



PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 26, 2017 MINUTES

CALL TO ORDER

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

The following were present:

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

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

PLEDGE OF ALLEGIANCE

Marie Mosley, City of Kennewick City Manager led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated September 19, 2017**
Direct Deposit and E-Payments totaling \$49,733.61
- B. Approval of Warrant Registers Dated September 26, 2017**
Expense Fund Voucher Numbers 39470 through 39510 for a grand total of \$602,063.97
- C. Approval of Regular Commission Business Meeting Minutes September 12, 2017**

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

PRESENTATION

A. City of Richland

Mr. Arntzen introduced Pete Rogalsky, City of Richland Public Works Director, Councilman Phil Lemely, and Zach Ratkai, Economic Development Manager. Mr. Arntzen reported he has met with City Manager, Cindy Reents and Mr. Rogalsky about a potential project. Mr. Arntzen stated the Port could potentially utilize the Rural Capital County Funds (RCCF) for funding.

Mr. Rogalsky stated the Port and City have been discussing a potential project, which has been vetted internally with City of Richland. The Columbia Park Trail project was presented to City Council, where the Council endorsed the idea of reaching out to the Port Commission for a potential partnership. Mr. Rogalsky stated the City is working on a plan to make additional street improvements to Island View and indicated the following projects have been completed in that area:

- Spaulding Business Park;
- Fowler Street Improvements: East and West;
- Delaware Street Improvements LID;
- Hanford Reach Interpretive Center.

Mr. Rogalsky stated Columbia Park Trail is a typical rural road, with no urban amenities such as sidewalks, street lights, and storm drainage. The anticipated project would include improvements to Columbia Park Trail, Columbia Center Boulevard, and the Wye Park; and incorporate pedestrian and bicycle crossing on state route 240. The City believes the project will create further economic development in the area and contribute to the success of past investments and spur new investments. Additionally, the project will provide features more supportive of the mix of uses in the Island View area and add to the waterfront livability for the area.

Mr. Rogalsky reported the City is partnering with Benton Franklin Council of Governments and the Department of Ecology to improve bicycle and pedestrian elements, roadway elements and storm-water elements. The City of Richland is requesting financial assistance from the Port to underground the utilities along Columbia Park Trail. The project will cost approximately \$2,800,000 and Mr. Rogalsky stated the City is asking the Port to contribute \$800,000 for the Columbia Park Trail project.

Mr. Moak inquired when the City would need the funds, if the Commission were to move forward with the joint project.

Mr. Rogalsky stated 2019.

Mr. Novakovich asked Mr. Kooiker if the Port has the funds available in the budget.

Mr. Kooiker stated the Port has allocated \$400,000 for the 2017-2018 budget cycle and starting in 2019-2020, the Port allocated sales tax revenue for the City of Richland.

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Mr. Arntzen stated the City requested \$800,000 for Columbia Park Trail, however, the Port has a number of large projects in the works, such as Vista Field Phase I. Mr. Arntzen discussed with Ms. Reents and Mr. Rogalsky if the City would be amiable to \$600,000, with an option of an additional \$200,000 once the Port has more information on the 2019-2020 budget. Mr. Arntzen inquired if the Commission would like staff to pursue the potential project further.

Mr. Novakovich asked when the last time the Port partnered with the City of Richland.

Mr. Arntzen stated in June of 2015, the Port and City entered into an Interlocal Agreement for Construction of the Badger Mountain Trailhead parking lot, which alleviated the parking issue around the neighborhood.

Mr. Novakovich confirmed with Mr. Rogalsky that the City is only asking for financial assistance and would not involve additional staff resources.

Mr. Rogalsky stated the City would not be requiring a commitment from staff, but would welcome participation in review of the design concept and public process. The City is fully prepared to execute the project without a dedicated burden to Port staff.

Mr. Arntzen stated the City will be the lead entity on the project and stated it would be prudent for Port staff to be involved in the public outreach, however, he does not believe it would require additional staff resources. Mr. Arntzen will continue to work with City staff on additional details for the Columbia Park Trail project.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Northwest Seaport Alliance (Exhibit 1)

Mr. Arntzen presented a draft letter to the Northwest Seaport Alliance (NWSA) and appropriate partners, for Commission review. The draft letter addresses the proposed rail project in north Richland and the need for further community discussion and an Environmental Impact Statement (EIS).

Mr. Novakovich stated the letter is well written and dovetails with the City of Kennewick's letter concerning the rail.

Mr. Moak stated there are several questions that need to be answered and an EIS would provide information and help clarify the proposal. Additionally, an EIS would outline any community benefits or negative impacts of the proposal.

Mr. Barnes concurs with Mr. Moak and stated an EIS would provide additional information to all parties concerned. Mr. Barnes appreciated the suggestion of performing an EIS prior to pilot runs being conducted.

It is the consensus of the Commission to sign the letter addressed to the Northwest Seaport Alliance and appropriate partners.

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B. Vista Field Update

Mr. Peterson presented the Vista Field Draft Master Plan, which represents the concepts and ideas from the 2014 Charrette. Over the last three years, the concepts and ideas have been refined and modified as necessary. Mr. Peterson stated Port staff has worked closely with the City of Kennewick staff on the Draft Master Plan and introduced Marie Mosley, City Manager to discuss the City's role in the Draft Master Plan.

Marie Mosley introduced City staff in attendance; Deputy Fire Chief Neil Hines, Fire Captain, Joe Terpenning, Public Works Director, Carey Roe, City Attorney, Lisa Beaton and Community Planning Director, Greg McCormick. Ms. Mosley stated City and Port staff have been working very hard on the Draft Master Plan and the City is looking forward to the possible adoption of the Master Plan and is excited to move to develop Vista Field.

Mr. Novakovich thanked the City for attending and voiced his appreciation for the partnership with the City of Kennewick.

1. Draft Master Plan

Mr. Peterson shared the evolving plan for Vista Field and touched on the elements that will define the redevelopment.

Mr. Roe stated Vista Field is an exciting project and the City is thrilled to be a part of the redevelopment. Port and City staff have been meeting regularly to discuss redevelopment documents related to Vista Field over the past three years, but have been meeting more intensely over the past four months to iron out all the details of the Draft Master Plan. Ms. Mosley and Mr. Arntzen set a goal for staff to have all the pieces for Vista Field put together and approved by end of year. Staff reviewed schedules and processes and put together a solid plan to meet that goal. Mr. Roe stated there are several major pieces related to Vista Field redevelopment that need to be addressed: the Master Plan, the Comprehensive Plan Amendment, Zoning changes and the Developers Agreement.

Ms. Beaton stated the Developers Agreement lays out the regulations for the development of Vista Field, including the Urban Mixed Use (UMU) zoning, and street standards. At the time of execution and Council approval, from that date forward, for a ten year period, the Port is vested to those elements for Vista Field, regardless of what the City may alter. Ms. Beaton stated the Developers Agreement outlines provisions for modifying the agreement, if both parties are open to revisiting the document. The process would remain the same and require a Public Hearing with the Planning Commission and formal Adoption by City Council. The Amendment process is in the City Code which will allow the Port flexibility for the ten year period.

Mr. Roe stated the Port hired Parametrix to work on the Transportation Study Impact Evaluation (TSIE) and involved City staff early on in the process. The City was able to participate with Parametrix on the scoping, and throughout the process and had an opportunity to weigh in prior to final study. In May of 2016, Parametrix completed the TSIE and City and Port staff gave a joint presentation to City Council. Mr. Roe touched

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on the impacts to Columbia Center Boulevard, Grandridge Boulevard, Deschutes Avenue, Edison and Kellogg Street. The Port and City negotiated a cost share for each intersection which would need to be improved due to the redevelopment of Vista Field. The City is currently reevaluating their Transportation System Plan (TSP) and the Traffic Impact Fee (TIF). Mr. Roe believes there will be a TIF zone that will be inclusive to Vista Field area, known as the entertainment district area. The TIF allocates money collected from the Vista Field zone, for projects that fall within the specific zone.

Mr. Roe stated the City recently completed a Water System Plan update in 2016 and reviewed the fire flow demands for the area. Mr. Roe indicated the zone is not strong as it should be. The City has reviewed several elements of the zone and to complete the necessary improvements, the cost is estimated at \$850,000 to \$1,000,000, however, the City will cap the Port's share to 20% and/or \$200,000. Mr. Roe stated the upgrade will benefit the Port and City as a whole and will need to be done concurrent to Phase 1 infrastructure.

Mr. Roe stated the City evaluated the Sewer System Comprehensive Plan in 2015 and indicated the sewer system will be able to accommodate Vista Field.

Mr. Roe reported the Storm Water infiltration system will be placed outside the curb, versus in the road bed, curb to curb, as previously done. The infiltration system will be placed in the planters strip, under the sidewalk or behind the sidewalk, in a more linear fashion.

Deputy Fire Marshal Joe Terpenning stated when reviewing a plan, the Fire Department always considers the City Council's goal of responding to an emergency within four minutes. Mr. Terpenning stated the main concern of the Department was if the ability to get to the location and extinguish a fire or answer emergency service call would be affected. Mr. Terpenning worked with staff and consultants to come up with ideas that will mitigate the concerns and follow fire code. Mr. Terpenning stated a few of the sharper corners will be softened to allow for the fire trucks to maneuver through the Vista Field site.

Mr. Moak inquired how many corners have been adjusted.

Mr. Peterson stated approximately 12 to 13 locations were softened and indicated that this is a typical requirement and was done at Orenco Station. The Port did not give up space to make these alterations and stated it gives the Fire Department the radius that they require.

Mr. McCormick outlined the City's proposed schedule:

- October 2, 2017: City Planning Commission Workshop to discuss Master Plan and Developer's Agreement;
- November 6, 2017: City Planning Commission will hold a Public Hearing to consider and potentially recommend to the City Council, approval of the City's Comprehensive Plan Amendment, the zoning changes for Urban Mixed Use zoning (UMU), and the Vista Field Master Plan and Developer's Agreement;

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- November 14, 2017: City Council Workshop to discuss the details of the Comprehensive Plan Amendment, the zoning changes for Urban Mixed Use zoning (UMU), and the Vista Field Master Plan and Developer's Agreement;
- December 5, 2017: City Council will hold a Public Hearing to potentially amend the City's Comprehensive Plan, establish the UMU zoning and approve the Vista Field Master Plan and Developer's Agreement.

Mr. Novakovich appreciated the update by City staff and thanked them for all of their work and stated this is a tremendous step towards the development.

Mr. Moak inquired if the Public Hearing addressing the UMU Zoning for the Bridge to Bridge will require additional discussion for Vista Field.

Mr. McCormick stated the UMU zoning will be in place prior to action at Vista Field and through the Vista Field implementation, staff will change the map of Vista Field to reflect the UMU zoning.

Mr. Moak has worked with the City's Planning Department over the last 30 years, and voiced his appreciation for their patience in dealing with these changes and other issues related to the Bridge to Bridge area and thanked them for their assistance.

Mr. Novakovich stated a lot had to happen between the Port and City to get to this point and move the development forward and thanked Port and City staff for their efforts.

Mr. Peterson stated following the Commission's review of the Draft Master Plan and Developers Agreement, the Port will hold a formal Public Hearing at the October 24, 2017 Commission Meeting to consider amending the Port's 2016 Comprehensive Scheme and adopting the Vista Field Master Plan and Developers Agreement.

Mr. Arntzen thanked Ms. Mosley and stated this has been a very long and detailed process. Mr. Arntzen appreciates the fact that Ms. Mosley put a lot of her staff on the Vista Field project and stated City staff helped make the Master Plan happen. Mr. Arntzen has worked with Ms. Mosley on a number of detailed projects and indicated that her efforts are typical of the leadership she brings to the City and it is a pleasure to work with her and City staff. Mr. Arntzen thanked City staff for their efforts in moving the Vista Field plan forward.

Ms. Mosley appreciates Mr. Arntzen's comments and stated the Port and City have an amazing partnership. This is an example of Port and City staff getting together and diving into the project and making it work. Ms. Mosley echoed Mr. Peterson's comments and stated the project is better than it was two years ago, because the Port and City were able to come together and work through the plan. It has been a pleasure to work with Mr. Arntzen and the City looks forward to moving forward.

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Mr. Barnes stated the Port made decision to close Vista Field in 2013 and until that time there was no concentrated development ever envisioned for this area. Mr. Barnes believes it is a reasonable amount of time that Port and City staff took, to address any potential issues and not rush through the plans, but to do it right, not right now. Mr. Barnes stated it was imperative to take the time for our consultants and staff to work through important details, such as fire, safety, and traffic to ensure that any and all issues were addressed correctly. Mr. Barnes appreciates the collaborative work effort of the Port and City staff and stated it is exciting to be at this point where tangible changes are in the near future.

Mr. Peterson stated the Port website has been updated with all of the Vista Field Master Plan documents and appendices and an email will go out this week to the Vista Field email distribution list with the appropriate links.

Mr. Arntzen requested to discuss Item Seven, 3: Kennewick Public Facilities District, Proposition 17-4, Related to the Link Entertainment Center now, to accommodate City staff schedules.

2. *Kennewick Public Facilities District, Proposition 17-4, Related to the Link Entertainment Center*

a. *Public Comments For or Against Proposition 17-4*

Mr. Arntzen stated last year the Port released a statement regarding the Kennewick Public Facilities District (KPF) proposal for The Link. Mr. Arntzen stated before the Commission is a statement to bring improvements to the entertainment district. Mr. Arntzen and Ms. Mosley drafted a statement which outlines the benefits of the proposal being proposed by KPF, and how those improvements would dovetail with the Port's Vista Field project. Mr. Arntzen asked Ms. Luke to address the procedural and legal requirements regarding a statement.

Ms. Luke stated if the Commission wishes to move forward with the statement, staff has taken the appropriate steps necessary and advertised the Proposition 17-4, as if the Commission were taking a for or against stance. Ms. Luke stated the next step would be to provide the public the opportunity to express support or lack thereof for the ballot measure.

Mr. Novakovich inquired when he would need to call for public comment.

Ms. Luke indicated after the Commission has reviewed the statement and if the Commission chooses to move forward and vote for or against the statement, then Mr. Novakovich can call for public comment.

Mr. Arntzen requested the statement to be read into the record, and indicated comments should be directed to the statement. Ms. Luke concurred.

Ms. Scott read the following statement (*Exhibit 2*) into the record:

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The Port of Kennewick is planning to develop the former Vista Field Airport as a mixed-use community, consistent with input received through an extensive public outreach process. Successful efforts will require many community partners. Development elements will include:

- *A variety of streets, from thoroughfares to small, pedestrian-friendly lanes;*
- *A variety of local shops and businesses;*
- *Multiple types of housing, including units with storefront below and owner's living space above; and*
- *Public amenities such as a central plaza, water feature, entertainment venues and green space.*

Separate from the Port's development of Vista Field, the Kennewick Public Facilities District, associated with the City of Kennewick, is requesting voters consider a 2/10% sales tax increase to fund a 110,000 square foot multi-purpose entertainment center in Kennewick WA, including a 2,300-seat theatre and entertainment stage, renovations to the Toyota Center, and an expansion of the Three Rivers Convention Center.

The Port Commission supports this project and believes that performing arts and other public facilities can be a catalyst to bring vibrancy and energy to the Port's Vista Field redevelopment efforts.

Commissioner Novakovich opened the Public Hearing at 3:28 p.m. and invited the public to make comments.

PUBLIC COMMENT FOR OR AGAINST PROPOSITION 17-4; RELATED TO THE LINK ENTERTAINMENT CENTER

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick resides in Richland and is unable to vote for or against Proposition 17-4, however, he believes the KPFD is not advertising properly. Mr. Burdick understands the reason behind Proposition 17-4 is because the Three Rivers Convention Center is too small for larger conventions, which would bring in people from outside the area and create economic development. Rather than address the need for larger convention space, the KPFD has been advertising the proposition as an entertainment district, with a link to the Toyota Center and a performing arts facility. Mr. Burdick believes the advertising has had an adverse effect and is creating public opposition and stated he has seen statements such as a "fringe benefit" and "not for the average citizen," related to the Link.

Marie Mosley, 3806 West 47th Avenue, Kennewick. Ms. Mosley stated as a citizen of Kennewick, she listened to the statement before the Commission very carefully, and believes it is very clear that the Port is not asking the citizens to vote yes on Proposition 17-4. Ms. Mosley stated the Port's statement encourages the voters to voice their opinion on Proposition 17-4, much like the City of Kennewick's Resolution regarding Proposition 17-4. Ms. Mosley encouraged the Commission to support the statement, which states the Port supports the project. Ms. Mosley believes this project could be an impetus to the Vista Field development. Ms. Mosley hopes the Commission and Port supports the

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citizens making their own decision about implementation of a sales tax measure, which will expand the Three Rivers Convention Center, remodel the Toyota Center, and add an ice rink and performing arts theatre which links the Toyota Center to the Convention Center.

No further comments were made.

Mr. Novakovich reconvened the Regular Meeting at 3:31 p.m.

MOTION: Commissioner Moak moved for approval of the Port of Kennewick's statement related to 2017 Proposition 17-4, as read; Commissioner Barnes seconded.

Discussion:

Mr. Moak believes Proposition 17-4 is an opportunity where the KPFD's improvement will improve the Port's Vista Field property. Mr. Moak stated this would be a substantial improvement to the neighborhood and will bring a significant amount of people to the general area, which will drive business to Vista Field. The success of this project, if it were to happen, would spill over to the success of our project and bring customers to Vista Field. Mr. Moak believes this is a good statement and supports it.

Mr. Barnes agrees with Mr. Moak's comments and agrees with the statement which states the expansion on the Three Rivers Campus will be a catalyst and help bring vibrancy and energy to the Vista Field redevelopment. Mr. Barnes stated the Port is trying to create a critical mass, something new, and he believe this project would help, if the voters were to approve the proposition. Mr. Barnes confirmed that the tax is 2/10% of 1% of sales tax. Mr. Barnes supports the statement.

Mr. Novakovich reiterated the motion is to support the statement, not ballot measure. The Port's approach is to use a pay as you go method for our project and the statement is beneficial to the community. He supports the statement.

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

3. Project Sequencing

a. Master Plan

Mr. Arntzen stated Port and City staff continue to work through processes for final City Council approval of the Vista Field Master Plan and Development Agreement. Following on the heels of the Master Plan and Development Agreement's possible approval, the next step is to focus on the construction documents for Phase 1A.

b. Construction Documents

Mr. Arntzen stated Parametrix is currently working on the construction plans for Phase 1A. Along with the construction plans, the Port will receive the cost estimates and begin researching the numbers, with the assistance of David Robison, Mr. Kooiker, Ms. Fine and Parametrix. Once staff is comfortable with the cost estimates, the next step is to work on the financing plan.

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c. *Financial Plan, Initial Discussion*

Mr. Arntzen stated when staff and the consultants determine a solid estimate for Phase 1A construction, staff can then delve into the financing plan. Mr. Arntzen stated the Commission allowed staff a reasonable amount of time to work on the Master Plan and inquired if the Commission would allow the same opportunity for the financing plan. Mr. Arntzen is confident the project is doable, if it is completed in stages without shortcuts. Mr. Arntzen stated although Mr. Kooiker has been working with a bank, they will eventually need to review the construction documents prior to a loan being disbursed. Mr. Arntzen asked the Commission if they would allow for a reasonable amount of time for staff to work on the financing strategy.

Mr. Barnes stated Mr. Arntzen comments seems to be consistent with the course the Port has held over the past four years. The Port has not taken shortcuts with the Master Plan and it is prudent to remain consistent and take the appropriate amount of time on the construction bid documents and financing plan.

Mr. Moak asked what is the appropriate time frame for the construction documents and financing plan.

Mr. Arntzen stated it is important for Port and City staff to focus on the Master Plan and Development Agreement for the remaining part of 2017. Mr. Arntzen would like to deliver the draft construction documents to the City for review in early January 2018. Mr. Arntzen anticipates the City will need approximately 60 days to review the draft documents.

Mr. Moak concurs with Mr. Arntzen and stated it is important to submit the documents to the City and allow ample time for review. Based on today's comments from City staff, they are supportive of the Vista Field redevelopment, however, he believes it is imperative that the Port does not pre-suppose the City's approval of the Master Plan.

Mr. Arntzen concurs with Mr. Moak and stated recently Mr. Moak asked if it would be prudent to invite the community to a small event that gives them the opportunity to review the Master Plan.

Mr. Novakovich stated once the Master Plan is approved, celebrating the approval is a good idea. Mr. Novakovich believes showing the community what the Port intends to build will promote excitement and shows progress being made at Vista Field. Mr. Novakovich stated the Port needs to continue to do things right, not right now, and we should consider that for every step we take.

Mr. Arntzen believes the Port may have \$5,000,000, however, Phase 1A could exceed that amount. Mr. Arntzen has spoken with Ms. Mosley and Benton County Administrator, David Sparks, to discuss potential use of the Rural County Capital Funds, but no decisions or commitments have been made. Mr. Arntzen stated the Southridge property is being marketed for sale, and the funds will be utilized for Vista Field. During

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the Charrette, the public stated that Vista Field should be a “pay as you go” development with no taxes and the Commission has directed staff to implement that process for Vista Field.

4. Benton County Letter regarding Fence (Exhibit 3)

Mr. Arntzen stated Vista Field is surrounded by a chain link fence and as the development efforts take place, the Port would like to make sections of the fence available to Benton County. Fred Bowen, Public Services Administrator for Benton County has indicated that Benton County would be able to use the fencing for the Benton County Fairgrounds. Mr. Arntzen confirmed with the finance department that the Port can offer the fence to the County for use at the fairground, which is located in the Port District. Mr. Arntzen stated once the Port removes the fencing, it becomes a liability, and if it can be an asset for another community partner, we would like to make it available to them. Mr. Arntzen drafted a letter and inquired if the Commission had any questions.

Mr. Moak inquired if offering the fence could be seen as a gifting of public funds.

Mr. Arntzen has met with the finance department and they indicated this would not be considered a gifting of public funds.

Ms. Fine stated the Port would have disposal costs and Benton County is another public agency so it would not appear as a gift of public funds.

Mr. Moak inquired if the Port and Benton County would need to enter into an Interlocal Agreement.

Mr. Arntzen believes this could be an informal agreement and to the best of his understanding the Port can legally offer the fencing to Benton County.

Mr. Moak believes this is a good partnership with the Benton County Fairgrounds, which resides in the Port District.

It is the consensus of the Commission to approve the letter to Benton County, regarding Vista Field fencing. *(Exhibit 3)*

RECESS

Mr. Novakovich recessed the meeting 3:56 p.m. for 9 minutes and will reconvene at approximately 4:05p.m.

Mr. Novakovich reconvened the meeting at 4:07 p.m.

C. CEO Evaluation Process

Ms. Luke reported that she, Ms. Fine and Mr. Kooiker have been working on the CEO Evaluation performance evaluation process. The Commission has expressed the desire to update and streamline the evaluation processes and make them more efficient. Ms. Luke presented the

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proposed framework and asked for Commission input and determine if staff is on track. Ms. Luke stated the CEO performance evaluation process has been an annual process generally conducted between September and November of each year. The timing and evaluation form previously used is set forth in the CEO's employment agreement. During the 2016 evaluation process, the Commission expressed that they would like to improve the process. Ms. Luke stated the recent trend is that companies are phasing out yearly reviews in favor of continuous performance management. This method increases communication and interaction and results in heightened productivity. Mr. Arntzen began implementing this trend with his weekly meetings with the Commissioners, where he shares information and receives feedback from each Commissioner. Additionally, Mr. Arntzen has regular meetings with staff and encourages training and personal development opportunities. Ms. Luke outlined the recommendations for the updated CEO evaluation process:

- Port Commission appoints a committee to handle the CEO evaluation process (CFO, Port Attorney and one Commissioner);
- Commission will set a new general policy for the Committee regarding the CEO's evaluation process;
- Commission will set a general policy for the committee regarding setting goals and objectives for the CEO;
- Committee will set specific procedures for the evaluation process;
- Committee will present to the Commission at least annually the results of the evaluation;
- Commission will review the results and determine whether to adopt the committee's recommendation regarding the results.

The Commission will retain control over the evaluation process CEO's goals and objectives and handle any CEO performance issues that come up in between the evaluation processes. Ms. Luke asked the Commission for their feedback and stated if the recommendations are accepted, staff could implement the processes for 2017.

Mr. Moak stated he is willing to try a new process and stated if this process is not successful, he would like the option to revert back to the old process or try something new.

Mr. Barnes stated it is gratifying to hear that the Port has implemented some of the performance management trends with the weekly CEO/Commissioner meetings. Mr. Barnes finds these meetings an excellent way to come up to speed and welcomes the opportunity to try out the recommendations outlined by Ms. Luke.

Mr. Arntzen stated the CEO/Commissioner meetings were proposed by Mr. Barnes when he became a new Commissioner and have worked very well.

Mr. Novakovich asked Ms. Luke to send the recommendations to the Commission.

Ms. Luke will send the framework of the recommendations to the Commission and bring back the necessary pieces to the policy for Commission review and potential approval.

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Mr. Moak stated if Ms. Luke believes the processes can be in place for the 2017 CEO evaluation, he is ready to move forward.

Ms. Luke believes the processes can be implemented for 2017 if the Commission approves the policy.

D. Columbia Drive

Mr. Peterson presented slides from Columbia Gardens.

1. Duffy's Pond Master Planning

Mr. Arntzen stated the Port does not have a Master Plan related to Duffy's Pond, however, there have been several conversations related to the area. Mr. Arntzen stated when you visit the seating areas of Columbia Gardens, one can view the pond. During the hot summer weather, the eastern portion of the pond can become riddled with blue/green algae. Ms. Bader Inglima has worked successfully with the United States Army Corps of Engineers (USACE) to have them remove their equipment from their storage area, which was visible from the wineries. Mr. Arntzen stated Ms. Bader Inglima would like to continue working with Lieutenant Colonel Damon Delarosa on removing the fence as well. Mr. Arntzen has spoken with City staff about potential options for the fenced area and Duffy's Pond and if they would be able to assist the Port in this endeavor. Mr. Arntzen believes there are some opportunities for a good solution, however, there will be no quick fixes. Mr. Arntzen inquired if the Commission had any thoughts regarding Duffy's Pond.

Mr. Novakovich stated the Port and City have made a tremendous investment in this area and Duffy's Pond is in the center. Mr. Novakovich believes the Port should be proactive and protect the investment, but is concerned if we have the available resources and manpower to address Duffy's Pond. If we have the resources, it would be beneficial to address it now and see what USACE will allow the Port to do.

Mr. Arntzen stated the project would not be assigned to a specific staff member, Ms. Bader Inglima and myself will work on some pieces, and Ms. Hanchette will continue to address the maintenance. However, the Port does not have any available funding for Duffy's Pond and Mr. Arntzen would like to focus on the funding and determine what cleanup may cost. Mr. Arntzen stated there is no easy solution, however, if the Commission wanted to further research, a consultant could be brought in to prepare a feasibility report.

Ms. Bader Inglima has been working with USACE for ten years to remove the laydown yard and feels time is of the essence to remove the fence. Ms. Bader Inglima worked with Lieutenant Colonel Damon Delarosa to remove the laydown materials and would like to complete the project before he relocates to a new district. Ms. Bader Inglima would like to help USACE relocate their fence and look at plans for the area once it is available. Ms. Bader Inglima stated there is not a budget or a plan, however, the Port has an opportunity that has presented itself that we were not aware of when the 2017-2018 Budget was set. Ms. Bader Inglima stated USACE would like the Port to come up with a plan for what we would like to do in that area and then present the plan to USACE, which could be implemented in phases.

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Mr. Moak stated the Port is developing a first class wine village and if the experience is not first class, then we will not attract visitors to the area. Mr. Moak stated we will need to factor in the cost to remedy the area and build it into the budget. Mr. Moak is in favor of investing time and effort into making Duffy's Pond better.

Mr. Barnes agrees and stated the Port is trying to revitalize the waterfront and cannot forget about Duffy's Pond. Mr. Barnes stated if staff has the time and appropriate resources, then the Port should invest effort into Duffy's Pond.

Ms. Bader Inglima stated the time is right to pursue revitalization to Duffy's Pond.

E. Facilities Update

Ms. Hanchette reported that fall cleanup is underway for Operations and staff will be working on preparing the landscaping for winterization, which includes turning off the water to irrigation and the marina. Because of the erratic weather, Operations has been tackling the weed issue and enlisted the assistance of a third work crew for a short period of time to get caught up on projects. Ms. Hanchette stated the City of Kennewick leases land from USACE in Duffy's Pond and Port the requested access to Duffy's Pond, to continue the vegetation maintenance. Ms. Hanchette stated the Port will clean up the weeds along The Willows to the Wine Village.

Ms. Hanchette stated Operations is working on smaller projects, including maintenance of the artwork and repairing the lighthouse plaza wall where stones fallen off.

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

Commissioners reported on their respective committee meetings.

G. Non Scheduled Items

1. Mr. Moak stated there were a few visual artists who attended the recent Arts Center Task Force Open House, and inquired if there were opportunities for artist housing at Vista Field. Mr. Moak overheard someone respond "no, an artist would never be able to afford Vista Field." Mr. Moak stated the Commission previously discussed that Vista Field would be available to all incomes, and reviewed artist housings and potential financing possibilities. Mr. Moak stated when the Master Plan is approved, there is a need to further discuss how the Port will fulfill the vision of all income level housing.

Mr. Arntzen has had monthly discussions with Lona Hammer, Executive Director of the Kennewick Housing Authority on housing options at Vista Field. Recently, Mr. Arntzen and Mr. Novakovich attended the International Economic Development Council webinar regarding affordable housing and economic development issue, which discussed creative ways to incorporate all income housing. Mr. Arntzen stated the Draft Master Plan addresses housing on page 44 and it is on our active to do list.

2. Mr. Novakovich has nomination forms available for the Kennewick Man and Woman of the Year. Nominations close on December 30, 2017 and the award banquet is scheduled for February 26, 2018.

PORT OF KENNEWICK

REGULAR COMMISSION MEETING

SEPTEMBER 26, 2017 MINUTES

3. Ms. Bader Inglima reported the Fall Newsletter will be available in the *Tri-City Herald* on October 10, 2017 and in *The Tri-Cities Journal of Business* on October 15, 2017.
4. Mr. Arntzen recently made a presentation to the Kennewick Irrigation Board of Directors (KID) and stated there were a number of people in attendance. Jim Holmes, a new member on the KID Board and former board member of the Red Mountain AVA Alliance, stated the Commission is ahead of the curve on Columbia Gardens and indicated that it is very difficult for new businesses to start up in the wine industry and believes the buildings and treatment facility will be a tremendous asset to the small businesses and thanked the Commission for their investment.

Mr. Arntzen recently visited Canal Flats, British Columbia, which is the head waters of the Columbia River. Mr. Arntzen met a couple and talked about what the Port was doing at Vista Field and New Urbanism. Mr. Arntzen received an email from the Economic Development Officer, asking for further information to assist the small town. Mr. Arntzen would like to offer the Port's resources to the small city as we did with the Port of Ridgefield.

Mr. Novakovich believes that is a great idea.

Mr. Arntzen stated they also discussed the idea of maker space for the arts and inquired if Barb Carter would be able to meet with them as well.

Ms. Carter recently visited two different maker space facilities in Columbus, Ohio and stated the neighborhood used to be ridden with crime and the artists are turning around the area.

5. Ms. Luke and her husband visited Columbia Gardens and The Gathering Place and he was amazed by the redevelopment in the area. Her husband commended the Commission and staff on all the work that has been completed on Columbia Drive and Clover Island and stated it is an astounding turn around.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick followed up on Mr. Moak's comments regarding artist housing and indicated that artists also need studio space/dirty space. Mr. Burdick had a conversation with a local artist and inquired why the artist doesn't go to downtown Kennewick, and he was told the space was too expensive. Mr. Burdick stated the Port has three hangars available and maybe there is a potential for studio space there.

Barb Carter, 3121 West 30th Avenue, Kennewick. Ms. Carter stated Mr. Burdick is correct and one of the hangars would be a great space for artists, where the Port does not have to make additional improvements. It would be a tremendous opportunity for artists and a way to utilize one of the buildings and make a statement for that end of Vista Field, with the Vista Arts Center anchoring the other end of the development.

No comments were made.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 26, 2017 MINUTES

COMMISSIONER COMMENTS

No comments were made.

Mr. Arntzen stated in April, Lizz Plater-Zyberk of DPZ, Partners, recommended one of the hangars could be used for a civic space. Mr. Arntzen stated the third hangar could work for an artist's space if the Commission was interested in that concept.

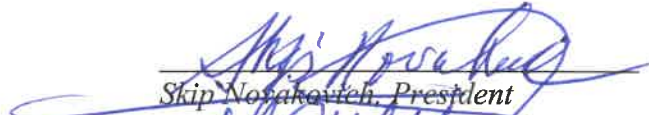
Mr. Moak stated we need to figure out the purpose of the third hangar and as Ms. Carter mentioned, if it is used for art space, there will be less rehab on the building. Mr. Moak stated the Commission could mull over the idea and determine if the demand is appropriate for that space.

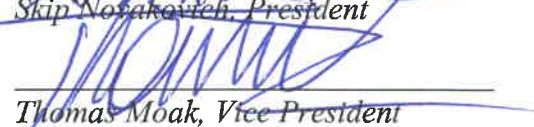
ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 5:03 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**


Skip Novakovich, President


Thomas Moak, Vice President


Don Barnes, Secretary



PORT of KENNEWICK

COMMISSIONERS | DON BARNES | THOMAS MOAK | SKIP NOVAKOVICH

September 26, 2017

Mr. Mike Reilly
Northwest Seaport Alliance
P.O. Box 2985
Tacoma, Washington 98401-9808

Mr. Zach Ratkai
City of Richland
505 Swift Blvd.
Richland, WA 99352

Ms. Diahann Howard
Port of Benton
3250 Port of Benton Blvd.
Richland, WA 99354

Mr. Roger Wright, P.E.
RGW Enterprises, PC
3250 Port of Benton Blvd.
Richland, WA 99354

Dennis Kylo
Commodities Plus
427 W 1st Ave
Spokane, WA 99201

Dear Colleagues:

A proposal recently surfaced related to rail transport of agricultural products from north Richland, through our community and ultimately into the Puget Sound area. The Port of Kennewick Commission appreciates the information provided by the project sponsors indicating that the proposal could bring positive economic impacts to our community. However, the information also indicates that our community may experience some potentially adverse impacts as well.

We realize that this proposal is in its early stages. As a result, many of the potential positive and negative impacts have not been formally identified or evaluated. The community at large, as well as the sponsors, have acknowledged the benefit of further study through preparation of an environmental impact statement (EIS) and economic study.

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The port commission, as a community partner, requests that the project sponsors conduct the necessary studies, including an EIS and economic review. For the Port of Kennewick, it would provide us with greater knowledge and understanding that would allow us to more credibly support or oppose the project. We also suggest that the studies be performed prior to conducting "pilot" runs.

Thank you for the opportunity to comment.

Sincerely,

PORT OF KENNEWICK
BOARD OF COMMISSIONERS



Skip Novakovich
President



Thomas Moak
Vice President



Don Barnes
Secretary

Port of Kennewick Statement Related to the Link Entertainment Center

2017 Ballot Measure Proposition 17-4

The Port of Kennewick is planning to develop the former Vista Field Airport as a mixed-use community, consistent with input received through an extensive public outreach process. Successful efforts will require many community partners. Development elements will include:

- A variety of streets, from thoroughfares to small, pedestrian-friendly lanes;
- A variety of local shops and businesses;
- Multiple types of housing, including units with storefront below and owner's living space above; and
- Public amenities such as a central plaza, water features, entertainment venues and green space.

Separate from the Port's development of Vista Field, the Kennewick Public Facilities District, associated with the City of Kennewick, is requesting voters consider a 2/10% sales tax increase to fund a 110,000 square foot multi-purpose entertainment center in Kennewick, WA, including a 2,300-seat theatre and entertainment stage, renovations to the Toyota Center, and an expansion of the Three Rivers Convention Center.

The Port Commission supports this project and believes that performing arts and other public facilities can be a catalyst to bring vibrancy and energy to the Port's Vista Field redevelopment efforts.



PORT of KENNEWICK

COMMISSIONERS | DON BARNES | THOMAS MOAK | SKIP NOVAKOVICH

September 26, 2017

Mr. Fred Bowen
Benton County Commissioner's Office
Public Services Administrator
P.O. Box 190
Prosser, WA 99350

RE: Vista Field Fencing

Mr. Bowen,

The Port of Kennewick is hopeful that the Master Plan and Developer's Agreement for Vista Field will be approved by the City of Kennewick by the end of this year. This is a very exciting time for us as the redevelopment of the property is dependent upon approval of these documents.

We are taking a phased approach, and our first efforts will involve infrastructure to open up approximately 20 acres for redevelopment.

As the development of Vista Field takes place, we will remove the perimeter fencing in sections and make it available to Benton County for use at the Benton Franklin Fairgrounds.

We appreciate the partnership formed between our jurisdictions and look forward to future potential development opportunities with the County.

Respectfully,

Tim Arntzen
Chief Executive Officer