

The Governor's Proclamation 20-28 regarding the Open Public Meetings Act and Public Records Act temporarily prohibits in-person public attendance at meetings subject to the OPMA.

A GoToMeeting has been arranged to enable the public to listen and make public comments remotely.

To participate remotely, please use the following call-in information: via GoToMeeting 1-877-309-2073, Access Code: 372-233-229

AGENDA

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

Tuesday, September 22, 2020
2:00 p.m.

- I. CALL TO ORDER**
- II. ANNOUNCEMENTS AND ROLL CALL**
- III. PLEDGE OF ALLEGIANCE**
- IV. APPROVAL OF AGENDA**
- V. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- VI. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments Dated September 17, 2020
 - B. Approval of Direct Deposit and ePayments Dated September 18, 2020
 - C. Approval of Warrant Register Dated September 22, 2020
 - D. Approval of Regular Commission Meeting Minutes September 8, 2020
- VII. EMERGENCY DELEGATION UPDATE** (TIM/AMBER)
- VIII. PRESENTATIONS**
 - A. 2020 Year in Review (LARRY)
 - B. 2021-2022 Planning Workshop (TIM/LARRY)
- IX. RECESS**
- X. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Vista Field
 - 1. Public Owners Association Update, Ben Floyd, White Bluffs Consulting and Doris Goldstein (LARRY)
 - B. Chief Executive Officer Evaluation Process (LUCINDA)
 - C. All Aboard Washington Presentation Update (LARRY)
 - D. Director Reports (TANA/NICK/LARRY/AMBER/LUCINDA/TIM)
 - E. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - F. Non-Scheduled Items
- XI. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- XII. ADJOURNMENT**

PLEASE SILENCE ALL NOISE MAKING DEVICES





PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

SEPTEMBER 8, 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 Novakovich 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 2, 2020***
Direct Deposit and E-Payments totaling \$92,855.97
- B. Approval of Warrant Register Dated September 8, 2020***
Expense Fund Voucher Number 102344 through 102378 for a grand total of \$274,184.45
- C. Approval of Regular Commission Meeting Minutes August 25, 2020***

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 8, 2020 MINUTES

DRAFT

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

PRESENTATIONS

A. *Historic Waterfront District Master Plan Update, MAKERs architecture and urban design*

Mr. Peterson introduced Julie Bassuk, Erica Bush, and Beth Batchelder of Makers architecture and urban design. Makers has been working on the Kennewick Waterfront District (Columbia Drive & Clover Island) Master Plan process for the Port.

Ms. Bush presented a summary from the phase one community outreach (Exhibit A).

Discussion ensued between the Commission, Makers, and staff.

Ms. Bush introduced phase two which included two draft concepts for the Master Plan:

- Activity Destination: includes a variety of amenities, lodging, recreation and activities, and benefits the community and tourism;
- Residential Hub: creates a new residential district within the confines of the space and focuses on a variety of residential options, amenities, and recreation.

EMERGENCY DELEGATION UPDATE

A. *Approval of Continued Remote Meetings*

Ms. Scott gave a brief update on Proclamation 20-28, issued by Governor Inslee on March 24, 2020, which prohibited public agencies subject to RCW 42.30 from conducting any meetings in person. The Proclamation is set to expire on October 1, 2020 and Benton County will likely be in a modified Phase 1.5 under the Plan, in which no more than five people will be allowed to gather, meaning the Regular Commission Business Meetings would exceed that limitation.

Ms. Luke recommended extending the remote meeting procedures until the seventh day after Benton County enters Phase III of the Governor's Stay Safe, Stay Healthy Plan or as otherwise amended or rescinded by action of the Commission.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-17 extending the remote meeting procedures it has established under Proclamation 20-28 regarding remote attendance for meetings subject to RCW 42.30, the Open Public Meetings Act; Commissioner Moak seconded.*

Discussion:

Commissioner Novakovich believes this is a very conservative and smart move and takes into consideration of the welfare and well-being of our staff and the public. Commissioner Novakovich is fully supportive of this and thinks it is wise of staff and counsel to recommend this.

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

PORT OF KENNEWICK REGULAR COMMISSION MEETING

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B. Amendment for Express Personnel Contract

Ms. Hanchette stated the Port has been without the assistance of the Department of Corrections Coyote Ridge work crew for six months and hired temporary workers to assist the maintenance department with the upkeep of Port property. Ms. Hanchette presented Resolution 2020-18 which authorizes an amendment to the Express Employment Professionals temporary contract.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Moak moved to approve Resolution 2020-18, authorizing the Port's Chief Executive Officer to execute all documentation necessary to contract with Express Employment Professionals in order to assist Port operations with temporary workers; and further ratifies and approves all actions by Port officers and employees in furtherance hereof; Commissioner Novakovich seconded.*

Discussion:

Commissioner Novakovich commended Port staff and Ms. Hanchette for ensuring that our properties are properly maintained and look presentable to the public. The fact that the Port is keeping up our properties speaks very highly of the Port's standards.

Commissioner Barnes agrees with Commissioner Novakovich and he appreciates all the work to maintain all of the Port properties.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. 2021-2022 Work Plan/Budget Elements Discussion

Mr. Arntzen and staff gave brief reports on potential work plan and budget elements (EXHIBIT B).

Commissioner Barnes stated he would like to see a firm buyback clause that is easy to understand and interpret and believes it is important to have funds set aside for buy backs or potentially utilize the reserve account.

Commissioner Novakovich believes we do not need to set aside funds for the buyback clause because of the timeline afforded to the builder. The Port could use those funds to fund other projects that will benefit the public the best.

Commissioner Moak agrees with Commissioner Barnes on the buyback clauses; however, the goal is not to hold the property, but to sell to another buyer and does not believe we need a fund because there will be a quick turn around on the property.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 8, 2020 MINUTES

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B. Vista Field

1. Construction and Task Status Update

Mr. Peterson stated Total Site Services continues to complete the list of items created by the City of Kennewick to accept the project.

2. Owners Association Update

Mr. Peterson introduced Ben Floyd of White Bluffs Consulting, who is working on the Vista Field Owners Association with Doris Goldstein; Steve DiJulio and Chris Napier of Foster Garvey.

Mr. Floyd outlined the proposed Vista Field Owners Association structure and timeline (EXHIBIT C).

3. Hangar Memo

Mr. Arntzen presented the Vista Field Hangar Memo, which is based on previous Commission discussions. The memo (EXHIBIT D) outlines two options for the hangars, including a lean renovation option and/or a ground lease.

Commissioner Novakovich is in favor of authorizing Mr. Arntzen to contact a firm to research viable options for the hangars and to hire an economist. Commissioner Novakovich believes they are reasonable requests and the economist is critical, because we don't know the effects of COVID-19.

Commissioner Barnes would like to advertise one hangar building as available for the collaborative design process and then review private sector proposals, rather than spend time up front thinking about cost, vibrancy, and regulations, for example. Commissioner Barnes is not in favor of hiring an economist to make projections about post COVID-19 pandemic.

Commissioner Moak stated that he would like to see proposals for what can be done with the money that the Port has. Additionally, he believes we should be looking at all of the hangars and then decide which way to go.

Mr. Arntzen would like to look at both options and see the viability of which option might be the best or even a blend of both.

Commissioner Moak would like to see something that is reasonable and lean; however, he is not ready to move to path two without seeing an analysis of path one.

Further discussion commenced between the Commission and Mr. Arntzen.

It is the consensus of the Commission (Commissioners Moak and Novakovich in favor) to authorize an economist for the COVID-19 analysis and embark on further review of reuse for options for the hangars.

Mr. Arntzen will bring a scope of work for Commission review and apprise the Commission of each step in the process for continued input.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 8, 2020 MINUTES

DRAFT

C. Clover Island/Columbia Drive

1. 1135 Project Status Update

Ms. Bader Inglima reported that the U.S. Army Corps of Engineers (USACE) is finalizing their architectural and engineering (A&E) designs and getting ready to go out to bid on the shoreline project; however, it has been determined that the cost of the project has exceeded the original numbers. USACE is estimating that the project will cost \$8,500,000, which means the Port would need to allocate an additional \$1,000,000 for the local sponsor match. The USACE would bring \$6,000,000 of federal money to this project and the Port would utilize the \$1,000,000 from Rural County Capital Funds, the \$500,000 from the state aquatic lands grant, and another \$1,000,000 that Mr. Kooiker has identified, should the Commission choose to pursue this project, those funds could come from our 2021-2022 capital budget.

Commissioner Novakovich believes that the Port needs to move forward on the project or we are losing a tremendous opportunity to use other people's money. Commissioner Novakovich asked what staff is requesting today.

Mr. Arntzen stated this discussion is to prepare the Commission for the draft budget.

Commissioner Barnes would be in favor, at a minimum, having a placeholder in the budget. We are too far along in the process to take an off-ramp and we are currently working on the Waterfront Master Plan. To take an off-ramp now would be inconsistent with the overall direction that the Port is taking.

Commissioner Moak supports the increase in the 1135 project as part of the 2021-2022 budget.

D. Buyback Clause Policy

Ms. Hanchette presented proposed language for the buyback clause in the Port's Purchase Sale and Agreement.

Commission and staff discussed the proposed buyback language.

Commissioner Barnes supports the shorter amount of time and the succinct approach.

Commissioner Novakovich called for the question.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-19, authorizing the Port's Chief Executive Officer to execute all necessary documentation in order to update repurchase option language in Port purchase and sale agreements; and further ratifies and approves all action by Port officers and employees in furtherance hereof; Commissioner Barnes seconded.*

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 8, 2020 MINUTES

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Discussion:

Commissioner Moak believes it is fair to buy the property back at the purchase price, if there has been no action taken by the developer. Additionally, he thinks the longer term would put the purchaser into two different Commission terms and tones can change over the course of 60 months. Commissioner Moak hopes that the Commission never needs to exercise the buyback clause at all, because he would like to see the development happen. Commissioner Moak is happy with the reduction in time.

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

E. Regional Water Issues Working Group

Mr. Arntzen and Ms. Bader Inglima were recently contacted by David Reeploeg of TRIDEC, who inquired if the Port would like to join a general water issues working group.

Discussion continued with Commission and staff.

Commissioner Barnes will participate in the Regional Water Issues Working Group and stated if it is not the right fit for the Port of Kennewick, he will bow out.

F. Communications with Public

Ms. Bader Inglima gave a brief report on her work with the Council of Governments and the Tri-Cities Area *Journal of Business*. Ms. Bader Inglima reported that during the pandemic, there has been a tremendous increase of people using the trail and park system. Ms. Bader Inglima is working with City staff on advertisements for Clover Island and Columbia Drive, which will be placed in kiosks on the trail.

G. Director Reports

Mr. Peterson thanked Ms. Bader Inglima for all of her work on coordinating the Port's website for Makers outreach.

Ms. Luke has begun pulling together documents for the upcoming CEO evaluation process and the Commission should see that information by September 18, 2020, where they will have least two weeks to prepare their drafts. Ms. Luke anticipates bringing back the evaluation in October for discussion, to meet the November 15, 2020 deadline.

Mr. Arntzen reported that staff reached out to Mr. Burdick regarding his request related to passenger rail service.

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

Commissioners reported on their respective committee meetings.

I. Non-Scheduled Items

Commissioner Novakovich relayed that the marina was 100% occupied for the first time in Port history and thanked staff for all the work they are doing.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 8, 2020 MINUTES

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No further comments were made.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick found it interesting the hangar renovation came up again and stated on page 8 of the Makers presentation shows amenities which includes a farmers/art market. Mr. Burdick cannot think of anything leaner to do, for at least one of the hangars, is to do something like that which would involve a minimum amount of renovation.

No further comments were made.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 5:45 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

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

**December
2019**



**January
2020**



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

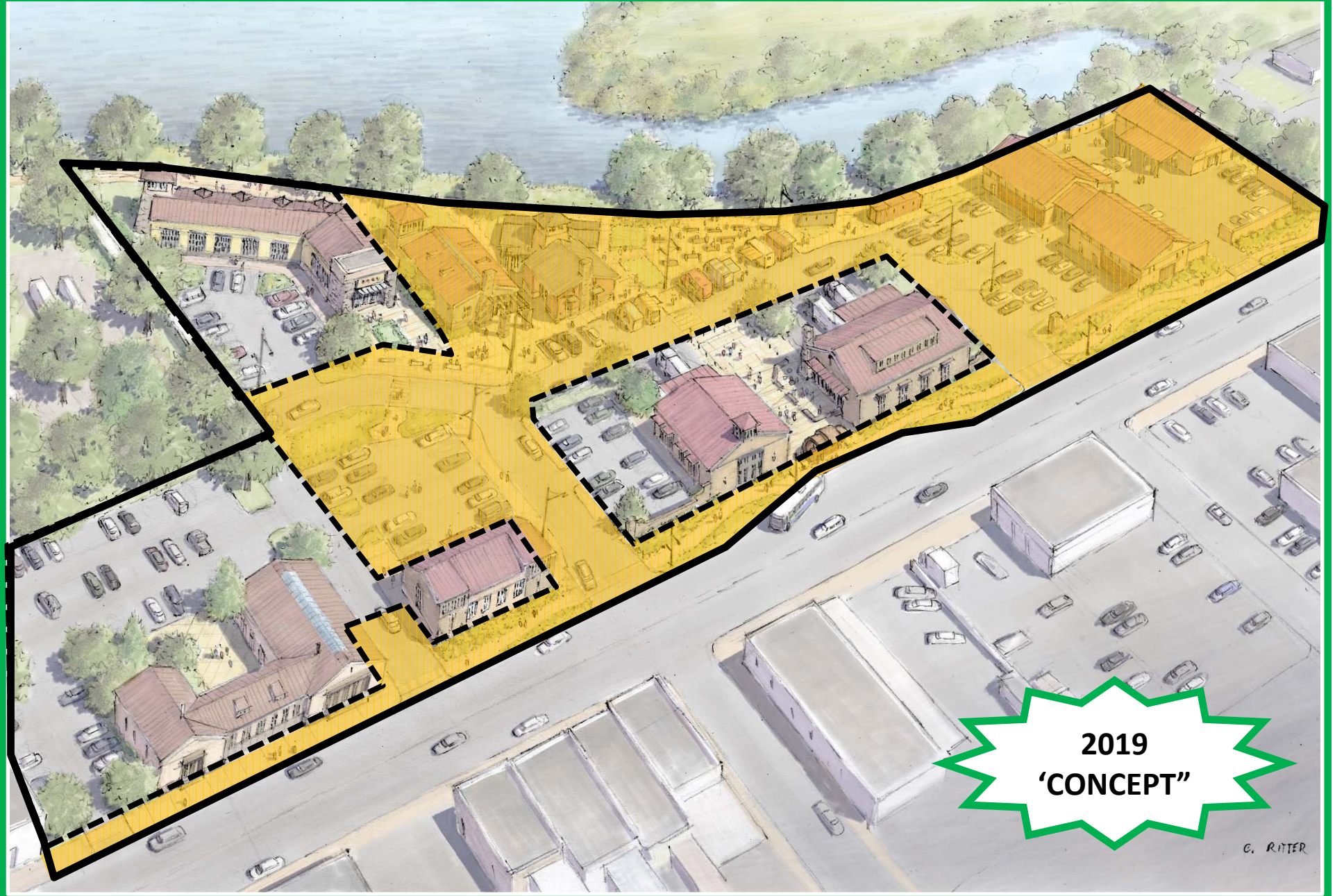


Columbia Gardens Phase #2B

June 2020



Columbia Gardens Phases #1 - #2C



Columbia Gardens Phases #1 - #2C



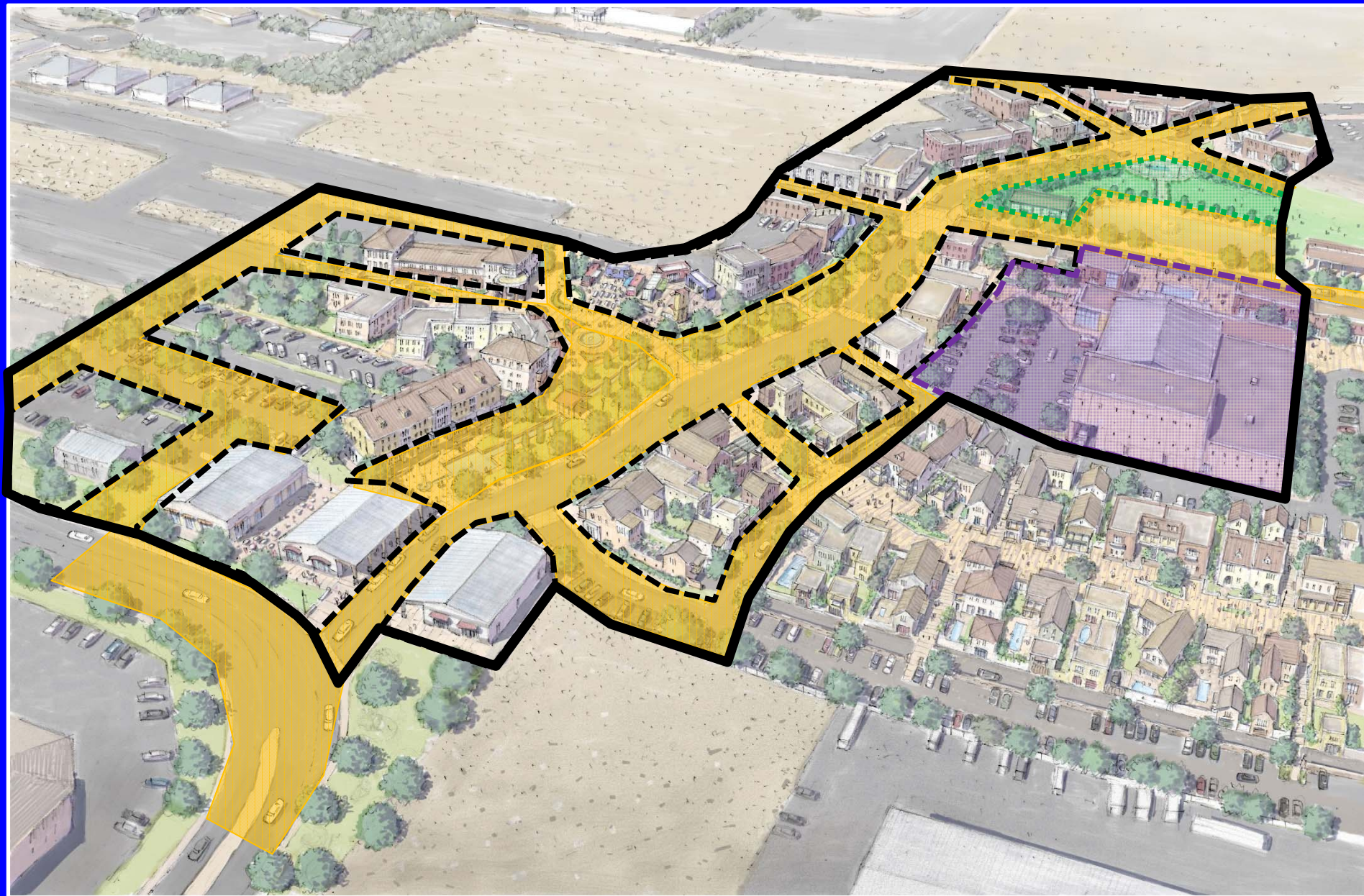
2020 REALITY

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



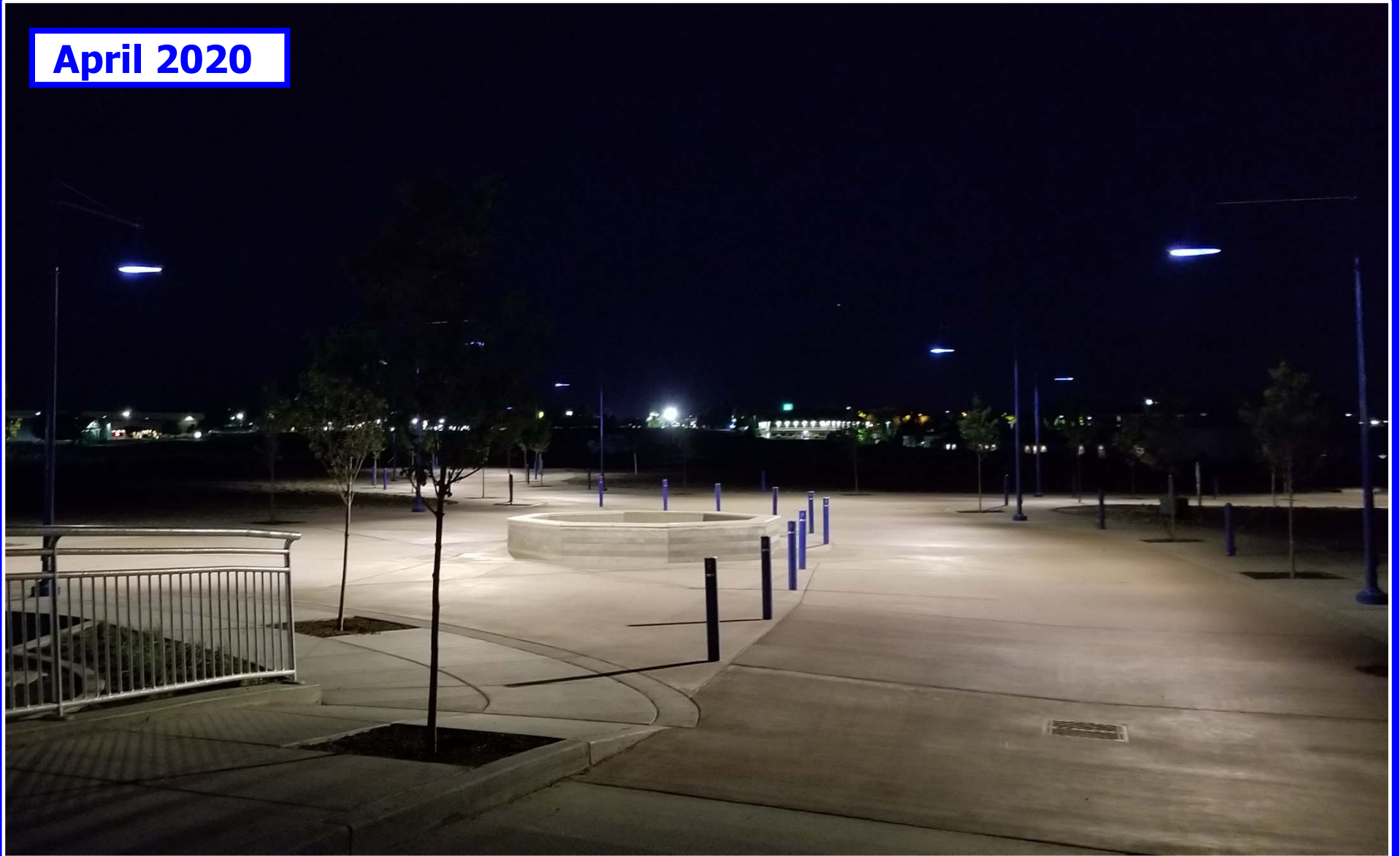
VISTA FIELD

February 2020



VISTA FIELD

April 2020



VISTA FIELD

July 2020



VISTA FIELD

July 2020



VISTA FIELD

July 2020



VISTA FIELD

July 2020

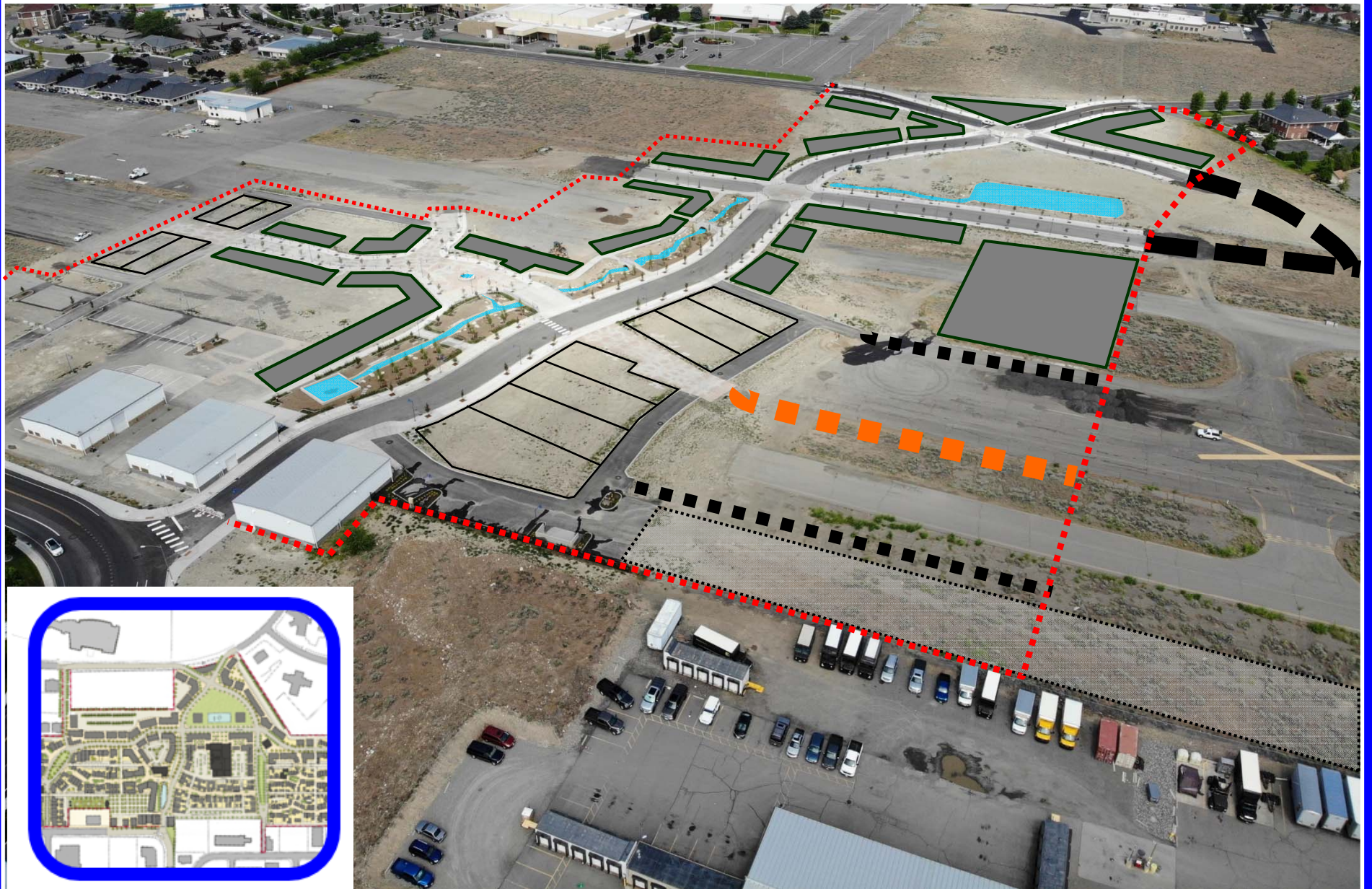


VISTA FIELD

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



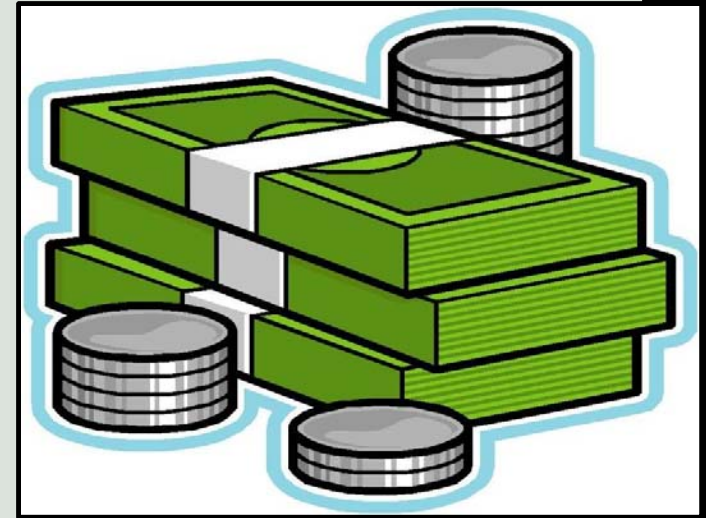
Oak St. Building A HVAC Replacement

March 2020



Columbia Garden-Food Truck Plaza
Shade Structure

Clean Audits/Strong Financials

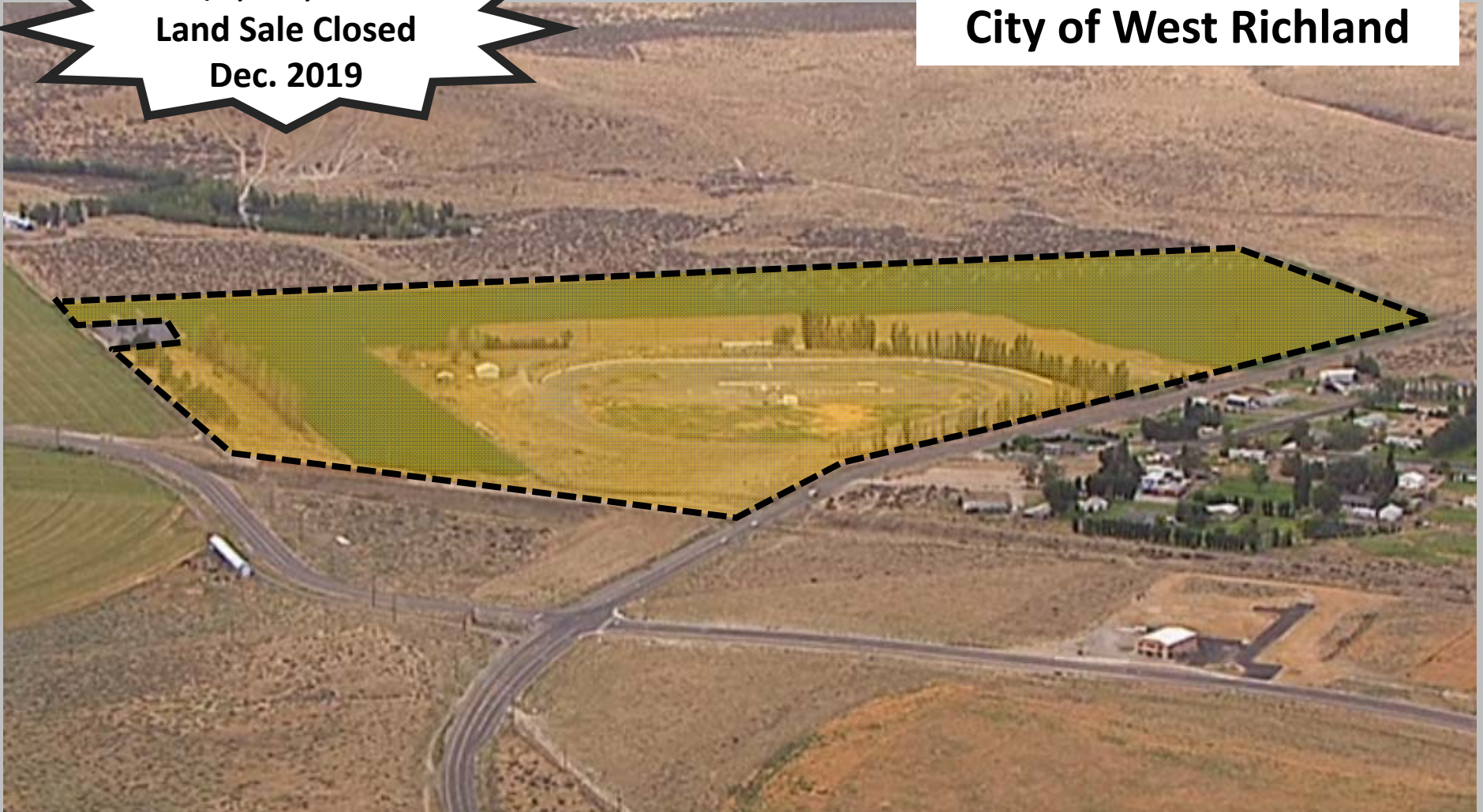


LAND TRANSACTIONS

West Richland – TC Raceway

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

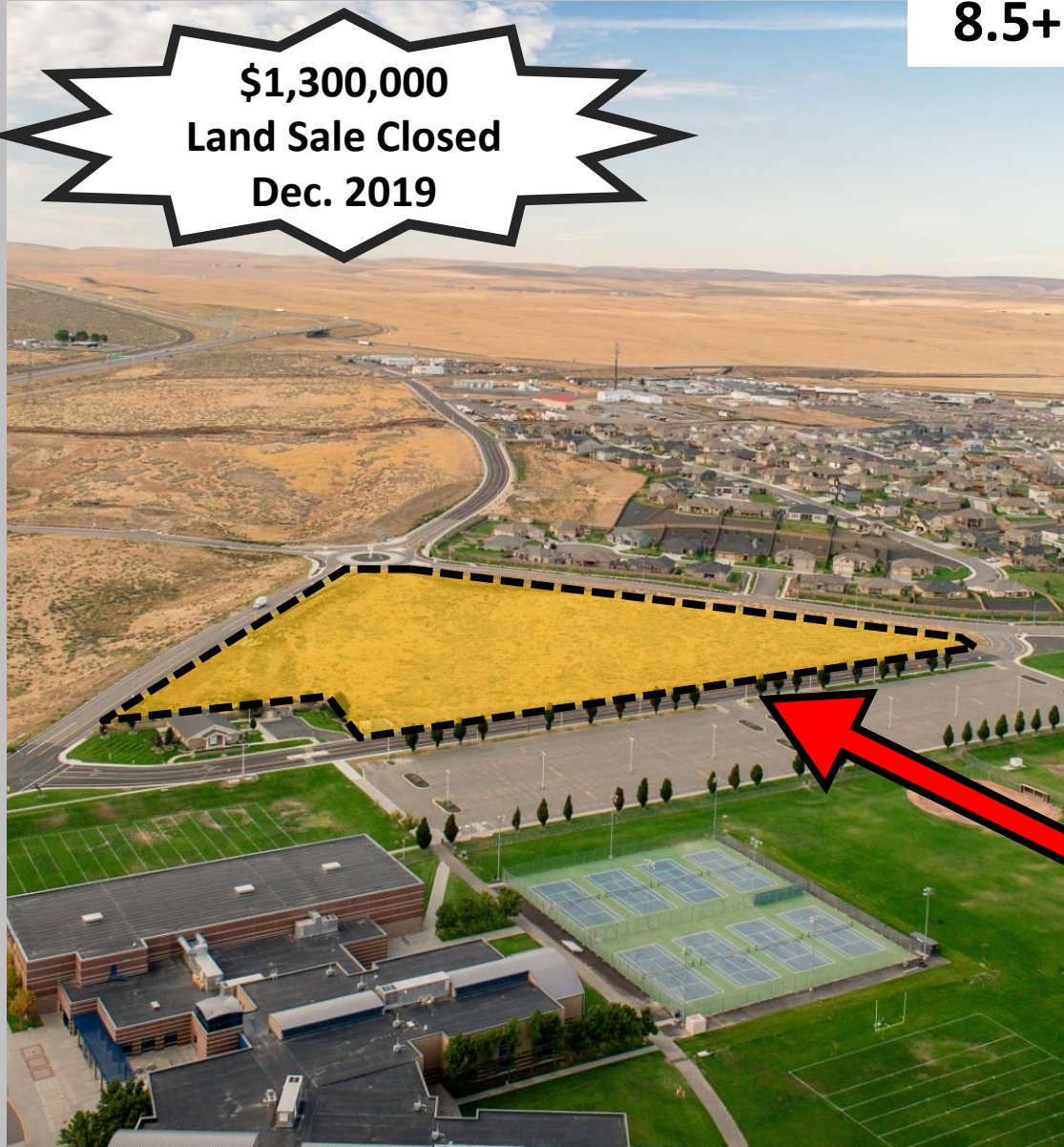
92+ Acre Land Sale
City of West Richland



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.



Zoned Community Commercial

AUCTION: NOVEMBER 15 @ 11AM

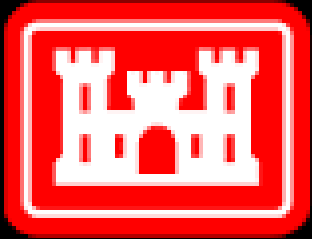
At the Musser Auction Facility
3125 Rickenbacker Drive, Pasco, WA 99301

Musser Bros.
AUCTIONS AND REAL ESTATE

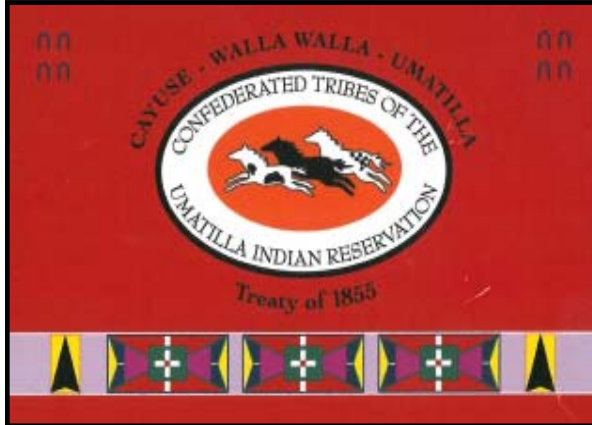
bidtricity.com
509.416.6060

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

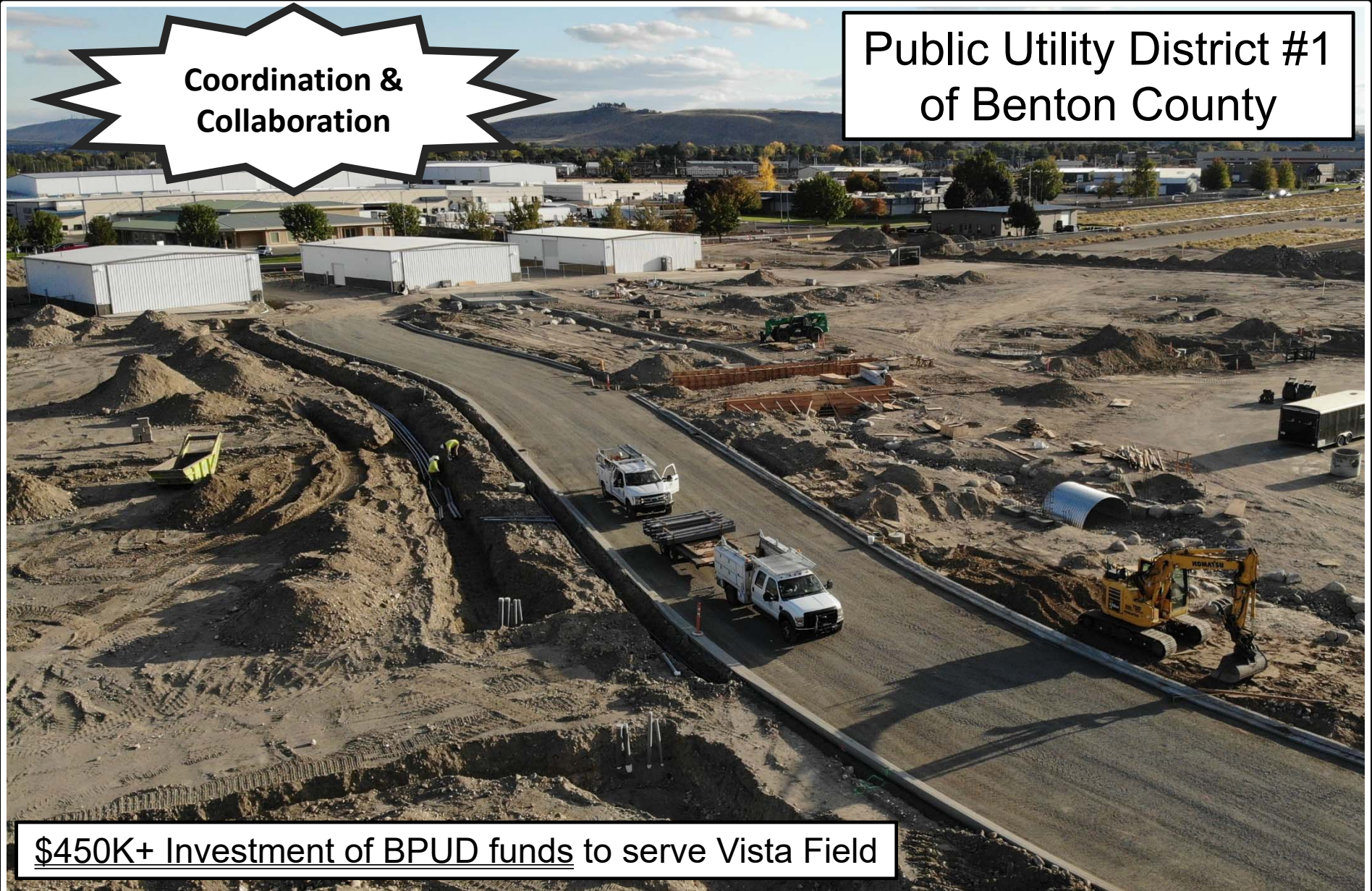
Cost sharing on roadway serving both City of Kennewick Fire Station #3 and
Vista Field future phases

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

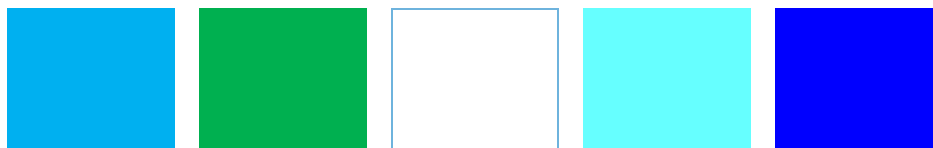
We want to hear from you!

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

PROSPECTIVE VISION

ACHIEVEMENTS (October 1, 2018 — September 30, 2020)

WORK IN PROGRESS

DISTRICT BOUNDARY MAP

PROPERTY PORTFOLIO

PRIORITY PROJECTS

Vista Field Redevelopment

Kennewick Historic Waterfront District (Clover Island & Columbia Drive)

OTHER PROJECTS/PROPERTIES

Oak Street Industrial Park

Vista Field Industrial Park

Finley: Hedges / Twin Tracks Industrial

Plymouth Island

ADDITIONAL WORK PLAN PROJECTS

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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

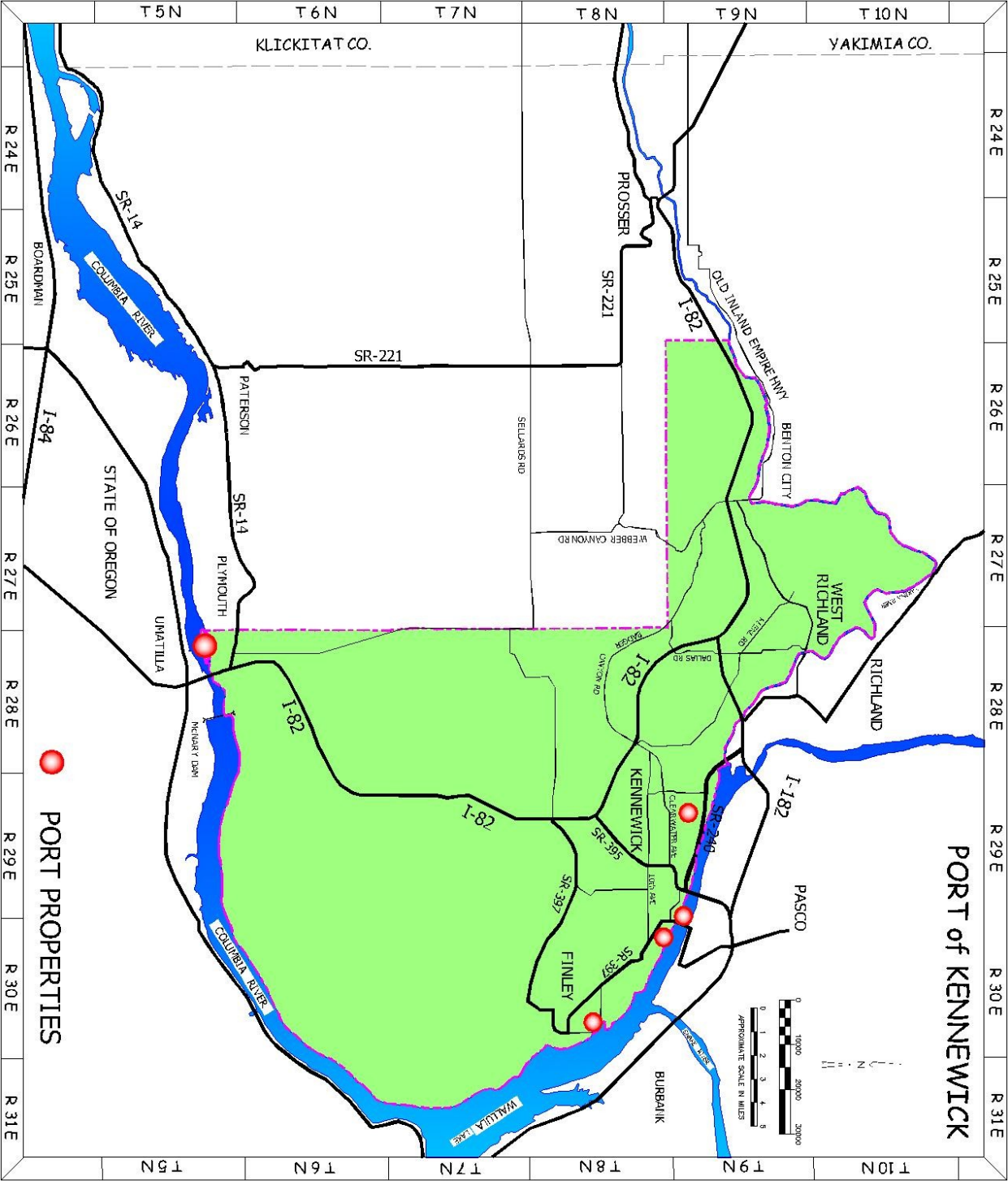
- Historic Waterfront District Master Planning process

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)

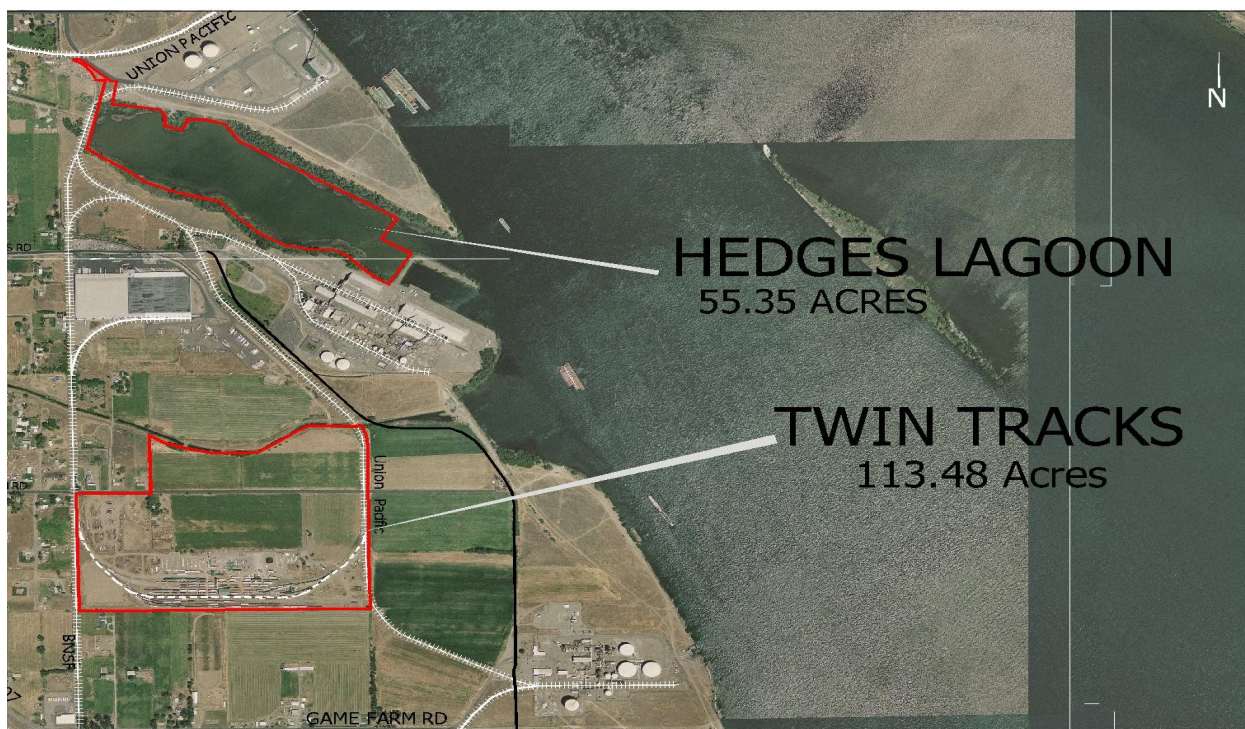
CHALLENGES

- ✱ 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

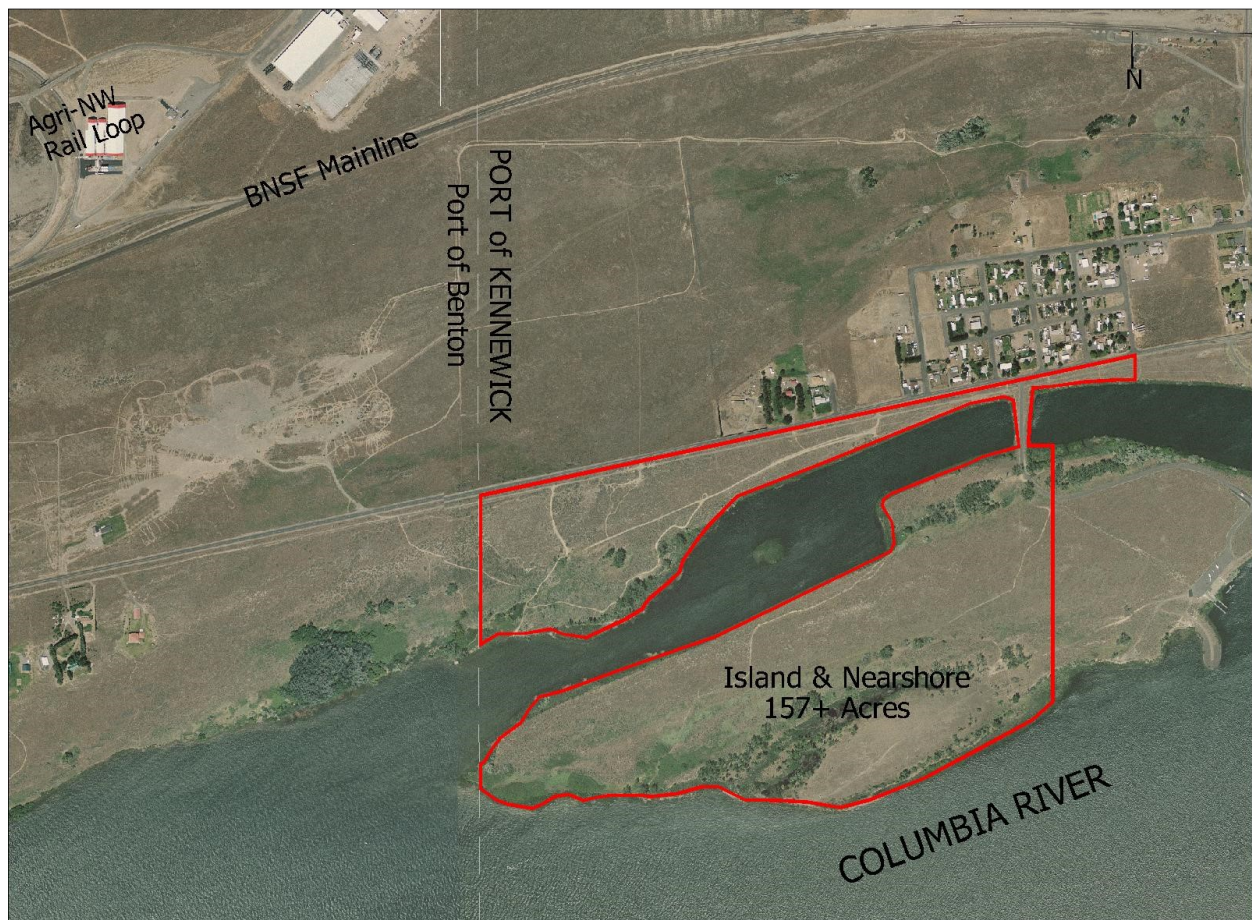
SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ 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**

2021/2022 Capital Projects (Draft 7.0)

Location	Item	2020 "Carry-Over" Amount	2021-2022 Work Plan Amount	2021-2022 Work Plan Cummulative	TOTALS {2019-2022} by Location
Vista Field	Debt Service (\$5,000,000 construction loan)		\$900,000	\$900,000	\$5,510,000
Vista Field	RCCF Vista Field-Hangars/To Be Determined Project(s)		\$3,785,000	\$4,685,000	
Vista Field	COK Fire Station #3		\$125,000	\$4,810,000	
Vista Field	Daybreak Commons Well (design & installation)		\$250,000	\$5,160,000	
Vista Field	Vista Field Team (design review assistance)		\$150,000	\$5,310,000	
Vista Field	Traffic Mitigation fund (reserve for future mitigation)		\$100,000	\$4,910,000	
Vista Field	Property Owners Maintenance funds (100% initial responsibility)		\$200,000	\$5,110,000	
Waterfront District	Clover Island Shoreline Improvement (1135 program match)	\$1,250,000	\$1,000,000	\$6,910,000	\$3,250,000
Waterfront District	Historic Waterfront District Master Plan		\$50,000	\$6,960,000	
Waterfront District	Columbia Gardens (shipping container bathroom, Duffy's Pond Plan, Kiwanis' community playground)		\$450,000	\$7,410,000	
Waterfront District	Washington Street (city led improvements)		\$500,000	\$7,910,000	
Oak Street			\$0	\$7,910,000	\$0
VFDF	Buildings A & B (exterior and site improvements)		\$800,000	\$5,910,000	\$800,000
Twin Tracks/Hedges			\$0	\$7,910,000	\$0
Plymouth			\$0	\$7,910,000	\$0
Richland	Columbia Park Trail-Road Diet (city led improvements)	\$800,000			\$1,200,000
Richland	Center Parkway-Roadway Extension (city led improvements)		\$400,000	\$8,310,000	
District-Wide	Opportunity Fund		\$100,000	\$8,410,000	\$700,000
District-Wide	Asset Replacement		\$500,000	\$8,910,000	
District-Wide	Miscellaneous Capital		\$100,000	\$9,010,000	
TOTAL		\$2,050,000	\$9,410,000		\$11,460,000

Vista Field Development Building A



Vista Field Development Building A



Vista Field Development Building B



Vista Field Development Building B



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.

Vista Field Declaration

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.

Commercial Declaration

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.