

AGENDA

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

Tuesday, October 13, 2015
2:00 p.m.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. PUBLIC COMMENT (*Please state your name and address for the public record*)

IV. CONSENT AGENDA

- A. Approval of Direct Deposit and ePayments Dated October 2, 2015
- B. Approval of Warrant Registers Dated October 13, 2015
- C. Approval of Commission Meeting Minutes Dated September 22, 2015

V. PRESENTATIONS

- A. City of Kennewick Arts Council Update (Columbia Drive Bus Shelter) Barb Carter (**TIM**)

VI. NEW BUSINESS

- A. Columbia Gardens Latino Mural and Artwork Agreement (**TIM**)
- B. Appointment of Port Auditor; Resolution 2015-23 (**TIM/TAMMY**)

VII. REPORTS, COMMENTS AND DISCUSSION ITEMS

- A. Badger Mountain Trailhead Groundbreaking Ceremony (**TANA**)
- B. Commission Policy Directives; Resolution 2015-22 (**TIM**)
- C. Kent Station (**TIM**)
- D. Vista Field (**LARRY**)
- E. Columbia Drive Bicycle Rentals (**TIM**)
- F. Cancellation of November 24 and December 22, 2015 Commission Meetings (**BRIDGETTE**)
- G. Preliminary Review of Committee Assignments for 2016 (**BRIDGETTE**)
- H. Commissioner Meetings (formal and informal meetings with groups or individuals)
- I. Non-Scheduled Items

VIII. PUBLIC COMMENT (*Please state your name and address for the public record*)

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

- A. Real Estate, per RCW 42.30.110(1)(b) Site Selection
- B. Real Estate, per RCW 42.30.110(1)(c) Minimum Price

X. ADJOURNMENT

PLEASE SILENCE CELL PHONES



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

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SEPTEMBER 22, 2015 MINUTES

CALL TO ORDER

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

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

PLEDGE OF ALLEGIANCE

Mr. Kirk Williamson led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

- A. *Approval of Direct Deposit and E-Payments Dated September 17, 2015***
Direct Deposit and E-Payments totaling \$42,170.00
- B. *Approval of Warrant Registers Dated September 22, 2015***
Expense Fund Voucher Numbers 37197 through 37241 for a grand total of \$242,902.61
- C. *Approval of Commission Meeting Minutes Dated August 25, 2015***
- D. *Approval of Commission Meeting Minute Dated September 8, 2015***
- E. *Approval of Sell and Convey Surplus Property; Resolution 2015-20***
- F. *Lease Addendum with North American Alloys; Resolution 2015-21***

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

PRESENTATION

- A. *TREC Wayfinding Funding, Kris Watkins Visit Tri-Cities***
Ms. Bader Inglima introduced Ms. Kris Watkins, President and CEO and Ms. Kim Shugart, Senior Vice President from Visit Tri-Cities. Ms. Bader Inglima reported the Tri-Cities Visit Tri-



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Cities is working with the Rivershore Enhancement Council (TREC) on implementing the wayfinding portion of the Roger Brooks study. Ms. Watkins and Ms. Shugart will present information about coordinating a regional wayfinding system and hiring a design consultant.

Ms. Watkins thanked the Commission for the opportunity to present the regional wayfinding project. Ms. Watkins gave a brief history of the Roger Brooks study, which outlined thirty-seven recommendations. Of those, a regional wayfinding signage system was recommended. Visit Tri-Cities is well on their way to establishing the Tri-City brand, however, it will take five years for the brand to have penetration throughout our community. In terms of branding, Ms. Watkins reported that websites are up to speed, marketing materials are available and other communities are seeing the Visit Tri-Cities presence, with trade shows, marketing, consumer marketing, festivals and events. In addition to our presence, the Visit Tri-Cities logo is around town, in publications, on community banners, and at the Tri-City Airport. Ms. Watkins stated the benefits of wayfinding are:

- Positive economic impact;
- Builds brand equity;
- Creates a sense of place;
- Enhances the visitor experience;
- Helps visitors find their way;
- Promotes gathering places.

Furthermore, the Tri-Cities could see an increase in economic development by 18% in retail sales. Mr. Brooks reported, “Wayfinding will be one of the absolute best investments that can be made in the Tri-Cities.” Ms. Watkins stated the goal of wayfinding is to alert people who are on the highway to the destination area of the Tri-Cities and encourage them to visit. Ms. Watkins believes it is important for the cities, ports and counties to have their own unique personality but would like to see each community develop the look and essence of a regional wayfinding system.

Ms. Shugart stated wayfinding is a very strategic plan and reported the components of wayfinding are:

- Monuments;
- Gateways;
- Directional signs;
- Kiosks;
- Mobile Applications;
- Street Furniture; and
- Banners.

Furthermore, Wayfinding as a strategy includes:

- Outside Edges- Vehicular Directional Signs
- Continue Inward- Gateways/banners
- Main Street – more pedestrian, kiosks, directional signs & mobile applications.



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Ms. Shugart outlined the following sequence of events for wayfinding:

- Tri-Cities River Shore Enhancement Council to Coordinate the Process;
- Request for Qualifications Issued;
- Review of Submissions;
- Budget Established;
- Funding Mechanism Proposed;
- Final Negotiations with Design Firm;
- Memorandum of Agreement;
- Community Wayfinding Plan Complete (early 2016).

Ms. Watkins stated the technical committee (local jurisdiction representatives) decided on a budget of \$150,500 for the consultant to create a plan for regional wayfinding. Visit Tri-Cities is asking the ports, counties and cities to invest a percentage towards the consultant contract:

- Visit Tri-Cities: 13% = \$20,000
- City of Kennewick, Pasco, Richland and West Richland: 13% = \$19,500 each
- Benton and Franklin County: 8% = \$12,000
- Ports of Benton, Pasco: 8% = \$12,000.

The local jurisdictions have voted and will contribute to hire a regional wayfinding consultant and Ms. Watkins requested the Port of Kennewick be included. Ms. Watkins thanked the Commission and looks forward to partnering with the Port as we move forward in 2016 with this branding opportunity.

Mr. Novakovich inquired if there is a long range plan regarding additional funding that may be requested.

Ms. Watkins stated an important factor in the overall wayfinding plan for the jurisdictions is that it will be bid ready for state or federal grants or private funding.

Mr. Moak supports the concept of wayfinding, and asked Ms. Watkins to share with the Commission on how future wayfinding requests would be addressed.

Ms. Watkins stated once the regional wayfinding master plan is in place, it will be up to each jurisdiction to implement the system, based on your own timing and budget. Ms. Watkins explained the consultant will create a plan to build on and it is highly unlikely that we would request more funding for wayfinding.

Mr. Moak inquired if the Port can implement wayfinding on any project at any time.

Ms. Shugart stated each jurisdiction will set their priority for wayfinding. The master plan will give each jurisdiction a unified look and each jurisdiction can choose where they would like to begin.

Mr. Moak asked when the master plan is expected to be completed.



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Ms. Watkins hopes to have the plan completed by June 2016.

Mr. Moak is supportive of the regional wayfinding study and moving forward with our partners.

Mr. Barnes stated the Port of Kennewick is a small port with limited resources and very ambitious projects, many of which were identified in the Roger Brooks study. Mr. Barnes believes the request is fair and reasonable and is supportive of the regional wayfinding. Mr. Barnes stated the Port hopes to create significant benefits for our community by redeveloping Columbia Drive, Vista Field and the former racetrack in West Richland.

Mr. Novakovich is supportive of the regional wayfinding and believes the economic benefit will exceed the estimated 18% in retail sales from Port projects.

Mr. Arntzen reiterated the consensus of the Commission is to participate with the regional wayfinding in the amount of \$12,000 with an understanding there will most likely not be any supplementary requests, because much of it will be private or grant funded.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Columbia Drive Road*

Mr. Peterson stated Columbia Gardens is moving forward on the final design and permit process for the three winery buildings. Mr. Peterson introduced a conceptual design for Columbia Drive Road, an area along Duffy's Pond that would open up 2 ½ acres of the Columbia Gardens development. Mr. Peterson stated with the savings on the effluent treatment building and the small portion budgeted in the 2015-16 budget could be used for the roadway, which is estimated to cost \$350,000. The roadway would have many of the same qualities as Vista Field and follows the pattern language of the European street that is narrow, pedestrian friendly and slow moving.

Mr. Arntzen stated there are two reasons why Mr. Peterson is addressing the addition of a small roadway: one of the Executive Director Goals and Objectives is to create a funding plan for Vista Field and Columbia Gardens, and there has been substantial interest in Phase II of Columbia Gardens from the private sector. Furthermore, the City of Kennewick is showing interest in partnering with the Port for Phase II. Ms. Fine will be addressing a funding plan for Vista Field and Columbia Gardens and Mr. Arntzen believes it is the next logical step for Columbia Gardens with funding available. Columbia Gardens is gaining momentum and interest and Mr. Arntzen asked for the Commission to discuss the road proposal.

Mr. Novakovich inquired how much land will open up with the addition of a roadway and what will the value of the land be, if it were to sell. Also, are the parking lots included in the \$350,000 initial investment?

Mr. Peterson estimated 107,000 square feet of land will open up and the Benton County Assessor has valued the land higher, at \$3.00 per square foot. Mr. Peterson stated the Commission investment will increase the value of the neighborhood, as the Port saw at Spaulding Business



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Park. Mr. Peterson stated the parking lots are a separate project and are estimated to cost \$150,000.

Mr. Arntzen stated the City has had a significant savings on the wine effluent commitment on Phase I, which could create additional opportunities for partnership. The City has indicated the Phase I savings could potentially roll into Phase II development.

Mr. Peterson stated the Interlocal Agreement identifies the joint-use parking lot as City funded, if funds are available. Mr. Peterson indicated it is reasonable for the City to own the parking lots, as they do in downtown Kennewick.

Mr. Novakovich believes it is a good idea to construct the small road.

Mr. Moak supports the quiet street and believes it is the right direction for Columbia Gardens.

Mr. Barnes stated the quiet street is a smart addition, which will provide more access to Columbia Gardens. Furthermore, it demonstrates how successful Columbia Gardens can be to the private sector.

It is the consensus of the Commission for staff to pursue design of a quiet street for Columbia Gardens.

B. Financial and Administrative Update

1. Vista Field/Columbia Drive Capital Funding Plans

Ms. Fine reported she has been researching funding strategies for over a year and studied other ports to identify successful funding plans. Ms. Fine narrowed down her research and below are the most reasonable tools for funding:

- Bonds (long term and expensive);
- State and/or Federal Grants;
- Community Economic Revitalization Board (CERB) Funding;
- Economic Development Administration (EDA) Funding;
- Industrial Development District (IDD);
- Utility Public Trust Fund loans.

Ms. Fine presented the simple financing plan for Columbia Gardens Phase I:

1. Port and Partners fund \$750,000 by 2018;
 - Port set aside \$350,000 from the 2015-2016 budget;
 - Enter into an Interlocal Agreement with City of Kennewick for \$400,000;
2. Explore partnership opportunities of Phase II;
3. Explore grants for Phase II.

Ms. Fine presented the simple financing plan for Vista Field:

1. Port will fund \$5,000,000 by 2018:
 - Port sells Southridge land (8.5 acres) at \$2,800,000 in 2016-2017;
 - Port sells Verizon land (9.89 acres) at \$1,300,000 in 2016-2017;
2. Allocate \$900,000 in the 2017-2018 Budget.



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Mr. Arntzen stated the simple plan for Vista Field provides over \$5,000,000 in funding and the infrastructure, without raising taxes, which is estimated to cost \$4,500,000. Mr. Arntzen believes the amount is more than sufficient for Phase I.

Ms. Fine stated the plan is simple, however, she would like to look at private investments and partnerships with local jurisdictions. Every local government entity will benefit by receiving sales tax and property tax from the investment made at Vista Field, whereas the Port sees very little financial impact.

Mr. Novakovich inquired if the Port could mortgage the land at Vista Field.

Ms. Fine has researched several mortgage loans and is not satisfied with the constrictions and time frames. Ms. Fine is not comfortable tying up property taxes for loan payments and will continue to further research available loans.

Mr. Barnes asked if the Port could borrow money, equal to the value of property, on full faith of credit, and market the property, and once sold, retire the loan.

Ms. Fine indicated the Port could follow that course of action or decide to keep debt in place and use as capital for Phase II.

Mr. Barnes confirmed with Ms. Fine that the debt could stay in place for available capital to accelerate Phase II.

Ms. Fine proposed keeping the debt long term and use the proceeds towards Phase II, which could be tax exempt or a low interest rate loan.

Mr. Arntzen stated if the Commission approves of the financing concepts, staff will pursue further and start marketing properties. Mr. Arntzen believes things may move quickly however, he does not envision installation of infrastructure would begin soon.

Mr. Moak does not disagree with the financing concepts, however, he would consider an IDD and is willing to risk his position on the Commission to look at that for the right project at the right time.

It is the consensus of the Commission to enact the financing plans for Vista Field and Columbia Gardens.

Mr. Arntzen will continue to update the Commission as things move forward.

Mr. Moak stated he has heard several times from Councilman Paul Parish, that the City is prepared to install the infrastructure at Vista Field, and inquired if that is still an option.

Mr. Arntzen has had several conversations with City staff about infrastructure, but has not spoken directly to Councilman Parish. Mr. Arntzen believes the City is considering one



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financing option for the infrastructure at Vista Field, a Local Revitalization Financing (LRF) program, which was utilized at the Southridge Sports Complex. The LRF is not currently permitted under Washington law and would need to be reauthorized in the Legislature. Mr. Arntzen believes it is important to continue discussions with the City, but it is important to continue working with west side institutions that are interested in Vista Field. Port staff will look at all possible funding sources including low interest loans that are fostered through the State.

2. Paperless Program

Ms. Fine reported the paperless program and records management work together and is an ongoing project that staff has been working on for over eight years.

Mr. Barnes recessed the meeting at 3:32 p.m. for a break and will reconvene in eight minutes.

Mr. Barnes reconvened the meeting at 3:41 p.m.

Mr. Barnes stated the Commission has taken action on four items without soliciting for public comment. Mr. Barnes invited the public to comment on the following items:

- Wayfinding;
- Preliminary design and cost for Columbia Drive Road;
- Financing strategies for Vista Field redevelopment;
- Financing strategies for the Columbia Gardens redevelopment.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated it is unclear what the Port and other jurisdictional partners will receive for their \$150,000 wayfinding investment. Mr. Burdick suggested fixing the Tri-Cities Airport sign first.

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost understands that the wayfinding project is a plan that does not include any signage. Mr. Frost believes it is a good project, but was surprised that TRIDEC and the Tri-Cities Regional Chamber of Commerce did not allocate funds like the local jurisdictions. The wayfinding project is said to increase retail sales by 18%, and isn't that part of their mission?

Paperless Program continued:

Ms. Fine stated staff is working towards a paperless system that works with a records management plan. With records management laws, if the Port doesn't produce documents, then we do not have to retain the documents. At this time, there are paperless processes in place for payroll and accounting and staff is researching electronic signatures. Ms. Fine hopes that by April 2016 issues will be resolved and we will be on our way to a full paperless system, which is backed up by the server. Ms. Scott and Ms. Schumacher will be attending training on state approved paperless systems later this week.



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3. *Records Management Program*

Ms. Fine stated there is a plan in place and Ms. Schumacher has started working on identifying paper records that can be disposed of and once completed, she will move onto electronic records. This is a long term project, and in many entities, there is a full time staff member dedicated to records management. When the full paperless environment is in place, the records management program will be easier to manage.

C. *Vista Field: Policy Questions Discussed at July28, 2015 Workshop*

Mr. Peterson stated at the July 28th Vista Field Workshop, four policy items were discussed that addressed the foundational elements of Vista Field. Mr. Peterson asked the Commission for direction regarding Vista Field policies.

- 1. Economic policy: Is it more important to make the best urban place possible or make money on the investment.*

PUBLIC COMMENTS

No comments were made.

Mr. Barnes stated the Port should create the best urban place possible.

Mr. Novakovich agrees with Mr. Barnes and stated, it is the Port's responsibility to carry out the public's plan and create an urban center.

Mr. Moak agrees and stated the Commission needs to be true to new urbanism and this is what the public expects, a new urban center.

The consensus of the Commission is to create an urban center at Vista Field.

- 2. Local Control: Should the Port complete the master plan and consider selling/transferring the project to one master developer or should the Port work with multiple developers, both large and small to realize the vision.*

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Boyce believes the Port should act as the master developer for Vista Field.

Mr. Novakovich stated the Port should stay in control of the Vista Field redevelopment, to ensure the vision.

Mr. Moak is concerned about the Port retaining control as master planner with our small staff. Mr. Moak would like the Port to move forward as master planner and see where it goes, but stated the Commission should be watchful to make sure things proceed smoothly. Mr. Moak believes if the Port sets specific criteria and expectations for a master developer, the private sector could deliver an innovative and creative project. Mr. Moak supports the Port retaining control, but reserves his concerns as we move forward.



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Mr. Barnes appreciates Mr. Moak's comments and concerns and stated he has had the opportunity to work on a large project with a small staff and relied on an assortment of professionals to help. Mr. Barnes believes staff can continue to manage the project and work with consultants and professionals. If staff becomes overcommitted, the Commission can reevaluate and address the issue.

Mr. Novakovich agrees with the comments and stated, the Commission can always reassess at a later date.

The consensus of the Commission is for the Port to serve as master developer, subject to reevaluation.

3. *Lean Development, Utilize efficiencies: Should the Port embrace the "lean development" philosophy which focuses on seeking efficiencies in development costs (reusing assets, not unnecessarily over-sizing utilities); constructing adequate, not oversized roads; sufficient yet small incremental developmental (pay as you go) and simplified development regulations (pink zone)?*

PUBLIC COMMENTS

No comments were made.

Mr. Moak stated the Port does not have control over deciding if Vista Field will be a pink zone.

Mr. Peterson stated the City is looking to refine their zoning requirements and the Port is working currently working on a traffic analysis to identify impacts.

Mr. Novakovich stated the Port should continue moving forward with the lean approach.

Mr. Barnes agrees with the comments.

The consensus of the Commission is for the Port to embrace the lean development philosophy.

4. *Social policy; should the Port take steps to assure that housing within Vista Field be affordable to all within the community or should the affordability matter be left to market forces.*

Mr. Arntzen has spoken with several people regarding mixed income housing and stated it is a complex issue. If the Commission would like to see mixed income housing, Mr. Arntzen asked for an extensive period of time to research other projects.

PUBLIC COMMENTS

Barbara Carter: 3121 West 30th Avenue, Kennewick. Ms. Carter has had a lot of experience working with low income housing and stated there isn't that much housing available and encouraged the Commission to specify and break down the different housing. Ms. Carter suggested looking at profession driven housing (artist or culinary) where a person could enter into a short term lease, learn a



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trade and work. Ms. Carter believes this will be a wonderful facility and encourage the Commission to look at broader aspects than just mixed use.

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton stated those of us who are interested in living at Vista Field and have community connections, can bring staff additional resources and information regarding housing. Mr. Eaton is interested in helping and living at Vista Field, but only if it is a community that welcomes everyone. Mr. Eaton agrees with Ms. Carter's recommendations and stated the challenge in our society, economics correlates with vocational, racial and ethnic categories. However, there are community development strategies which specifically address the issue. Mr. Eaton doesn't want to live in a community that ignored the resources of attempting to be as inclusive as possible.

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost thinks the Commission should try and make Vista Field as diverse as possible and stated he does not want to see another Columbia Point.

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated the Port controls the price of the land and it will be up to the Commission to decide how diverse the community is.

Mr. Arntzen stated the housing policy is peaking community interest and suggested continued public participation. There may be opportunities for the public to help staff with research and thoughts.

Mr. Novakovich likes the idea of making Vista Field as diverse as possible. Mr. Novakovich stated, when working on the Bridge to Bridge effort, he met with a Department of Housing and Urban Development representative who stated there is a need for affordable housing for all types of people. Mr. Novakovich agrees the matter will take time and believes we need to explore the issue. Furthermore, Mr. Novakovich believes we need to discuss the issue with DPZ but for today, the Commission should move forward with a consensus.

Mr. Moak stated there are a lot of opportunities available for housing, such as artist housing. Mr. Moak believes we ought to look at diversifying the area and determine the mechanism used, who it will be for, how many units of housing will be available and look at the market research.

Mr. Barnes is interested in learning more about this possibility and would like to see a diverse community at Vista Field. Mr. Barnes questioned how the Port would regulate the free market forces if there is a demand for residential housing. Mr. Barnes would like staff to explore and research affordable housing.

Mr. Arntzen reiterated the Commissioner's comments and stated affordable housing should be a goal and instruct staff to further research the topic. Mr. Arntzen stated since there is a need for additional research, a supplemental budget item may be needed.

The consensus of the Commission is to identify affordable housing at Vista Field as a goal and continue researching the possibility of mixed income housing.



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D. Vista Field Update

1. Vista Field Planning Elements (Street/Utility Plan/Next Stage of Planning)

Mr. Peterson presented roadway and utility designs and phasing options for Vista Field. The roadway network for Vista Field is no longer dependent on other non-Port owned properties and Northwest Boulevard has been altered in the master plan. These modifications occurred at suggestion of Carey Roe, City of Kennewick Public Works Director. Once the roadway networks are complete, utilities such as water and sewer will follow, which allows the infrastructure to connect to City water. Mr. Peterson stated the dry utilities, such as natural gas, will be low grade in alleys.

Mr. Peterson reported the draft of Phase I for the Vista Field redevelopment encompasses 37 acres, which will include:

- 7 acres utilized for street network;
- 3 acres for a public plaza;
- 4 acres for Vista Arts Center;
- 1 acre for water feature and walkways;
- 1 acre for joint use parking lot;
- 20 acres of net land remaining

Mr. Peterson estimates Phase I will cost \$4,500,000, based on the lean approach for the following items:

- 2 lane street with parallel parking: \$2,375,000;
- Gateway features and signage: \$200,000;
- Public plaza water feature with sculpture: \$225,000;
- Landscaped areas, irrigation, plants and grass: \$325,000;
- Crushed gravel park paths: \$125,000;
- Park pavilions: \$125,000;
- Stream/river: \$225,000;
- Waterfall and decorative water features: \$100,000;
- Off-street joint use parking lot: \$300,000.

Mr. Peterson anticipates the Port will be able to market the 20 acres of remaining land for \$2.50-\$3.00 square foot and the revenue from those land sales will fund Phase II.

Mr. Peterson and EconNorthwest created various phasing scenarios based on the following assumptions:

- Vista Arts Center will be part of Phase I;
- Establishing connection between Grandridge Boulevard to Deschutes Avenue;
- Developing the public park/plaza;
- Corporate hangars B & C and FBO Building utilized;
- Approximately \$4,500,000 allocated for construction costs, which includes design and soft costs at 15%.



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PUBLIC COMMENTS

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost reiterated the infrastructure and park is estimated to cost \$4,500,000 and based on earlier action, the Port may have the amount to invest in Vista Field. Mr. Frost believes this is a wonderful start and this is what the public has been waiting for. Furthermore, Mr. Frost stated the proposed roadways are needed to show investors how the site will function and the park and waterways are what will get the people excited.

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick agrees with Mr. Frost's comments and stated he especially likes the area for the Vista Arts Center and the nearby residential area. The idea of having joint use parking is very smart for the development and the Vista Arts Center.

Mr. Moak agrees with the staff report and comments.

Mr. Novakovich agrees and stated it is a tremendous project.

Mr. Barnes stated developing the public amenities and major arterials is a very significant first step toward the redevelopment.

The consensus of the Commission is to move forward with proposed street and utility plan and Phase I plan for Vista Field.

Mr. Novakovich requested the proposed four policies and phasing plan put in Resolution form for the next meeting.

E. Staff Realignment

Mr. Arntzen stated staff is at full capacity and responding to the current workload. With the Commission's policy decision to act as master developer for the redevelopment of Vista Field, there will be a need for a Port employee to interface with developers. To address these changes, Mr. Arntzen has formulated a plan for staff realignment which includes reassignments and hiring consultants:

1. Chief Executive Officer focuses on Vista Field redevelopment to meet with planning staff, architects and developers;
2. Appoint Ms. Bader Inghima to Assistant Chief Executive Officer position to perform routine duties, budget, performance reviews, and agendas;
3. Contract writing assistance for newsletters, websites, and grants;
4. Contract with DPZ's Michael Mehaffy and Laurence Qamar as town architects for Vista Field, to provide assistance to staff for \$40,000 a year;
5. Contract with construction management firm to coordinate and monitor site;
6. Ms. Schumacher will assist Mr. Peterson with non-planning, construction management;
7. Ms. Fine is retiring and will be contracting with the Port for several accounting matters;
8. Promote current Assistant Finance Director to CFO;
9. Contracting with part time bookkeeper for accounting services



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Mr. Arntzen stated the plan has been formulated over the past year with the input of skilled and experienced contributors and the buy-in of staff; and there will be no additional costs to the Port. Mr. Arntzen inquired if the Commission had any questions regarding the staff restructuring.

Mr. Novakovich commended Mr. Arntzen for informing the Commission of staff changes and stated Mr. Arntzen did not have to bring it to the Commission because it falls under the Chief Executive Officer's Delegation of Authority.

Mr. Barnes stated the redevelopment of Vista Field will be a gradual transition in workload and he likes the staff realignment plan. Furthermore, if there is a need for alteration, it will not be drastic.

Mr. Barnes inquired if we need a recess.

Mr. Arntzen stated there is not a need for Executive Session and staff can hold non-scheduled items until the October 13, 2015 meeting.

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

Commissioners reported on their respective committee meetings.

G. Non Scheduled Items

1. Mr. Novakovich met with Carrie Meadows, Chief of Staff for Congressman Dan Newhouse, who asked to be notified of Port meetings.
2. Ms. Bader Inglima reported that on Wednesday, September 23, 2015, the Port will be giving the Annual State of the Ports presentation at the Regional Chamber of Commerce Luncheon.

Mr. Moak made a presentation for the Kennewick Kiwanis Club today.

PUBLIC COMMENTS

No comments were made.

COMMISSIONER COMMENTS

No comments were made.

Mr. Barnes indicated the Executive Session has been tabled until further notice.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 5:26 p.m.



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APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary



AGENDA REPORT

TO: Port Commission

FROM: Tim Arntzen, CEO

MTG. DATE: October 13, 2015

AGENDA ITEM NO.: Resolution 2015-23, *appointment of Port Auditor*

I. REFERENCE(S): Resolution 2011-03, September 22, 2015 meeting minutes.

II. FISCAL IMPACT: No additional cost.

III. DISCUSSION: Pursuant to Resolution 2011-03, the Board approved the Delegation of Authority to make personnel decisions allowing for the effective and efficient operations of the Port. During the Board meeting on September 22, 2015, I presented a “Staff Realignment Plan”. This plan is essential for many reasons, but most notably because of the increased demand on current staff members to manage the large workloads. In addition, the current Port Auditor, Tammy Fine, is retiring at the end of the year. As part of my realignment plan I have identified Nick Kooiker, the current Assistant Auditor for the Port, as the most suitable replacement for Ms. Fine. Mr. Kooiker has been working under the direction & influence of Mrs. Fine since July 1, 2013. Prior to joining the Port, Mr. Kooiker worked as a manager for the Benton County Treasurer and also has significant experience in the real estate industry.

IV. STAFF RECOMMENDATION: Approve Resolution 2015-23, appointing Nick Kooiker as the Port Auditor.

V. ACTION REQUESTED OF COMMISSION: *Motion: I move approval of Resolution 2015-23, ratifying the CEO’s decision to appoint Nick Kooiker as the Port of Kennewick Auditor effective immediately.*

PORT OF KENNEWICK

RESOLUTION 2015-23

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK APPOINTING THE PORT AUDITOR***

WHEREAS, the Board of Commissioners of the Port of Kennewick met this 13th day of October, 2015, a quorum of the Commissioners being present; and

WHEREAS, pursuant to the CEO's Delegation of Authority established by Resolution 2011-03, the CEO is required to manage all personnel related items for effective operation of the Port; and

WHEREAS, the CEO presented a staff realignment plan to the Board of Commissioners on September 22, 2015 outlining a plan to effectively manage current and future workloads at the Port; and

WHEREAS, in accordance with the staff realignment plan, the CEO has identified the current Assistant Auditor/Accountant as the most suitable for replacement of the current Port Auditor.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port of Kennewick hereby ratify the CEO's decision to appoint Nick Kooiker as the Port of Kennewick Auditor effective immediately.

ADOPTED by the Board of Commissioners of Port of Kennewick this 13th day of October 2015.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

By: _____
DON BARNES, *President*

By: _____
SKIP NOVAKOVICH, *Vice President*

By: _____
THOMAS MOAK, *Secretary*



AGENDA REPORT

TO: Port Commission

FROM: Tim Arntzen, Executive Director

MEETING DATE: 10/13/15

AGENDA ITEM NO.: Resolution 2015-22, Policy Directives

- I. REFERENCE(S):** Resolution 2015-22 attached.
- II. FISCAL IMPACT:** As stated herein.
- III. DISCUSSION:** At the September 22, 2015 Commission Meeting, staff presented various policy matters for consideration by the Port Commission. The matters and the Commission directives are as identified in the attached resolution. Upon adoption of the resolution, the Executive Director will implement the policy directives.
- IV. STAFF RECOMMENDATION:** Approve Resolution 2015-22, adopting the Policy Directives contained therein.
- V. ACTION REQUESTED OF COMMISSION:**

Motion: I move approval of Resolution 2015-22, adopting the Policy Directives contained therein.

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PORT OF KENNEWICK

Resolution No. 2015-22

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING VARIOUS POLICY MATTERS

WHEREAS, on September 22, 2015, staff presented several policy matters for Commission consideration; and

WHEREAS, upon consideration and discussion of the matters by the Commission, the Commission provides the following direction to the Executive Director:

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby directs the Executive Director to take all action to implement the policy directives listed below:

Directive No. 1.

Columbia Drive Road

The Executive Director is hereby directed to formalize the drawing of the road/utility alignment for Phase II of the Columbia Gardens Wine Village. The drawing is attached hereto as "Exhibit A". Estimated construction cost is approximately \$350,000 +/- . The Executive Director shall incorporate the drawing into appropriate port planning activities.

Directive No. 2.

Vista Field and Phase II, Columbia Gardens Wine Village Capital Funding Plans

The Executive Director is hereby directed to establish the funding plans attached hereto as "Exhibit B" as the initial funding plans for the above referenced properties. Further, the Executive Director shall update the Commission on any proposed changes or amendments to said funding plans.

Directive No. 3.

Vista Field

(Economic Policy) Return on Investment Expectations

While fiscal considerations are important to the Commission, the Commission finds that it is more important for the Port to make the best urban place possible as opposed to making the greatest initial monetary return for the Port.

(Implementation Policy) Redevelopment Leadership

Upon completion of the master plan, the Port should function as the master developer.

(Economic & Design Policy) Lean Approach

The Port embraces the "lean development" philosophy which focuses on seeking efficiencies in development costs (reusing assets, not unnecessarily over-sizing utilities); constructing adequate,

not oversized roads; sufficient yet small and incremental development (pay as you go) and simplified development regulations (pink zone).

(Social Policy) Housing for all within the Economic Spectrum

The Port will take steps to assure that housing within Vista Field is affordable to all within the community.

Directive No. 4

Vista Field -- Next Stage of Planning and Utility/Road Design

The Port Commission establishes that the “next phase” of Vista Field planning (i.e. post charrette and post task force) will be for the Executive Director to:

- (1) Prepare a draft master plan which embodies the charrette elements and public and commission comments;
- (2) Segment the draft master plan into two elements (the planning and zoning element and the transportation and utility element);
- (3) Separately present each element to the city council for review, discussion and comment; and
- (4) When appropriate, present the final draft master plan to the Port Commission and City Council for possible adoption.

Road/Utility Design

The Port Commission establishes that the transportation and utility element of the draft Vista Field master plan (prepared by DPZ, EcoNorthwest and Port staff) shall be as shown in the drawing which is attached hereto as “Exhibit C”.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 13th day of October, 2015.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____
DON BARNES, *President*

By: _____
SKIP NOVAKOVICH, *Vice President*

By: _____
THOMAS MOAK, *Secretary*

COLUMBIA GARDENS PROJECT TOTALS	
WINERY Buildings	52,250s/f
Non-WINERY Buildings	10,150s/f
TOTAL BUILDINGS	62,400s/f

421 SITE	
PHASE #1 BUILDINGS	
WINERY Building #1 North	3,050s/f
BARREL Building #1 South	3,050s/f
WINERY Building #2	3,775s/f
TOTAL PHASE 1	9,875s/f
PHASE #2 BUILDING	
WINERY Building #3	4,625s/f
TOTAL PHASE 1 & 2	14,500s/f

DUFFY'S POND FRONTAGE	
WINE PRODUCTION	
WINERY Building #1 NW	3,050s/f
WINERY Building #2 Central	3,050s/f
WINERY Building #3 NE	3,050s/f
BARREL Building #4 SW	3,050s/f
TOTAL WINERY	12,200s/f
RESTAURANT Building	1,475s/f
TOTAL POND FRONT	13,675s/f

211 SITE	
MARKET/ARTS	
211 Building	8,675s/f
TOTAL	8,675s/f

CENTRAL CORE	
WINE PRODUCTION	
WINERY Building #1 SW	3,600s/f
WINERY Building #2 Central	5,950s/f
WINERY Building #3 NE	16,000s/f
TOTAL WINERY	25,550s/f

QUIET STREET
625LF, 28feet wide
18,700s/f

CONCEPTUAL DESIGN ONLY
ADDITIONAL REVIEW REQUIRED

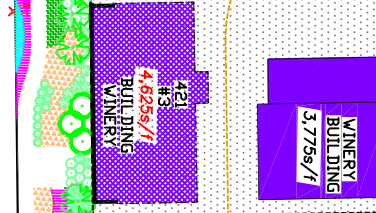
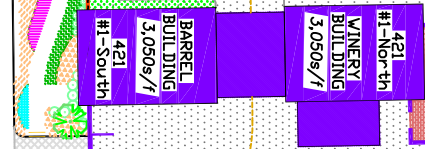
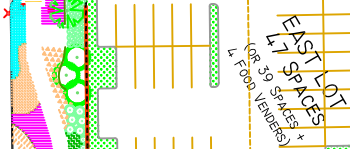
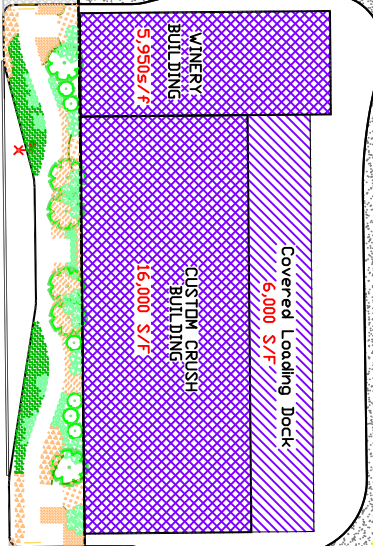
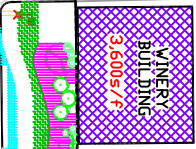
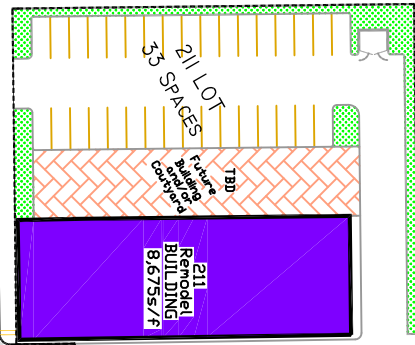
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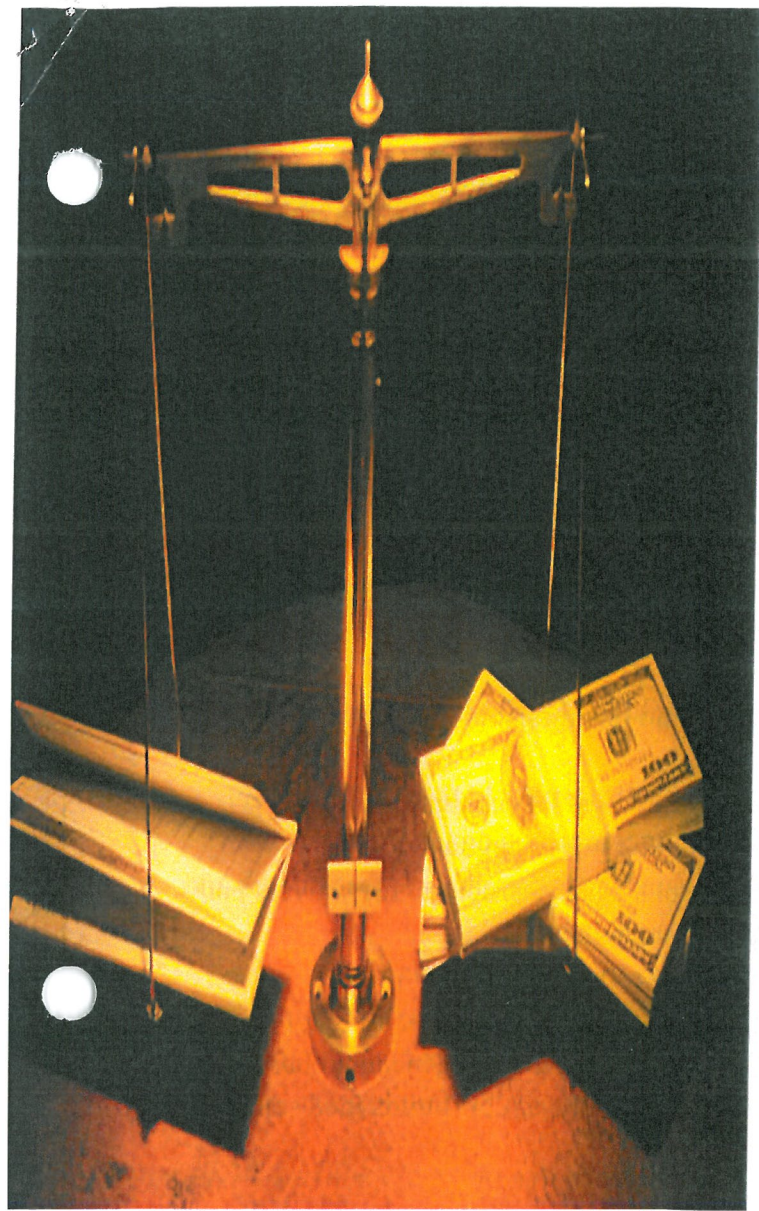
CEDAR DR.

DUFFY'S DR.

COLUMBIA DR.

DATE ST.





Finance Plan – Columbia Drive Redevelopment



Tammy Fine, CPA, CFE
PORT OF KENNEWICK
Chief Financial Officer & Auditor

COLUMBIA DRIVE REDEVELOPMENT FINANCE REQUIREMENTS

- Phase I: Already funded and underway (Port and City partnership).
- Phase II: Establish an initial \$750k implement infrastructure identified in Exhibit A.

COLUMBIA DRIVE PARTNERSHIPS & ALTERNATIVE FINANCING MECHANISMS

- Identify and develop local, state, and federal government partnerships that would assist in funding and benefit from the redevelopment project (i.e. City of Kennewick, Benton Franklin Transportation, local Colleges, Tribes, Private Sector, Department of Revenue, etc...).
- Explore various public/private partnerships that would help assist in funding and benefit from the redevelopment.
- Explore alternative financing mechanisms such as the Local Revitalization Financing tools, livable center initiative funded by ARC, low income housing tax credits,
- Attract businesses and developers with incentives such as infrastructure, fee waivers and reduction, fast track permitting, public/private partnership, etc...
- Research tools for public/private partnerships such as transferring land to developer/business in exchange for an agreed upon development project, minimal ground lease rates for 2-3 years, applying partial proceeds of lease payments to purchase of land, Port finances land sales with postponed payment plans, Port builds then sells to private sector, etc....

SIMPLE FINANCING PLAN PHASE I - (NO TAX INCREASE)

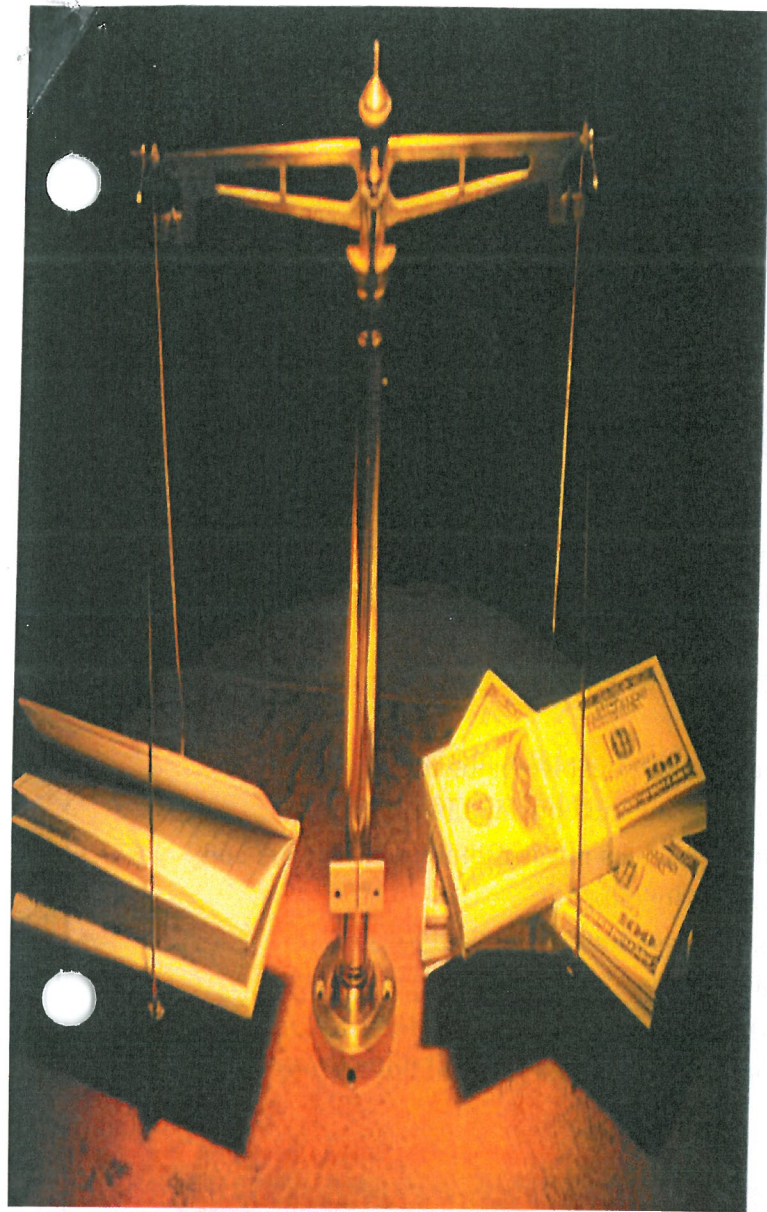
- 1) Port and Partners fund \$750k by 2018.
 - a) Port sets aside \$350k from the 2015/2016 budget (land sale proceeds from 2014).
 - b) Enter into an interlocal with the City of Kennewick for \$400k.
- 2) Explore partnership opportunities for a phase II.
- 3) Explore grants for phase II.

PARTNERSHIPS PHASE II – (NO TAX INCREASE)

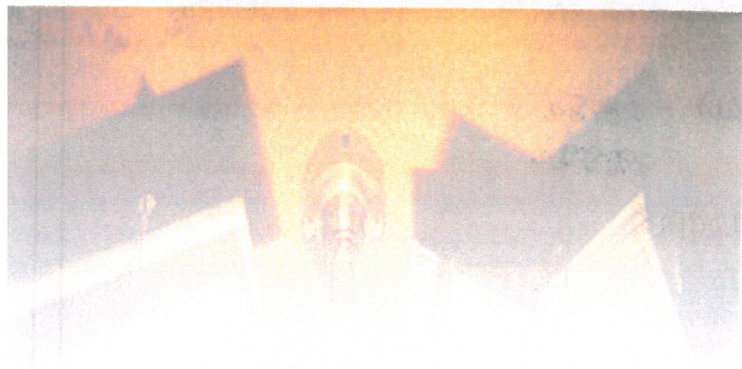
- 1) During Phase I, Port explores partnerships to accomplish the following for Phase II:
 - a) Port hires a management firm for services to attract developers, businesses, financing mechanisms and alternatives.
 - b) Port, City, IRS, Department of Revenue, and other local governments to work together to offer fee waivers or reduction of cost, fast track permitting, leasing and selling property incentives identified above, tax credits, and other developer and business incentives for Phase I activities.
 - c) Port works on grants for livable center initiative funding and HUD funding and works with a private sector developer to develop low income housing condo units along with a high income housing condo units (Santa Barbara example).
 - d) Port enters into a public/private joint venture where the Port retains stock or profit share in a private company in exchange for the value of the land transferred.
 - e) Port enters into a turnkey project(s) where the Port finances, builds, and then turns it over to a private sector to operate. The Port could receive lease revenues, profit share, or a combination. These agreements can have an option for the private sector to buy.
 - f) Port works with local banks who would offer low interest financing packages for developers and business owners.

*Note: The financing alternatives with private sector would need individual analysis for gifting of public funds and credit not to be loaned.





Finance Plan - Vista Field Redevelopment



Tammy Fine, CPA, CFE
PORT OF KENNEWICK
Chief Financial Officer & Auditor

VISTA FIELD REDEVELOPMENT FINANCE REQUIREMENTS

- Phase I: Establish an initial \$5m to implement infrastructure identified in Exhibit A.
- Phase II: Explore partnerships for creative financing mechanisms.

VISTA FIELD PARTNERSHIPS & ALTERNATIVE FINANCING MECHANISMS

- Identify and develop local, state, and federal government partnerships that would assist in funding and benefit from the redevelopment project (i.e. City of Kennewick, Kennewick Irrigation District, Benton Franklin Transportation, Tribes, Department of Revenue, etc...).
- Explore various public/private partnerships that would help assist in funding and benefit from the redevelopment.
- Explore alternative financing mechanisms such as the Local Revitalization Financing tools, livable center initiative funded by ARC, low income housing tax credits,
- Attract businesses and developers with incentives such as infrastructure, fee waivers and reduction, fast track permitting, public/private partnership, etc...
- Research tools for public/private partnerships such as transferring land to developer/business in exchange for an agreed upon development project, minimal ground lease rates for 2-3 years, applying partial proceeds of lease payments to purchase of land, Port finances land sales with postponed payment plans, Port builds then sells to private sector, etc....

SIMPLE FINANCING PLAN PHASE I - (NO TAX INCREASE)

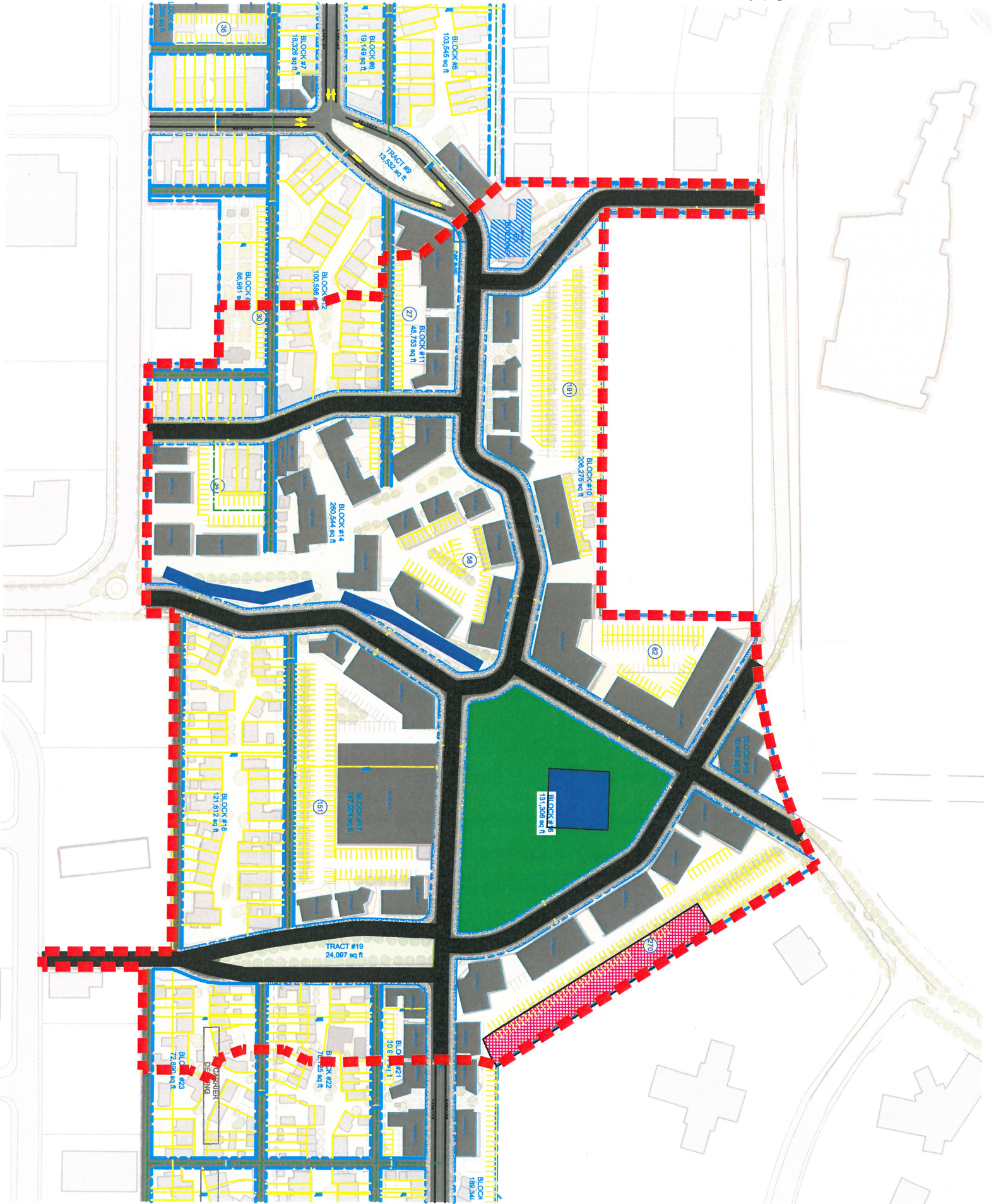
- 1) Port will fund \$5m by 2018.
 - a) Port sells Southridge Land at \$2.8m in 2016/2017. 8.5a
 - b) Port sells Verizon land at \$1.3m in 2016/2017 9.89a
 - c) Port sets aside \$900k of property taxes in 2017/2018.
- 2) Explore partnership opportunities for a phase II.
- 3) Explore grants for phase II.

PARTNERSHIPS PHASE II – (NO TAX INCREASE)

- 1) During Phase I, Port explores partnerships to accomplish the following for Phase II:
 - a) Port hires a management firm for services to attract developers, businesses, financing mechanisms and alternatives.
 - b) Port, City, IRS, Department of Revenue, and other local governments to work together to offer fee waivers or reduction of cost, fast track permitting, leasing and selling property incentives identified above, tax credits, and other developer and business incentives for Phase I activities.
 - c) Port works on grants for livable center initiative funding and HUD funding and works with a private sector developer to develop low income housing condo units along with a high income housing condo units (Santa Barbara example).
 - d) Port enters into a public/private joint venture where the Port retains stock or profit share in a private company in exchange for the value of the land transferred.
 - e) Port enters into a turnkey project(s) where the Port finances, builds, and then turns it over to a private sector to operate. The Port could receive lease revenues, profit share, or a combination. These agreements can have an option for the private sector to buy.
 - f) Port works with local banks who would offer low interest financing packages for developers and business owners.

*Note: The financing alternatives with private sector would need individual analysis for gifting of public funds and credit not to be loaned.







PORT of KENNEWICK 2015 COMMISSION ORGANIZATION REPRESENTATION

NAME	MEETING SCHEDULE	MEETING TIME	MEETING PLACE	CURRENT COMMISSIONER REPRESENTING POK	COMMENTS
Benton-Franklin Council of Governments Board of Directors	3rd Friday	11:30 AM	El Chapala: Columbia Drive	Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes
Benton-Franklin Council of Governments Policy Advisory Committee (PAC)	Second Thursday	7:00 AM	Cousin's	Commissioner Skip Novakovich	Alternate: Commissioner Thomas Moak
Benton-Franklin Council of Governments Local Good Roads & Transportation Association	3rd Wednesday every other month	5:30 PM	TBA	Commissioner Thomas Moak	Alternate: Commissioner Don Barnes Meets Feb, April, June, Aug, Oct, Dec. Locations TBA
Confederated Tribes of the Umatilla Indian Reservation (CTUIR)	As Called			Commissioner Skip Novakovich	Alternate: Commissioner Thomas Moak
Historic Downtown Kennewick Partnership	3rd Friday	7:30 AM	Downtown Kennewick Business Center	Commissioner Thomas Moak	
Port of Kennewick Policy Representative	As Called			Commissioner Thomas Moak	
Port of Pasco Commissioner's Citizens Committee (Tri-Cities Airport)	As Called		Port of Pasco	Commissioner Don Barnes	Alternate: Commissioner Thomas Moak Meetings are announced via email
State Good Road & Transportation Association	Periodic Meetings			Commissioner Thomas Moak	Alternate: Commissioner Don Barnes Meetings are announced via email
Tri-City Regional Chamber Board of Directors Meeting	3rd Wednesday every other month	7:00 AM	Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Thomas Moak
Visit Tri-Cities (formerly Tri-Cities Visitor & Convention Bureau) (Full Board Meeting)	4th Wednesday	7:30 AM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Thomas Moak
TRIDEC Board of Directors Meeting	4th Thursday	4:00 PM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Skip Novakovich
TRIDEC Executive Board Meeting	2nd Thursday every other month	4:00 PM	Tri-Cities Business & Visitor Center Bechtel Board Room	Port of Benton	Tri-Ports Executive Board Rep (Rotates Annually) 2014 - Port of Kennewick - Alternate Skip Novakovich 2015 - Port of Benton 2016 - Port of Pasco
Trios Health, City of Kennewick and Port of Kennewick	Quarterly Meetings	5:30 PM	Trios Health's Administration Conference Room	Commissioner Thomas Moak	Alternate: Commissioner Don Barnes Jan, April, August & November



PORT of KENNEWICK
2015 COMMISSION ORGANIZATION REPRESENTATION

NAME	MEETING SCHEDULE	MEETING TIME	MEETING PLACE	CURRENT COMMISSIONER REPRESENTING POK	COMMENTS
West Richland Area Chamber of Commerce	1st Wednesday	Noon	The Sandberg Event Center	Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes
West Richland Economic Development Committee	As Called			Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes
WPPA Board of Trustees	As Called			Commissioner Skip Novakovich	Alternate: Tim Arntzen
WPPA Economic Development Committee	As Called			Commissioner Thomas Moak	Alternate: Tim Arntzen
WPPA Legislative Committee	As Called			Commissioner Skip Novakovich	Alternate: Tim Arntzen
WPPA Marina Committee	As Called			Commissioner Don Barnes	Alternate: Tim Arntzen