

AGENDA

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

Tuesday, October 9, 2018
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. APPROVAL OF AGENDA**
- IV. PUBLIC COMMENT** (*Please state your name and address for the public record*)
- V. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments Dated October 2, 2018
 - B. Approval of Warrant Register Dated October 9, 2018
 - C. Approval of Regular Commission Business Meeting Minutes September 25, 2018
- VI. OLD BUSINESS**
 - A. 2019-2020 Work Plan; Resolution 2018-19 (**LARRY**)
- VII. PRESENTATIONS**
 - A. 2019-2020 Budget Hearing Presentations (**NICK & DIRECTORS**)
- VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Columbia Drive Update (**LARRY**)
 - B. Vista Field (**LARRY/TIM**)
 - C. WPPA Legislative Update (**TIM**)
 - 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. ADJOURNMENT**

PLEASE SILENCE CELL PHONES



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

SEPTEMBER 25, 2018 MINUTES

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

Staff Members: Tim Arntzen, Chief Executive Officer
Tana Bader Inglima, Deputy Chief Executive Officer
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 Assistant
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Commissioner Novakovich led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated September 18, 2018**
Direct Deposit and E-Payments totaling \$59,699.50
- B. Approval of Warrant Register a Dated September 25, 2018**
Expense Fund Voucher Numbers 100435 through 100476 for a grand total of \$82,378.19
- C. Approval of Regular Commission Business Meeting Minutes September 11, 2018**

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

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 25, 2018 MINUTES

DRAFT

REPORTS, COMMENTS AND DISCUSSION ITEMS, PART 1

A. *Kevin Barry, Artist*

Ms. Bader Inglima introduced Barbara Carter, the Port's art liaison and Kevin Barry, artist of the Willow Fish Trap Baskets located at The Gathering Place and the Ben Franklin transit shelter at Columbia Gardens.

Ms. Carter thanked the Commission for another opportunity to work with such a creative artist. Ms. Carter visited Mr. Barry's workshop in Arizona and toured many of his pieces in Scottsdale and Phoenix. Mr. Barry came highly recommended and his attention to detail is phenomenal.

Mr. Barry thanked the Port for the invitation today and stated it is has been a pleasure working in Kennewick. Mr. Barry expressed his appreciation for the Operations Department and the Coyote Work Crew for their assistance installing the Willow Fish Trap Baskets. Mr. Barry stated he will return to the Tri-Cities in a few months to oversee the installation of the transit shelter.

Ms. Carter presented photos of the transit shelter, which was sponsored by Columbia Center Rotary, Ben Franklin Transit, the Kennewick Arts Commission and the Port. Ms. Carter believes the shelter will serve as an iconic element for the Village. Once Phase 2 construction of the Loop Road is completed, a small works contract will be awarded for the installation of the concrete pad for the transit shelter. The Port commissioned four Willow Fish Trap Baskets that line the shoreline/walkway of The Gathering Place in partnership with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR).

Ms. Carter thanked the Port for choosing to participate in the Coyote Work program and stated the crews have been instrumental in several of the art installations and the crew has expressed their excitement about the role they play in the installations.

The Commission thanked Ms. Carter for her assistance and stated the art pieces are a real asset to the east end of Kennewick.

B. *Governor's Art & Heritage Awards*

Ms. Bader Inglima and Ms. Carter worked together to submit a nomination for the Port for the Governor's Arts and Heritage Awards, which was established in 1996 to recognize significant, contributions to the creative vitality of Washington. Since inception, 153 Arts Awards have been awarded, but only 53 recipients have received the Heritage Award. The Heritage Award is considered one of the highest honors the Governor can give by recognition of the Arts Commission and staff. The Port was supported in the nomination by our partners, the CTUIR, Hispanic Chamber of Commerce, and Kennewick Arts Commission.

Ms. Carter stated the Kennewick Arts Commission was honored and pleased to submit a letter of support for the nomination. The Port has been a strong supporter and partner of the Kennewick art scene and installed several iconic public art pieces on Port property, such as: The Call of the River, the anchor and chain and bollards, The Gathering Place and the Latino Heritage Mural.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 25, 2018 MINUTES

DRAFT

Ms. Carter read from the application: “The Port of Kennewick is a 103-year-old organization with a proven record of building and sustaining the local community through advocacy, art, and architecture. The Port has invested in public artwork and architecture that integrates and shares the stories of the surrounding community. These stories, in turn, have become a catalyst that transformed the City’s waterfront into a community and regional destination. From honoring the tribal, pioneering, shipbuilding, agricultural, maritime, environmental, industrial and ethnic traditions, to providing cultural touchstones through educational imagery and representative architecture, the Port of Kennewick has worked hard to advocate, highlight, and symbolize the community’s rich and diverse history. The installation of these works have brought renewed vibrancy to the historic downtown and championed history and culture within the City of Kennewick and the Mid-Columbia region.”

Ms. Carter stated as an art lover, Port contractor and representative of the Kennewick Arts Commission, she is pleased to announce that the Port of Kennewick has been named the 2018 Heritage Award Winner. Ms. Carter stated the Award will be presented by Governor Jay Inslee and his wife Trudi at the gala dinner in Bremerton and Ms. Carter encouraged the Commission and staff to represent the Port at the event and receive this well-deserved award.

Commissioner Moak thanked all those that helped make this possible, including his fellow Commissioners and previous Commissioners, staff, and Ms. Carter. Furthermore, Commissioner Moak believes this would not have happened if it were not for art enthusiasts in our community and our partners, who step forward and assist the Port with our projects.

Commissioner Barnes thanked staff for their work and continuous effort. Commissioner Barnes believes the community art projects are in line with the Port’s mission and goals, which enhances the quality of life for our citizens.

Ms. Bader Inglima applauded the Commission’s investment in art, which has helped reshaped the perceptions for this end of town.

Mr. Arntzen stated if the Commission would like to attend the November gala dinner and presentation in Bremerton, please contact Ms. Scott.

C. Oak Street Discussion

Ms. Hanchette reported Port tenant, Renewal By Anderson, currently occupies two spaces (approximately 6,000 square feet) in Building C at Oak Street. Business has increased substantially for Renewal and they have added additional office staff and installers. Renewal would like to move out of the warehouse space to the corner space which offers more office space. In addition to relocating, Renewal is requesting to expand the office space and add a pass through door between the two spaces.

Commissioner Moak inquired if the Commission normally discusses tenant improvements.

Ms. Hanchette stated generally no, but the request for a pass-through is more detailed and staff asked for further direction from the Commission.

**PORT OF KENNEWICK
REGULAR COMMISSION MEETING**

SEPTEMBER 25, 2018 MINUTES

DRAFT

Commissioner Moak inquired if the pass-through would add or detract from the value of the space.

Ms. Hanchette believes it would benefit Renewal more, but does not add value to the space. Renewal would return the space to the original configuration if they vacate the space.

Commissioner Novakovich inquired if Renewal will pay for the remodel.

Ms. Hanchette stated Renewal will bear the burden of the cost of the remodel.

Commissioner Barnes inquired when Renewal would begin the remodel.

Ms. Hanchette stated as soon as they get authorization to proceed.

Mr. Arntzen asked if the Commission would like to mull over the request.

Commissioner Barnes would like additional time to consider Renewal's request.

Ms. Hanchette reported that Carbitex has been a Port tenant for six years and currently leases two spaces in the Oak Street Industrial Park, for a combined space of approximately 11,000 square feet. Carbitex manufactures a flexible carbon fiber fabric and is working on transitioning to footwear and using their product for running shoes. Carbitex is looking to acquire the equipment and lease the third space in Development B; however, the equipment has a lot of power needs, more than the building has capacity for at this time. In order to meet the power needs for the equipment, a transformer would need to be added, and Carbitex is requesting support for that investment. Ms. Hanchette introduced Ron Boninger, CEO of Carbitex, who is here to summarize the request and how the additional power would serve the location.

Mr. Boninger thanked the Commission for considering the request and commended the Commission for the artwork installations in downtown Kennewick and Clover Island. Mr. Boninger stated Junas Kahn started Carbitex started five years ago and created the proprietary technology for the flexible carbon fiber fabric and developed several patents for the material. Carbitex has been working with leading footwear companies to develop a prototype using the flexible fiber fabric and will need to do a major expansion. Right now, Carbitex is producing 50-100 pieces currently for testing, but that number will increase drastically. Carbitex is a classic venture capital supported company and has approximately \$9,000,000 invested. In order to do the expansion, Carbitex will need to invest an additional \$2,000,000-\$2,500,000 into equipment and the facility. Carbitex is requesting assistance with the transformer, which will bring power to the building to service the new equipment and the expansion. This will also create an opportunity for Carbitex to grow and expand from 15 full time employees (FTE) to at least 40 FTE's. Mr. Boninger believes Carbitex will remain at Oak Street for a long time and would like to be able to partner with the Port on the transformer and Carbitex would pay for the power.

Ms. Hanchette stated Carbitex received a private bid for approximately \$110,000; however, with prevailing wage, the cost would increase to roughly \$150,000.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 25, 2018 MINUTES

DRAFT

Mr. Boninger received a new prevailing wage bid estimate of \$135,000-\$140,000.

Ms. Hanchette stated in addition to the support for the transformer that would feed the building, Carbitex would like to lease an additional space in Development Building B, and go from 11,000 square feet to 16,000 square feet.

Mr. Arntzen stated the CEO has delegation of authority for leases; however, this is a substantial request and investment on the Port's part. Mr. Arntzen appreciates Mr. Boninger getting the estimate for the transformer; however, as the Commission has seen in past projects, construction costs are escalating. Mr. Arntzen stated it has been challenging drafting the 2019-2020 Budget and the Commission has identified Vista Field and Columbia Gardens as their top priorities. The Draft 2019-2020 Budget does not include a line item to modify the Oak Street Building. Staff is working on the bid/construction documents for the tasting room at Columbia Gardens and the construction documents for Vista Field Phase 1A. Neither project has gone out for bid yet, but it has been reported that construction costs have increased drastically. Furthermore, Clover Island Inn has requested support for building a stage on the Island for their concerts. Mr. Arntzen is very uncertain of the Port's ability to cover excesses of a new construction project without Columbia Gardens Phase 2B or Vista Field Phase 1A bid results.

Commissioner Moak asked Mr. Boninger when Carbitex needs an answer from the Port.

Mr. Boninger believes within a three to five month period.

Commissioner Moak stated until the Port bids Columbia Gardens and Vista Field we do not know if we have the capacity. Commissioner Moak is reluctant to commit to the request until the priority projects have been bid. The Commission can re-address the request with staff after the bids come in.

Mr. Arntzen stated another option could be working with community partners such as TRIDEC, Benton Franklin Council of Governments or Benton PUD to accommodate Carbitex's request.

Commissioner Barnes reiterated Commissioner Moak's comments and stated that although the request fits well within the Port's mission of economic development and job creation, he cannot support the request without some sort of rate increase to offset the cost over time. This is a challenging time for the Port to consider this expenditure because of our priority projects and the uncertainties we face in the bid process. If this were a different time, this might be a request the Port could consider.

Commissioner Novakovich stated this is a tenant improvement and cannot support the request.

Commissioner Moak inquired if the Commission can address the request at a later date or deny the request made by Carbitex.

Commissioner Barnes stated it is imperative to stay focused on Vista Field and Columbia Gardens. If the Port had surplus funds, Commissioner Barnes could possibly support the request,

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 25, 2018 MINUTES

DRAFT

but given the uncertainty of construction projects and bids, Commissioner Barnes cannot support the request at this time.

PUBLIC COMMENTS

Stephanie Seamans, P.O. Box 217, Richland. Ms. Seamans stated the Benton Franklin Council of Governments (COG) has not set the budget for 2019 and suggested Mr. Boninger speak with COG. Also, as a former practitioner, Ms. Seamans stated when there were electrical projects, sometimes the utility companies would participate in the project because they receive a benefit from that kind of installation.

Mr. Boninger appreciates the comments and stated Carbitex will invest the funds for all of the internal electrical work that is connected to building and is only requesting assistance with the transformer. Because Carbitex is investing an additional \$2,500,000 and as a venture capital backed business, financing takes on a very different component. Mr. Boninger understands this is a large request, but feels it is reasonable, because the power will remain, even if Carbitex leaves.

Mr. Arntzen asked what course of action would the Commission like staff to take; there are no extra funds available in the budget, or look for a partnership within the community, which could take up valuable staff time.

No further comments were made.

MOTION: *Commissioner Novakovich moved to deny the request made by Carbitex for funding by the Port to install an electrical transformer; Commissioner Moak seconded.*

Discussion:

Commissioner Barnes thanked Mr. Boninger for attending today and appreciates the effort to work in a Port facility and create jobs and provide economic development; however, the Commission is committed to Vista Field and Columbia Gardens and cannot lose focus if the development are going to be successful. Commissioner Barnes stated there is a level of uncertainty with the bids and does not want fall short on the community commitment. At this point, Commissioner Barnes supports the motion; however, if the Port goes through the bid process and receives favorable bids, he would not object to revisiting the request.

Commissioner Moak stated Commissioner Barnes would need to make a motion at that time to revisit the request. Commissioner Moak will oppose the motion on the table and believes the Commission should wait until the bids come in and then take a position on the request. However, if there is a majority in favor of the position, the Commission should move forward.

Commissioner Barnes clarified that the motion is to deny the request today.

Commissioner Moak stated the Commission is taking action today.

Commissioner Barnes stated the Commission can entertain a motion at a later date to provide support if the bids are favorable.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 25, 2018 MINUTES

DRAFT

Commissioner Novakovich stated then the Commission should also consider what other Port tenants are requesting, for example, the stage at Clover Island Inn.

Commissioner Barnes called for the question.

With no further discussion, motion carried. All in favor 2:1 (Barnes and Novakovich aye) (Moak nay).

PRESENTATION

A. Draft 2019-2020 Work Plan Workshop

Mr. Peterson stated the Draft 2019-2020 Work Plan consists of the Commission's top two priorities, Vista Field redevelopment and Kennewick Historic Waterfront development, which includes Clover Island and Columbia Drive. In addition to Vista Field and the Kennewick Waterfront, the Port signed an Interlocal Agreement (ILA) with the City of Richland to assist with Columbia Park Trail corridor improvements and coordinate a Rural Capital County Funds Application (RCCF). Mr. Peterson stated the Draft 2019-2020 Work Plan coincides with the 2019-2020 Draft Budget, which will be presented on October 9, 2018. Mr. Peterson presented the Draft 2019-2020 Work Plan.

Vista Field Redevelopment Suggested Work and Property Management Plan:

- Complete Phase #1A improvements (roadway, utilities, & water feature) - \$7,200,000 (\$6,925,000 carryover from 2017/2018 budget)
- Vista Field Redevelopment-Loan Repayment - \$550,000
- Vista Field Redevelopment-Property Maintenance Organization fund - \$150,000
- Vista Field Redevelopment-Traffic Mitigation/Central Park fund - \$100,000
- Vista Field Redevelopment-Town Planner - \$85,000
- Market properties & review proposals through the Collaborative Design Process
- Prepare Phase #1B improvements (hangar improvements) for bid
- Determine feasible "vibrancy" action plan and implement

Kennewick Historic Waterfront District Suggested Work and Property Management Plan:

Overall Area

- Master Plan of Port's Historic Waterfront District properties - \$175,000

Clover Island

- Shoreline Restoration design assistance & construction matching funds (USACE 1135 Program) - \$1,500,000 (\$500,000 RCO grant & \$1,000,000 City of Kennewick RCCF allocation-dependent upon Benton County approval)
- Hold Clover Island properties until completion of Port's overall waterfront plan

**PORT OF KENNEWICK
REGULAR COMMISSION MEETING**

SEPTEMBER 25, 2018 MINUTES

DRAFT

Columbia Drive

- Complete construct of Phase #2A (loop roadway, utilities, parking lot & food truck plaza), Phase #2B (tasting room building & parking lot) and Phase #2C (artwork installations) - \$2,350,000 (\$2,250,000 carryover from 2017/2018 budget)
- Construction contingency for Phase #2 projects - \$500,000
- Willows infrastructure - \$1,000,000 (\$500,000 RCCF & \$500,000 City of Kennewick RCCF allocation-both dependent upon Benton County approval)
- Eagle Pond (formerly known as Duffy's Pond) Restoration - \$150,000
- Explore potential and complementary private sector development (sale or lease)

City of Richland Project Suggested Work and Property Management Plan:

- Coordinate RCCF application for Columbia Park Trail corridor improvements- \$800,000 (\$800,000 RCCF-dependent upon Benton County approval)
- Explore opportunities to create regional linkages to and from Vista Field, including Island View

City of West Richland Suggested Work and Property Management Plan:

- Finalize agreement with private owner for access to Keene Road - \$25,000 (carryover from 2017/2018 budget)
- Reservation for future grant fund match for on-site infrastructure improvements at former Racetrack site - \$100,000
- Ordinary property maintenance activities during 2019-2020 period
 - Respond to Keene Road parcel inquiries (Lots 3 & 4)
 - HOLD West Van Giesen/Raceway property

Oak Street Industrial Suggested Work and Property Management Plan:

- Continue to actively market Development Buildings A, B, C & D as available
 - Market for sale all vacant/ag parcels
- Ordinary property maintenance activities during 2019-2020 period

Southridge Suggested Work and Property Management Plan:

- Market for sale 8.50+ acre parcel and utilize proceeds for Vista Field Redevelopment

Plymouth Suggested Work and Property Management Plan:

- Ordinary property maintenance activities during 2019-2020 period

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 25, 2018 MINUTES

DRAFT

District-Wide Work Plan Projects:

- Remain focused on the day-to-day efforts to operate a successful Port District
- Complete projects authorized in 2017-2018 Budget
- Pursue grant funding as appropriate
- Return-On-Investment analysis & capital reserve for ROI project - \$1,000,000
- Port asset replacement program (building upkeep & annual maintenance) - \$500,000
- Opportunity fund for yet to be identified small projects (either Port or outside agency) - \$100,000 [dependent upon project(s) selected]
- Miscellaneous capital - \$100,000
- 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

RECESS

Commissioner Moak recessed the meeting at 3:35 p.m. for ten minutes and will reconvene at approximately 3:45 p.m.

Commissioner Moak reconvened the Regular Commission meeting at 3:45 p.m.

NEW BUSINESS

A. Tasting room Tenant Recommendations

Ms. Hanchette stated on June 12, 2018 the Commission established a tasting room committee comprised of myself, Terry Walsh, City of Kennewick Executive Director of Employee and Community Relations and Ken Robertson, Port Wine Consultant. The mission of the committee was to interview potential tenants for the Port's 2,500 square foot development building in Columbia Gardens. Pre-lease marketing efforts began with a direct mail and email blast to the Washington Winegrowers Association membership and advertising on the Port website. The Port received four applications by the July 31, 2018 deadline. The committee reviewed each application and conducted interviews off site and discussed the following:

- Ability to pay rent/and or other fees;
- Demonstration of need for the facilities;
- Demonstration of strong commercial potential;
- Ability to provide strong community benefits;
- Have well-qualified principals;
- Have high product quality.

Ms. Hanchette stated the committee recommends Cave B Estate Winery in Quincy, Washington and Gordon Estate Winery in Pasco.

Cave B Estate Winery has approximately 100+ acres, located in the Ancient Lakes of the Columbia Valley AVA. Cave B offers a large option list of products with a price point

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 25, 2018 MINUTES

DRAFT

comparable to Palencia and Bartholomew, current Columbia Garden tenants. Freddy Arrendondo, head winemaker for Cave B is very enthusiastic about opening a tasting room in Kennewick. The owners of Cave B, Carol and Vincent Bryan, purchased the land in 1980 and are the original owners of Gorge Amphitheater and developed a hotel and restaurant adjacent to the Cave B tasting room. Ms. Hanchette reported that Cave B also has an established wine club membership with 1,300 members and a tasting room in Woodinville.

Gordon Estates Winery is family owned and operated since 1983 and produces consistent premium quality wines that are grown in Pasco, near the confluence of the Snake and Columbia Rivers. Jeff and Vicki Gordon are well known community members and they are assisted by the daughter Katie Gordon Nelson. The Gordons fully support the Port's plan for Columbia Drive and are enthusiastic about being a part of Columbia Gardens. The Gordons recently hired Amanda McBride, who previously worked as a wine industry consultant and worked for several wineries, to open up the tasting room. Gordon Estate offers a nice range of prices and products, with an established wine club.

Ken Robertson, Port Wine Consultant, was pleased with all four applicants, but Cave B and Gordon Estates were very impressive. Mr. Robertson stated both wineries are excited to be located in Columbia Gardens and have the resources and marketing plans to succeed.

Commissioner Novakovich thanked the committee and stated Cave B and Gordon Estates are phenomenal wineries.

Commissioner Barnes inquired if this is a unanimous recommendation by the committee.

Ms. Hanchette stated yes, this is a unanimous recommendation.

PUBLIC COMMENTS

Amanda McBride, Gordon Estate Winery, 671 Levy Road, Pasco. Ms. McBride and her husband, who grew up in Connell, recently moved to Washington. Ms. McBride stated Gordon Estates had a successful wine bar in Pasco; however, the business became more of a restaurant and the Gordons closed it in 2017. Ms. McBride stated the timing of the new tasting room building in Columbia Gardens is great and we are very excited to be a part of it.

No further comments were made.

MOTION: Commissioner Novakovich moved to accept staff recommendation for Cave B Estate Winery and Gordon Estate Winery as tenants in Columbia Gardens Development Building in Columbia Gardens Wine and Artisan Village; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

**PORT OF KENNEWICK
REGULAR COMMISSION MEETING**

SEPTEMBER 25, 2018 MINUTES

DRAFT

B. Food Truck Plaza at the Village Tenant Recommendations

Ms. Hanchette stated Columbia Gardens Phase 2A Loop Road project will include a permanent food truck plaza. The food truck plaza will offer the public a place to enjoy food and will support the existing and future winery businesses in Columbia Gardens. The Commission directed staff to form a committee, which is comprised of myself, Terry Walsh, Shyanne Faulconer, Benton County Community Programs and Public Relations Coordinator, and Marilou Shea, Port consultant. The Committee conducted a similar process to that of the tasting room applicant process and received seven applications for the food truck plaza by the September 12, 2018 due date. Since then, the Port has had to extend construction of Phase 2A, until October 21, 2018. Because of this extension, the committee felt a winter roll out would be difficult and is opting for a soft roll out and will only fill two of the six spaces and extend the application time until December 31, 2018.

The committee recommends Swampy's BBQ and Eatery and Frost Me Sweet Mobile Desserts to occupy the first two spaces in the Food Truck Plaza. Ron Swamby has been building his brand via social media and offers good food and a diverse menu that focuses on BBQ. Additionally, Mr. Swampy would like to add a breakfast menu at a later date. Swampy's has also worked with Palencia Wines on special events at Columbia Gardens and is very excited to be a part of Columbia Gardens.

Frost Me Sweet Mobile Desserts is run by Megan and Jason Savely. Ms. Savely started with her food truck and opened Frost Me Sweet Bistro and Bakery in Richland several years ago. Ms. Savely has a solid customer base and offers lunch, dinner, and desserts at the Richland location and catering as well. Customers have been asking for a Kennewick location and the committee believes Frost Me Sweet Mobile Desserts will fit in well with the wineries at Columbia Gardens.

PUBLIC COMMENTS

Mr. Robertson recently attendee an event at Palencia Wines and Frost Me Sweet Mobile was there. Mr. Robertson stated the desserts are exceptional and he highly recommends them.

No further comments were made.

MOTION: *Commissioner Barnes moved to accept the staff recommendations of Swampy's BBQ and Frost Me Sweet as tenants of the Columbia Gardens Food Truck Plaza; Commissioner Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

REPORTS, COMMENTS AND DISCUSSION ITEMS, PART 2

A. Columbia Drive Update

Mr. Peterson reported that the soil did not meet the compact requirements and has been removed and re-compacted. The deadline has been extended and the road will be completed on October 22, 2018.

B. Vista Field Plan Update

Mr. Peterson reported that staff received City comments regarding the construction documents for Vista Field, which included minor corrections/adjustments and clarifications on public and private

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 25, 2018 MINUTES

DRAFT

sewer lines and maintenance responsibilities. Parametrix will make the various adjustments to the construction plans. Mr. Peterson thanked the City for their detailed review and stated this is the largest civil project for permit. Carey Roe, City Public Works Director advised Port staff to award the project in January 2019, since construction will not begin until February and the end date is not affected. This will give staff and Parametrix time to address City comments and bid the project late fall.

Commissioner Novakovich stated Mr. Roe's comments make sense since the time line stays the same and it may be a better bidding climate.

Commissioner Moak concurs with Commissioner Novakovich's comments.

Commissioner Barnes believes pushing the bid out until January of 2019 makes sense and suggested having the bid due in the third week in January to allow contractors extra time after the holidays.

Mr. Peterson will work on the schedule and share at an upcoming meeting.

1. Street Names

Mr. Arntzen reported that he has been out of town on Port business and inquired if Street Names could be discussed at a future meeting. Mr. Peterson and Ms. Bader Inglema had a conference call with DPZ Partners, and he would like to discuss the call with staff.

Commissioner Moak stated that is acceptable.

2. Branding

Ms. Bader Inglema reported that the Port went out for a Request for Proposals (RFP) for the Vista Field Branding in August and received eleven proposals. The RFP's were reviewed and vetted by Port staff, Senen Antonio and Lizz Plater-Zyberk of DPZ Partners, and Rochelle Olsen, marketing and writing consultant for the Port. Ms. Bader Inglema and Ms. Olsen reached out and spoke with references for the top RFP's and the RFP was awarded to Rusty George Creative from Tacoma. Ms. Plater-Zyberk stated Rusty George Creative's RFP stood out the most because of their experience with Place Branding.

Rusty George Creative will visit the Port and walk Vista Field then prepare three brand logo concepts and work with DPZ to refine the options. Staff and DPZ had the first conference call with Rusty George, to acquaint them with Vista Field, New Urbanism and the community feedback. During that conference call, DPZ shared additional thoughts and comments on the street names and Ms. Bader Inglema indicated that the City requires street names on construction documents before the formal bidding process takes place.

C. Rail Update

Mr. Arntzen continues to monitor the City of Richland and Port of Benton Rail Proposal and stated no new information has been made available. Mr. Arntzen recently received an email from Benton

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 25, 2018 MINUTES

DRAFT

Franklin Council of Governments (COG) regarding the State Transportation Plan. Mr. Arntzen inquired if the State, as part of their transportation rail plan, was aware of the joint rail proposal.

Commissioner Novakovich stated COG is emphatic that the joint City of Richland /Port of Benton rail plan needs to be submitted to the State and part of the State Transportation Plan or it will not be considered.

Mr. Arntzen stated as of now, the rail proposal has not been vetted through the public and staff will continue to monitor the situation.

D. November 27, 2018 and December 25, 2018 Commission Meetings

Ms. Scott stated the December 25, 2018 Regular Commission Meeting falls on Christmas and inquired if the Commission would like to cancel that meeting. Additionally, the November 27, 2018 Commission meeting falls on the day of the Governor's Heritage Award Banquet in Bremerton and inquired if the Commission would like to cancel that meeting as well.

It is the consensus of the commission to cancel the November 27, 2018 and December 25, 2018 Regular Commission Business Meetings.

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

Commissioners reported on their respective committee meetings.

F. Non-Scheduled Items

1. Commissioner Novakovich thanked Mr. Arntzen for attending the Washington Public Ports Association (WPPA) legislative meeting in Olympia.

Commissioner Novakovich and Jay Freeman, Historic Kennewick Downtown Partnership (HDKP) President, recently toured Amistad Elementary, which is currently undergoing an addition and remodel. Commissioner Novakovich had the opportunity to speak with the principal regarding a mentoring program with the HDKP.

2. Ms. Scott reported that the WPPA Small Ports Conference is October 18-19, 2018 and the WPPA Annual Meeting is December 5-7, 2018. Please let Ms. Scott know if you would like to attend the meetings.
3. Ms. Bader Inglima reported the Tri-Cities Immigrant Coalition (TCIC) has issued a call to artists "Celebrating our Immigrant Community through the Arts." TCIC is seeking immigrant and first generation artists for a Tri-Cities Art Show that will be exhibited at Victor Palencia's Monarcha at Columbia Gardens. The event will begin on October 20, 2018 from 5:00 to 8:00 p.m. and the show will be on display from October 20-28, 2018. This is a recognition that wineries pair well with art and the investment the Port has made in the wine buildings and the Latino Heritage Mural are allowing for new activities.
4. Mr. Arntzen recently attended the WPPA Legislative Committee and will brief the Commission at the next meeting.

**PORT OF KENNEWICK
REGULAR COMMISSION MEETING**

SEPTEMBER 25, 2018 MINUTES

DRAFT

Mr. Arntzen has been invited to a Saturday retreat by Columbia Basin College President, Dr. Rebekah Woods, on October 13, 2018 to brainstorm the Culinary Institute that will be located in The Willows.

- 5. Mr. Kooiker stated on October 9, 2018 staff will present the 2019-2020 Draft Budget and on October 23, 2018, the Commission is scheduled to adopt the 2019-2020 Budget. Mr. Kooiker will present the bulk of budget; however, the Commission will also hear from staff.

PUBLIC COMMENTS

Thomas Kastner, 8180 West 4th Avenue, Kennewick. Mr. Kastner is the incoming President of the Central Washington American Institute of Architects Chapter (AIA). Mr. Kastner reported that Columbia Gardens Wine Village Phase 1 was awarded a Merit Award by the AIA, for the design, placement and commitment, which resulted with the Latino Heritage Mural on the building. Mr. Kastner will send over the write up which accompanies the award and a copy of the certificate. Mr. Kastner offered his congratulations to the Commission and staff.

No further comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:46 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Thomas Moak, President

Don Barnes, Vice President

Skip Novakovich, Secretary



Port of Kennewick

2019 & 2020 PRELIMINARY BUDGET

Fostering Jobs

Building Infrastructure

Enhancing Quality of Life



Mission & Goals

The Port of Kennewick's mission is to provide and support sound economic growth opportunities that create jobs and/or improve the quality of life of the port district citizens.

Economic Development and Job Creation Goals:

- Provide the public with high quality projects and services within a healthy work environment.
- Evaluate economic development opportunities based on results to be derived district-wide versus project-specific or jurisdiction-specific.
- Encourage transparency, open competition and equal project consideration, fostering a reputation for fairness with the local business community.
- Seek to fund projects with available resources.
- Support intergovernmental cooperation by partnering with entities which demonstrate support.

These above goals will be accomplished through the following projects:

- Vista Field Redevelopment
- Kennewick's Historic Waterfront District
 - Columbia Drive Redevelopment
 - Clover Island 1135 Shoreline Restoration.

Financial, Operational, and Budget Philosophy for 2019 & 2020:

- The Port is maintaining its goal of a balanced budget.

- The Port is fiscally sound and is ensuring its available resources do not exceed expenditures.
- The Port’s budget allows funding for additional staff in order to facilitate budgeted capital projects while promoting fiscal responsibility.
- The Port’s budget does reflect incurring reasonable debt with the goal of being economically sustainable while meeting cost, risk, legal, and redevelopment objectives.
- The Port will continue to report ROI as appropriate and share audited financial reports with the public.

2019 & 2020 PRELIMINARY BUDGET*

Total Revenues	\$ 19,245,598
Total Expenses (less capital and promotional hosting)	\$ 8,427,745
Profit (Loss)	<u>\$ 10,817,853</u>
Less Capital Expenses	\$ 14,659,538
Less Promotional Hosting Expenses	\$ 20,500
Beginning Cash on Hand	\$ 7,470,240
RESERVE FUNDS	\$ 2,500,000
UNRESTRICTED FUND BALANCES	<u>\$ 1,108,054</u>
ENDING CASH ON HAND	<u>\$ 3,608,054</u>

*The 2019 & 2020 Preliminary Budget PowerPoint Presentation is integral to the Port of Kennewick’s preliminary budget document.