

AGENDA

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

Tuesday, September 23, 2014
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IV. COMMISSIONER COMMENTS**
- V. CONSENT AGENDA**
 - A. Approval of Direct Deposit and Warrants Dated September 17, 2014
 - B. Approval of Warrant Registers Dated September 24, 2014
 - C. Approval of Commission Meeting Minutes Dated September 9, 2014
- VI. NEW BUSINESS**
 - A. City of Richland Exploratory Discussion, Joe Schiessl
 - B. City of West Richland Urban Growth Area
 - C. Comprehensive Scheme Liaison
 - D. Vista Field Redevelopment Pattern Language / Charrette
- VII. PRESENTATION**
 - A. 2015-2016 Draft Work Plan
- VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. 2014 Friend of the Port
 - B. Vista Vision Task Force Update
 - C. Reschedule/Cancel Commission Meetings
 - 1. November 11, 2014
 - 2. December 9, 2014
 - 3. December 23, 2014
 - D. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - E. Non-Scheduled Items
- IX. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- X. COMMISSIONER COMMENTS**
- XI. ADJOURNMENT**

PLEASE SILENCE CELL PHONES



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CALL TO ORDER

Commission President Don Barnes called the Commission meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

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

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

PLEDGE OF ALLEGIANCE

Mrs. Barb Carter led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

- A. Approval of Direct Deposit Dated September 3, 2014*
Electronic payments totaling \$51,822.54
- B. Approval of Warrant Register Dated September 9, 2014*
Expense Fund Voucher Numbers 36066 through 36105 for a grand total of \$132,757.12
- C. Approval of Commission Meeting Minutes dated August 26, 2014*
- D. Approval of Special Commission Meeting Minutes dated August 26, 2014*
- E. Rescind Resolution 2014-04 and Approve Amending Port Commission Rules of Policy and Procedure to Permit Additional Public Comment; Resolution 2014-24*
- F. Approval of Emergency Repair of the Outdoor HVAC Unit for Vista Field Development Facility Building A (Bruker); Resolution 2014-25*
- G. Approval of Emergency Repair to the Main Water Line (219 E. Columbia Drive); Resolution 2014-30*

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



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NEW BUSINESS

A. *Vista Vision Task Force*

Mr. Novakovich stated at the last Commission Meeting he requested to add a member of the Kennewick Public Hospital District to the Vista Vision Task Force (V. V. T. F.) to the agenda for the Commissioner's consideration. Mr. Novakovich believes there will be action on this request and asked for public comment.

PUBLIC COMMENT

Victor Johnson, 1500 South Clodfelter Road, Kennewick. Mr. Johnson is here today, representing the Kennewick Public Hospital District. Mr. Johnson believes a member who is involved in health care should be a representative on the V. V. T. F.. Health care in the Tri-Cities is a very a large industry and approximately 4,500 to 6,000 citizens will be actively engaged in health care, including the three local hospitals. Currently the health care activities that surrounds Vista Field are the Cancer Center, the Medical Mall, and numerous doctor and dentist offices. With the large activity in the area, coupled with the numerous changes in health care, Mr. Johnson feels that there needs to be medical representative on the V. V. T. F..

MOTION: Commissioner Novakovich moved to appoint a member of the Kennewick Public Hospital District to the Vista Vision Task Force; Commissioner Barnes seconded.

Discussion:

Mr. Novakovich explained that the port has partnered with the Kennewick Public Hospital District for a number of years, and the city, hospital and port have regular joint meetings. The Kennewick Public Hospital District is a land owner in the area with numerous facilities and health care is an essential part of the Tri-Cities. Mr. Novakovich is in support of adding a representative from the Kennewick Public Hospital District to the V. V. T. F. The V. V. T. F. has met once, and he believes adding a member now would not put anyone in an adverse position.

Mr. Moak believes the Commission established a procedure for adding people to the V. V. T. F.. The Commissioners submitted names and specific agencies, and it was determined that although the Kennewick Public Hospital District was a priority, we were not able to include them on the task force. The goal of the Commission was to create a small, dynamic group of thirteen people, which has increased to sixteen people, plus three alternates. Mr. Moak relayed that Mr. Johnson or any member of the Kennewick Public Hospital District has the opportunity to participate at any of the task force meetings, any special Commission Meeting and the Charrette. Mr. Moak is not in favor of adding an additional member to the V. V. T. F..

Mr. Novakovich explained the Commission set precedence when Ben Franklin Transit was added and believes the Board overlooked an essential partner in the Kennewick Public Hospital District.

Mr. Barnes believes this issue was adequately addressed by the port in June. There were three meetings where the Commission deliberated and created a diverse group that represents our community, partners, and stakeholders. Mr. Barnes emphasized that every citizen who is not part of the advisory committee has opportunities to be heard and attend all meetings. Mr. Barnes stressed that the port values the community's opinions and their input is crucial.



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MOTION: *Commissioner Moak moved to indefinitely postpone the consideration of the question. Motion dies for lack of second.*

With no further discussion, all in favor to appoint a member of the Kennewick Public Hospital District to the Vista Vision Task Force, motion failed. 1:2. Ayes: Commissioner Novakovich; Nays: Commissioner Barnes and Commissioner Moak.

B. Plymouth Land Sale

Mr. Peterson stated AgReserves Inc. has offered to purchase 94.32 upland acres located at the Plymouth Industrial Area for \$265,000.00, which is above the assessed value. This property is graphically depicted in Resolution 2014-26, Exhibit "A-1". AgReserves Inc. operates a bulk fertilizer mixing facility with over 18 employees and desires to secure these properties to aid their continued operation and preserve expansion opportunities. The property involves two parcels comprising 94.32 acres located north of Christy Road and south of the Burlington Northern Santa Fe railroad mainline. Due to the proximity to the Columbia River and cultural significance of Plymouth Island to the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), port staff worked with the CTUIR to understand potential cultural issues with the site. Following an investigation by the CTUIR Cultural Resource Protection Program, the CTUIR concluded that no cultural resources were identified on the property. The CTUIR thanked the port for the opportunity to review the issue prior to Commission consideration.

The 2011 Comprehensive Scheme of Development identified these parcels as surplus to the port's needs. Considering the intent of the buyer is to preserve present production capacity and retain the opportunity for expansion, this sale, as negotiated does not contain a construction requirement or repurchase provision.

PUBLIC COMMENT

No public comments.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2014-26, authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to AgReserves Inc. and to take all other action necessary to close this transaction; Commissioner Moak seconded.*

Discussion:

Mr. Moak inquired how long the port has held this property and if there has been any particular interest in developing this property.

Mr. Peterson indicated the port has owned the property since 1969 and has seen plans for the island with development options; however, there were not any perspective purchase proposals. There was not anything related to development for the upland property, only a few surveys and soil samples. Mr. Moak appreciated the hard work by staff to get this moving forward.

Mr. Novakovich asked what the property appraised at.

Mr. Peterson indicated the property appraised at \$255,000.



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Mr. Barnes stated the property has been identified in 2011 Comprehensive Scheme as surplus property and it is in the ports best interest to gather resources and divest of the property.

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

C. Comp Scheme Update

Mr. Peterson stated, the Comprehensive Scheme (Comp Scheme) was last updated in 2011, with an amendment for direct closure and redevelopment of the Vista Field Airport. Many of the projects identified in the Comp Scheme have evolved to the point where additional details could be added to the document to inform all citizens the direction the port is headed. Port staff reviewed the Professional Services Roster, identified three firms which could assist with updating the Comp Scheme, and ultimately selected Anchor QEA to negotiate a scope of work for the Commission's consideration. Although the proposed expense is under the Executive Director's Delegation of Authority approval threshold, it was determined the Commission should officially consider the scope of work and contract with Anchor QEA.

Mr. Peterson explained there is tremendous benefit to updating our Comp Scheme, as it will help our jurisdictional partners, the public, and the Commission, by clearly defining the history of the port and where we are going in the future. Mr. Floyd, of Anchor QEA, will serve as the project manager; some of the main elements are:

- Public workshops
- On-lines survey(s)
- Meeting with key stakeholders
- Development of a thorough and accurate history of the Port's projects and role in the community over the last century
- Refine the vision and direction of the port as identified in the 2011 update
- Update the graphics throughout the document

Mr. Peterson requested approval of Resolution 2014-27, authorizing Anchor QEA to update the Port's Comprehensive Scheme of Development and Harbor Improvements.

PUBLIC COMMENT

Mr. Ben Floyd, Anchor QEA, 189205 East 36th Avenue, Kennewick. Mr. Floyd stated the Commission received an overview of work at the August 12, 2014 Commission Meeting. Presented today is a scope of work that will help the port clearly define their past, present and future. Mr. Floyd and Anchor QEA is excited to get to work on the project once the Commission approves the scope of work.

No further comments.

Mr. Novakovich stated that the Washington Public Ports Association (WPPA) has researched history for all the ports, which may be of assistance to Mr. Floyd.

Mr. Floyd reported that Ms. Bader Inglima informed him of the WPPA research and in anticipation of this work, port staff has provided information that Anchor QEA will be able to utilize.



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MOTION: Commissioner Novakovich moved for approval of Resolution 2014-27, authorizing the Port's Executive Director to execute the contract with Anchor QEA, LLC to update the Port's Comprehensive Scheme of Development and Harbor Improvements, for the sum of \$47,000.00; Commissioner Moak seconded.

Discussion:

Mr. Novakovich believes it is time for the Comprehensive Scheme to be updated and as Mr. Moak suggested, it is a very good idea to have the history of the port included. This will be a very beneficial document to the port, the public, and our partners.

Mr. Moak approved of the public outreach and believes the updated Comp Scheme will guide the port as we move forward. The port made a very big decision when they decided a few years ago to close Vista Field and redevelop the property. Mr. Moak believes this is an excellent time to update the Comp Scheme and looks forward to working with Ben Floyd and Anchor QEA.

Ms. Bader Inglima is very excited that Anchor QEA will be working on the port history, as she will be able to utilize the information for the port's 100 year anniversary. Ms. Bader Inglima hopes to publish vignettes throughout the year, to remind the community of the port's contributions over the years. To have a well skilled historian available that is able to bring together stories and frame our history is very exciting.

Mr. Moak inquired if there is any intent of the port to digitize documents that may be relevant for the public or historians.

Ms. Bader Inglima has asked Anchor QEA to include in their scope, identifying interesting maps or graphics, which will help communicate our story, in regards to our anniversary.

Mr. Peterson stated, as staff works through the scope, he suggested a Commission liaison, since there will be substantial public outreach, if there is time or interest from the Board.

Mr. Arntzen stated a Commission liaison would not replace the regular reports back to Commission.

Mr. Novakovich suggested we add the consideration of adding a Commission liaison to work with Mr. Peterson and Anchor QEA, to a future agenda.

Mr. Barnes believes the timing of this is excellent and there has been significant decisions made over the past few years, and our course has been altered considerably.

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

D. Columbia Drive Tenancy Policy

Mr. Arntzen reported he made minor changes on the draft Tenancy Policy, based on the comments received from the Commission at the August 26, 2014 meeting. Mr. Arntzen limited the applicability of the policy to the 421 East Columbia Drive properties (wine complex). With the



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previous Commission discussion, staff proposes that this policy be periodically reviewed for effectiveness. Mr. Arntzen stated the Commission can either pass the policy or, as another option, table the policy, as work product for future use.

PUBLIC COMMENT

No comments were made.

Mr. Novakovich stated staff has done a great job on the Tenancy Policy; however, he does not believe we need a policy at this time.

MOTION: Commissioner Novakovich moves to postpone the tenancy issue indefinitely; Commissioner Barnes seconded.

Discussion

Mr. Novakovich stated staff has taken the Commission comments and done a great job revising the document; however, he does not believe we need a policy at this time. He believes that postponing indefinitely allows the policy to be put aside and brought back when necessary.

Mr. Moak believes it is essential the port has a tenancy policy for the 421 East Columbia Drive properties, as well as all other port properties. He believes the port should be adopting the policy, not postponing the it, because as we move forward and lease the property, there should be some direction as to where we are heading as a port. Mr. Moak opposes the motion on the table.

Mr. Barnes stated the port plans to go out for bid in January of 2015 and the earliest the construction on the buildings may be completed is November of 2015. He believes the work product has value and does not see an immediate need for a tenancy policy. Mr. Barnes is in favor of postponing the tenancy issue, but keeping the work product for future consideration.

With no further discussion, motion carried. All in favor 2:1. Ayes: Commissioner Novakovich and Commissioner Barnes; Nays: Commissioner Moak.

E. 2015-16 Work Plan Schedule and Process

Mr. Arntzen stated numerous presentations to the Commission has been made regarding potential items that should be placed in the 2015-16 work plan. The process is an accumulation of data, staff and Commission comments, and public input. Once the Commission approves the final work plan, the plan is turned over to the finance department and the two year budget is developed around the final work plan. Mr. Arntzen stated the time frame is very tight and the final budget needs be adopted by the Commission by November 25, 2014; the final preliminary budget hearing should be held October 28, 2014. Mr. Arntzen further stated, the port has a very efficient finance department; however, they need time to research and build a two year budget, which we have not done before.



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Based on deadlines, Mr. Arntzen presented a time line to the Commission:

- September 23: Draft work plan presented to the Commission
- October 13: Special Commission Meeting to review the work plan, with public input
- October 14: Final Draft Work Plan Meeting, with 95% of work plan finalized
- October 15: Work plan turned over to Finance Department for creation of biennial budget
- October 28: Work Plan Approved and Preliminary Budget Hearing
- November 25: Budget Adopted
- November 30: Adopted Budget sent to Benton County (no later than November 30)

Mr. Arntzen asked the Commission to identify some larger issues they would like to see included in the draft work plan, but reminded the Commission that contracted projects, such as Columbia Drive and the 1135 Project, will be included in the work plan.

Mr. Peterson stated all previous work plans have identified a dollar amount associated with the projects; however, with the significant projects the port is taking on, an exact dollar amount is not available. Mr. Peterson indicated there are \$10,000,000 in projects that will not be making it into the 2015-16 work plan.

Mr. Arntzen stated the port has not undertaken a two year work plan or budget, and recommends the Commission be as accurate as possible. Mr. Arntzen indicated that a two year budget can be amended, if factors change.

Ms. Fine indicated the port will not have the same flexibility as it had in the past, since we do not have large reserve funds. The budget will be much tighter due to the large scale projects. Ms. Fine believes prioritization of the projects is very important.

Mr. Novakovich believes there are too many uncertainties and the Commission will honor their current contracts; however, we must do what is best, long term and financially, for the port. Mr. Novakovich stated the Commission will need to make some tough decisions regarding future port projects and carefully consider staff recommendations and port resources.

Mr. Barnes supports the presented schedule for the 2015-16 work plan and budget.

Mr. Moak believes the Commission will need to make many difficult decisions regarding the prioritization of projects, and understanding what the discretionary money the port has available versus port contracts. Mr. Moak stated this is a good start and looks forward to the opportunity to engage with Commission and staff.

It is the consensus of the Board, to proceed with the 2015-2016 work plan and budget schedule, as presented.



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F. Budget, Financial and Operational Philosophy

Mr. Arntzen stated that on August 12, 2014, Ms. Fine presented a presentation to the Commission regarding the Budget, Financial, and Operational Philosophy of the port. He further stated, the policy has been adopted twice by the Commission, and the philosophy expands and gets better each time. The final draft, as presented, captures and incorporates most of the suggested amendments which were provided in the first draft.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2014-31, adopting the Budget, Financial and Operational Philosophy; Commissioner Moak seconded.*

Discussion

Mr. Moak believes this is a good document and reflects the philosophy and the direction the port is headed. Mr. Moak supports the document and appreciates the work that has been involved over years.

Mr. Novakovich believes the public will approve of this document and to be able to “provide the public with high quality projects and services within a healthy work environment by encouraging efficiency, cooperation, honesty, integrity and respect” and “share with the public, port audited financial and operating data through print and online sources” is tremendous.

Mr. Barnes supports the document and confirmed that this document will take precedence over the previous documents.

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

G. Vista Field Closure Cost Analysis (Exhibit 1)

Mr. Peterson reported that the cost to close Vista Field was estimated to be \$3,000,000 including \$1,000,000 set aside for litigation. To date, the port has spent approximately \$917,000 since the decision to close Vista Field. The \$917,000 spent to date includes:

- Repaying State Aviation Grants
- Contracted obligations with existing tenants
- Removing underground fuel tanks and soil
- Painting X's on the runway

Mr. Peterson reported there were some concerns about environmental hazards; however, the only hazard found was the underground fuel tanks. The contaminated dirt was less than dump truck load and has been removed. The port still needs to demolish the former FBO building, which includes removing about \$5,000 worth of asbestos. Also, the T-hangar buildings will need to be removed, but the scrap metal value may be more than the cost for the contractor to remove the buildings.

Mr. Peterson stated, the port has committed \$520,000 for redevelopment, and most of that will cover the master planning process with DPZ. To date, the port has only spent approximately \$71,000 of



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the amount approved for master planning. Mr. Peterson indicated that total redevelopment costs have been estimated at \$8,100,000 for infrastructure improvements.

Mr. Novakovich inquired if the infrastructure costs will be under budget as well.

Mr. Peterson reported there are some unknowns, but unless the street pattern is radically altered, he believes the land development cost will be similar to the amount reported in the Environmental Impact Study (EIS).

The Commission appreciates the update and believes it is important to periodically advise the public of the amount spent on Vista Field.

OLD BUSINESS

A. *Esteem Lease Renewal*

Ms. Hanchette presented a lease renewal with Electronic Systems Technology (ESTeem) for consideration. Electronic Systems Technology (ESTeem) is a local technology manufacturing company led by Tom Kirchner and is located in the port-owned Vista Field Development Facility Building B. ESTeem Wireless has submitted a written request to exercise a three (3) year lease option per the lease agreement dated October 1, 2011, and has requested an additional three (3) year lease option. ESTeem has 17 employees with plans to add additional employees. The parameters of the negotiated lease are:

- Lease 8,617 square feet consisting of office, manufacturing and distribution services;
- One (3) year lease with an additional three (3) year option, commencing October 1, 2014.
- Lessee responsible for all separately metered utilities; excluding common area lighting, landscape, parking and garbage.
- Monthly rent for the premises is \$4,653.18, plus leasehold tax. (approximately \$54,000 annually)
- According to Port of Kennewick Policies and Procedures, POK-ED-001, 3.1.2(b). Leases in which the monthly rental amount exceeds \$2,000 per month shall be submitted to the Commission for approval.

Ms. Hanchette presented Resolution 2014-29 for the Commission's consideration to approve the lease as negotiated.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Novakovich moved for approval of Resolution 2014-29 approving a new three (3) year lease and an additional three (3) year option with Tom Kirchner and Electronic Systems Technology Inc. (known as: ESTEEM Wireless) and authorizing the Executive Director to execute the contract; Commissioner Moak seconded.

Discussion:

Mr. Novakovich stated ESTeem is a good tenant and there is a good return on investment and is in support of the lease.



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Mr. Moak is concerned about the term and option in article three. He does not want to tie up the property for six years and would prefer tighter language in article three.

Ms. Hanchette stated in three years, the tenant can ask for an optional three year term lease, and it will come back to Commission for approval.

Mr. Moak does not believe this is the best use of this property next to the airport, since we do not have a master plan developed for the airport. Mr. Moak asked Ms. Luke for clarification regarding article three and the renewal. He does not object to the lease, just the language in article three.

Ms. Luke stated the language requires the port and tenant must mutually agree to extend the optional three year lease. Ms. Luke understands Mr. Moak's concern, and indicated language could be modified or add additional language to the article.

Mr. Barnes indicated that construction for the redevelopment of Vista Field could take over five years, which is an optimistic time frame. Mr. Barnes believes a three year agreement with ESTeem, which is an excellent tenant, would not interfere with the plan development and the execution of Vista Field. Mr. Barnes supports the lease renewal and doesn't believe it would hinder the development.

With no further discussion, motion carried. All in favor 2:1. Ayes: Commissioner Novakovich and Commissioner Barnes; Nays: Commissioner Moak.

B. AG Engineering Building Repairs

Ms. Hanchette reported that she addressed the Commission's concerns and questions regarding the AG Engineering Building with RC Engineering. Ag Engineering has been a tenant with the port since the building was constructed in 1985 and the port has not made many capital improvements in the past thirty years. The tenant manufactures farm equipment and 90% of Columbia Basin farmers have at least one piece of their equipment. Ag Engineering has been able to expand their business due to their established relationships in the Columbia Basin and have a large network nationwide, and currently exports to China. Ms. Hanchette reported the fiscal amount received is approximately \$60,000 annually, which contributes to the port's revenue stream.

RC Engineering previously reported that the Ag Engineering roof would need to be replaced within six years, at an estimated cost of \$600,000; however, Ms. Hanchette received an revised opinion from RC Engineering and due to the climate and good condition of the roof, the port is should reassess the roof in another 15 years and may only need to reseal the roof at that point in time. Ms. Hanchette requested RC Engineering to prepare a ten year estimate prioritizing the needed repairs. Ms. Hanchette stated that the \$50,000 allocated in the 2014 budget should be used to repair the water damage on the exterior of the building. She also recommended \$60,000 be included in the 2015-2016 budget cycle for additional repairs.

Mr. Barnes thanked Ms. Hanchette for the information and appreciates the review regarding the roof expenditure. Mr. Barnes believes it is in best interest of the port and our constituents, that the Ag Engineering building be repaired and maintained. Mr. Barnes believes it makes sense fiscally and



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financially, and supports the repairs. Mr. Barnes confirmed with Ms. Hanchette that the property repairs will be added to the 2015-16 work plan and budget for the amount of \$60,000.

Mr. Arntzen stated he would like Ms. Hanchette to bid out the entire project (\$110,000) for a potential cost savings. Mr. Arntzen appreciates the attention the Commission has given this and believes the larger projects will be addressed by Mr. Peterson and Mr. Floyd (Anchor QEA) in the Comprehensive Scheme. Mr. Arntzen asked the Commission to consider the overall vision of what they would like to see Oak Street could become.

REPORTS COMMENTS AND DISCUSSION ITEMS

A. Consider Potential Names for Columbia Gardens

Mr. Barnes has received comments, with mixed reviews and reactions, regarding the Columbia Gardens name. The name is becoming more prevalent with the printed material, the media and the conferences Ms. Bader Inglima has attended with city staff. Mr. Barnes believes the product is the most important element, but the Commission and staff should discuss and address the possibility of a name change.

Mr. Novakovich indicated he has not heard any negative feedback regarding the name. Currently, the name is historic and he does not see a reason to change it.

Mr. Moak believes it will be the experience, not the name of the project that will resonate with the community and tourists. Mr. Moak stated historic names, such as Columbia Gardens, Cable Greens and the Willows will not have any relevance to tourists, and believes they will not convey the experience we are looking to promote. He agrees the name needs to be changed, but not until the port looks at rebranding the area.

Mr. Arntzen has heard a few comments related to the name, but not all have been negative. Mr. Arntzen stated the issue has been identified and asked the Commission for direction.

Mr. Barnes explained there may be potential for rebranding that coincides with our 100 year anniversary.

Mr. Novakovich asked Ms. Carter her thoughts on the Columbia Garden name.

Ms. Carter has heard some negative comments and believes the name does not evoke excitement.

Mr. Barnes asked the Commission if the name should be addressed now or placed on a future agenda.

Mr. Moak believes the professionals should address the name.

Mr. Arntzen suggested to the Commission that staff formulate some ideas and bring back several options at a later date. Mr. Arntzen would like staff to make some outside phone calls for suggestions.



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Mr. Barnes inquired if Mr. Thornhill or Mr. Black, two port contracted consultants may be utilized.

Mr. Arntzen and Ms. Bader Inglima mentioned the port has many resources we can contact regarding the name, such as Mr. Floyd and PS Media.

The consensus of the Commission is for staff to research potential names for Columbia Gardens.

B. Clover Island Security Update

Ms. Hanchette provided a security update regarding port properties and the Island. At the beginning of the summer, the port hired Washington Executive Protection to conduct twice-nightly random patrols of Clover Island, Clover Island Marina and the Oak Street Industrial Park. Washington Executive Protection understands it is the port's objective to maintain a family-friendly and safe atmosphere; and he has made a positive effect with the visibility of a car and a uniformed officer. He has responded to people sleeping in their cars or on the island, loud parties, underage drinking, and container laws and on Oak Street, he interrupted an attempted theft. The port has received positive feedback from marina tenants, and believes this has been a positive addition.

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

Commissioners reported on their respective committee meetings.

D. Non-Scheduled Items

1. Mr. Moak reported there was an editorial in the local newspaper last week stating, the Tri-Cities would benefit from a cohesive development and reported on the Columbia Drive project and the Port of Pasco project. Mr. Moak would like to see a joint meeting scheduled with the Port of Pasco, to discuss current projects and the possibility of a partnership. Mr. Moak believes there are numerous opportunities that link the two ports.
2. Mr. Moak requested further information from staff regarding the cost of undergrounding utilities on Columbia Drive. He believes we need more definitive numbers and would like to see a cost analysis completed by an engineer.
3. Ms. Scott reported a joint meeting with the City of Richland is scheduled for October 21, 2014.
4. Mr. Arntzen stated he received an article from Commissioner Moak regarding the Port of Grays Harbor and a reporter's request for the Commission agenda packets. Mr. Arntzen spoke with Ms. Scott and would like to provide the agenda packet material on the port website. Mr. Arntzen believes the agenda, agenda reports, staff memos, and attachments should be available; however, the warrants and vouchers will not be posted on the website due to the number of pages associated with the vouchers. Mr. Arntzen's goal is to provide the public with the same information staff and the Commission receive on the Friday prior to the Commission Meeting. Mr. Arntzen stated currently the packet can be emailed, but to only those who have requested the agenda packet. Mr. Arntzen conveyed he would like to provide the public with the information and this may give the public an opportunity to speak at Commission meetings during the public comment section.
5. Mr. Peterson attended the Benton County Commission Meeting regarding the City of West Richland's Urban Growth Application. The application was well received and there was input from West Richland staff and Benton REA. The Benton County Commissioners postponed action



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for three weeks, for legal review. Mr. Peterson is cautiously optimistic the application will be approved.

PUBLIC COMMENT

No comments were made.

Mr. Barnes anticipates the Executive Session will last approximately 25 minutes, for Real Estate (site selection), per RCW 42.30.110(1)(b) and Real Estate (minimum price), per RCW 42.30.110(1)(c) with no action anticipated. Mr. Barnes asked the public to notify Port staff if they will return after the executive session.

Mr. Barnes recessed the Regular Commission Meeting at 4:03 p.m. for approximately 5 minutes.

EXECUTIVE SESSION

(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)

- A. Real Estate (site selection), per RCW 42.30.110(1)(b)
- B. Real Estate (minimum price), per RCW 42.30.110(1)(c)

Mr. Barnes convened the meeting into Executive Session at 4:11 p.m. for approximately 25 minutes.

Mr. Arntzen exited chambers at 4:36 p.m. and extended session for 10 minutes.

Mr. Barnes adjourned the Executive Session at 4:43 p.m.

Mr. Barnes reconvened the meeting into General Session at 4:43 p.m.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:43 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

**MEMORANDUM OF UNDERSTANDING
FOR COOPERATION BETWEEN THE
PORT OF KENNEWICK
AND THE
CITY OF RICHLAND
FOR MUTUALLY BENEFICIAL PROJECTS**

This Memorandum of Understanding, hereinafter “MOU” is made by and between the Port of Kennewick, a port district formed under the laws of the State of Washington (hereinafter “Port”), and the City of Richland, a Washington municipal corporation and City of the First Class (hereinafter “City,”) collectively referred to as the “Parties.”

This MOU represents good faith voluntary commitments that are being made by the Parties in the spirit of cooperation. The Parties are motivated by their belief that these commitments will mutually benefit the residents and landowners of the Port and the City of Richland.

W-I-T-N-E-S-S-E-T-H:

I. Recitals

WHEREAS, the Port of Kennewick is a port district lawfully formed under RCW 53.04; and

WHEREAS, the City of Richland is a municipal corporation and a City of the First Class formed under the laws of the State of Washington, with all the powers granted to cities of the first class by the Constitution and laws of the State and all powers implied thereby; and

WHEREAS, the Port and City share a mutual interest in creating jobs within areas of overlapping jurisdiction, and improving the quality of life for taxpayers; and

WHEREAS, the Port and City enjoy a strong and mutually beneficial relationship; and

WHEREAS, nothing in this MOU affects the legal rights of the Parties, nor shall it confer any jurisdiction on the City of Richland over the Port of Kennewick, nor the Port of Kennewick over the City of Richland

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties declare their respective objectives as follows:

II. Terms of Understanding

- A. The Parties commit to engage in open communication regarding long-range investments by the Port in the City to align with each agency’s strategic planning.

B. Site specific project - Master Planning of Trailhead Park. The Parties recognize the Community's support for recreation on Badger Mountain as evidenced by increasing public use of the area. The master planning effort will include an analysis and recommendations for City-owned land in and around the developed Trailhead Park. The effort will be coordinated with Benton County to align with their recently completed master planning exercise for the County-owned Badger Mountain Centennial Preserve. The Port agrees to support the master planning exercise in an amount not to exceed \$10,000.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding on the ____ day of _____, 2014.

CITY OF RICHLAND

PORT OF KENNEWICK

Cynthia D. Johnson, ICMA-CM
City Manager



Tim Arntzen, Executive Director

Approved as to Form:

Heather Kintzley
City Attorney

Memorandum

To: Tim Arntzen
From: Larry Peterson
Date: September 18, 2014
Re: 2015-2016 Work Plan Project List & Budget Limitations Implications

Bridgette -
Please include
in packet.
Lin

9/18/14
11:33 a.m.

Tim-

As requested the "draft" 2015-2016 Port of Kennewick Work Plan has been completed and is ready for initial Commission discussion on September 23, 2014 followed by in-depth review on Monday night October 13, 2014. The proposed 2015-2016 Work Plan incorporates many ongoing projects, projects which involve contractual obligations and projects suggested by Port Commissioners and Port staff. Projects are identified in the draft 2015-2016 work plan and summarized in the attached spreadsheet.

The draft work plan which will be presented on September 23rd lists projects previously identified for consideration, with approximate estimates on cost. However, there can be no estimates of affordability because accurate financial calculations regarding projected available funding are not yet available. The complex process to establish this information is underway and further complicated by the Port transitioning from an annual budget cycle to a 2-year budgeting cycle. I do understand draft budget calculations will be available in time for the October 13th evening meeting.

The estimated costs of the projects include in the draft work plan total \$11,585,000 (*it should also be noted that approximately \$10 Million of suggested projects were excluded from this draft document*). Commission decision to pursue the USACE 1135 Program where the Federal government funds 75% of the applicable costs will most likely require \$1,500,000 in matching funds in 2017-2018, hence the initial inclusion of \$500,000 in the 2015-2016 work plan. Additionally to prepare for Vista Field Redevelopment in the next 5-10 years it seems appropriate to consider "banking" infrastructure funds at present, therefore \$1,000,000 is included in the draft work plan.

It is likely that some projects identified on the draft work plan will need to be cut or deferred and considering the importance of all the projects on the list it seems appropriate that the Commission rather than Port staff identify which projects to remove from the 2015-2016 work plan. Potentially the Commission could identify projects totaling at least \$2 - \$4 million and rank those then "unfunded" projects for implementation as funds (land sales, grants) become available and/or in the event some projects come in under budget. Many budget items are contractually obligated and/or "promised"/expected by the community and our development partners. The contracted/expected project total \$5.2 - \$6.0 million. The remaining projects could be considered "discretionary" and/or value engineering/scaling could be applied to a few projects.

Projects to consider for Deferring or Eliminating include:

DEFER (to later year)

"Banking" Clover Island USACE 1135 construction funding:	\$500,000
"Banking" Vista Field infrastructure construction funding:	\$1,000,000
Vista Field Infrastructure Design (roads, utilities & public spaces):	\$200,000
Columbia Drive 211 Arts Incubator building:	\$1,750,000

PHASE/VALUE ENGINEER

Clover Island Village @ Island Harbor Boardwalk improvements:	\$300,000
---------------------------------------------------------------	-----------

ELIMINATE/FORGO

Columbia Drive land purchase(s)	\$1,175,000
Land purchase(s) within the City of Richland:	\$150,000
District-wide Rebranding project:	\$150,000

TOTAL

\$5,225,000

DRAFT - DRAFT 2015-2016 PORT of KENNEWICK CAPITAL BUDGET DRAFT - DRAFT

Updated September 17, 2014 @ 4:45pm

Updated September 17, 2014 @ 4:45pm			TOTAL	"Committed" TOTAL	O & M	Income	
KENNEWICK	CLOVER ISLAND						
	Boat Ramp	Bathrooms, Parking, Overview & In-water Ramps	\$600,000	\$600,000	\$17,000	\$0	
	Village at Island Harbor	Boardwalk, Artwork Area, Kiosks, Site-Work (Phase 1 & 2)	\$800,000	\$75,000	\$11,000	\$35,000	
	Shoreline 1135	Design & Planning	\$125,000	\$125,000	\$0	\$0	
	Shoreline 1135	"Bank" Matching Funds	\$500,000	\$0	\$12,000	\$0	
	Public Artwork	CTUIR Heritage Artwork & Eagle Artwork	\$95,000	\$95,000	\$1,000	\$0	
	Clover Island TOTAL		\$2,120,000	\$895,000	\$41,000	\$35,000	
	COLUMBIA DRIVE						
	Phase #1	Columbia Gardens Demolition	Removed Buildings & Slabs for New Construction & Streetscape	\$350,000	\$350,000	\$0	\$0
	Phase #1	421 Site (C-1 Building)	(3) Wineries, Site Work, Outdoor Seating	\$2,075,000	\$2,075,000	\$42,000	\$72,000
	Phase #1	ETF Shell Building (Cable Greens)	Shell Building for City ETF equipment	\$350,000	\$350,000	\$0	\$0
	Phase #1	Quiet Street & Utilities	Quiet Street, Undergrounding & Stubbing Utilities	\$175,000	\$175,000	\$0	\$0
	Phase #1	Sub-Total		\$2,950,000	\$2,950,000	\$42,000	\$72,000
	Phase #2	211 Site (Luster Glaze)	Arts Development Building, Site-Work, Parking Lot	\$1,750,000	\$0	\$42,000	\$45,000
	Purchase additional properties		Identify, Investigate & Potential Purchase Properties	\$1,175,000	\$0	\$0	\$0
	Columbia Drive TOTAL			\$5,875,000	\$2,950,000	\$84,000	\$117,000
	VISTA FIELD REDEVELOPMENT						
	Phase #1	Master Planning	Master Plan & Implementation Plan	\$425,000	\$425,000	\$0	\$0
	Phase #1	Demolition	Building Demolition & Artifact Preservation	\$150,000	\$0	\$0	\$0
	Phase #1	Sub-Total		\$575,000	\$425,000	\$0	\$0
	Phase #2	Infrastructure Design	Roadways Design & Marketing	\$200,000	\$0	\$0	\$0
	Phase #2	Infrastructure Construction	Construction "Bank" Development Partner Matching Funds	\$1,000,000	\$0	\$0	\$0
	Phase #2	Sub-Total		\$1,200,000	\$0	\$0	\$0
	Vista Field Redevelopment TOTAL			\$1,775,000	\$425,000	\$0	\$0
	VISTA FIELD INDUSTRIAL						
	415 N. Quay Building A		Renovation of 25-Year Old Building (Bruker)	\$950,000	\$750,000	\$31,000	\$163,000
	Vista Field Industrial TOTAL			\$950,000	\$750,000	\$31,000	\$163,000
	OAK STREET INDUSTRIAL						
	1426 E. 3rd Avenue		Development Buildings A & B (Tenant Improvements)	\$30,000	\$0	\$0	\$0
	Phase #1	1515 E. 3rd Avenue	Ag Engineering Buildings (Rudimentary Repairs)	\$50,000	\$50,000	\$0	\$0
	Phase #2	1515 E. 3rd Avenue	Ag Engineering Buildings (Rudimentary Repairs)	\$60,000	\$60,000	\$4,000	\$53,000
	OAK STREET Industrial TOTAL			\$140,000	\$110,000	\$4,000	\$53,000
RICHLAND							
	Badger Mt. Trailhead	Interlocal Agreement (Parking & Trailhead improvements)	\$200,000	\$0	\$0	\$0	
	Purchase Land	Identify & Purchase New Development Site	\$150,000	\$0	\$0	\$0	
	Street Lighting Installation/Upgrades	Identify Fuctional Attractive Lights and Install 3 New & Replace 19 Existing	\$75,000	\$0	\$0	\$0	
Richland TOTAL			\$425,000	\$0	\$0	\$0	
West Richland	Master Planning & Due Diligence		\$25,000	\$25,000	\$0	\$0	
	Unidentified Project		\$0	\$0	\$0	\$0	
	WEST RICHLAND TOTAL		\$25,000	\$25,000	\$0	\$0	
OTHERS	Benton County Unidentified Project		\$0	\$0	\$0	\$0	
	Benton City Unidentified Project		\$0	\$0	\$0	\$0	
OTHERS TOTAL			\$0	\$0	\$0	\$0	
DISTRICT WIDE	Comp Scheme Update		\$50,000	\$50,000	\$0	\$0	
	Brand Evaluation		\$150,000	\$0	\$0	\$0	
	Operations		\$75,000	\$0	\$0	\$0	
	District-Wide TOTAL		\$275,000	\$50,000	\$0	\$0	
			\$11,585,000	\$5,205,000	\$160,000	\$368,000	

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Updated 9/18/2014



2015-2016 WORK PLAN

Approved by Resolution 2014-XX
October 28, 2014

Public Meetings
Port Commission Chambers

September 23, 2014 2:00 p.m.
October 13, 2014 6:00 p.m.
October 14, 2014 2:00 p.m.

350 Clover Island Drive, Suite 200
Kennewick, WA 99336

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

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PROSPECTIVE VISION

- **Follow Direction Established by 2011 Comprehensive Scheme of Development and Harbor Improvements and as Amended in April 2013**
- **Undertake Vista Field Redevelopment Visioning & Planning Process with Broad Community Involvement**
- **Complete Columbia Drive Wine Village Phase 1 Development**
- **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
- Focus on Waterfront Development/Redevelopment
- Realize & Support Economic Development Opportunities with Wine & Tourism Industry
- Continue to Secure Grant Funding Opportunities
- Remain Focused on Containing Operational Expenses
- Fund Projects with Resources In-Hand
- Continue to Maximize Economic Efforts by Obtaining Strategic Real Property

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ACHIEVEMENTS (2013—September 15, 2014)

• **CLOVER ISLAND**

- ☒ Obtained \$238,000 R.C.O. Grant for Boat Launch Facility Improvements (Effort to Secure Grant 100% Complete)
- ☒ Marina at 94% Occupancy
- ☒ Pursued Removal of Corps of Engineers Corner Parcel Deed Restriction (Complete)
- ☒ Joint Port/Yacht Club Site Improvements- Shed & Landscaping (Complete)
- ☒ Port Office Interior Remodel (90% Complete)
- ☒ Secured 1135 Program Approval from U.S.A.C.E.

• **COLUMBIA DRIVE**

- ☒ Columbia Gardens Partnership Interlocal Agreement with City of Kennewick
- ☒ Closed 1.88 ac Land Acquisition (Chieftain/Mejia) - \$800,000
- ☒ Demolished to Grade (14) Dilapidated Motel Units Located at 305 E. Columbia Drive (100% Complete)
- ☒ Designed 3 New Winery Buildings & Site Improvements (40% Complete)

• **VISTA FIELD AIRPORT**

- ☒ Undertook and Completed Vista Field Planning, Environmental and Economic Analysis with Integrated Environmental Impact Statement (EIS) (100% Complete & No Legal Challenge of Process or Final Report)
- ☒ Negotiated Settlement with State Department of Transportation Aviation Division for Repayment of WSDOT Grant Funds
- ☒ Negotiated Settlement with PCLI for Return of Pre-Paid Through-the-Fence and Apron Usage Fees which the Port Collected in Conjunction with PCLI Land Sale
- ☒ Negotiated Settlement with Mike Shannon for Early Lease Termination and Purchase of Hangar Building Improvements
- ☒ Successfully Closed the Airport after 70+ Years of Operation (100% Complete)
- ☒ Removed Underground Storage Tanks and Fuel Dispensers Related to Former Airport Fuel Station (100% Complete)
- ☒ Applied for and Received City of Kennewick Approval to Change the Comprehensive Land Use Designation and Zoning from Public Facility to Commercial

• **VISTA FIELD INDUSTRIAL PARK**

- ☒ 88% Occupancy - VFDF A and VFDF B

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ACHIEVEMENTS (2013-September 15, 2014)

- **OAK STREET INDUSTRIAL PARK**

- ☒ Development Buildings A & B Renovations (100% Complete)
- ☒ Closed 2.20 ac Land Sale (Julie Luke) - \$96,000
- ☒ Closed 2.20 ac Land Sale (Julie Luke) - \$3,800

- **WEST RICHLAND INDUSTRIAL PARK**

- ☒ Planning Former Racetrack Concept Development Plan Phase I (100% Complete)
- ☒ Planning Former Racetrack Concept Development Plan Phase II (75% Complete)
- ☒ Partnered with City of West Richland on Urban Growth Boundary Amendment Request
- ☒ Partnered with City of West Richland, Benton County, Benton REA and WSDOT in Support of the West Richland Red Mountain Interchange Project

- **SPAULDING BUSINESS PARK**

- ☒ Design and Construction Project - Replacement/Upgrade of Light Poles (80% Complete)

- **FINLEY / HEDGES / TWIN TRACKS INDUSTRIAL**

- ☒ Surveyed and Updated Finley & Hedges Parcel Holdings (100%)
- ☒ Reconfigure Property Rail Holdings for Divestment
- ☒ Closed 5.81 ac Land Sale (Tennis) - \$105,000

- **DISTRICT WIDE**

- ☒ Conducted Joint Meetings with Development Partners
- ☒ Memorandum of Understanding Finalized with CTUIR
- ☒ Responded to Several Complex Public Records Requests
- ☒ Evaluated Staffing Levels, Duties and Responsibilities to Create Restructured Workforce
- ☒ Partnered With Local and Regional Fire, SWAT and Police Agencies for Trainings (Columbia Drive, Oak Street, Vista Field)
- ☒ Transferred Rail Spurs to Private Sector

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WORK IN PROGRESS

CLOVER ISLAND

- Boat Launch Ramp, Site Paving & Bathroom Improvement Design
- Village at Island Harbor Site and Building Design
- U.S.A.C.E. 1135 Program Coordination & Participation
- Marina Security Upgrades (HD Cameras & Gates)

COLUMBIA DRIVE

- Columbia Drive Wine Village Partnership Interlocal Agreement with City of Kennewick
- Removing Asbestos from 7 Columbia Drive Buildings & Demolition Plan/Specifications for 5 Columbia Drive Buildings
- Winery Buildings Design and Construction at 421 E. Columbia Drive
- Designing Utility System for 6 Acre Central Focus Area
- Supporting City's Design of Streetscape and Duffy's Pond Trail Improvements Including Required Easements

VISTA FIELD REDEVELOPMENT & INDUSTRIAL PARK

- Vista Field Redevelopment Planning with DPZ Assistance (Includes Supporting Vista Vision Task Force & Public Outreach)
- VFDF-A Building Rejuvenation Project (Bruker)

OAK STREET INDUSTRIAL PARK

- Marketing Renovated Development Buildings A & B to Attract Industrial Businesses and Obtain Lease Income

WEST RICHLAND INDUSTRIAL PARK

- Marketing 1 Acre Parcels Adjacent to Black Heron Distillery
- Refining Former Racetrack Development Concept Plan

SPAULDING BUSINESS PARK

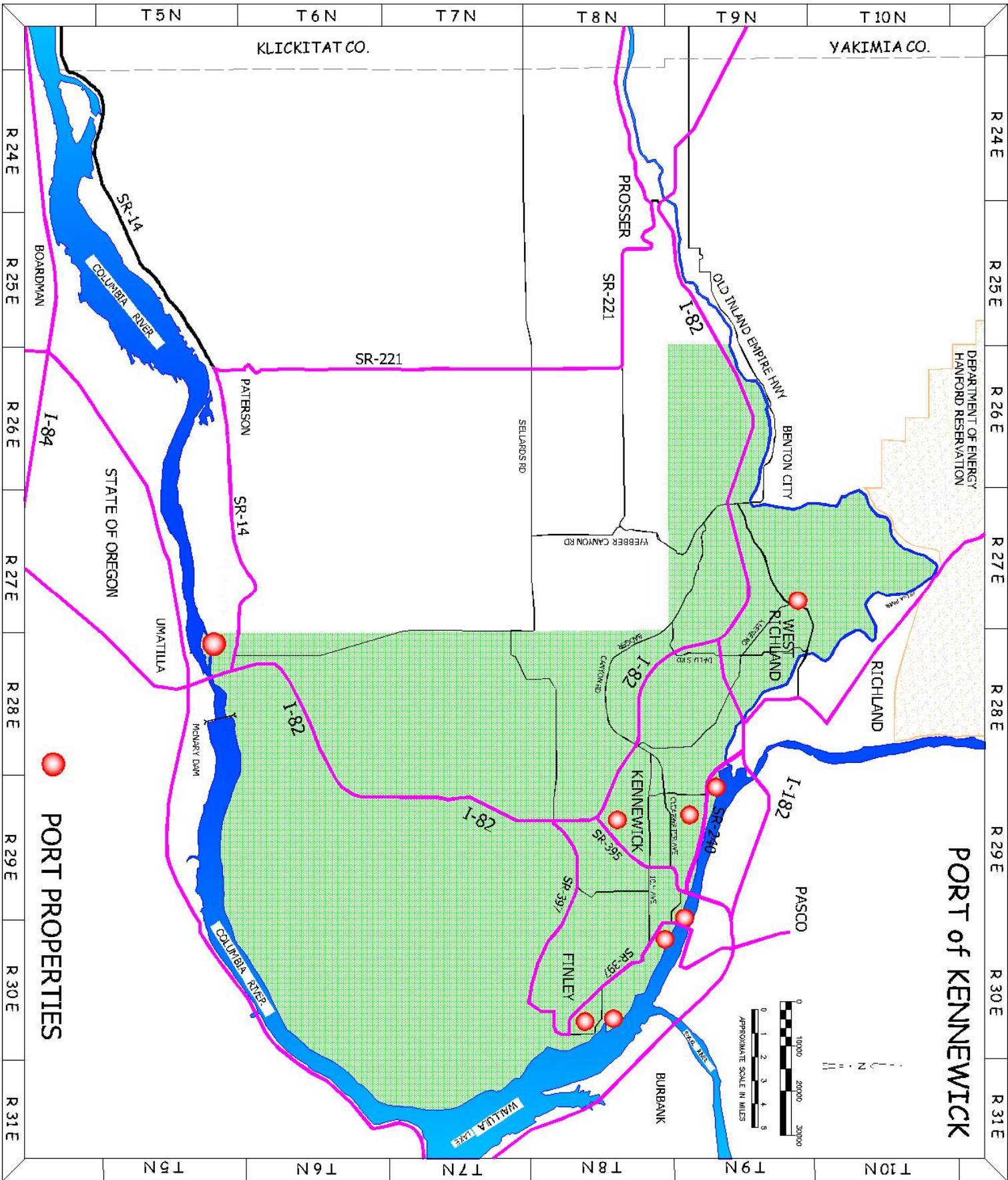
- Promoting Park to Medical, Professional and Office Industry

FINLEY / HEDGES / TWIN TRACKS INDUSTRIAL

- Coordinating Sale of 150 Acres to Mercer Farms LLC
- Coordinating Sale of 12 Acres to Agrium

OTHER

- Coordinating Sale of Plymouth Upland 94+ Acres to AgReserves, Inc.



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PROPERTY PORTFOLIO

CLOVER ISLAND

- 17 Acres
- Zoning: City of Kennewick - CM (Commercial Marina)
- Municipal Services: Water, Sewer, Electricity and Natural Gas

STRENGTHS

- Unique, Waterfront Property
- Lighthouse, Gateway, Public Plazas, Shoreline Trails & Public Art Amenities
- New Moorage, Premier Food Service & Hospitality Amenities
- 12,200sf Yacht Club/Professional Office Building
- Tourism, Mixed Use, Commercial & Recreational Opportunities

CHALLENGES

- Lack of Curb Appeal on Approach to Island
- Inconsistent Design Development Standards for Main Arterial Road to Island

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Design & Construction of Boat Launch Improvements - **\$800,000** (\$238,000 RCO Grant)
- ☐ Implement Public Art Project - **\$95,000** (Confederated Tribes of the Umatilla Indian Reservation -CTUIR \$94,000; Eagle Artwork \$1,000)
- ☐ Design & Construct Village at Island Harbor Boardwalk & Site Improvements - **\$800,000** (**\$75,000** Design under contract)
- ☐ Shoreline Restoration Design Assistance (USACE 1135 Program) **\$125,000**
- ☐ “Bank” 1135 Program Matching Funds - **\$500,000** (\$1,000,000 needed in 2017-2018 budget)
- ☐ **Market “West Marina” Frontage Parcel for Development Consistent with Village at Island Harbor Design Concept ®**
- **HOLD Corner Parcel For Complementary Development Project ®**

Contractual Obligation
Support Previously Expressed

® **Revenue Generation Potential**

N

COLUMBIA RIVER

LIGHTHOUSE
2009-2010

ROAD & UTILITIES
2006

REPLACEMENT PARKING
2009

PARKING RECONSTRUCTION
2011

SHORELINE
ENHANCEMENT
2010-2011

YACHT CLUB &
OFFICE BUILDING
2008-2009

GATEWAY
2009-2010

Cedar's

C.I. Inn

USCG

ADMIN/RETAIL
BUILDING
2005-2006

MARINA
REPLACEMENT
2007-2008

Duffy's Pond

Clover Island Drive

Columbia Drive

SR-397



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COLUMBIA DRIVE

- 15.32 Acres
- Zoning: City of Kennewick - CC (Commercial Community)
- Municipal Services: Water, Sewer, Electricity, Natural Gas and Wireless Coverage

STRENGTHS

- Unique Waterfront Property
- City & Port Partnership Formation for Columbia Drive Wine Village Development
- Columbia Drive and Clover Island Drive Exposure
- Tourism Opportunities - Within River Proximity For Trails/Recreation
- Near Historic Downtown Kennewick

CHALLENGES

- Blighted Neighborhood Consisting of Residential, Low-Income, Commercial-General and Light Industrial Business-Use Properties
- Inconsistent City Development Standards for Neighboring Properties

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ **Complete Building & Site Demolition in Advance of Port & City Improvements - \$350,000 ®**
- ☐ **Complete Design Work on Construct Phase 1 Columbia Gardens Wine Village - \$2,425,000 ®**
- ☐ **Undergrounding of Overhead Distribution Lines and Extension of Utilities in Conjunction with City's Streetscape Project - \$175,000 ®**
- ☐ **Undertake Renovation of 211 E. Columbia Drive Building for Wine Effluent Treatment Facility and for Tenant Spaces - \$ 1,750,000 ®**
- ☐ **Acquire Strategic Properties - \$ 1,025,000 ®**
- ☐ **Explore Potential Lease Tenants and Complementary Private Sector Development ®**
- HOLD Properties Until Planning Process Complete, However Market the Concept to Refine Final Stage of Planning with Market Influences

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



COLUMBIA RIVER

N

Duffy's Pond

Clover Island Drive

6.69 ACRES

5.40 ACRES

3.23 ACRES

Columbia Drive

SR-397

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VISTA FIELD REDEVELOPMENT & INDUSTRIAL PARK

- 116± Acres Combined
- Zoning: City of Kennewick - Former Airport Site & Adjacent CR (Commercial Regional and properties south of Deschutes IL (Industrial Light)
- Municipal Services Available

STRENGTHS

REDEVELOPMENT SITE:

- Centrally Located in the Tri-Cities, Surrounded by Vibrant Commercial District
- Adjacent to the Three Rivers Entertainment District (Toyota Center Coliseum, Three Rivers Convention Center and Tri-Cities Business & Visitor Center)
- Flat, Consolidated Ownership with All Utilities Available

CHALLENGES

REDEVELOPMENT SITE:

- Refining Community Input into a Viable Redevelopment Effort
- Undertaking Massive Redevelopment Effort while Balancing District-Wide Objectives
- Establishing Connection to Transportation Network and Adjacent Anchors (Columbia Center Mall & Three-Rivers Entertainment District) while Balancing District-Wide Objectives

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Vista Field Redevelopment - Master Planning Including Pattern Language Process - \$500,000 (**\$460,000 under contract**)
- ☐ Vista Field Redevelopment - Asbestos Removal & Demolition - **\$150,000**
- ☐ Vista Field Redevelopment - Infrastructure Design & Marketing - **\$200,000** ®
- ☐ “Bank” Development Funds for Partner Match - **\$1,000,000** ®
- ☐ **Vista Field Industrial Park - VFDF Building Improvements/Common Area and Landscaping - \$950,000 (\$750,000 required in March 2013 lease) ®**
- HOLD Former Vista Field Airport Properties & Verizon Industrial Site Until Completion of Community Visioning & Master Planning Process

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



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OAK STREET INDUSTRIAL PARK

- 74+ Acres
- Zoning: City of Kennewick - IH (Industrial Heavy)
Benton County - LI (Light Industrial)
- Municipal Services: Water, Sewer and Electricity Available

STRENGTHS

- Close to Historic Downtown and Transportation Corridors - SR 397 Nearby
- Flat Topography
- Municipal Utilities
- 20,000sf Available Following 2013 Renovation of Development Buildings A & B

CHALLENGES

- Poor Visibility
- No Rail Access
- High Ground Water
- Aging Area; Comparable Buildings/Sites Situated in “Perceived” Superior Locations
- Municipal Utilities Unavailable to Land Located in County

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ **Market renovated Development Buildings A & B** (formerly known as DB1# & DB#2) **spaces and complete tenant-specific improvements as appropriate - \$30,000** ®
- ☐ **Ag Engineering Building (1515 E. 7th Ave) Phase 1 Building Improvements - \$50,000** ®
- ☐ **Ag Engineering Building (1515 E. 7th Ave) Phase 2 Building Improvements - \$60,000** ®
- **Market Land Southeast of Development Buildings A, B, & C** ®

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

COLUMBIA RIVER

N

NUTMEG STREET

OAK ST.

E. 3RD AVE.

E. 3RD AVE.

BNSF Mainline
SR-397

DB3

DB-A

DB-B

DB-C

OAK ST.

Ag
Engineering

E. 7TH AVE.

E. 10TH AVE.

SR-397



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WEST RICHLAND INDUSTRIAL

- Keene Road: 14 Acres Incorporated (12 Acres Leased)
- Former Racetrack Property: 92+ Acres Unincorporated (45 Acres Leased to Alexander Farms)
- Zoning: West Richland (Industrial) and Benton County (Light Industrial)
- Municipal Services: Water, Sewer and Electricity Available to Keene Road Parcels

STRENGTHS

- Ideally Suited for Wineries and Red Mountain AVA Ancillary Businesses
- Planned Major Intersection Adjacent to Property
- Between Two Rapidly Growing Community Areas
- Close Proximity to World-Renowned Wine & Spirits: Hedges, Pacific Rim, Col Solare, Fidelitas, Kiona, Terra Blanca, and Black Heron Distillery

CHALLENGES

- Catalyst Development Needs to be Initiated to Spur Ancillary Businesses in Immediate Vicinity
- Presently Perceived as Isolated
- Municipal Utilities Presently Unavailable to Former Raceway Property
- Outside City of West Richland Urban Growth Boundary

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ **Complete Former Racetrack Phase II Master Planning** ®
- ☐ **Complete Entitlement Tasks (KID Easement, BPA & WSDOT Approval) \$25,000** ®
- ☐ **Market Both Keene Road Lots (Lots 3 & 4); However Only Release 2nd Lot Following Successful UGB Expansion Resulting in Entire Inclusion of Former Racetrack Property** ®
- **HOLD Former Racetrack Property** ®

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



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SPAULDING BUSINESS PARK

- 30.35 Acres Sold
- 1.29 Acre Parcel Available
- Zoning: City of Richland - C2 (Central Business)
- Municipal Services: Water, Sewer, Electricity, Natural Gas, Wireless Coverage

STRENGTHS

- Central Location Between Two Interchanges on SR-240 (Columbia Center Boulevard and Columbia Park Trail)
- Freeway Frontage Visibility
- Ideally Suited for Professional, Medical, Office & Retail Business
- Recorded Covenants, Conditions and Restrictions (CCRs)

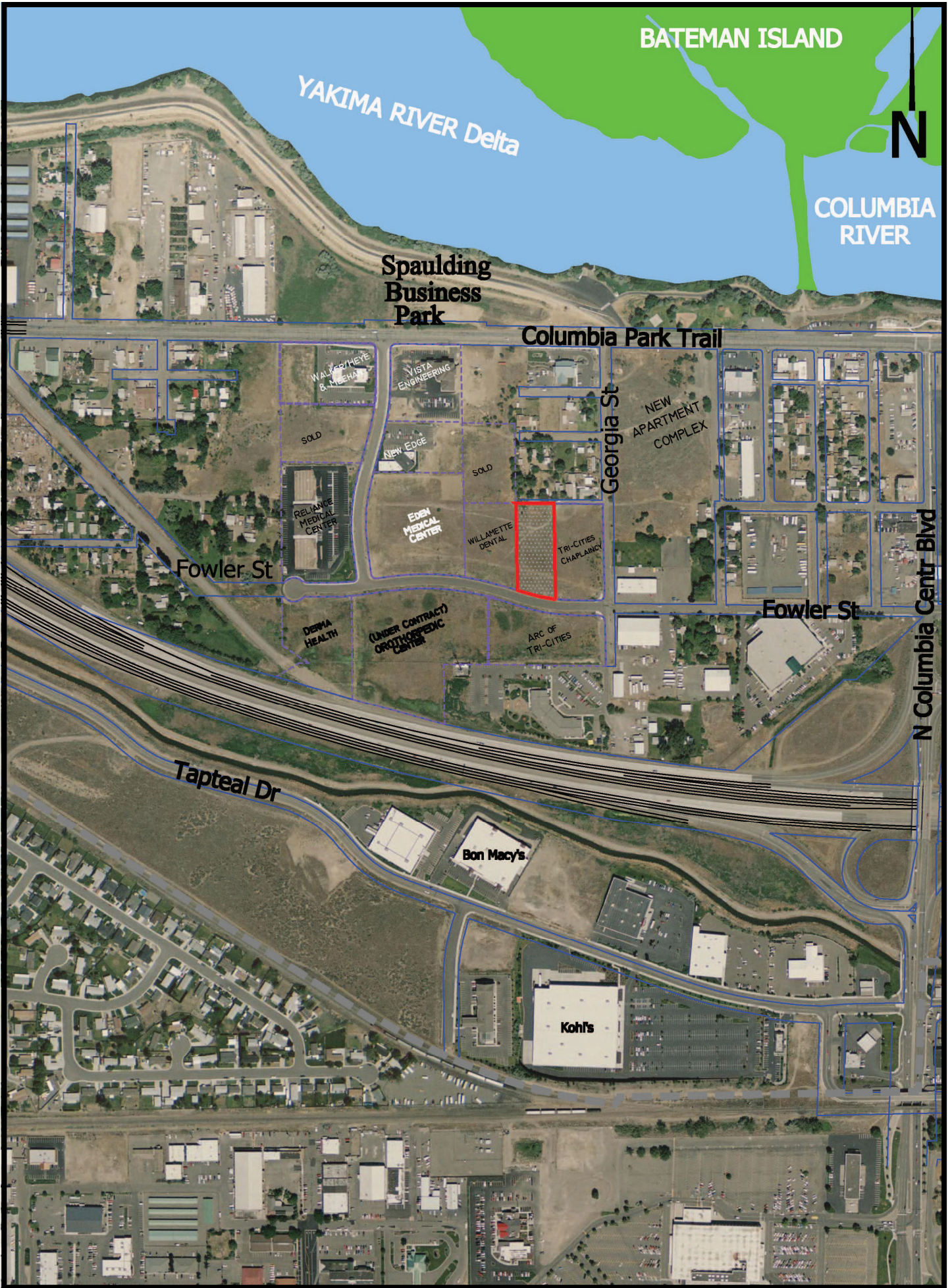
CHALLENGES

- Buffered Between Aging Residential, Transitional Properties and New Professional Businesses
- Inconsistent Development Standards Between Surrounding Properties

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Pursue Acquisition of Additional Sites within the Richland Island View Area - **\$150,000** (1st Year of Potential 3-Year \$750,000 Contract Purchase)
- ☐ Identify Functional, Architecturally Appealing Lights and Install 3 New & Replace 19 existing Lights & Poles—**\$75,000** (**\$15,000** for Georgia Avenue Lights Delayed Since 2010)
- **Continue Marketing 1.29 Acre Parcel** ®

Contractual Obligation
Support Previously Expressed



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SOUTHRIDGE "DICKERSON"

- 8.50 Acres
- Zoning: City of Kennewick - CC (Commercial Community)
- Municipal Services Available

STRENGTHS

- South Gateway Entrance into Kennewick
- Highly Visible
- Interstate 82/Highway 395 Accessibility
- Prime Commercial, Mixed Use and Residential Development Area
- Adjacent to Trios Health (KGH) Hospital Development

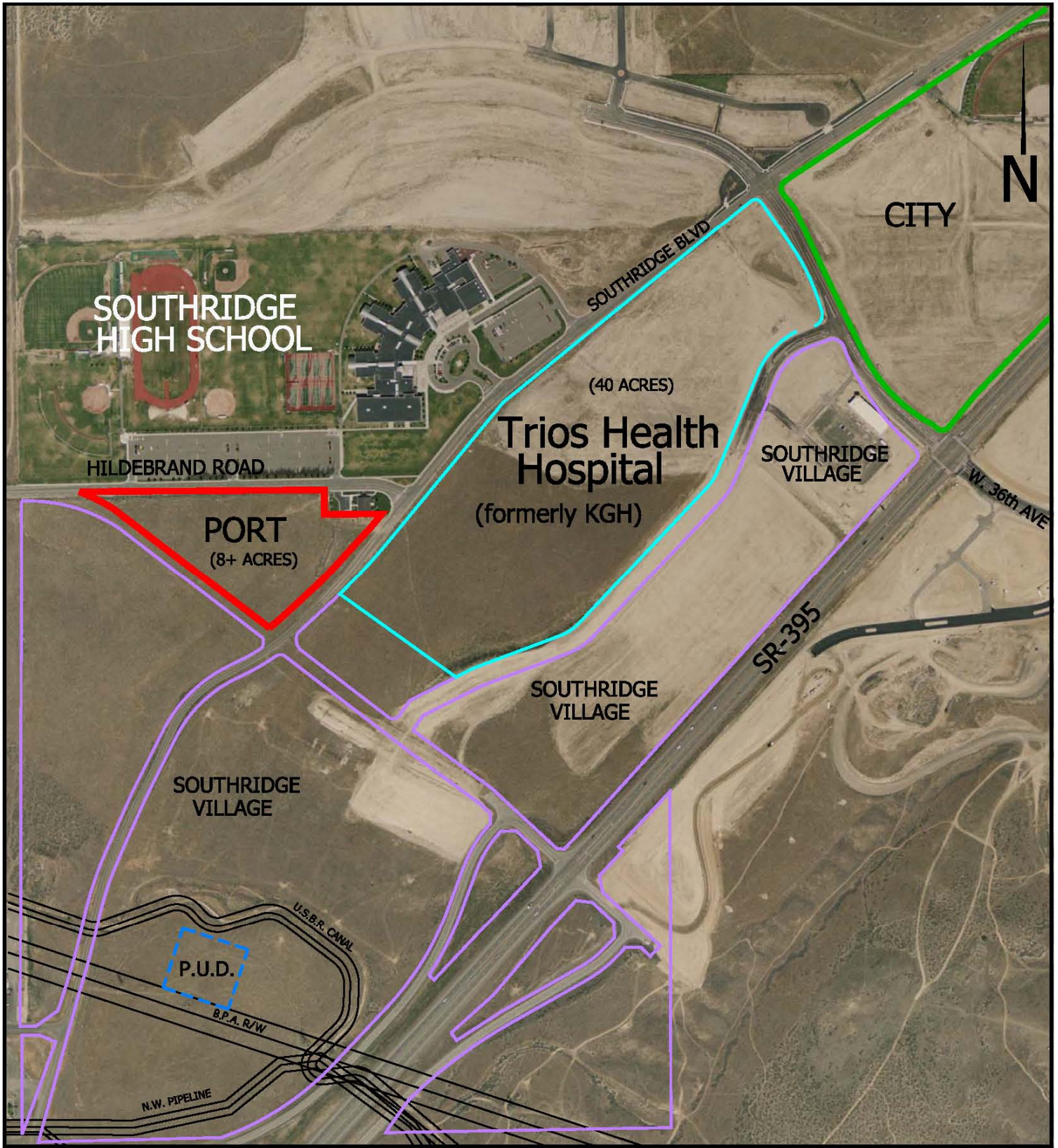
CHALLENGES

- Municipal Utility Extension Required
- Topography Challenges
- Adjacent to High School and High-End Expanding Residential
- City Redirected LRF Funds Originally Designated for Abutting Road (Ridgeline Drive)

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Monitor and Report on Development and LRF Improvements
- **HOLD 8.50 Acre Parcel at least 36 months after Trios Health Hospital Construction completion** (Hold thru June 2017) ®

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



**SOUTHRIDGE
HIGH SCHOOL**

HILDEBRAND ROAD

**PORT
(8+ ACRES)**

(40 ACRES)

**Trios Health
Hospital**
(formerly KGH)

**SOUTHRIDGE
VILLAGE**

CITY

N

SOUTH RIDGE BLVD

**SOUTHRIDGE
VILLAGE**

SR-395

W. 36th AVE

**SOUTHRIDGE
VILLAGE**

P.U.D.

U.S.B.R. CANAL

B.P.A. R/W

N.W. PIPELINE

DRAFT

FINLEY—HEDGES—TWIN TRACKS

HEDGES:

- 37.43 Acres
- Zoning: Benton County - HI (Heavy Industrial)
- Municipal Services: Electricity Available

TWIN TRACKS: (LONG-TERM LEASE ONLY)

- 148.14 Acres
- Zoning: Benton County - HI (Heavy Industrial)
- Municipal Services: Ground Well, Electricity and Natural Gas Available

STRENGTHS

- Current Dual Rail Service (Twin Tracks)
- Possible Dual Rail Loop Track Development (Twin Tracks)
- Barge Potential (Hedges)
- Flat Topography

CHALLENGES

- No Municipal Water and Sewer Availability (All)
- Parcel Configuration Creates Internal Circulation Challenges (Hedges)
- Poor Road Access (Hedges)
- Realizing Barge Potential (Hedges)
- Adjacent to Existing & Expanding Residential (Twin Tracks)

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ **Complete Sale of 150+ Acres to Mercer Farms LLC (\$562,000 proceeds) ®**
- ☐ **Complete Sale of 12+ Acres to Agrium (\$75,000 proceeds) ®**
- **Market Hedges Parcels Consistent with Benton County Land Use & Zoning ®**
- **Hold Twin Track Site & Adjacent Parcels Pending Update of the Comprehensive Scheme**

Contractual Obligation
Support Previously Committed
® Revenue Generation Potential



HEDGES
37.43 ACRES

PROPERTY
Under CONTRACT

TWIN TRACKS
148.14 Acres

FINLEY
PROPERTY
Under CONTRACT
(149.82+ ACRES)

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PLYMOUTH INDUSTRIAL

- 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
- Natural Gas - 1,000 Feet From Site
- Substantial Electrical Service in Immediate Vicinity

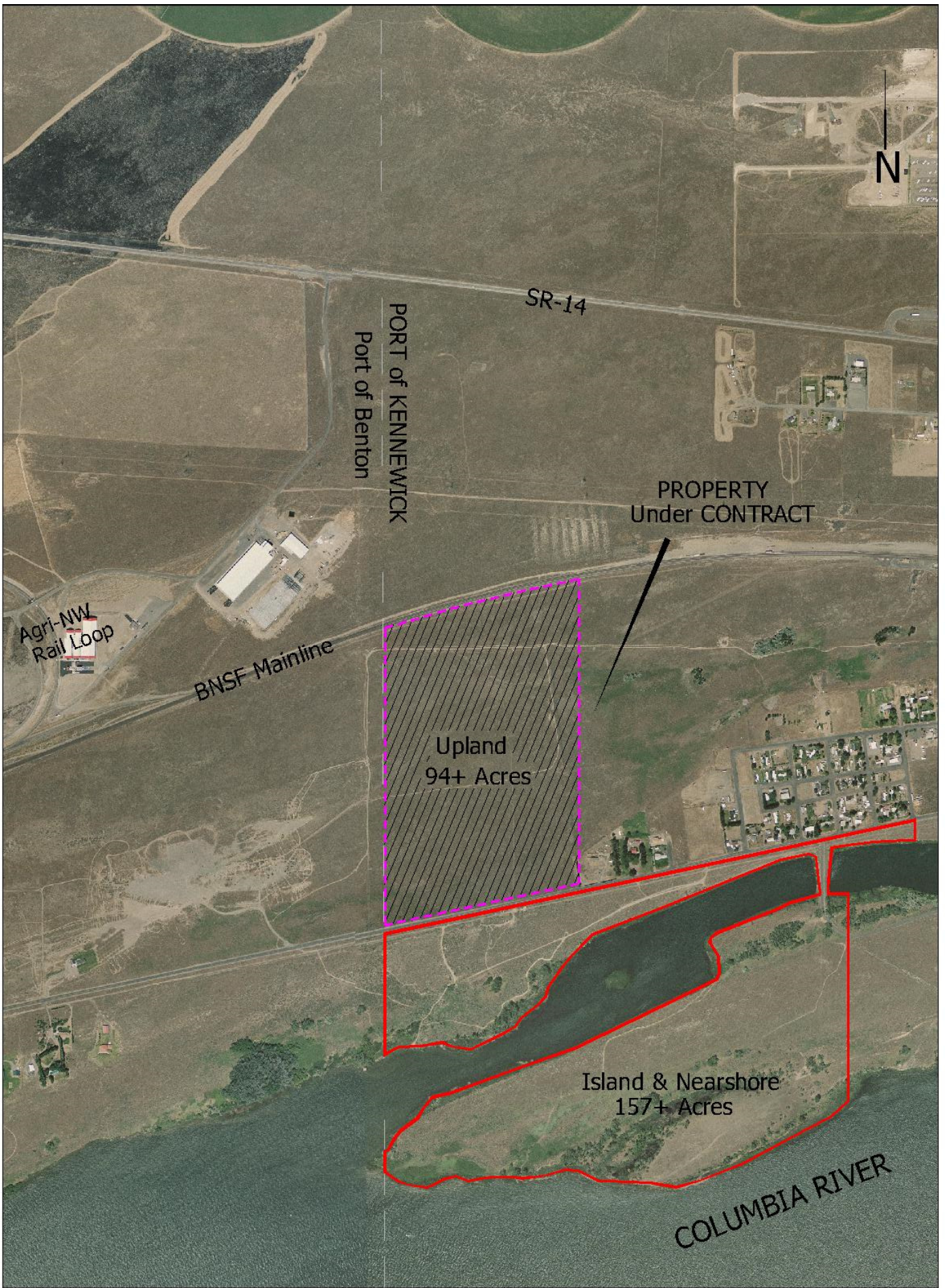
CHALLENGES

- Cultural Resource Protection on Island Areas and Nearshore
- No Municipal Water or Sewer
- Upwind of Residential Neighborhood; Buffer Area
- No Interior Roads

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ **Complete sale of 94+ acre upland parcels to Agri-NW (\$265,000 proceeds) ®**
- HOLD Island, Consult with CTUIR, and Consider Options to Assure Protection of Habitat and Cultural Resources Including Exploring Potential Transfer to CTUIR or Federal Government

Contractual Obligation
Support Previously Expressed
® Revenue Generation Potential



N

SR-14

PORT of KENNEWICK
Port of Benton

PROPERTY
Under CONTRACT

Agri-NW
Rail Loop

BNSF Mainline

Upland
94+ Acres

Island & Nearshore
157+ Acres

COLUMBIA RIVER

DRAFT

DISTRICT-WIDE WORK PLAN PROJECTS

SUGGESTED WORK PLAN

- ☐ Complete Projects Authorized in 2014 Budget
- ☐ Update Comprehensive Scheme of Development & Harbor Improvements **\$50,000**
- ☐ **Acquire Additional Property for Port Portfolio** ®
- ☐ **Pursue Grant Funding as Appropriate** ®
- ☐ **Engage Federal Governmental Relations Firm for Urban Renewal, Transportation Funding, Shoreline Enhancement, Permitting, Agency Relationships and Advising on Federal Funding Opportunities - \$60,000** ®
- ☐ Undertake Brand Evaluation Project **\$150,000**
- ☐ Partnership with City of Richland to Improve Badger Mountain Trailhead Parking & Restroom Facilities **\$200,000**
- ☐ Partnership with Benton County & West Richland to Pursue Red Mountain Interchange Project
- ☐ 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, Benton County
- ☐ Prepare and Implement 100th Anniversary Activities in 2015
- ☐ Miscellaneous Building Demolition, Repairs/Upgrades

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

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