



PORT OF KENNEWICK REGULAR COMMISSION MEETING

OCTOBER 10, 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

Amanda Jones 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

Chuck Torelli, 3314 South Dennis Court, Kennewick. Mr. Torelli sits on the City of Kennewick Planning Commission and reported the Planning Commission recently held a workshop on October 2, 2017. Mr. Torelli stated Mr. Peterson and Ms. Bader Inglima attended the workshop and did a great job with the Port presentation. Mr. Torelli, like many Kennewick citizens did not know what the Port did, so he Googled it and found that the Port does a great deal. Mr. Torelli stated he did not know who was behind the projects such as the Spaulding Business Park and the Wine Village, and expressed his thanks and appreciation to the Port for getting things done.

No further comments were made.

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CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated October 3, 2017**
Direct Deposit and E-Payments totaling \$66,646.29
- B. Approval of Warrant Registers Dated October 10, 2017**
Expense Fund Voucher Numbers 39511 through 39557 for a grand total of \$325,172.43
- C. Approval of Regular Commission Business Meeting Minutes September 26, 2017**

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.*

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. CEO Evaluation Process

Ms. Luke stated at the September 26, 2017 Commission Meeting, staff and Commission discussed the annual CEO performance evaluation process, and during last year's evaluation the Commission expressed that they would like to update the current CEO performance evaluation process. Ms. Luke stated the proposed process is more efficient and effective and follows the current national trends. Ms. Luke outlined the proposed CEO evaluation recommendations:

- Port Commission appoints a Committee:
 - Port's Chief Financial Officer
 - Port Attorney
 - One Commissioner to serve a four year term
- Committee develops the CEO's goals and objectives for Port Commission review and approval - 2017-18 goals and objectives have already been set by Commission;
- Committee keeps goals and objectives updated;
- Committee develops a procedure for evaluating the CEO's performance;
- Committee conducts CEO's annual evaluation and presents the results to the Commission for review and approval;
- Committee may recommend a salary adjustment in accordance with CEO's employment agreement;
- Committee keeps CEO involved (to encourage creativity and progress while providing timely feedback).

Ms. Luke believes a four year term is appropriate for the Commissioner who will serve on the committee because of the historical knowledge of the processes and how the evaluation is conducted each year.

Mr. Novakovich inquired once the Committee has completed the evaluation process, who then will give the CEO his evaluation.

Ms. Luke stated the Committee would determine that process in the procedures.

Mr. Novakovich believes the process will make the CEO evaluation more efficient.

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Ms. Luke stated in recent years, many companies moved away from the lengthy evaluation form and trending towards real time feedback, which is the key to keeping and retaining talent.

Mr. Moak likes the CEO evaluation process, but is concerned with the four year term for the Commissioner. At this time, only one Commissioner would be eligible to serve on the Committee because of the election cycle. Mr. Moak would prefer the term to be consistent with other committee appointments, a two year term, which begins January. Mr. Moak agrees with the ideas embodied in the policy and would like to try out the process.

Mr. Barnes expressed his concern with a four year term as well and agrees with Mr. Moak's suggestion of a two year term. Mr. Barnes suggested that for the first cycle, the Commissioner would serve from today, until December 31, 2019. Subsequently, the next term would be January 1, 2020 through December 31, 2021. This would, should there be a change in Commission, allow an opportunity for newly elected Commissioners to participate more readily, than with a four year term.

Ms. Luke stated if the Commission is ready to adopt the policy and appoint a Commissioner to sit on the committee today, the motion will need to include the modification of the policy to reflect a two year, two month term initially and a two year term subsequently.

Mr. Barnes offered to serve on the CEO Evaluation Committee.

It is the consensus of the Commission the Mr. Barnes will serve on the CEO Evaluation Committee.

PUBLIC COMMENT

No comments were made

MOTION: Commissioner Moak moved for approval of Resolution 2017-16 adopting a revised Section 15 of the Port Commission Rules of Policy and Procedure covering the Chief Executive Officer Evaluation process, with the amendment that the Commissioner appointed initially will serve until Dec. 31, 2019 and subsequently, that position will be appointed for two (2) year period of time, ending December 31, odd years. We further appoint the Port's Chief Financial Officer, Port Attorney and Commissioner Don Barnes to serve on the CEO Evaluation Committee; Commissioner Barnes seconded.

Discussion:

Mr. Barnes thanked Ms. Luke and staff for their work on the CEO evaluation process and hopes the new processes will be more efficient and modern.

Mr. Novakovich thanked staff for their work on the policy.

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

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Mr. Arntzen thanked Mr. Torelli for his comments and stated it is always nice to hear people speak positively about the Port. Mr. Arntzen stated staff has been working closely with the Planning Commission to move the Vista Field Master Plan and Development Agreement through to the Kennewick City Council for approval. Mr. Arntzen indicated the Kennewick Planning Commission is very active and have done many good things for the City of Kennewick.

Mr. Arntzen requested to move Item C, Vista Field Update 1-3 up on the Agenda, to accommodate the audience members that are here to listen to the Vista Field discussion.

B. Vista Field Update (previously Item C)

Mr. Peterson reported on the October 2, 2017 the City Planning Commission Workshop which addressed the Vista Field Master Plan and Development Agreement. Mr. Peterson stated several City staff were on hand to discuss the Vista Field Master Plan: Public Works Director, Carey Roe, City Attorney, Lisa Beaton and Community Planning Director, Greg McCormick. On November 6, 2017 the 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 change to Urban Mixed Use zoning (UMU), and the Vista Field Master Plan and Development Agreement. Mr. Peterson stated the November 6, 2017 meeting is a public hearing and positive comments are welcome and concerns or questions can be addressed.

Mr. Peterson reported that following the September 26, 2017 Commission meeting, an email was sent to the Vista Field stakeholders list with the links to the Master Plan and appendices. Mr. Peterson stated he received several return emails with comments regarding the Cultural and Historical Analysis Report related to the former use of the site as a World War II Aviation site.

1. Department of Commerce Letter of Support (Exhibit 1)

Mr. Arntzen reported the City received a letter from William Simpson, Senior Planner of Growth Management Services for the Washington Department of Commerce. The Department of Commerce expressed their support for the collaboration between the City and the Port and stated the Draft Master Plan reflects many of the planning goals of the Growth Management act, including those regarding urban growth, reducing sprawl, economic development, citizen participation, and efficient multi-modal transportation systems. Furthermore, the letter reflected on the project's focus on compact design and emphasis on connectivity, walkability, and a variety of housing options.

Mr. Barnes stated this an achievement the Port should be proud of and it is great to get these letters at this juncture, however, there is still much to do.

Mr. Novakovich stated this a very nice compliment to the City and Port.

2. Review Draft Master Plan

Mr. Peterson stated the Commission reviewed the draft Master Plan and although some minor typos were corrected and clarifications made, the substance of the document has remained unchanged. Staff will be bringing the Draft Master Plan and Development Agreement to the Commission at the October 24, 2017 Commission Meeting for approval in the form of a

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resolution and amending the 2016 Comprehensive Scheme to include the Vista Field documents. Mr. Peterson stated the Development Agreement is a format previously utilized by the City, and affirmed and edited by Steve DiJulio. The Development Agreement establishes a plan for the development and identifies cost sharing, transportation improvements and water/sewer improvements over the next ten years and it assures the Port and private sector that the development rules will not be altered during that time period. Mr. Peterson inquired if the Commission had any questions regarding the Draft Master Plan.

Mr. Novakovich stated if the Port were to make any additional changes, it could be detrimental to getting the document approved by the City this year.

Mr. Arntzen stated in last three days, some small corrections and edits have been made to the Vista Field Master Plan and Commission's comments captured; however, the substance of the document has not change.

Mr. Moak stated if the public has comments, now would be the time to address them; however, the broad overall community concepts have been addressed in the document.

Mr. Barnes focused on the content of the Vista Field Master Plan, which is excellent, and stated Mr. Peterson and staff did an exceptional job pulling the Master Plan together.

3. *Financing Plan*

Mr. Kooiker briefed the Commission on the loan process for financing Vista Field. Mr. Kooiker stated the Port has discussed using debt to finance some of Vista Field and stated the debt will increase the cost of the asset, but because rates are low, the Port is better able to leverage our money. Mr. Kooiker explained that the project loan for Phase 1A is an estimated \$5,000,000; however, that number could increase to \$6,000,000-\$7,000,000 depending on final engineering estimates, the bidding climate and if the remodeling of the corporate hangars are included.

Mr. Arntzen emphasized that staff does not have a clear number for the total construction cost for Phase 1A and that information will not be available until the construction plans are completed.

Mr. Kooiker stated the Port has the option to finance the proposed \$5,000,000 through bonds or loans. The Port is proposing obtaining a loan, which will offer more flexibility than bonds. The Port does not need to go through a credit rating, and the cost of issuance is less with a loan. Mr. Kooiker discussed the steps to obtain a bank loan and believes it will take three to six months:

1. Retain legal/bond counsel:
2. Retain municipal advisor if needed:
3. Prepare and issue Request for Proposal (compare apples to apples):
4. Evaluate proposals and select bank (2.5-2.75% interest rate):
5. Underwriting process:

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6. Funding:
7. Resolutions to the Board for approval:
8. Request draws from bank as necessary.

Mr. Kooiker stated the bank loan process would start once the Master Plan is approved and the Port has final construction plans available. Mr. Kooiker explained the reasons why the Port should wait to obtain a loan:

- Legal/Bond Counsel will need construction documents to verify the Port's tax exempt status, which reduces the interest by 1%, saving the Port money;
- Banks will give a better response if they know what project is being financed, again saving the Port money;
- The Port can have a 24-36 month draw down period on loan.

Mr. Kooiker stated obtaining a loan for more than \$5,000,000 would over-commit the Port for the next fifteen to twenty years. Furthermore, the Capital budget would mainly be used as a debt service and to maintain our current assets and the Port would not be able to pursue other projects. Mr. Kooiker stated Resolution 2014-31 outlines the Port's Budget, Financial, and Operational Philosophy, which states, partnering with other entities who demonstrate support with matching funds could be worth waiting for. There may be a jurisdictional partner that is willing to assist the Port in funding Vista Field, and that would make it worthwhile to wait.

Mr. Novakovich stated the financing plan is very logical and it allows the Port to pursue projects with our jurisdictional partners.

Mr. Moak asked Mr. Kooiker to outline the differences between loans and bonds.

Mr. Kooiker stated the Port deals directly with the bank and bank loans provide more flexibility; whereas, with bonds there are additional costs involved, they are public offerings and they require a bond underwriter. Mr. Kooiker stated the Port's Comprehensive Scheme outlined retiring the Vista Field debt early and the only way to do that with bonds is to issue refunding bonds and there is more flexibility with a bank loan.

Ms. Fine stated previously the Port utilized a bank loan to fund the marina. Ms. Fine stated guidance from multiple advisors was to obtain a bank loan. Ms. Fine stated the Port was quoted over \$350,000 for a bond advisor to take the Port through the process, which included staff presentations in New York to obtain a bond rating. Ms. Fine stated the Port will still get the advantage of the tax exempt status, which is a benefit to the Port because of the loan interest rate. Ms. Fine stated there is not an advantage for the Port to obtain a bond, which will cost more money and require more reporting.

Mr. Barnes stated Mr. Kooiker mentioned the possibility of retiring the debt early; however, does staff believe that the proceeds from land sales at Vista Field will retire the debt.

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Mr. Kooiker stated during the Comprehensive Scheme meeting, staff projected retiring the debt in 2024, however, in this construction climate, it is difficult to forecast. Mr. Kooiker offered that the Port may determine to reinvest the land sale proceeds back into project if factors change.

Mr. Novakovich asked if the Port is charged interest on the money it does not draw.

Ms. Fine stated the bank would only charge interest when the Port draws from the account and stated typically, there is an up-front borrower's fee.

Mr. Novakovich stated once Phase 1 is complete, is there a way to determine the increase in the value of the property.

Mr. Peterson stated the investment in infrastructure, amenities, and the hangar remodel will provide approximately 20 net acres of developable and saleable land. Mr. Peterson stated the amount will depend on the land use and believes \$3.00 to \$10.00 per square foot range is viable. Mr. Peterson stated the debt service is not predicated on selling the lots and the Port is able to continue on with the project and has the option to utilize the land sale proceeds to retire debt early or invest in Phase 2. Mr. Peterson stated design plans for the horizontal infrastructure are 60% complete and will carry significant contingencies because of the current construction climate.

Mr. Arntzen believes Phase 1 will include the horizontal infrastructure: the road, the water feature, utilities, landscaping, and sidewalks; and Phase 2 will include the hangar remodel. Mr. Arntzen hopes to deliver the horizontal infrastructure for the \$5,000,000 to \$7,000,000 and then potentially sell other assets to provide some funding for the hangar remodel. Mr. Arntzen stated it is important to sequence the project and stated the horizontal infrastructure will need to be in place prior to the hangars being remodeled. Mr. Arntzen appreciates the Commission allowing staff to be thorough and work through the financing strategy and indicated he would like financing process to stay on the agenda.

Mr. Novakovich inquired what the Port will pledge as security. Mr. Kooiker stated general obligation debts.

PUBLIC COMMENT

Nick Gonzales, 8512 Whipple Drive, Pasco: Mr. Gonzales, Vice President of Bouten Construction, attended today out of interest in Vista Field and offered his congratulations to the Commission and staff for getting to this point in the process. As one of the premier builders in the Tri-Cities, Bouten Construction likes to get involved in projects that matter and considers Vista Field a project that matters. Mr. Gonzales is a life-long resident of the Tri-Cities and is supportive of the Port creating a place for everyone to go. Mr. Gonzales has been in touch with Mr. Peterson and can sense the passion for this project, and that reflects well on the Commission. Mr. Gonzales stated the same can be said about David Robison of Strategic Construction Management (SCM), who has been gracious with his time and kept Mr. Gonzales informed on the project. Mr. Gonzales supports the Commission moving forward with the Vista Field Master Plan and Development Agreement.

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Amanda Jones, 9342 West 5th Place, Kennewick. Ms. Jones, Credit Executive Officer for Baker Boyer Bank stated Vista Field has been a continual topic of conversation from a variety of backgrounds and industries. Earlier this morning Ms. Jones had a conversation regarding the Port's role at Spaulding Business Park and the tax revenues that the project generated for the community. Ms. Jones expressed her appreciation for what the Port is doing, by taking a long term approach and filling the gap that is needed in our community for a sense of place and a walkable district. It has been a privilege to participate in the various public forums. Ms. Jones thanked the Commission and staff for their commitment. Furthermore, Mr. Kooiker's comments as far as the options for the financing strategy is correct and in looking not just at land sales, but looking at the Port's taxing authority to give flexibility is on point. Ms. Jones stated that Baker Boyer Bank will be submitting a Request for Proposal and regardless of which bank is chosen, she looks forward to seeing the project go forward for the community.

Boyce Burdick, 414 Snyder Street, Richland: Mr. Boyce asked the Commission to approve the Vista Field Master Plan, for two reasons: first, it will be the location for the Vista Field Art Center and secondly, he would like to be a resident at Vista Field.

David Robison, 3601 North 20th Avenue, Pasco. Mr. Robison thanked the Commission for the opportunity to speak and stated it is an honor and a pleasure to be a part of this team. Mr. Robison stated the process has taken a lot of time and respectfully asked the Commission to "put the pencils down." This project is about as good and perfect and interactive as it possibly can be and all the I's have been dotted and the T's have been crossed and maybe there is a word or comma missing, but the bottom line is this, it is time to put this project into action. Mr. Robison respectfully asked the Commission to be ready to approve the Master Plan and Development agreement when staff presents the final document on October 24, 2017. Mr. Robison thanked the Commission for including him in this project.

Mr. Novakovich thanked Mr. Robison for his participation on this project and stated his work has been invaluable.

C. Columbia Drive Update (previously Item B)

Mr. Peterson stated the Wine Village is nearing completion with Banlin Construction finishing up the landscaping and final touch ups. Mr. Peterson stated the final date for completion is the end of October; however, Banlin has scheduled the final walk through for October 20, 2017 to generate a final punch list. The City is currently under contract with Shoemaker Excavation for the installation of the tank and effluent treatment, which should be in place by the end of November/Mid-December.

Mr. Moak inquired if the City has started work on the landscaping along Columbia Drive.

Mr. Peterson stated 2F construction has not moved back onto the site and the City negotiated a delay; however, he is unsure of when the landscape needs to be completed.

1. Wine Village Lease Agreements

a. Bartholomew Winery; Resolution 2017-14

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b. Palencia Wine Company; Resolution 2017-15

Ms. Hanchette presented for Commission consideration, two leases that coincide with completion of the Port's Wine Village Phase 1. In spring of 2016, Port and City staff began the application and selection process for future Wine Village tenants through aggressive advertising campaigns and thoughtful evaluation of applicant. Ms. Hanchette outlined the term of the lease for Bartholomew Winery and Palencia Wine Company. Ms. Hanchette reported that initially building A110 would be a shared storage facility; however, that limited the use for the tenants. Mr. Palencia and Mr. Fawbush met several times regarding the space and it was concluded that Palencia Wine Company will assume the lease responsibility for the two buildings attached by the breezeway and Bartholomew will lease Building B. Mr. Palencia will bond both buildings as winery space and if necessary, Mr. Bartholomew can enter into a sub-lease, with permission from the Port. Ms. Hanchette worked with Ms. Luke and Mr. Kooiker on the standard lease. Ms. Hanchette stated Mr. Barnes brought to her attention a few clarifications that need to be corrected in final documents; and those corrections will be made. Ms. Hanchette inquired if the Commission had any questions.

Mr. Moak inquired if Building A110 will still be barrel storage only or does Mr. Palencia have other options for the space.

Ms. Hanchette stated Building A110 will be bonded as a winery, where he can store case goods and work on his product. Ms. Hanchette stated the Port constructed Building A110 to be used as a potential winery with space for a sink and tasting bar. Mr. Palencia has two lines of wine, Palencia and La Monarcha and will be utilizing Building A140, next to Duffy's Pond for La Monarcha and may use Building A110 exclusively for Palencia Wine.

Mr. Moak thanked staff for their work and appreciates Mr. Barnes using his expertise to review the leases.

Mr. Barnes stated overall the lease agreements are excellent and the Commission already approved a Resolution setting the rates. Mr. Barnes supports the lease agreements and outlined terms.

Mr. Arntzen asked if the Commission would consider approving the Resolutions administratively and staff will make the necessary corrections to the leases following the approval. Mr. Arntzen stated the corrections do not change the tenor of the agreements.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Barnes moved for approval of Resolution 2017-14 approving a five (5) year lease with one (1) five year option to Bartholomew Winery and authorizing the Chief Executive Officer to execute the contract with minor revisions as noted; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

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MOTION: Commissioner Moak moved for approval of Resolution 2017-15 approving a five (5) year lease with one (1) five year option to Palencia Wine Company and authorizing the Chief Executive Officer to execute the contract with minor revisions as noted; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

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

Commissioners reported on their respective committee meetings.

E. Non Scheduled Items

1. Mr. Moak recently visited St. Paul, Minnesota where they are turning an old Ford motor plant into a new urban neighborhood and it received a lot of pushback by neighbors. Mr. Moak is thankful that the Port has received only positive feedback on the redevelopment of Vista Field.
2. Mr. Novakovich was contacted by Michelle Andres, Franklin County PCO who would like to present information regarding the litigation over the Lower Snake River Dams at the October 24, 2017 Commission meeting. Furthermore, Ms. Andres is requesting a letter of support to bring Secretary of the Interior, Ryan Zinke to the Tri-Cities before the end of the year.

Mr. Novakovich was invited to attend the Department of Energy (DOE) Prime Contractor shared community project and as the contracts are due, it is an opportunity for the community to weigh in on potential regional projects that they would like to see put in the contract with DOE.

Mr. Arntzen believes these topics need further discussion and inquired if the Commission would allow him to briefly discuss them. Regarding the request from the opponents of dam breaching to make a presentation and letter of support for the Secretary of the Interior coming to the area, this issue seems to come up every few years. Mr. Arntzen stated it is an opportunity for the group to circulate a letter, which asks not to remove the dams; however, if they are asking for support to get Mr. Zinke to the Tri-Cities, then maybe the Commission could address that element, offering their support of Mr. Zinke coming to the Tri-Cities, as long as he takes the time to meet with all user groups, including the tribes.

Mr. Novakovich and Mr. Arntzen discussed earlier and indicated if the Port wrote a letter opposing the removal of the dams, which could alienate the Confederated Tribes of the Umatilla Indian Reservation (CTUIR). Mr. Novakovich inquired if after we hear the presentation, the Commission could prepare a letter supporting bringing the Secretary of the Interior to the Tri-Cities.

Mr. Moak stated typically the Secretary of the Interior can come whenever they choose and does not believe it is the Port's role to write a letter requesting Mr. Zinke visit the area.

Mr. Novakovich stated the Franklin County PCO is requesting letters from area agencies, including both county PUD's. Additionally, Congressman Newhouse will be making himself

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available to contact the Department of the Interior.

Mr. Barnes would like further information so that he can understand the request and asked to table the discussion for the next meeting.

Mr. Novakovich indicated the group would like to present at the October 24, 2017 meeting. Mr. Novakovich believes Daryll Olsen would be the one who would attend the meeting.

Mr. Barnes is receptive to hearing a presentation, however, he would like an opportunity to have more information regarding the request.

Mr. Novakovich inquired if Mr. Barnes and Mr. Moak would be amenable to extending an invite to present at the October 24, 2017 meeting.

Mr. Arntzen stated he will extend the invite and will limit the time of the presentation to ten minutes.

Mr. Arntzen stated the DOE prime contractor has requested Mr. Novakovich as the Port representative to respond by October 17, 2017. Mr. Arntzen stated the communities are trying to come together this time rather than have various requests from various entities. Mr. Arntzen stated the mayors are trying to formulate a unified request of community-wide projects of importance. Mr. Arntzen asked Ms. Bader Inglima to pull together items that the Port views as important and reflect regional development.

3. Ms. Bader Inglima reported the Port Fall Newsletter was included in the *Tri-City Herald* today and will be inserted in the *Tri-City Journal of Business* on October 15, 2017. Ms. Bader Inglima stated the newsletter is also available on the Port website.
4. Mr. Arntzen would like to interview a few consultants regarding the work at Duffy's Pond. Mr. Arntzen indicated the consultant would be hired to assemble a remediation plan for Duffy's Pond. Mr. Arntzen stated the Port has an Opportunity Fund in the 2017-2018 Budget, which allows for unforeseen requests. Mr. Arntzen would like to access up to \$10,000 in funds for this internal request and inquired if the Commission is receptive to this.

Mr. Novakovich inquired how much is in the fund.

Mr. Kooiker stated the Port budgeted \$50,000 per year and the fund has not been utilized.

Mr. Moak inquired if there had been any requests this year to access the fund.

Mr. Arntzen stated he has spoken to a few community groups, including the Historic Downtown Kennewick Partnership, about the fund, but no requests have been made as of yet.

The Commission is in consensus of utilizing up to \$10,000 of the Opportunity Fund for a remediation plan for Duffy's Pond.

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Mr. Arntzen will be attending the Washington Public Ports Association (WPPA) Legislative meeting on behalf of Mr. Novakovich. Mr. Arntzen will provide an update to the Commission on the Legislative Agenda upon return.

Mr. Arntzen had the opportunity to review artwork for Vista Field that he would like to pursue and asked Barb Carter to follow up. As the construction plans for Vista Field are being completed it would be prudent to begin looking for art that would be showcased at one of the main entry points. Several months ago, the Commission approved an Art Policy stipulating their interest in funding art in conjunction with major construction projects.

Mr. Arntzen reported he and Marie Mosley, City of Kennewick City Manager met with TRIDEC Executive Director, Carl Adrian and Vice President of Federal Programs, David Reeplog, regarding the Northwest Seaport Alliance rail proposal. The point of emphasis for the meeting was to find a community agency to act as the central clearing house for the rail proposal; which TRIDEC declined. Additionally, Mr. Arntzen and Ms. Mosley met with the Benton Franklin Council of Governments (BFCOG) Executive Director, Brian Malley, who is willing to bring the concern to the Executive Committee and facilitate further discussion through BFCOG.

Mr. Moak inquired if Mr. Arntzen has heard anything regarding the possible test runs.

Mr. Arntzen stated he has heard they have already run test trains; however, the City of Richland says otherwise. Mr. Arntzen cannot clearly answer if test runs have been conducted.

Mr. Novakovich stated he attended the Executive Committee of BFCOG and explained many are confused, including City of Richland council members. Mr. Novakovich stated because BFCOG deals in transportation a real effort should be made to gather the reigns and get this project under them.

Mr. Arntzen reported that Ms. Luke recently attended a WPPA Conference along with other Port counsel representatives.

5. Ms. Luke stated the WPPA arranged a meeting and invited Port counsel and representatives to attend to discuss the development guidelines for Open Public Meeting Act and Executive sessions, and fallout from the recent Riverkeepers versus Port of Vancouver case. There was a lengthy, in-depth discussion regarding the guidance from the case and the grey areas that were not addressed. The WPPA is going to take the legal comments and develop guidance for its members and will tentatively address this issue at the Annual Meeting.

Ms. Luke conducted staff ethics training on October 9, 2017.

6. Mr. Peterson thanked the Commission for their patience with the Vista Field process and stated he will attend the City of Kennewick City Council Meeting on October 17, 2017 where City Council will potentially approve the Urban Mixed Use (UMU) zoning ordinance and apply it to the Bridge to Bridge Area.

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Mr. Peterson stated a recent list of the 100 most influential urbanists was published and the following were on the list:

- #5, Andres Duany, founder of the Congress for New Urbanism and co-founder of DPZ;
- # 15, Lizz Plater Zyberk, co-founder of DPZ;
- #20, Christopher Alexander, “father” of the pattern language movement;
- #61: Michael Mehaffy: consultant.

Mr. Moak asked Mr. Peterson to email him the entire list.

7. Ms. Fine stated author James Collins, former Stanford University Graduate School of Business Faculty member published *Good to Great* in 2001. Ms. Fine indicated there were a few similarities in that book with how the Port conducts business, including the process of using a committee to help further evaluate items, e.g. the CEO Evaluation process and the Vista Vision Task Force.

PUBLIC COMMENTS

No comments were made.

COMMISSIONER COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:52 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


Thomas Moak, Vice President


Don Barnes, Secretary



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October 3, 2017

Mr. Anthony Muai, AICP
Senior Planner, City of Kennewick
210 W. 6th Avenue
Kennewick, Washington 99336

RE: Adoption of the Vista Field Redevelopment Master Plan

Dear Mr. Muai:

Thank you for sending Growth Management Services notice of intent to adopt the Vista Field Redevelopment Master Plan. We received your materials on September 5, 2017 and processed them with Material ID 24090.

We would like to express our support for the Vista Field Redevelopment Master Plan. The City's collaboration with the Port of Kennewick included extensive public outreach and the Master Plan incorporates the community's vision for new development opportunity in the heart of Kennewick. The draft Plan reflects many of the planning goals of the Growth Management Act, including those regarding urban growth, reducing sprawl, economic development, citizen participation, and efficient multimodal transportation systems.

The Port's analysis indicates that the project will add hundreds of millions of dollars to the community's tax base while meeting a demand for new housing and commercial needs. The design principles supporting pedestrian-scaled architecture that is eclectic, climate-appropriate, and sensitive to local context is a great avenue to promote economic development through placemaking. We appreciate the project's focus on compact design and its emphasis on connectivity, walkability, and a variety of housing options. This focus will help ensure that the City responsibly invests in public facilities and infrastructure over the next 20 years while leveraging those investments already made in infrastructure near the city center.

Mr. Anthony Muai, AICP
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If you need any additional technical assistance on these issues, feel free to contact me at william.simpson@commerce.wa.gov or (509) 280-3602. We extend our continued support to the City of Kennewick in achieving the goals of growth management, and we wish you success as you implement the community's vision for Vista Field.

Sincerely,



William Simpson, AICP
Senior Planner, Growth Management Services
Washington State Department of Commerce

WS:lw

cc: Greg McCormick, AICP Director of Community Planning, City of Kennewick
Larry Peterson, Director of Planning & Development, Port of Kennewick
Mark Barkley, Assistant Director, Local Government Division
Mark McCaskill, AICP, Managing Director, Growth Management Services
Dave Andersen, AICP, Eastern Region Manager, Growth Management Services
Ike Nwankwo, Western Region Manager, Growth Management Services

PORT OF KENNEWICK

Resolution No. 2017-14

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A FIVE YEAR LEASE AGREEMENT WITH OPTION TO RENEW FOR BARTHOLOMEW WINERY

WHEREAS, the Port of Kennewick (Port) is authorized to enter into certain leases upon such terms as the Port Commission deems proper; and

WHEREAS, a five (5) year lease with one (1) five year option to renew with Bartholomew Winery effective November 1, 2017, has been negotiated by Port staff; and

WHEREAS, the Port Commission has called a regularly scheduled public meeting with notice of such meeting given as provided by law and such public meeting was held at such time and on said date; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Lease Agreement and find it is in proper form and it is in the Port's best interest; and

WHEREAS, after consideration of the attached lease agreement, the Port Commission has determined that the lease is proper.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves a five (5) year lease with one (1) five year option to renew with Bartholomew Winery as presented and authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of October 2017.

PORT of KENNEWICK BOARD of COMMISSIONERS

By: _____


SKIP NOVAKOVICH, President

By: _____


THOMAS MOAK, Vice President

By: _____


DON BARNES, Secretary

PORT OF KENNEWICK

Resolution No. 2017-15

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A FIVE YEAR LEASE AGREEMENT WITH OPTION TO RENEW FOR PALENCIA WINE COMPANY

WHEREAS, the Port of Kennewick (Port) is authorized to enter into certain leases upon such terms as the Port Commission deems proper; and

WHEREAS, a five (5) year lease with one (1) five year option to renew with Palencia Wine Company effective November 1, 2017, has been negotiated by Port staff; and

WHEREAS, the Port Commission has called a regularly scheduled public meeting with notice of such meeting given as provided by law and such public meeting was held at such time and on said date; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Lease Agreement and find it is in proper form and it is in the Port's best interest; and

WHEREAS, after consideration of the attached lease agreement, the Port Commission has determined that the lease is proper.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves a five (5) year lease with one (1) five year option to renew with Palencia Wine Co. as presented and authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of October 2017.

PORT of KENNEWICK BOARD of COMMISSIONERS

By: _____

SKIP NOVAKOVICH, President

By: _____

THOMAS MOAK, Vice President

By: _____

DON BARNES, Secretary

PORT OF KENNEWICK

Resolution No. 2017-16

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A REVISED SECTION 15 OF THE PORT COMMISSION RULES OF POLICY AND PROCEDURE COVERING THE CHIEF EXECUTIVE OFFICER EVALUATION PROCESS

WHEREAS, the Port Commission conducts an annual evaluation of the Port's Chief Executive Officer's performance pursuant to a form currently identified in the CEO's employment agreement; and

WHEREAS, the Port Commission and CEO have determined that the policy and procedure for the Chief Executive Officer's performance evaluation should be updated to be more efficient and effective, and consistent with current trends.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick appoint the Port's Chief Financial Officer, Port Attorney, and DON BARNES to the CEO Evaluation Committee; and

BE IT FURTHER HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick adopts the attached revised Section 15.0 of the Port Commission Rules of Policy and Procedure; and instructs the CEO Evaluation Committee to take all action necessary to implement such Policy and Procedure.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of October, 2017.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

By:


SKIP NOVAKOVICH, President

By:


THOMAS MOAK, Vice President

By:


DON BARNES, Secretary

| | | |
|---|---|--|
|  | PORT OF KENNEWICK | |
| | Port Commission Rules of Policy and Procedure | |
| | CHIEF EXECUTIVE OFFICER EVALUATION | Section 15.0 |
| | Adopted by the Commission on October 10, 2017 Resolution 2017-16 | Replaces Section 15, adopted February 22, 2011 |

15. CEO EVALUATION

15.1 CEO Evaluation Committee

- 15.1.1 The Port Commission shall appoint a CEO Evaluation Committee made up of the Port's Chief Financial Officer, Port Attorney, and one Commissioner to serve a 2-year term.
- 15.1.2 The CEO Evaluation Committee will develop the CEO's goals and objectives for Port Commission review and approval. The goals and objectives developed by the Committee shall be specific, measurable, attainable, realistic, timely and in alignment with the Port's mission, budget, work plan, and comprehensive scheme of development.
- 15.1.3 The CEO Evaluation Committee will develop a procedure for evaluating the CEO's performance.
- 15.1.4 On an annual basis, the CEO Evaluation Committee will conduct CEO's performance evaluation.
- 15.1.5 On an annual basis, the CEO Evaluation Committee will present the results of its evaluation of the CEO's performance to the Port Commission for review and approval. Such results may include, among other things, recommendation for salary adjustment in accordance with CEO's employment agreement.
- 15.1.5 The CEO Evaluation Committee may use assistance from other staff members or consultants as necessary and appropriate.
- 15.1.6 The Port Commission shall address CEO performance issues as they arise by timely referring them to the CEO Evaluation Committee. The CEO Evaluation Committee will develop a procedure for handling performance issues that may arise between annual evaluations.