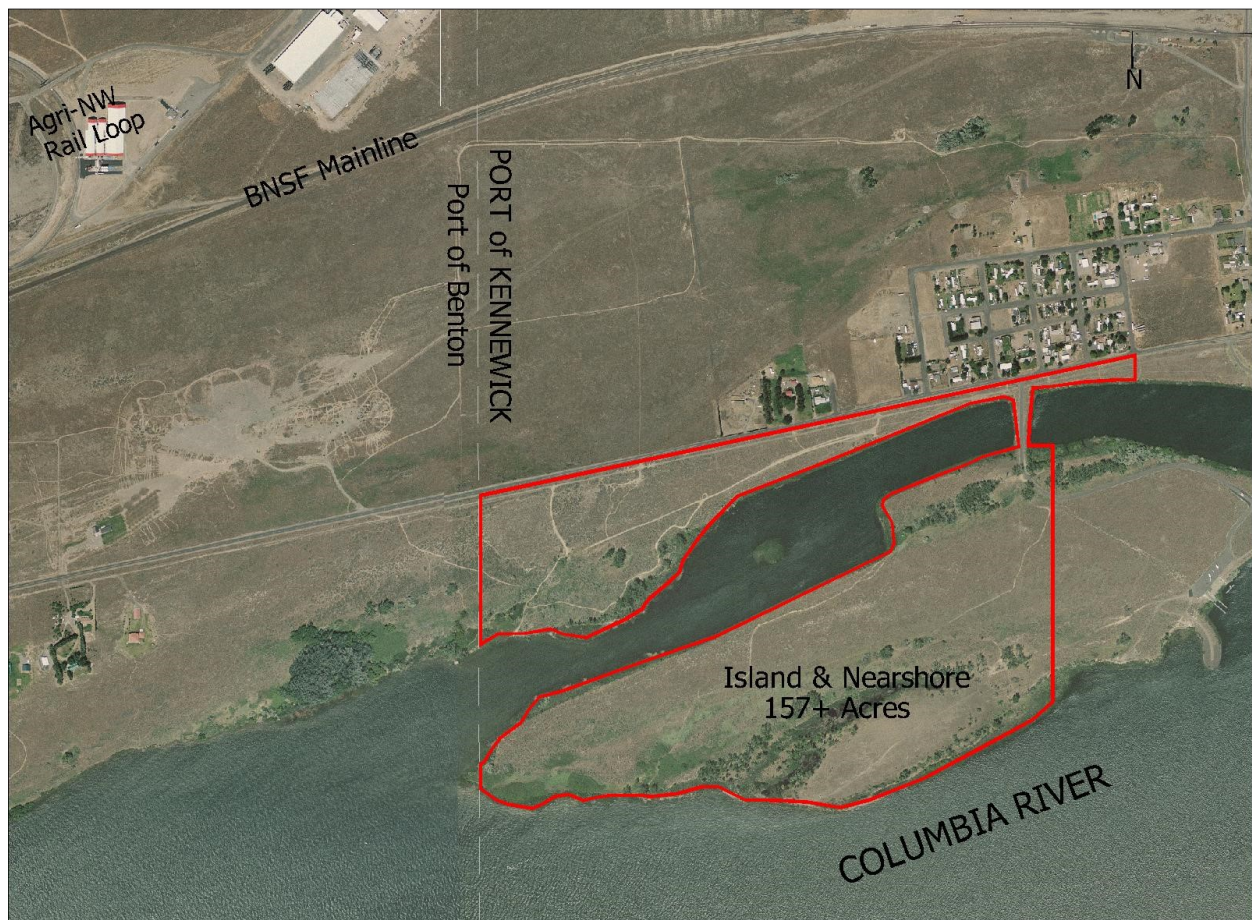
### SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Ordinary property maintenance activities during 2021-2022 period

[Existing Contractual Obligation](#)

[Support Previously Expressed](#)

® **Revenue Generation Potential**



## DISTRICT - WIDE WORK PLAN PROJECTS

### SUGGESTED WORK PLAN

- ☐ Remain focused on the day-to-day efforts to operate a successful Port District
- ☐ Complete projects authorized in 2019-2020 Budget
- ☐ **Pursue grant funding as appropriate** ®
- ☐ Support City of Richland's Columbia Park Trail "Road Diet" project (carry-over from 2019/2020 Budget) - \$800,000
- ☐ Support City of Richland and Kennewick efforts to extend Center Parkway roadway from Gage Boulevard to Tapteal Drive via Interlocal Agreement - \$400,000
- ☐ **Port asset replacement program (building upkeep & annual maintenance) - \$500,000** ®
- ☐ **Opportunity fund for yet to be identified small projects (either Port or outside agency) - \$100,000** ® *[dependent upon project(s) selected]*
- ☐ Miscellaneous capital - **\$100,000**
- ☐ Pursue water rights transfer from City of West Richland to Benton County (Fairgrounds) and Port properties (Vista Field)
- ☐ Due to favorable terms given to the City of West Richland in the Tri-City Raceway land sale, involvement in West Richland will be limited to observations and non-financial support when consistent with Port's sprawl avoidance philosophy
- ☐ Continue strengthening governmental relationships with CTUIR
- ☐ Continue strengthening governmental relationships with jurisdictional partners: City of Kennewick, City of Richland, City of West Richland, City of Benton City and Benton County

Existing Contractual Obligation  
Support Previously Expressed  
 ® **Revenue Generation Potential**



**From:** Nick Kooiker

**Sent:** Thursday, September 03, 2020 11:41 AM

**To:** Tana Bader-Inglima <tana@portofkennewick.org>; Tim Arntzen <TA@portofkennewick.org>; Amber Hanchette <amber@portofkennewick.org>; Larry Peterson <LPeterson@portofkennewick.org>; Bridgette Scott <bscott@portofkennewick.org>

**Subject:** Revised 21/22 Capital Budget

Thank you all for your time. Here's the revised budget based upon our meeting. The blue items are other people's money (i.e. RCCF and RCO).

	Carried over from 2020	21 Budget	22 Budget	TOTAL 21/22
Vista Field Loan Repayments		\$ 449,080	\$ 449,080	\$ 898,160
TBD Vista Field RCCF Project		\$ 2,065,000	\$ 1,720,000	\$ 3,785,000
Vista Field Fire Station (COK)		\$ 125,000		\$ 125,000
Vista Field Well		\$ 125,000	\$ 125,000	\$ 250,000
Vista Field "Team" (DPZ, SCM, Hall, Parametrix)		\$ 75,000	\$ 75,000	\$ 150,000
VF Traffic Impact Fund/Central Park		\$ 50,000	\$ 50,000	\$ 100,000
VF Owners Association Fund		\$ 100,000	\$ 100,000	\$ 200,000
VFDF A & B Exterior Improvements		\$ 400,000	\$ 400,000	\$ 800,000
Shoreline Construction	\$ 1,250,000	\$ 500,000	\$ 500,000	\$ 2,250,000
Clover Island Master Plan		\$ 25,000	\$ 25,000	\$ 50,000
Columbia Drive & Duffy's Pond		\$ 225,000	\$ 225,000	\$ 450,000
City of Kennewick Partnership		\$ 250,000	\$ 250,000	\$ 500,000
Richland/Island View Infrastructure	\$ 800,000			\$ 800,000
City of Richland Center Pkwy Project		\$ 200,000	\$ 200,000	\$ 400,000
Opportunity Fund		\$ 50,000	\$ 50,000	\$ 100,000
Port Buildings (Asset Replacement Program)		\$ 250,000	\$ 250,000	\$ 500,000
Misc. Capital		\$ 50,000	\$ 50,000	\$ 100,000
Staff Cost for Capital		\$ 579,441	\$ 589,234	\$ 1,168,674
<b>TOTAL</b>	<b>\$ 2,050,000</b>	<b>\$ 5,518,521</b>	<b>\$ 5,058,314</b>	<b>\$ 12,626,834</b>

Thanks, Nick J. Kooiker  
Chief Financial Officer/Auditor  
PORT OF KENNEWICK

## Vista Field Governance Structure

### Executive Summary for the Port of Kennewick

By Doris S. Goldstein

Vista Field is a 103-acre site located in the City of Kennewick, next to some of the region's sports and convention venues. It is envisioned as a vibrant mixed-use community, active day and evening for living, working and entertainment with a broad mixture of uses:

- Public and quasi-public open spaces, ranging from small pocket parks to a large central plaza.
- Nearly 1,100 residential units, including single family homes, condominiums and apartments.
- Approximately 750,000 square feet of retail, office, service and entertainment space.

Duany Plater-Zyberk & Company (DPZ), an architectural firm known for walkable mixed-use projects, created the distinctive master plan. Projects designed by DPZ interweave residential and commercial uses in a compact form, unlike more typical mixed-use projects that have separate out-parcels for various commercial uses. Recommendations for governance of Vista Field are based on examination of the master plan for Vista Field, experience with other DPZ-designed projects, discussions with Port and DPZ staff, and review of applicable Washington law with local counsel.

Accordingly, it is recommended that the governance of Vista Field be based on two recorded documents:

1. The Vista Field Declaration of Covenants, Conditions and Restrictions (the "Vista Field Declaration"), which applies to all of Vista Field properties, and
2. The Village Center Declaration of Covenants, Conditions and Restrictions for Commercial Property (the "Commercial Declaration"), which affects only commercial property.

Even though the Vista Field Declaration affects the entire community and the Commercial Declaration applies to only a portion of the community, the Vista Field Declaration is not a master declaration as that term is generally used. The two Declarations have separate purposes and are intended to operate independently.

This executive summary explains the operative provisions of both documents and the relationship between them.

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### Vista Field Declaration

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**Purpose.** The Vista Field Declaration is primarily intended to manage and maintain those parts of Vista Field that are shared by the entire community, such as certain streets, open space and the water feature. It is a flexible document that grows with the community. The Vista Field Declaration creates a relatively simple structure for the early stages of development while permitting additional governance structures to be created as necessary.

In addition to its fundamental purpose of establishing the community association's management and maintenance obligations, the Declaration explains the concepts behind this mixed-use community, the way it will be expanded in future phases and how the Master Plan, which lays out the general structure of the community, will be modified as development progresses. In doing so, it serves as both a guide for the Port (the "Founder" under the Vista Field Declaration) and a disclosure to property owners.



**Washington Uniform Common Interest Ownership Act.** The Vista Field Declaration is written to comply with the Washington Uniform Common Interest Ownership Act (the “Act”). As the Act is new (enacted in 2018) and complex, some uncertainty exists as to how certain provisions will be interpreted by Washington attorneys and judges. Attorney Gary Ackerman, who was a member of the committee that adapted the uniform act for its enactment in Washington, served as Washington counsel for the creation of the Vista Field documents, and Chris Napier now serves in this capacity under the direction of Steve DiJulio.

**Vista Field Association Membership.** Members of the Vista Field Association include all property owners within Vista Field, both residential and commercial. Commercial property owners pay assessments for the maintenance of common elements that serve the entire community. However, the Vista Field Declaration specifically protects operation of businesses and the village center from homeowner interference. The Commercial Declaration, a separate document summarized below, governs the operation of the Village Center.

Articles of Incorporation and Bylaws for the operation of the Vista Field Association will be drafted by Washington counsel. The Act dictates much of their content. Articles and Bylaws are not required to be attached to the Vista Field Declaration and are easier to amend than the Declaration.

**Evolution of the Master Plan.** Vista Field is a mixed-use project with a potentially long build-out. The Master Plan will be refined as individual phases are readied for development and the project evolves in response to market demand. The Port can modify the Master Plan.

The Vista Field Declaration describes a “Master Plan Area,” the 103 acres used to create the Master Plan. The Vista Field Declaration itself creates no restrictions on the use of the Master Plan Area; the Port can add to the Master Plan Area or remove property from it if the Master Plan is changed.

**Phasing.** With the recording of the Vista Field Declaration and submission of the first phase, Vista Field is officially created as a common interest community. Additional land may be added in phases. The Port may add any part of the Master Plan Area to the Vista Field Declaration, in any order. Once land is added to the Vista Field Declaration, it is subject to its terms, including assessments.

As each phase is created, a supplemental declaration establishing the phase will be recorded, making the phase part of the Vista Field community that is subject to the Vista Field Declaration. The supplemental declaration may establish the allocated interests, common elements and limited common elements (shared areas that serve a limited number of parcels, such as an alley) and any special cost-sharing arrangements for that phase.

Phases should be made in small increments, allowing adjustment of design details. Land owned by the Port is subject to assessments once submitted to the Declaration, which is further reason not to submit more land at a time than necessary for marketing.

**Association Control.** The Declaration allows the Port to retain control of the Association for the longest period permitted under the Act. The Act permits the Port to select a majority of the board until 75% of all of the Parcels that will ultimately be part of the community have been sold. (RCW 64.90.415) During this early period, the board members appointed by the Port control the operations of the Association. However, board members have a duty to the Association to act reasonably and in the best interests of the Association.

The Act provides that as long as the project is proceeding with sales of units or addition of units every two years, there is no time limit to this period of developer control, which may last for many years in a project with a long build-out. If there were such a substantial lull in activity, the Port would lose its right to elect a majority of the board of the Association but would not lose its other development rights, including architectural review.

**Maintenance Zones.** Maintenance Zones are smaller areas within Vista Field that share limited common elements or that require other specialized shared maintenance, such as a landscaped courtyard that is part of a bungalow court. The Maintenance Zone concept allows the Association to provide this additional maintenance and bill the cost to the benefited homeowners. An advisory committee of owners within that Zone works within the community association structure, avoiding the need to create a sub-association.

Maintenance Zones are a flexible tool to tailor services and cost allocation to particular areas within the community as they are developed. This provision may not be used in the early stages of the community but lies dormant in the document until needed.

**Allocated Interests.** The Act requires that general assessments and voting be in the proportions established by the Allocated Interest assigned to each parcel, which may be stated in the form of a formula. (RCW 64.90.235) The concept of tying Allocated Interests to assessed value was discussed but rejected on the advice of Washington counsel as not permitted under the Act. The Allocated Interests must be determined for each phase at the time that a phase is added by supplemental declaration.

Any formula needs to balance fairness against ease of administration. Although other formulas are possible, the following formula for Allocated Interests is under consideration and is believed to be in compliance with the Act:

- Most single-family residences, including detached homes, townhouses and condominiums, will be assigned One Allocated Interest. The draft allows smaller units to be assessed at 0.75 Allocated Interests and very large homes to be assessed at 1.50 Allocated Interests, although this is open to discussion. A separately leasable garage apartment or other accessory building may add to the Allocated Interest for the parcel.
- Apartments will be assessed in the same way as single-family residences. However, apartment buildings of more than four units will be assessed at 0.75 per unit for average-sized units and 0.50 for smaller units, in recognition of the greater efficiency in collecting assessments from a single owner and to allow the development of affordable units.
- Commercial space is assigned one Allocated Interest per one thousand (1,000) square feet of net usable commercial square footage for the purposes of Association assessments. The Commercial Declaration has separate formulas for its expenses.
- Special Use Parcels are unique Parcels that do not fit in the customary categories. The Supplemental Declaration adding such property shall designate it as a Special Use Parcel and assign a reasonable Allocated Interest for the Parcel, based on the anticipated use.

**Budget and Assessments.** The Association will need to create a budget for maintenance of common elements and limited common elements and for its other association management functions. This budget would not include any development expenses.

Beginning with the recording of the Declaration, the Port will be required to pay assessments on the lots it owns that are within the area submitted to the Declaration. As noted above, phasing should be structured to limit the number of undeveloped lots submitted to the Declaration at one time.

In practice, however, the Port will need to subsidize the cost of the Association in the early stages over and above what it is required to pay for the lots that it owns. Deficit funding occurs only during the early years of the project, during which time the Port is in control and selects a majority of the board of the Association. The project will need to be well maintained to be marketable, and with few owners to contribute to assessments, the cost to each owner would be prohibitive. The Port-controlled board will likely establish an appropriate level of assessments in the beginning, based on a good-faith estimate of what assessments are likely to be once the project is well



underway, and the Port would contribute an amount to the Association necessary to cover the budgetary shortfall.

Because this practice is not provided in the Act, it is not specified in the Declaration. Instead, it will be done by agreement of the Port-controlled Board on an annual basis. Once the Association is well established, the Port would discontinue the deficit funding and pay assessments only on the lots it owns.

**Design Review.** Design Review is reserved to the Port during the entire Development Period, defined in the Declaration as six months after the Founder neither owns a total of at least one acre of land in the Master Plan Area nor holds any Parcels for sale in the normal course of business, but no later than 75 years. The Development Period is independent of, and extends beyond, the point at which the Port is required to relinquish its majority on the Association board. This allows the Port to complete design of the project without Association interference. The Port may, if it chooses, assign all or some of its review powers to the Association. For instance, after a certain point in development, the Port could decide to assign to the Association review of modifications to existing homes, while retaining review of new construction.

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### Commercial Declaration

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**Introduction.** Creation of a separate governance structure for commercial property is recommended for the following reasons:

- In developing a mixed-use community, it is critically important to protect commercial properties from potential homeowner interference. Creation of a separate Commercial Property Association is the single best way to provide such protection.
- Removing the Commercial Declaration from the Act gives the Port much greater flexibility in the operation of the Village Center. As noted above, the Washington Uniform Common Interest Ownership Act, or “Act,” is inflexible in many regards, including the formulas for assessments, voting requirements and association operation. While compliance with the Act is mandatory for the residential portions of the community, it is not required for an association consisting entirely of commercial property owners.
- Financial records of the general Vista Field Association are subject to inspection by homeowners under the Act; formation of a Commercial Property Association keeps Village Center records separate from Association records, which are subject to inspection by homeowners. (However, the information may be available under the Washington Public Records Act.)
- The general Vista Field Association is required to be turned over to property owners at 75% build-out. There is no time limit for developer control of the Commercial Property Association. The Port can maintain control of the Commercial Property Association as long as it deems necessary to do so.
- If the Port ever chooses to make a bulk sale of a significant part of the Village Center properties, being able to assign its management rights will increase the value of the property.

The Commercial Declaration would be recorded in the public records before the Port sells the first commercial property. It would describe a geographical area—the Village Center—but would specifically exclude residential property from its effect. Parts of Vista Field that are entirely residential will not be included within the boundaries subject to the Commercial Declaration. This allows most residential lots to be sold subject only to the Vista Field Declaration, simplifying marketing efforts.

**Commercial Property Association.** The Commercial Declaration would establish the Commercial Property Association. All commercial property owners within the boundaries would be members of the Commercial Property Association and pay assessments based on the formulas provided in the Commercial Declaration.

Because it is not subject to the Act, the Articles and Bylaws of the Commercial Property Association can be written to give significant control to the Port, including the right to select a majority of its board of directors. However, the Commercial Property Association must be operated as a separate entity, with separate financial accounts. The documents allow the Port to choose how long it operates and controls the Commercial Property Association.

Any residential parcel within the Village Center area will be automatically excluded and does not need to be identified; if the use of the parcel is later changed to commercial, it may move into the Village Center Association as uses change. The reverse is also true. For mixed-use parcels, only the commercial portion will be assessed.

**Phasing and Implementation.** Although the Commercial Declaration would be recorded at the beginning of the development of the Village Center, its operation in the early years would be relatively simple. As with the Vista Field Declaration, property will be added in phases, with the supplemental agreements defining the areas subject to the Commercial Declaration and commercial common areas to be maintained by the Village Center Association.

**Purposes.** The Commercial Declaration has three primary purposes, with assessments allocated differently for each of these functions:

- *Maintenance:* The Commercial Property Association through its General Manager would be responsible for maintenance of the commercial common areas, such as plazas, landscaping and street furniture, for which assessments will generally be based on Allocated Interests. Because the Commercial Declaration would not be subject to the Act, Allocated Interests could be based on any formula desired, including assessed value.
- *Management:* The General Manager will oversee and regulate businesses' use of Common Elements within the boundaries of the Village Center, and the use of Village Center's Limited Common Elements. The cost of management would be assessed in accordance with Allocated Interests.
- *Promotion:* The Commercial Property Association's Marketing Director will promote Vista Field for the mutual benefit of all businesses, including advertising, special event programming, seasonal decoration and other promotional activities. If promotional activity is a significant part of the Commercial Property Association budget, it may be desirable to assess this portion of the budget to those commercial owners who are benefited by the increased traffic, such as shops and restaurants rather than offices. This can be done as a percentage of sales tax paid by the business or by another formula, which may be based on a combination of square footage, location and/or type of business.

It is expected that the Port would subsidize costs in the beginning. Because the Village Center Association is not subject to the Act, it could charge a negotiated amount for assessments in the early years before the Village Center becomes fully operational.

**Services.** The Commercial Property Association may provide certain services, such as shared dumpsters, the cost of which could be based on actual usage or a reasonable estimate of such usage. The Commercial Property Association can manage parking garages that it owns, leases or manages under other use agreements.

**Retained Ownership of Certain Village Center Property.** The Port may retain ownership of certain shared spaces, rather than contribute them to the Association as common elements or limited common elements. For instance, the Port may decide that certain plazas or other areas



within the Village Center lend themselves to use as a food court or an area with kiosks, pop-ups or other small sales spaces, in which case the Port may retain these areas and act in a “mall manager” function.

Any property that can generate income or has long-term development potential should be retained by the Port, as the Association is not an appropriate vehicle for managing or developing such areas. The Port should strongly consider retaining parking lots and garages, as these areas could be redeveloped if the future contains fewer private vehicles than the current reality. Long-term use agreements to guarantee parking rights can be provided if required by local government or lenders.