



AGENDA REPORT

TO: Port Commission

FROM: Larry Peterson, Director of Planning & Development

MEETING DATE: October 24, 2017

AGENDA ITEM: Resolution 2017-19 Amending Comprehensive Scheme of Development

I. REFERENCE(S): Resolution 2017-19, Vista Field Redevelopment Master Plan, Tri-City Raceway Redevelopment Master Plan

II. FISCAL IMPACT: N/A

III. DISCUSSION: State Law (RCW 53.20) requires Port district's to have a Comprehensive Scheme of Development and Harbor Improvements (Comp Scheme) and capital expenditures must be consistent with the Comp Scheme. The Port of Kennewick's Comp Scheme was recently updated and revised in November 2016 by Resolution 2016-33, however at that time the final master plans for two significant Port holdings were referenced as ongoing but had not been finalized.

Tri-City Raceway Redevelopment Master Plan was adopted on March 28, 2017 by Resolution 2017-07. Inclusion of this adopted master plan within the Comp Scheme formalizes the plan as the official adopted policy relating to the Tri-City Raceway site.

The Vista Field Redevelopment Master Plan is the result of 3+ years of planning and public engagement that formally began in November 2014 with a weeklong Charrette led by Duany-Plater-Zyberk and culminating with a letter of support from the Washington State Department of Commerce dated October 3, 2017. This master plan will be considered for formal adoption on October 24, 2017 immediately preceding this Comp Scheme matter.

A public hearing was scheduled and advertised for October 24, 2017 at the Port Commission's regular 2:00pm meeting. Following conduct and closure of the public hearing, the Commission could elect to consider approving the attached resolution which would officially amend the 2016 Comprehensive Scheme of Harbor Improvement document to include both the Vista Field Redevelopment Master Plan and the Tri-City Raceway Redevelopment Master Plan documents.

IV. ACTION REQUESTED OF COMMISSION:

Motion: I move approval of Resolution 2017-19 amending the Comprehensive Scheme of Development.

PORT OF KENNEWICK

Resolution No. 2017-19

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AMENDING ITS COMPREHENSIVE SCHEME OF DEVELOPMENT AND HARBOR IMPROVEMENTS

WHEREAS, RCW 53.20 requires port districts to adopt a Comprehensive Scheme of Development and Harbor Improvements (Comp Scheme) which serves as the guide for future Port investment and actions; and

WHEREAS, the Port adopted a Comprehensive Scheme of Development by Resolution 2016-33 on November 8, 2016; and

WHEREAS, the Port of Kennewick has and will continue to play a role in accommodating economic growth by acquiring, developing, selling and leasing land; and

WHEREAS, input from the public and City of West Richland regarding the future redevelopment of the former Tri-City Raceway was obtained throughout the planning process; and

WHEREAS, the Port of Kennewick adopted the former Tri-City Raceway Master Plan by Resolution 2017-07 on March 28, 2017; and

WHEREAS, input from the public and the City of Kennewick regarding the redevelopment of Vista Field was obtained throughout the planning process; and

WHEREAS, the Port of Kennewick adopted the Vista Field Redevelopment Master Plan by Resolution 2017-17 on October 24, 2017; and

WHEREAS, on Tuesday, October 24, 2017, after public notice, as required by law, the Board of Commissioners conducted a public hearing, held in the Commission Chambers of the Port Offices located at 350 Clover Island Drive, Kennewick, WA to amend the Comp Scheme to include the following documents: the former Tri-City Raceway Master Plan, the Vista Field Redevelopment Master Plan and the Vista Field Development Agreement; and

WHEREAS, notice of such hearing was given as provided by law (copy of said notice attached hereto as "Exhibit 1" and "Exhibit 2" and such public hearing was held at such time and place and on said date; and

WHEREAS, after discussion and consideration of the proposed amendment to said Comprehensive Scheme, the Board of Commissioners determined that said scheme should be updated.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Commissioners of the Port of Kennewick that after and pursuant to a public hearing held on the 24th day of October 2017, after notice thereof duly given in the manner required by law, the Board of Commissioners of the Port of Kennewick does hereby adopt the Update to the Comprehensive Scheme of Development as identified as “Exhibit 3”.

BE IT FURTHER RESOLVED that previous versions of the Comprehensive Scheme and any resolutions amending the previous Comprehensive Schemes are superseded by this new Comprehensive Scheme Update document.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 24th day of October, 2017.

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

By: _____
SKIP NOVAKOVICH, *President*

By: _____
THOMAS MOAK, *Vice President*

By: _____
DON BARNES, *Secretary*

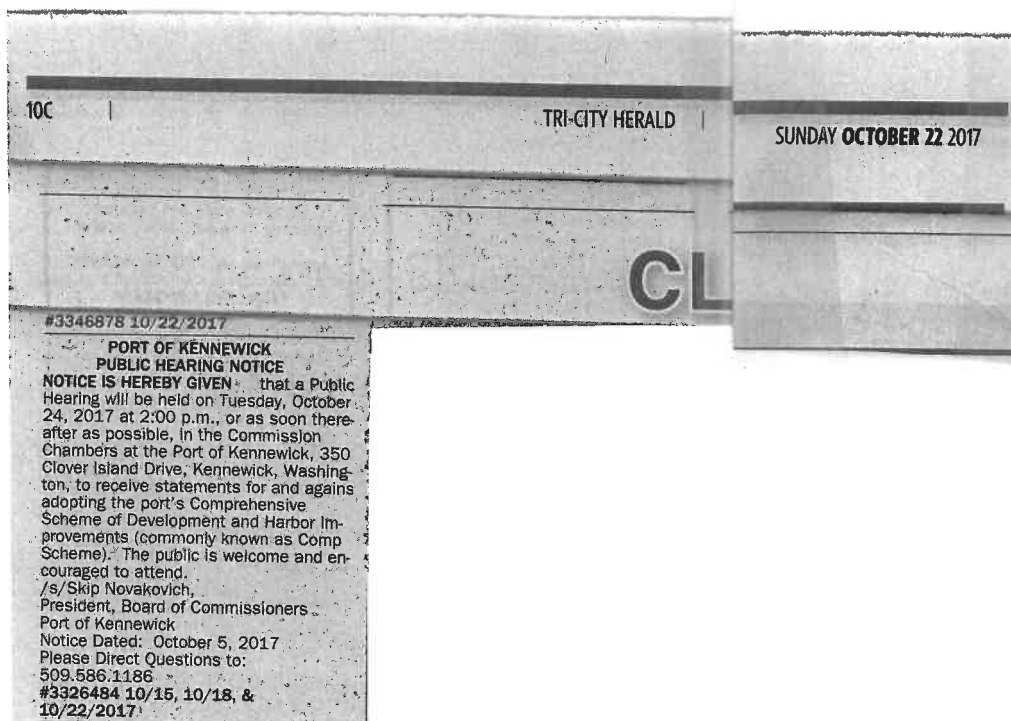
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TRI-CITY HERALD

WEDNESDAY OCTOBER 18 2017

CLASSIFIED LEGALS

**PORT OF KENNEWICK
PUBLIC HEARING NOTICE**
NOTICE IS HEREBY GIVEN that a Public Hearing will be held on Tuesday, October 24, 2017 at 2:00 p.m., or as soon thereafter as possible, in the Commission Chambers at the Port of Kennewick, 350 Clover Island Drive, Kennewick, Washington, to receive statements for and against adopting the port's Comprehensive Scheme of Development and Harbor Improvements (commonly known as Comp Scheme). The public is welcome and encouraged to attend.
/s/Skip Novakovich,
President, Board of Commissioners
Port of Kennewick
Notice Dated: October 5, 2017
Please Direct Questions to:
509.586.1186
#3326484 10/15, 10/18, &
10/22/2017



#3346878 10/22/2017

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Notice Dated: October 5, 2017

Please Direct Questions to:

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Port of Kennewick Comprehensive Scheme Update





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INTRODUCTION

The Port of Kennewick (Port) has updated its Comprehensive Scheme of Development (Comprehensive Scheme) for 2016 consistent with Washington State requirements. The update process began in 2015 and has continued through 2016. It has included public meetings and meetings with Port development partners, in addition to several meetings with Port staff and Commissioners. A Port Commission retreat was held in fall 2016 to confirm priorities and directions in the Comprehensive Scheme for the next several years. It is expected the Port Commission will revisit these priorities every few years and make updates and course adjustments as appropriate. Every 2 years, the Port budgeting process will also establish a more detailed implementation plan for the priorities and projects identified in the Comprehensive Scheme.

In recent years, the Port has evolved into an agency focused on urban revitalization and redevelopment. Consistent with Port Commission direction, for the next several years, the Port expects to focus on projects for the Kennewick waterfront and Vista Field, while advancing the West Richland former Tri-City Raceway redevelopment property and the Richland Island View area plans and development activities. Kennewick waterfront urban revitalization includes activities on Clover Island and along Columbia Drive. The Port will also continue to own, manage, and maintain its other holdings and properties.

Comprehensive Scheme Process

The Revised Code of Washington (RCW) 53.20.010 requires ports in Washington to adopt a comprehensive scheme of harbor improvements and identify existing and future capital improvements. The requirements for a comprehensive scheme differ from the Washington State Growth Management Act (GMA) planning efforts. Therefore, this document does not qualify as a master plan or other GMA plan.

The Port has flexibility in what to address in the Comprehensive Scheme. The RCW requires Ports to identify improvements in the Comprehensive Scheme, and provide opportunity for public input on these improvements before implementing actions. Although the RCW language is specific to harbor improvements, the Port is addressing all major improvements planned during the next several years within this document.

Stakeholder and Public Participation

Ports are required to involve the public in the planning process by making the draft Comprehensive Scheme available for public comment. In accordance with Washington State regulations, the Port has involved agency partners and the public in the scheme planning process. In 2015, the Port (and members of the consultant team who are supporting the Comprehensive Scheme update) held meetings and conference calls, and conducted a qualitative survey with representatives from the Cities of Kennewick, Richland, West Richland, Benton City, Benton County, and the Ports of Benton and Pasco. At these meetings, agency representatives provided input on potential Port development goals, plans, and opportunities for the properties or opportunity areas within each jurisdiction. Appendix B includes a summary from these meetings (Appendix A include a list of abbreviations used in the document).



The Port held four public workshops in spring 2015 to receive public input on the focus and direction of the updated Comprehensive Scheme. Meetings were held in West Richland, Richland, and Kennewick. Additionally, the Port held a retreat in September 2016 focused on Comprehensive Scheme priorities, held workshops on updated plan elements, and conducted a public hearing in November 2016 to accept and consider additional public comment on the 2016 draft Comprehensive Scheme. The public meetings, retreat, workshops, and hearing were advertised extensively. Notes from the public meetings, retreat, workshops, and hearing are provided in Appendix B.

Port Mission and Goals

The Port's mission in recent years, and as reaffirmed in this Comprehensive Scheme, is to identify and implement sound urban revitalization and redevelopment opportunities that create jobs and/or improve the quality of life for citizens of the Port District. To carry out this mission, the Port plans to take the following actions:

- Undertake Vista Field redevelopment.
- Continue with Kennewick waterfront urban revitalization projects: Clover Island – Shoreline improvements “Gathering Place” and U.S. Army Corps of Engineers (USACE) 1135 program improvements; and Columbia Drive – Wine Village Phases 1 and 2.
- Pursue fewer projects while selecting projects with the greatest benefit to the community.
- Focus on waterfront development/redevelopment.
- Realize and support economic development opportunities with wine, culinary, and tourism industry.
- Continue to secure grant funding opportunities.
- Remain focused on containing operational expenses.
- Remain solidly focused on the Port’s core redevelopment business lines and established priorities; not swayed by the oscillating influence of external entities.
- Maintain a strong focus on successfully running daily Port operations.

Consistent with Port Commission direction, for the next several years, the Port will focus on redevelopment projects for the Kennewick waterfront and Vista Field, while advancing the West Richland Tri-City Raceway redevelopment and the Richland Island View area plans and development activities (PoK 2016). The Port will continue to own, manage, and maintain many of its other holdings and properties, and also encourage sustainable business and commercial development District-wide. Port budgets, staffing assignments, and other resources will be aligned with the redevelopment direction established by the Port Commission.

Through this Comprehensive Scheme, the Port Commission also reaffirms primary elements of resolution (No. 2014-31) with budget and financing goals for Port projects. This resolution included the following elements:

- Pursuing fewer projects and selecting projects with the greatest return to the Port and taxpayers
- Pursuing projects with development partners who demonstrate support (i.e., matching funds, political/citizen/taxpayer support, and enthusiasm)
- Working toward closing an existing operating gap between operational revenue coming in and expenses



The Port intends to apply these principles in Port financial decisions, capital expenditure, and management activities for Port operations and properties.

Port History

The Port was created in 1915. In 1916, the Port held a public hearing and adopted its first Comprehensive Scheme document, which needed voter approval before any funding could be expended. Included in the Comprehensive Scheme were modest proposed improvements to the Ivy Street Terminal, a suggested concept to close off the upstream end of the channel between the shoreline and Clover Island, and dredge to create a boat basin. The Port's budget was \$2,000 in 1916 and \$1,800 in 1917.

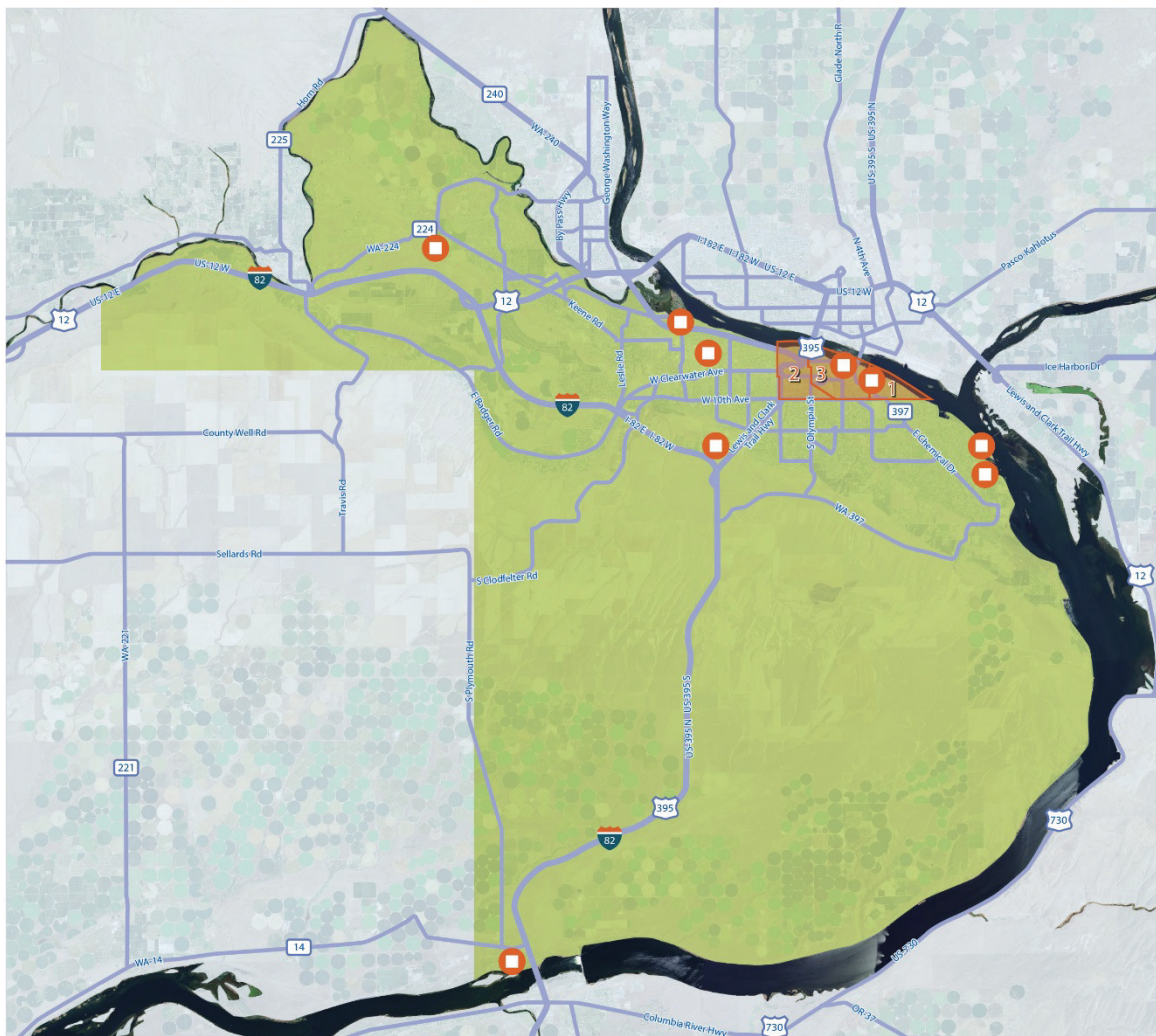
Since 1915, the Port's mission and services have evolved as the local economy has grown—what started out as a small Port District providing docking and terminal facilities for steamboats has grown to a large Port District with a mission focused on urban revitalization and redevelopment and serving the cities of Kennewick and West Richland, and portions of the City of Richland, Benton City, and Benton County. Highlights of this history are provided in the timeline in Figure 1.

The Port has achieved several notable successes during its 100-year history, including success in barging, warehousing, rail services, and industrial development. The Port has fostered the creation of thousands of jobs in the Port District boundaries, stimulating Clover Island and Spaulding Business Park redevelopment, and helping businesses such as TiLite, GBW Railcar Services, and Pacific Rim Estates grow. In recent years, Port investments and land sales (from 2007 through 2015) have resulted in the creation of more than 800 jobs, and private-sector investments of more than \$60 million. What started out as a modest Port beginning focused on just a few services has grown to a multi-faceted organization providing redevelopment services in the Port District and for the region. Appendix C includes a Port history throughout the last 100 years, highlighting in greater detail the many accomplishments achieved by the Port, as well as its development partners through the years. This action enlarged the Port District to the current boundaries identified in Figure 2.



2015 Board of Commissioners: Don Barnes, President; Skip Novakovich, Vice President; Thomas Moak, Secretary
Executive Director: Tim Arntzen





◻ Current Port Properties
 Current Port Boundaries
 1915 Boundaries

FIGURE 2. SITE MAP

Recent Transition to Urban Revitalization and Redevelopment

In recent years, the Port has started to concentrate its efforts on urban revitalization and redevelopment. In the mid-2000s, redevelopment focus areas included the Spaulding Business Park in Richland and Clover Island. Other redevelopment opportunities have emerged in recent years with the Port Commission decision to close Vista Field Airport in 2013, expand redevelopment beyond Clover Island to include other areas of the Kennewick waterfront, and acquire and redevelop the former raceway property in West Richland. Objectives for redevelopment include:

- Reconnect community areas to water, where possible.
- Concentrate investment in developed areas.
- Complement existing public and private investments.
- Encourage economic sustainability.



PORT URBAN REVITALIZATION AND REDEVELOPMENT PRIORITIES

This section is an overview of the Port's existing redevelopment priority properties as established by the Port Commission, including recent development initiatives and future plans for the properties. For the next several years, the Port will focus on redevelopment projects for Vista Field and the Kennewick waterfront, while advancing the West Richland former Tri-City Raceway redevelopment property and the Richland Island View area plans and development activities (PoK 2016). The Port will manage its other projects to support successful implementation of the redevelopment priorities. This would include, but not necessarily be limited to, continuing operations and maintenance of facilities but not making additional investments in other properties, selling, or otherwise divesting of other properties (such as the Southridge, Plymouth, or Hedges properties) and other activities. The Port will also continue to monitor local and regional economic conditions and make adjustments accordingly. A summary of current economic conditions is provided in Appendix D.

Vista Field Redevelopment Area

The Vista Field Airport is in the heart of the Tri-Cities metropolitan area within the Kennewick city limits, between Grandridge Boulevard and Deschutes Avenue. It is adjacent to the Three Rivers Entertainment District (Toyota Center Coliseum, Three Rivers Convention Center, and Tri-Cities Business & Visitor Center).

In fall 2012, the Port Commissioners decided to conduct a comprehensive planning effort to obtain additional information to use in making a final decision. The planning effort included preparing a comprehensive economic analysis and Environmental Impact Statement. The Port initiated this additional planning effort, which included evaluating three alternatives for Vista Field: 1) further develop and enhance the airport for aviation and associated commercial development; 2) close and redevelop the airport properties; or 3) retain Vista Field as an operating airport with an annual subsidy. The planning effort provided significant opportunity for public input, and included environmental review for alternatives 1 and 2 through the preparation of an Environmental Impact Statement, with associated economic analysis.

On April 17, 2013, the Port Commissioners unanimously voted to close and redevelop the airport. The decision was based on the additional financial information and findings of the latest planning and analysis effort, which clearly showed Vista Field redevelopment was economically advantageous to the regional economy and the Port financial operations, compared to the limited revenue opportunities without Federal Aviation Administration funding and costs of maintaining airport operations or making additional airport investments. The Vista Field property is highly visible due to its central location in the City of Kennewick's entertainment district.





FIGURE 3. VISTA FIELD REDEVELOPMENT AREA

The property encompasses approximately 103 acres (Figure 3). The parcels are zoned Commercial Regional. Municipal services are available to the site. The Port owns several buildings at Vista Field, including the Fixed Base Operations building (6,600 square feet); corporate hangars (13,500 square feet); and two “T” hangars (21,000 square feet).

In 2014, a citizen committee chose the firms Integrated Structures Incorporated (ISI) and Duany Plater-Zyberk (DPZ) to help develop a master plan for Vista Field redevelopment, a process that includes actively seeking public input to plan and redevelop this site into a modern urban center that creates jobs, attracts businesses, and provides a central gathering place for generations to come. A pattern-language and

charrette process was used by DPZ, ISI, and Port staff, with nearly 300 people attending meetings and providing comments. The community showed an interest in small-scale city blocks with open spaces and transit-oriented, pedestrian-friendly neighborhoods with a mix of locally unique shops, restaurants, and workspaces as critical elements. Connectivity with existing public facilities and high-traffic intersections, as well as stakeholder participation, were deemed essential to realizing the site’s full potential.

DPZ refined the community’s input, and in February 2015, they presented the draft plan for additional public comment. Since 2015, that plan has been refined and evaluated regarding cost, feasibility, and community support. A traffic study was prepared in November 2015. Next phases of the plan include an update of codes and standards with the City of Kennewick, development of internal documents, and development of a Phase 1 detailed development plan. The revised plan is expected to be adopted in early 2017.



City of Kennewick Waterfront

The Port currently has two urban revitalization priorities for the Kennewick waterfront, including the Columbia Drive Urban Revitalization Area and Clover Island.

Columbia Drive

Columbia Drive is located adjacent to the Columbia River and Duffy's Pond in the City of Kennewick's historic downtown. The property includes three areas, Willows, Columbia Gardens, and Cable Greens, which total 15.6 acres (Figure 4). Zoning is Commercial General (CG), and the properties have all municipal services, as well as wireless Internet coverage.

The Columbia Drive area faces development challenges, including aged development and inconsistent city development

standards; however, it also has many desirable qualities. Most prominent is proximity to the Columbia River and Duffy's Pond, which allow for tourism opportunities. The area is also near historic downtown Kennewick and easily accessible by several major Tri-Cities roads. It is within a few minutes of Columbia Center Boulevard, Richland, Pasco, and West Kennewick.

Redevelopment in the early phases will support creation of an urban wine and artisan village within the historic Columbia Gardens and Willows neighborhoods. The vision is to create a place where residents can stroll among wine, craft brew, and distillery tasting rooms, as well as galleries, restaurants, and boutique shops, and enjoy outdoor concerts, public art, and wildlife along a scenic nature trail.

Part of this effort has included purchasing mobile homes and assisting tenants with relocation, and demolishing vacant homes. The Port has improved its Columbia Drive properties by removing undesirable



FIGURE 4. COLUMBIA DRIVE URBAN REVITALIZATION AREA SITE MAP



buildings, making limited infrastructure improvements, grading sites, and establishing development conditions and covenants.

The Port and the City of Kennewick have signed an agreement to kick start development of the Columbia Gardens area by making at least \$2.6 million in improvements. In Phase 1, the City of Kennewick is extending the public trail and adding streetscaping to the site, with the Port constructing three buildings to accommodate boutique-production wineries. The Port of Kennewick broke ground on this project in spring 2016. Phase 2 will include designing and constructing a loop road and joint-use parking, as well as making utility improvements at the Willows area. As the phases are implemented, the Port will continue to explore potential and complementary private-sector partnerships, including property sales and leases. The Port has also established a development agreement with the City of Kennewick and Columbia Basin College to create a Culinary Art Institute in the Columbia Gardens area.

Clover Island

Clover Island is in the City of Kennewick along the southern shore of the Columbia River at river mile 329, and is connected to the mainland by a causeway. The Port owns all but 1 acre of the approximately 18-acre property. The U.S. Coast Guard also owns approximately 1 acre on the southeast portion of the island.

Zoning is Commercial Marina (CM) and available utilities include water, sewer, electricity, and natural gas. Current Port-owned buildings at this site include the previous administrative office, administrative office/retail space, yacht club/office space, Clover Island Marina, and a lighthouse.

Clover Island is a mixed-use development area centered on waterfront access and amenities. The island is home to the Clover Island Marina, which was relocated and completely rebuilt in 2007 to 2008. The Port developed the marina into the premier boat moorage facility in the Tri-Cities as a portal for citizens and visitors to experience the Columbia and Snake rivers, as well as a place for Tri-Cities residents to fish and enjoy river views. In addition to the marina, Clover Island supports many businesses, including two restaurants (Cedars restaurant and Ice Harbor Brewing Company), a 150-room hotel that includes a bar and grill (Clover Island Inn), and the Clover Island Yacht Club, which is located on the west side of the island.

In the past several years, the Port has steadily made additional improvements on the island. These Port investments have been guided by a 2005 Clover Island Master Plan (Makers 2005) and subsequent planning and design documents characterizing projects in greater detail (HDJ 2008). The 2005 Clover Island Master Plan and associated updates are incorporated by reference for this comprehensive scheme document. In 2009, the former single-use Yacht Club site was completely redeveloped as a mixed-use facility. A parking lot was built just east of the Yacht Club, and an outdoor seating and railing area was added outside of Ice Harbor Brewing Company restaurant. The Port also constructed a lighthouse and gateway to the island, along with the Metz Family Plaza and placement of several public art displays. Paths and viewing locations, along with a statue and other improvements, provide public access and enhancements to the waterfront. In 2016, the Port constructed a boat launch parking lot and restrooms with grant and Port funding. The Port is also partnering with USACE through their 1135 program to plan shoreline improvements that improve nearshore habitat functions and shoreline aesthetics. The nearshore environment enhancement includes improving substrate, large woody debris, and refugia for salmonids in designated areas around the island. Riparian enhancement consists of removing concrete along the shoreline and enhancing riparian vegetation through native plantings. These improvements will reduce



predatory impacts on species such as steelhead trout and Chinook salmon, and will provide additional rearing opportunities.

The Port intends to continue Clover Island enhancements to develop a mixed-use waterfront village, including retail, condominium housing, and restaurants. The Port will continue to foster tourism and economic development on Clover Island by implementing projects outlined in the Clover Island Master Plan (Makers 2005; HDJ 2008) and in this Comprehensive Scheme. The following are the upcoming projects that the Port has planned for Clover Island:

- Complete construction of the “Gathering Place” and remove the former Port office and Ranney Collector structure in the northwest corner of the island.
- Construct shoreline improvements in partnership with USACE.

The Port will continue to market properties on Clover Island as these improvements are completed.

Richland Island View

In 1999, the Port purchased approximately 30 acres in the Richland Island View area (also known as Richland Wye; Figure 5), where the Yakima River enters the Columbia River. The land was named the Spaulding Business Park in 2003 after Gene Spaulding, who had been a Port Commissioner for almost 36 years. Since 2006, several medical, professional, and other commercial developments have occurred in the park, resulting in the creation of more than 335 jobs and more than \$40 million in private capital investments. The development has been so successful that the Port has sold all but a .5-acre parcel within the business park. Private development has steadily occurred on adjacent property, including a large apartment complex and several office buildings. The Port’s early investment has tipped the former tired neighborhood into desirable waterfront commercial property.



FIGURE 5. RICHLAND ISLAND VIEW AREA SITE MAP



The park received a Governor's Best Practice and Smart Community Award for Workforce & Economic Development in 2009.

In addition to marketing the last remaining parcel in the Spaulding Business Park, the Port will continue to work with the City of Richland to develop the Richland Island View area, building off the successful Spaulding Business Park redevelopment and consistent with the City's Comprehensive Plan. Throughout the next several years, the Port will work with the City to identify, support, and/or implement one or more projects that further spur redevelopment efforts in the Richland Island View area.

West Richland

The Port owns two areas in the City of West Richland—Keene Road (14 acres) and the former Tri-City Raceway redevelopment property (93 acres; Figure 6). The Keene Road site is served by municipal services, including water, sanitary and industrial sewer, power, and other utilities. The former Tri-City Raceway redevelopment property has a well and septic system, plus power and other utilities, with City water and sewer (sanitary and industrial) nearby, but not yet extended to the park.

These properties are located near several world-renowned wine makers located in the Red Mountain American Viticultural Area (AVA), and the Port believes they are ideally suited for wineries and AVA ancillary businesses. This area is also expected to benefit from the future Interstate 82/Red Mountain interchange. Additionally, the City of West Richland Urban Growth Area (UGA) expansion, which includes the former Tri-City Raceway redevelopment property, was finalized in December 2014, and the City annexation was completed in 2015. This will allow extension of City utilities



FIGURE 6. WEST RICHLAND SITE MAP



within the site. The Port and City are master planning the property and envision an industrial hub to support the nearby Red Mountain AVA. The City of West Richland has recently invested in an industrial wastewater treatment plant for treating winery and other related food-processing effluent.

The Keene Road property is occupied by Pacific Rim Winery and Black Heron Distillery, with two additional 1-acre parcels ready for business development. The Port continues to market these properties.

The former Tri-City Raceway redevelopment property was recently annexed to the City of West Richland and is zoned Commercial/Light Industrial (CLI). Current Port-owned buildings at this site include the bathroom building and the Racetrack Shop on the racetrack property.

Overall, during the next several years, the Port will work to remove a Kennewick Irrigation District (KID) inundation clause from the former raceway site, and complete master planning. The Port is also pursuing a 10-year joint development agreement with the City of West Richland, and expects to implement one or more projects during the next several years consistent with this agreement. Development of the former raceway site depends on certain triggers or conditions coming about, such as the removal of the KID inundation clause, completion of the Interstate 82 interchange, or significant private-sector and/or City investment. Private-sector holdings in the area are substantial, so the Port expects development to occur on a longer term schedule for the former Tri-City Raceway redevelopment property.

The Port is also working with the City to identify shorter term development priorities to focus on from 2017 through 2020, while the longer-term work is being conducted for the former Tri-City Raceway redevelopment property. This shorter term strategy will be approved by the City and Port prior to implementation and will be incorporated by amendment to this Comprehensive Scheme.



Other Port Properties

Oak Street

The Oak Street site is in northeast Kennewick off East Third Street and State Route 397. The site is approximately 74 acres and segregated into five pieces of land (Figure 7). Zoning includes Heavy Industrial (IH) in the City of Kennewick) for four development buildings and the former Joe Schmidt building, and Industrial Light (IL) for the remainder of the site, which includes incorporated and unincorporated areas. All unincorporated properties are within the City of Kennewick UGA. These properties are served by City of Kennewick water, but sewer is provided through on-site septic systems. The Port owns seven buildings, which cumulatively total 87,900 square feet. In 2013, two of the development buildings were renovated.

In recent years, the Port sold land to the City (to support future wastewater treatment plant upgrades) and to the Humane Society.

Throughout the past several years, the Port has averaged close to 100% occupancy in the development buildings. Oak Street businesses include manufacturing, specialty metals, warehousing, and construction, along with the Humane Society. This area's strengths include close proximity to rail service, city and transportation corridors, and State Route 397. Oak Street has flat topography. A challenge for this area is the Floodplain Designation "A," which exists due to infrequent pools of groundwater ranging from 2 to 4 inches in depth. This challenge has been overcome through site design with building finished floors elevated 1 foot above the surrounding grade.

The Port intends to hold the improved Oak Street properties for the foreseeable future and divest vacant and agriculture properties to support its redevelopment priorities.



FIGURE 7. OAK STREET SITE MAP



Vista Field Development Facilities

Near Vista Field, the Port owns 3.7 acres of industrial property, including Port-owned Vista Field Development Facilities (VFDF) A and B (Figure 8). VFDF rehabilitation and remodeling work was completed in September 2016. This area is fully served by municipal services. Throughout the next several years, the Port will continue to market the development buildings as space within them is available.



FIGURE 8. VISTA FIELD DEVELOPMENT FACILITIES SITE MAP

Southridge

The Port's Southridge property is located at the southern entrance to Kennewick, which has developed into a prime commercial, mixed-use, and residential area. The Port has played an important historical role in acquiring and selling property in this area to help catalyze the development that has and continues to occur in this vibrant part of Kennewick.

The remaining Port property encompasses four parcels totaling approximately 8.5 acres (Figure 9). Zoning is Commercial Community (CC), and all municipal services are available to this property. A Municipal Utility Extension is required for this site for infrastructure improvements through the City of Kennewick's Local Revitalization Funding Program. As a part of this program, tax revenues from the area were pledged by many agencies, including the Port, to retire the debt on these improvements.

The Port intends to sell this property and use proceeds from the sale for the Vista Field Redevelopment project.





FIGURE 9. SOUTHBRIDGE PROPERTY SITE MAP

Finley Property (Twin Tracks and Hedges Lagoon)

In recent years, the Port has divested much of its Finley holdings. It currently owns two remaining properties—Twin Tracks and Hedges Lagoon—located close to the Columbia River in unincorporated Benton County about 8 miles southeast of Kennewick (Figure 10).

The Twin Tracks property is 148 acres and zoned IH. Available utilities include well, power, and natural gas. The area is served by Union Pacific (UP) and Burlington Northern Santa Fe (BNSF) railroad lines. Potable water is available only through exempt wells, and sewer is provided only through on-site septic systems. Fire protection is provided by facility-specific fire-suppression systems consistent with requirements in the International Fire Code as adopted by Benton County (Benton County Code 3.18.035). These independent systems typically consist of wells, storage, and fire sprinklers for the facility. Surrounding these properties are chemical manufacturing facilities, large- and small-acreage farms, residential development, and open-space recreational areas.

A portion of the Twin Tracks property (40 acres and 8,000 linear feet of rail line) is currently occupied by GBW Railcar, Inc., for rail car refurbishing, with other parcels leased for agriculture uses. The site is unique in that it is served by UP and BNSF rail, and is large enough to be able to accommodate a rail loop for unit freight train setup and loading. The Port has marketed this site with this potential, and will continue to market the parcels lying east of the UP rail spur for industrial development.



The Hedges Lagoon property is 55 acres and zoned IH, with all but 3.65 acres below the ordinary high water mark. This property has electricity only. The Port could find a public agency such as the Washington State Department of Natural Resources or other resource management agency interested in owning or managing this property for recreation and/or habitat protection purposes. The Port would also want to ensure the arrangement that is proposed would be supported by the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) per the Port/CTUIR Memorandum of Understanding (MOU), if the property were to be transferred or sold to another agency.



FIGURE 10. FINLEY SITE MAP (TWIN TRACKS AND LAGOON PROPERTIES)

Plymouth Waterfront and Island

The Plymouth site is in southern Benton County near Interstate 82 and State Route 14 (Figure 11). The property originally encompassed three parcels, totaling approximately 250 acres. Two parcels, totaling approximately 93 acres, were sold in 2014 to AgReserves Inc. The remaining Port-owned property totals 157.10 acres, and includes river frontage and island property, and has limited development opportunity, even though the northern parcel is zoned HI. The southern portion of the parcel is zoned Park District. Substantial electrical service is available in the immediate vicinity and natural gas is within 1,000 feet of the site. The property does not have municipal water service, sewer service, or interior roads. Water could potentially be available from the nearby Plymouth Water District. The Port has no plans for the Plymouth parcel and is open to divesting this property to an organization(s) acceptable to Native American tribes and consistent with the Port/CTUIR MOU for permanent protection of cultural and natural resources, and to provide for continued public recreation opportunities.



FIGURE 11. PLYMOUTH SITE MAP



REVENUES, EXPENSES, AND CAPITAL IMPROVEMENT PLAN

This section includes a summary of Port revenues, expenses, and Capital Improvement Plan for the next 10 years, along with a policy and process for evaluating future investment opportunities.

Current Revenues and Expenses

In 2015, the combined property tax revenue received from Port-owned properties in Kennewick, Richland, Benton County, West Richland, and Benton City amounted to \$3,669,499. The majority of that revenue (50.7%) came from property within the Port District in the City of Kennewick, followed by property owned in Richland (20.8%), Benton County (19.4%), West Richland (9%), and Benton City (0.044%).

Additional, ongoing Port revenues include operating income from industrial, building, and agricultural leases; operating income from marina leases; and interest income. The Port is also starting to receive funding from Benton County through the Rural County Capital Fund, which is a funding source of approximately \$3 million total, expected to be received by the Port as reimbursements for approved projects through 2023. Other revenues include land sales and grants, which vary year to year and by project. Average Port annual revenues in recent years have been around \$5 million.

Port expenses include general and administration expenses (e.g., salaries, benefits, and partner agency dues), general lease property operations and maintenance, building and equipment replacement, non-operational costs (Port funding provide to projects sponsored by Port partners), and marina operations and maintenance. Average annual Port expenses in recent years have been around \$3 million.

The difference between annual average revenues (\$5 million) and annual average expenses (\$3 million) is approximately \$2 million. This is the amount available on an average basis to support Port projects each year. As noted above, this amount can be supplemented by grants, property sales, and other funding sources.

The Port has developed cash-flow projections for the 2016 to 2026 period, as provided in Appendix E, Table E-1. This table projects beginning cash balances and reserves, less planned expenditures, including capital projects. The capital projects are summarized below and identified in Appendix E, Table E-2. The cash flow projection is based on current operations and current capital assets. A \$2.5 million reserve is also accounted for each year. This projection is reviewed regularly and updated, at least annually, by the Port. The Port develops a detailed 2-year operating budget. The current Port budget period will end December 31, 2016, and the next budget period is 2017 to 2018.



Capital Improvement Plan

The following capital improvements are planned at the various Port-owned properties, consistent with Port priorities, during the next 10 years:

- **Vista Field Redevelopment** – \$5.9 million in infrastructure and other improvements consistent with the master plan expected to be finalized in early 2017. Land sale revenues from Vista Field are being reinvested in Vista Field redevelopment.
- **Kennewick Waterfront Urban Revitalization** – \$2.9 million, including \$1.3 million to construct and maintain shoreline improvements at Clover Island, in partnership with USACE, and \$1.6 million to continue work at the Columbia Gardens site.
- **Richland Island View** – \$1.9 million to support infrastructure and other potential improvements, with specific projects to be identified in partnership with the City of Richland.
- **West Richland former Tri-City Raceway Redevelopment Site** – \$500,000 to support funding for extending infrastructure to the site and providing on-site improvements.
- **Return on Investment (ROI) Project** – \$6 million on one or more projects to bring in additional operating revenues for the Port.
- **Port Facilities Asset Replacement Program** – \$2.6 million (approximately \$250,000 per year) to support renewal and replacement of Port facilities, with specific projects identified in the Port 2-year operations budget.
- **Opportunity Fund** – \$500,000 (\$50,000 per year) for partnership opportunities. These will include funding requests for community programs or smaller community or Port projects emerging outside of the Port budgeting process. Once funding is allocated for a budgeting period, additional proposals will be considered during the next budgeting period.
- **Rural County Capital Funds Project** – \$1.2 million for an additional project to be funded through this source. This project will be identified in coordination with one or more development partners and selected consistent with the Process for Evaluating Future Investment Opportunities below.
- **Miscellaneous Capital** – \$570,000 for smaller capital expenditures, such as equipment, on Port properties that are expected to emerge during each 2-year budgeting period.

Total capital improvements for the 10-year period (2017 to 2026) add up to \$28.8 million. Table E-2 in Appendix E includes these capital projects on a 10-year timeline. The Capital Improvement Plan is expected to be reviewed annually and updated every 2 years by the Port. The latest version of the Port's Capital Improvement Plan is included by reference to the Comprehensive Scheme.

The extent of funding available for capital improvements varies substantially from year to year and depends on multiple sources of funds for implementation, as described in Port Revenues and Expenses above, and as outlined in the 2017 to 2026 One-time Revenues in Table E-2. The outside sources of revenue include grant funds from the state and federal government, local partnering agencies' contributions for economic development, and private contributions. The one-time revenues include expected land sales from Port properties. These outside revenues and property sales, when combined with the annual revenue available to the Port and less Port annual operating expenses, provide the funds for capital improvements. As noted in Port Revenues and Expenses, the Port brings in approximately



\$5 million annually, and has \$3 million in operating expenses, leaving approximately \$2 million per year, plus grants and funding from land sales and Rural County Capital Funding to fund capital improvements.

The Port will comprehensively evaluate capital improvements every 2 years in the budgeting process and review the plan annually, with adjustments made as necessary based on any changes in land sale or other assumptions, partner commitments, and other relevant information updates.

Capital Improvement Plan Assumptions

The Capital Improvement Plan serves as a long-term financial plan for the Port and is not a budget. A detailed 2-year budget is developed every 2 years.

The Port's Capital Improvement Plan is based on the following assumptions:

1. The Port obtains a bank loan in the amount of \$5 million in 2017 to help fund improvements for Vista Field redevelopment.
2. The projected land sales occur generally as assumed in timing and sales amount. Changes in land sales assumptions could substantially affect the project's implementation schedule.
3. The Port receives the full amount of Rural County Capital Funding (projected at \$2,950,000 through 2023) from Benton County.
4. The Port Commission adopts a policy on how to disburse funds from the "Opportunity Fund," which is a small funding amount set aside each year to support projects proposed by development partners.
5. The Port hires another maintenance technician and another staff person for Vista Field in 2018.
6. Operating revenues increase by at least 2% per year.
7. Operating expenses increase by no greater than 4% per year.
8. Non-operating expenses increase by no greater than 5% per year.
9. Property tax revenues increase by at least 4% per year.
10. The analysis does not factor in the acquisition of any additional properties by the Port. If the Port wanted to modify the Capital Improvement Plan by acquiring, for example, one or more additional properties, then other adjustments in the plan would need to be made to offset the impact. Similarly, as another example, delays in expenditures could also result in plan adjustments.

Process for Evaluating Future Investment Opportunities

Overview

Consistent with the Port Mission and Goals described above, including the referenced resolution (No. 2014-31) describing Port objectives for budget and financing goals for future Port projects, the Port Commission adopts the following additional policy as part of the 2016 Comprehensive Scheme update. The Port intends to use this process to identify, evaluate, prioritize, and implement its most important future capital projects. The Port Commission recognizes the numerous opportunities regularly proposed for Port consideration must be balanced against available resources, including availability of staff and availability of financial resources. The main components of the Port's Capital Project Prioritization Policy are:

- *Project Identification – Projects will be identified through various sources, including:*
 - The adopted Comprehensive Scheme of Harbor Improvements
 - The adopted biennial budget and work plans
 - Discussions with jurisdictional partners and staff, and the public



- *Project Evaluation* – With the assistance of staff, the Port Commission will prioritize projects based on cost estimate evaluation, cost/benefit analysis, and public demand and other, less easily quantified factors, including jurisdiction priorities, emerging needs and opportunities, supplemental funding for projects partially funded, and public input received.

Organizational Considerations

Review will be conducted to evaluate if the project is consistent with the Port's mission and priorities established in the Comprehensive Scheme and associated documents adopted by reference. Additional considerations would also include:

- Does the project meet an identified need?
- Does the project support Port, community, and/or private-sector economic development objectives?
- Does the project serve multiple user groups?
- Does the project foster or enhance a public/private or public/public partnership?

Fiscal Considerations

Fiscal considerations will also be reviewed as part of determining whether the Port will invest in future opportunities:

- What are the costs of the project, including initial costs, maintenance costs, and lifecycle costs?
 - How were costs calculated and by whom (finance director, Certified Public Accountant, Certified Financial Planner, economic planner, or others)?
- Does the Port have the financial and organizational capacity to undertake and manage the project?
- Can the project leverage public or private resources with other partners and funds to maximize benefits?
- Does the project have a positive ROI?
- Would the project increase the tax base, increase revenues to the Port, contribute to the vitality of the community, and help attract regional and national tourism?

Social/Environmental/Legal Considerations

Social, environmental, and legal considerations will also be reviewed:

- Is the community involved and supportive of this project?
- If the project is not implemented, will a strategic opportunity be lost?
- Is the project appropriate for the proposed site's natural systems, topography, and/or neighboring land uses?
- Are there potential adverse impacts associated with the project?
- Does the project comply with all federal, state, or local government laws or regulations?

Project Design, Planning, and Readiness

Design, planning, and project readiness considerations will also be reviewed:

- Does the site or project require extraordinary or unique purchase cost, architectural/engineering, or other efforts or commitments of financial or staffing resources?
- Is the project ready (e.g., design completed and permits in hand)?
- Is there a reasonably foreseeable user for the project (i.e. "bird in hand")?

Project Evaluation

Initial project screening shall begin with staff providing a brief description of each project. The Port Commission shall then review, evaluate, and rank each project based on the above criteria. High-priority projects shall be incorporated into the draft work plan.



FUTURE COMPREHENSIVE SCHEME REVISIONS

Future Comprehensive Scheme document review and update is planned every 5 years. The next comprehensive update is planned to begin in late 2020 and be finalized by the end of 2021.

Review and updates that result in more minor adjustments to certain elements of the Comprehensive Scheme are planned every 2 years, in parallel with the Port budgeting process, to incorporate new information and adjust strategy changes in redevelopment priorities and changes in policy that could occur. The updated budgets and Capital Improvement Plans will supersede the financial projections included in this 2016 Comprehensive Scheme, in effect amending the financial components of the Comprehensive Scheme every 2 years. The next review is planned for 2018, in preparation for the 2019 to 2020 budget period.



REFERENCES

HDJ (Hopper Dennis Jellison), 2008. Clover Island Shoreline Improvement Plan. Available from:
<http://portofkennewick.org/documents/080122CIShoreline-FinalDraft.pdf>. January 2008.

Makers (Makers Architecture and Urban Design), 2005. Clover Island Master Plan.

PoK (Port of Kennewick), 2016. Port of Kennewick September 10, 2016 retreat meeting minutes.



An aerial photograph of a rural landscape, likely a farm or agricultural area. The image shows a grid of rectangular fields, some of which are planted with crops. There are several small buildings, possibly farmhouses or barns, scattered throughout the landscape. A road or path runs diagonally across the middle of the image. The overall scene is a typical representation of a rural agricultural setting.

Appendix A

List of Abbreviations

LIST OF ABBREVIATIONS

AVA	American Viticultural Area
BNSF	Burlington Northern Santa Fe
CC	Commercial Community
CG	Commercial General
CLI	Commercial/Light Industrial
CM	Commercial Marina
Comprehensive Scheme	Comprehensive Scheme of Development
CTUIR	Confederated Tribes of the Umatilla Indian Reservation
DPZ	Duany Plater-Zyberk
GMA	Growth Management Act
IH	Heavy Industrial
IL	Industrial Light
ISI	Integrated Structures Incorporated
KID	Kennewick Irrigation District
MOU	Memorandum of Understanding
PNNL	Pacific Northwest National Laboratory
Port	Port of Kennewick
RCW	Revised Code of Washington
ROI	return on investment
UGA	Urban Growth Area
UP	Union Pacific
USACE	United States Army Corps of Engineers
VFDF	Vista Field Development Facilities
WESD	Washington State Employment Security Department



An aerial photograph of a rural landscape, likely in the Midwest, showing a grid of agricultural fields and scattered farm buildings. A prominent road or railway line runs diagonally across the lower half of the image. In the background, a range of hills or mountains is visible under a clear sky. A white rectangular box is overlaid on the upper left portion of the image, containing the title text.

Appendix B

Partner, Public Meeting, and Port Commission Retreat Summaries

MEMORANDUM

To:	Tom Moak, Port Commissioner Larry Peterson, Director of Planning and Development Port of Kennewick	Date:	June 2015
From:	Ben Floyd, Anchor QEA, LLC	Project:	140691-01.01
Cc:	Port Public Partners		
Re:	2015 Comprehensive Scheme of Development Update – Partner Meeting Summaries		

In March and April 2015, Port of Kennewick (Port) leaders met with representatives from the cities of Benton City, Kennewick, Richland, and West Richland, and the Ports of Benton and Pasco, in preparation for the 2015 Comprehensive Scheme update. A summary of the discussions from these meetings is provided in this memorandum. A summary of meeting dates and attendees are provided in Table 1.

Table 1
Port Public Partners Meetings

Date	Public Partners	Attendees	Port of Kennewick Attendees
3/13/2015	Benton City	Mayor Lloyd Carnahan, Stephanie Haug, City Clerk	Larry Peterson, Planning Director Ben Floyd, Anchor QEA
3/13/2015	Benton County	Commissioner Jim Beaver Adam Fyall, Parks and Recreation Director	Larry Peterson, Planning Director Ben Floyd, Anchor QEA
3/13/2015	City of West Richland	Mayor Brent Gerry Aaron Lambert, Comm. Dev. Director Roscoe Slade, Public Works Director	Larry Peterson, Planning Director Ben Floyd, Anchor QEA
3/27/2015	Port of Pasco	Randy Hayden, Executive Director Gary Ballew, Director of Economic Development and Marketing	Tom Moak, Port Commissioner Larry Peterson, Planning Director Ben Floyd, Anchor QEA
4/10/2015	Port of Benton	Scott Keller, Executive Directors	Tom Moak, Port Commissioner Larry Peterson, Planning Director Ben Floyd, Anchor QEA

Date	Public Partners	Attendees	Port of Kennewick Attendees
4/10/2015	City of Richland	Bill King, Deputy City Manager Brian Moore, Redevelopment Project Supervisor Pete Rogalsky, Public Works Director	Tom Moak, Port Commissioner Larry Peterson, Planning Director Ben Floyd, Anchor QEA
Multiple dates	City of Kennewick	Several City staff	Several Port staff

Benton City – March 2015

- City is working on appraisal for Washington Department of Natural Resources (DNR) lands south of I-82; issue with federal Bureau of Land Management ownership and ability to transfer out of federal ownership.
- Port of Kennewick could potentially assist with infrastructure on I-82 sites.
- City still needs to coordinate with the Kennewick Irrigation District (KID) on the land they own at the I-82 site to see how they might participate as a potential development partner.
- Planned interchange improvements that would be beneficial to the City:
 - Phase 1 – Round-about improvements (potential for construction in Fall 2018).
 - Phase 2 – Red Mountain Road freeway interchange.
- Considering development potential in the downtown area.
- Redevelopment with historic building structures.
- The wine barrel manufacturing business is doing well.
- Business in town that manufactures steel tanks for the wine industry is doing well (producing 100 to 200 tanks per year).
- Benton City retail competes with Queensgate development in Richland.
- Relies on up to 15,000 in population within the school district.
- The City wondered whether the Port had experience with commercial kitchens. They were considering whether there was an opportunity to use an existing kitchen in a restaurant.

Benton County – March 2015

Vista Field

- Send follow-up email to Commissioner Beaver regarding monthly meetings.
-

- Discussed the possibility of a proposed driving aisle through the County's Justice Center parking that would improve connection between Vista Field and Columbia Center.
- The Port is coordinating with Ben Franklin Transit.
- Explore opportunities to connect the Richland Museum District/Hanford Reach Center with Vista Field.

Badger Mountain Trailhead Parking

- The County appreciates the support the Port provided of \$150,000 to help improve trailhead parking.

Two Rivers Park

- The County is considering pursuing grant funding for a boardwalk with viewing platform. Port could potentially be a partner to provide support for the County's grant funding request.

City of West Richland Meeting Summary – March 2015

- The City is pursuing a Recreation and Conservation Office (RCO) grant for a trail connecting up with Van Giesen and extending around the perimeter of the West Richland golf course.
 - Racetrack and Red Mountain Center Master Planning:
 - Started in late January 2015.
 - Starting to discuss transportation improvement and changes in road alignments.
 - Zoning changes to have similar development standards.
 - Development targets include wine and spirit-focused businesses.
 - Comprehensive Economic and Development Strategy (CEDS) will include proposed improvements for roads, as well as water/sewer line extensions from planned effluent treatment facility to racetrack.
 - Potential Port partnership on pursuing federal Economic Development Administration (EDA) grant application; seeking \$1.7 million.
 - Submit application by June 2015.
-

- EDA application is triggered if the City received outside funding to help identify equitable ways to distribute funds.
 - State Representative Sharon Brown requesting state funding of \$500,000 in local matching funds.
- Belmont Road Property includes a 10-acre site with city shops, and city is developing design standards.
- Washington State Department of Ecology (Ecology) is looking at wineries on Red Mountain for phased permitting.

Port of Pasco Meeting Summary – March 2015

General:

- Avoid duplication of work.
- Consider ways to increase access and connectivity between East Pasco and East Kennewick (e.g., water taxi?):
 - Promote collaboration between entities.
 - Enlist congressional support and broaden vision for addressing federal levees.
 - Hold joint commissioners' meetings, followed by tour of East Pasco and East Kennewick.
 - Explore opportunity to share visions and lessons learned.
- 75th Anniversary is in August 2015:
 - Celebration event will be held on August 4.
- Port will continue to look for opportunities to develop heavy industrial properties.
- Partnering with Connell on dairy processing feasibility and wastewater analysis.
- Support rail interchange for better access.
- Food manufacturing is a future target industry.

Marine Terminal Redevelopment

- Maul Foster Alongi is conducting a \$200,000 plan, including offices and retail space with some back-area production, all centered around a market square.
 - The plan envisions an upscale development with southwestern-themed styles similar to examples in San Diego and San Antonio developments.
 - Wineries were not considered in this plan.
 - Consider synergy between Columbia Gardens and the Marine Terminal sites.
-

- Development timeframe is 10 to 15 years.

Big Pasco Industrial Center and Osprey Pointe

- The industrial center is currently at 65% occupancy.
- Building roofs have been replaced and dock maintenance and replacements will occur next.
- Big warehouse capacity is available.
- Large space is more limited for rail lay-down yard needs.
- Parsons invested in some facility updates.
- Flood elevation is 2-feet higher on this site (a Letter of Map Revision has been approved by the Federal Emergency Management Agency for Osprey Point and Big Pasco)].

Tri-Cities Airport

- The airport is very important for growth and development.
- Port is seeing a 3% increase in air services (number of seats filled).
- Working to secure American Airlines service to Los Angeles.
- Grant application submitted by the Port to Washington State Department of Transportation requesting \$200,000 in funding to support improvements at airport.
- There is a marketing emphasis on northeast Oregon.
- Airport remodel is going well and on schedule to be completed within the 20-year build-out timeframe.
- Airport appearance at the gateway will be improved.

Airport Business Park

- The site includes 75 acres and includes airport tenants and retail at the major intersections.

Port of Benton Meeting Summary – April 2015

- Port is helping support the Wine Science Center at WSU Tri-Cities:
 - Center is enrolling 180 to 200 new students.
 - Dormitories constructed next to the starch plant just north of the branch campus.
-

- New developments in North Richland includes a new brew pub, GESA Credit Union, and three apartment complexes.
 - 3000 Area property transferred to the Port using the federal Maritime Act:
 - Under this authority, Port cannot sell land.
 - Working on getting deed release so they can sell.
 - Potential industries include research and development, business incubator space, and commercial development.
 - Historical Port policy is not to sell land, but present policy allows selling or leasing:
 - Charge \$3 to \$5 a square foot sale price.
 - There are 100 acres available in North Richland.
 - There are 750 acres in the Manufacturing Mall.
 - There are 71 acres in the 3000 area.
 - There are 200 acres of Hanford property.
 - The Port has begun buying old buildings and fixing them up. For example, there are two older building in Benton City that could be fixed up.
 - The Port receives \$4 to \$5 million a year of rental income (\$1.9 million in taxes), which is covering operation costs.
 - Richland Airport site:
 - Consists of 40 acres.
 - Has a 300-aircraft capacity.
 - Fixed Base Operator does a good job.
 - Prosser Development:
 - Businesses include:
 - Chukar Cherry
 - Prosser Airport (doing well)
 - Milne Fruit
 - Fruit Smart
 - Vintners I (built out)
 - Vintners II (not selling as quickly as Port had expected)
 - Crow Butte Park (breaking even):
 - Port receiving positive feedback for taking over the Park.
-

- \$250,000 in Port property tax revenue per year received from agriculture lands around Crow Butte.

City of Richland – April 2015

Island View

- Smaller residential parcels need to be consolidated, along with an updated street grid, which is built at a finer scale than needed.
 - Consider coordinating redevelopment planning for this area with the planned City infrastructure improvements:
 - Columbia Park Trail has improvements planned and supported by Transportation Improvement Board funds.
 - Stormwater discharge to the river – funding from Ecology and potential matching Port funds (\$100,000 to \$300,000).
 - Multi-family and mixed-use redevelopment potential.
 - Pedestrian overpass over Highway 240 – Align on Center Parkway or connect to the Island View or Hanford Reach Center.
 - West Columbia Park:
 - Land to south is private.
 - Connect Fowler to Reach Road as part of a Museum District plan.
 - Columbia Center North – Could be potential for mixed use?
 - C2 (current) zoning does not encourage mixed use.
 - Zoning in this area is still residential (and under diverse ownership).
 - Perhaps the Port would consider purchasing vacant properties to south of Hanford Reach Center?
 - Mid- to long-term outlook for Island View:
 - Partner on road project improvements.
 - Develop and begin implementing a strategy for assembling smaller properties.
 - Redevelop Columbia Center North into mixed-use development.
 - Biggest impact opportunity could be to purchase Sleater triangle (triangle next to Highway 240/Columbia Park Trail exit).
 - Parcel record and property boundaries search might prove helpful.
-

- Potential for a restaurant district, similar to Rainey Street district in Austin, Texas, in the small houses near SagePort Grille?
- The City has zoning in place in the Central Business District to encourage the kind of development desired.
- A Memorandum of Understanding (MOU) is in process to address zoning and street vacations, and identify the strategic plan. MOU to be updated following completion of ownership study.

City of Kennewick

Kennewick Waterfront and Vista Field

- The Port meets regularly with City of Kennewick officials on the two redevelopment projects underway within the City to discuss partnerships, future land use, and infrastructure improvements.
-

MEMORANDUM

To:	Tom Moak, Port Commissioner Larry Peterson, Director of Planning and Development Port of Kennewick	Date:	June 2015
From:	Ben Floyd, Anchor QEA, LLC	Project:	140691-01.01
Cc:	Port Public Partners		
Re:	2015 Comprehensive Scheme of Development Update – Port of Kennewick: Public Meetings		

In March and April 2015, in preparation for the 2015 Comprehensive Scheme update, the Port of Kennewick (Port) hosted four public meetings to solicit public input on future use and development plans for the Port properties. Meetings were held in West Richland on March 12, Richland on April 6, and Kennewick on April 9 and 20. A summary of the discussion from these meetings is provided in this memorandum.

Comments:

General:

- Development approaches:
 - Take the time to do it right versus “ready, fire, aim” approach.
 - Consider return for communities in cost/benefit analysis methods.
 - Consider demographic trends; younger demographics are not staying in the area.
 - Clearly identify Port District Commission boundaries.
 - Consider relationship of Port actions to other Ports and regional benefits.
 - Preserve railroad right-of-way for rail purposes.
 - Confirm the mix of projects and properties seems like a “great mix.”
 - Port should weigh in on proposed changes in Benton County land use and zoning that could limit urban sprawl.
 - Industrial areas provide assets.
-

Vista Field:

- Opportunities:
 - Work with the Public Facility District (PFD) or performing arts to establish a “cornerstone” in the northwest area.
 - Consider parking or outdoor storage opportunities in the vicinity of the existing runway.
 - Identify other development catalyst opportunities.
- General Considerations:
 - Consider 50 to 60 years out for visioning.
 - The old Amera building is not consistent with the Port’s vision.
 - The southeast area of the Vista Field is in an industrial setting.
 - Develop a memorandum of understanding (MOU) with the City of Kennewick/PFD.
 - Get the Vista Field plan moving with an anchor business/catalyst.
 - Consider how Vista Field redevelopment can affect quality of life for the area.
 - Vista Field Stages 1 and 2 has received kudos.
- Business/Industry Considerations:
 - Performing Arts facility:
 - Conceptual Design for Stage 1 of the facility can provide a development catalyst for Vista Field.
 - The timing for this facility development is approximately 2 to 3 years out, giving the Port time to develop more detailed master plan for Vista Field.
 - The facility is believed to be financially feasible, although funds are not yet secured.
 - Mid-Columbia Symphony is a big asset for the Tri-cities.

Island View:

- Opportunities:
 - Small lots that can be reconfigured.
 - Several rental properties currently exist.
-

- There is an opportunity to provide connectivity between Island View and Vista Field.
 - Center Parkway extension is also an opportunity to provide a connection to Island View.
 - The property is located near the Ben Franklin transit center on Columbia River Trail.
 - A future step is to consolidate/reconfigure lands under private ownership.
 - Trail system ideas and comments for connecting Columbia Center, Vista Field and Island View include:
 - o Connections to provide for bicycle/pedestrian access.
 - o Conceptual Plan is needed.
 - o Determine how to provide for a pedestrian bridge on Highway 240 on the Center Parkway alignment.
 - o Vista Field can be connected to the Hanford Reach Center.
 - o Trolley bus line could be a first step to an ultimate physical connection between Vista Field, the Reach Center, and Island View area.
 - Concerns:
 - Compare sprawl associated with greenfield development versus in-fill development that could occur at Island View.
 - Evaluate if there are water quality issues with shoreline.
 - Business/Industry considerations:
 - An investment the Port should consider for development is a Performance and Visual Arts Center.
 - Consider potential development opportunities at Kiona along I-82 south of Benton City.
 - Locust Grove exit and property owned by Trios could be an opportunity area. Potential for trading land with Trios?
 - Small unit nuclear facilities could be an opportunity.
 - General comments:
 - Focus on Island View opportunities.
 - Capture/utilize benefits that can come from a locally, highly educated workforce.
-

- Explore opportunities at Badger Mountain South, supporting a North Richland Bridge, and look at other areas too.
- U.S. Army Corps of Engineers involvement opportunities:
 - Lower levees.
 - Relocate Columbia Park Trail.
 - Redevelop Columbia Center North.
 - Approval to relocate road away from the Columbia River by Hanford Reach Center, opening up more shoreline area for potential development.
 - Approval for developing area around Duffy's Pond.

Questions and Answers

Q: What is the western boundary of the Port district?

A: The Port District extends to an area just west of Benton City and near the Yakitat Road exit on I-82, and then along the northern edge of the Horse Heaven Hills just south of I-82, and then in a line roughly along South Plymouth road south to the Columbia River. The Port has a boundary map available with additional detail.

Q: Is the Oak Street industrial area still owned by the Port?

A: Yes.

Q: What is the change in the Urban Growth Area (UGA) boundary in West Richland versus Kennewick?

A: The City of West Richland UGA was extended to include the Port's Light Industrial business park (former Tri-Cities Raceway). Kennewick sought a UGA expansion south of I-82 near Locust Grove Road, but this extension has not been approved.

Q: Is the Port providing comments on Benton County's zoning/land use revisions intended to reduce sprawl?

A: The Port provides comments to the County when necessary.

Q: What will happen to the old Port office?

A: It will be removed as part of Clover Island redevelopment.

Q: What type of Clover Island hotel improvements would occur and what would be the length of the lease agreement?

A: The Port has been in discussions periodically with Clover Island Inn on potential improvements and expects continued discussions in the future.

Q: Are there plans to breach the causeway?

A: Federal permitting agencies are not likely to approve a causeway breach, so the Port has stopped pursuing this idea. Additionally, the costs for breaching the causeway could cost several million dollars.

Q: How much parking could be provided on Columbia Drive?

A: Up to 1.5 acres could be available for parking

Q: Is there private sector interest for Vista Field?

A: Yes, there is private-sector interest, but the Port is holding off on engaging private-sector investment until a development strategy has been established.

An aerial photograph of a coastal town and agricultural fields. The town is built on a flat area with a grid-like street pattern. There are many small houses and some larger buildings. A body of water is visible in the background, and a road or railway line runs through the town. The foreground shows large, rectangular agricultural fields.

Appendix C

Port of Kennewick History

Highlights



History Highlights *of the* Port *of* Kennewick

Prepared for

Port of Kennewick
350 Clover Island Drive, Suite 200
Kennewick, Washington 99336

Prepared by

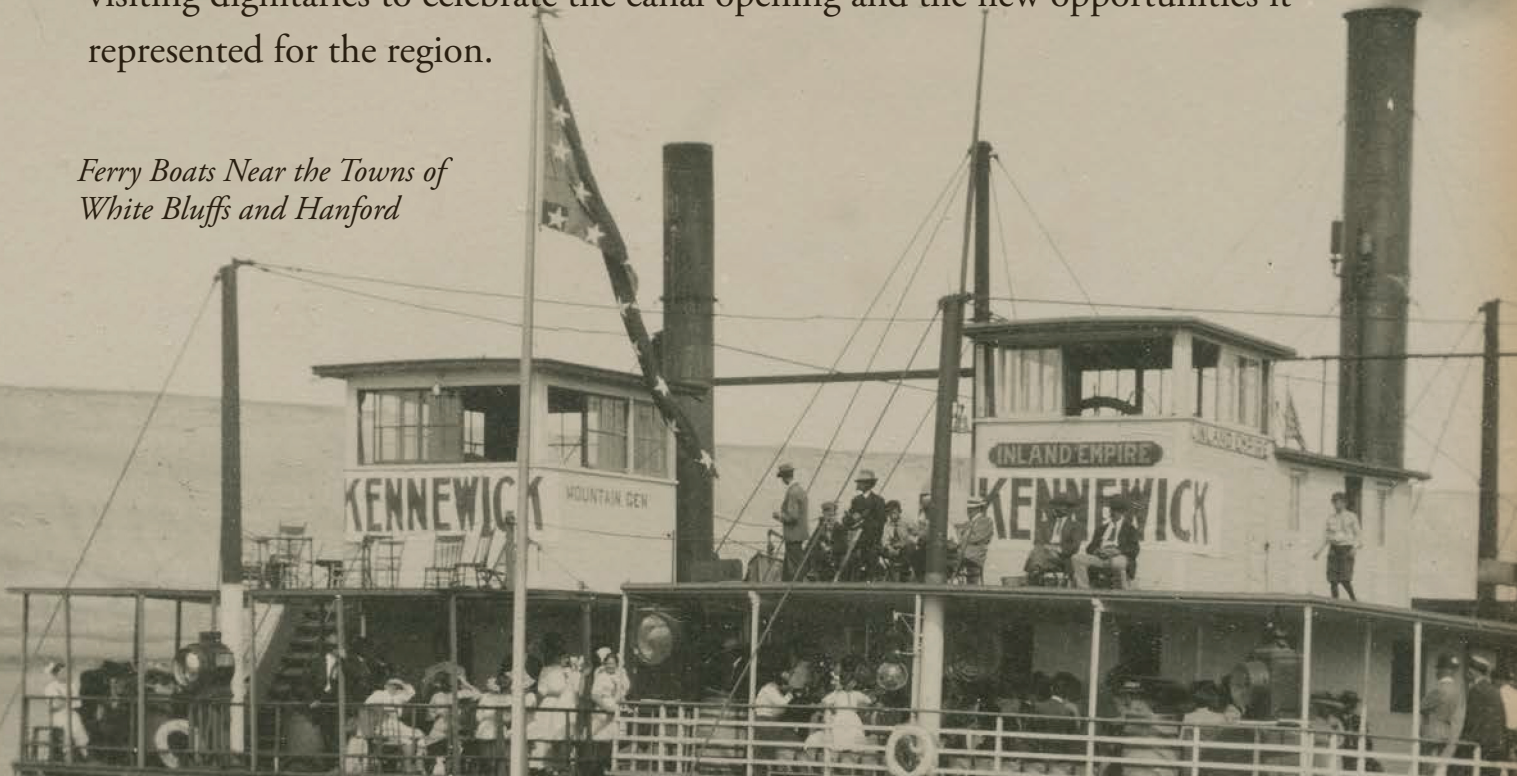
Anchor QEA, LLC
8033 W. Grandridge Blvd., Suite A
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March 2015

Port Created March 6, 1915

Creation of the Port of Kennewick was initiated by the Kennewick Commercial Club, which wanted to capitalize on the Celilo Falls navigation canal (Celilo Canal) opening in May of 1915. The Port creation had strong community support, with 282 out of 379 voters (75 percent) supporting the Port's creation. The opening of the canal allowed river traffic from Portland through the Cascade Canal and Locks and from the Celilo Canal to the upper Columbia and Snake rivers. A grand banquet was held in Kennewick for visiting dignitaries to celebrate the canal opening and the new opportunities it represented for the region.

*Ferry Boats Near the Towns of
White Bluffs and Hanford*



"It is not only opportune, but absolutely imperative that Kennewick should be awake and doing her share of this toiling, hoping, progressing. The first step to take is the creation of a port district."

Kennewick Courier-Reporter Editorial, March 1915



Celebration of Celilo Falls Canal opening in Kennewick

The Port of Kennewick immediately began to operate docks, approach and landing facilities, leasing these facilities from the Kennewick Improvement Corporation (a private entity that had organized in 1909 to develop the facilities) for \$1 per year. By the summer of 1915, shipments of cargo and passengers were leaving from and arriving at Kennewick's docks.

In 1916, the Port held a public hearing and adopted its first Comprehensive Scheme document, which needed voter approval before any funding could be expended. Included in the Comprehensive Scheme were modest proposed

improvements to the Ivy Street Terminal, a suggested concept to close off the upstream end of the channel between the shoreline and Clover Island, and dredging to create a boat basin. The comprehensive scheme was approved by a small majority (118 to 97), with some controversy regarding whether the public or private sector should be paying for proposed improvements.

The Port's budget was \$2,000 in 1916 and \$1,800 in 1917. During this time, the Port constructed the Ivy Street Terminal for handling cargo and passengers, and also authorized the building of a new warehouse next to the

waterfront to handle record-setting cargo volumes. In 1917, the Port purchased the previously leased land and assets from the Kennewick Improvement Corporation for \$1,200. The following year, steamboat activities came to a halt due to rail competition and barges, which began replacing the less efficient steamboats.

The drop in steamboat traffic and rises in rail and motor vehicle traffic spurred the Port to refocus its activities. For the next several years, the Port concentrated on building rail- and water-transfer facilities and warehouses.

Docking and Loading Facilities for Boats and Barges

In the early 1900s, the Port of Kennewick provided docking and terminal facilities for steamboats, as a direct result of the opening of Celilo Falls navigation canal. The *Inland Empire* was one of the boats that travelled to Kennewick, where it served as a local ferry for several years, moving goods and people in and around the area from the Port's docking and terminal facilities. A significant flood occurred in 1926 that severely damaged the Port's dock and loading facilities, causing a period of Port inactivity until the 1940s.

In the early 1940s, World War II stimulated docking and loading activities in the Port. In 1941, the Port acquired a portion of Clover Island and leased property to Columbia Marine Shipyards for a barge-building site on the island. This barge-building site complemented the Port-constructed bulk grain conveyer and elevator, and a dock extending more than 390 out into the Columbia River from the mainland just downstream of Clover Island.



Port dock facility in 1922, just downstream of Clover Island



Port of Kennewick Facilities circa 1920



Ivy Street Terminal (Port of Kennewick 1941)



The Winquatt tugboat and Port of Kennewick barge were constructed on Clover Island on Port-leased land

Two 175-foot barges were built and launched at Kennewick in the 1940s, and one was christened the *Port of Kennewick*. In 1944, the *Winquatt*, once known as the most powerful tugboat in the world, was also built at Clover Island.

Another large flood occurred in 1948 that caused significant

damage to Port barge and boat loading facilities, and this ended the Port's involvement in these type of facilities in the vicinity of Clover Island.

After the Port District boundary expanded in 1954, the Port constructed a dock and waterway at the Hedges Industrial Area

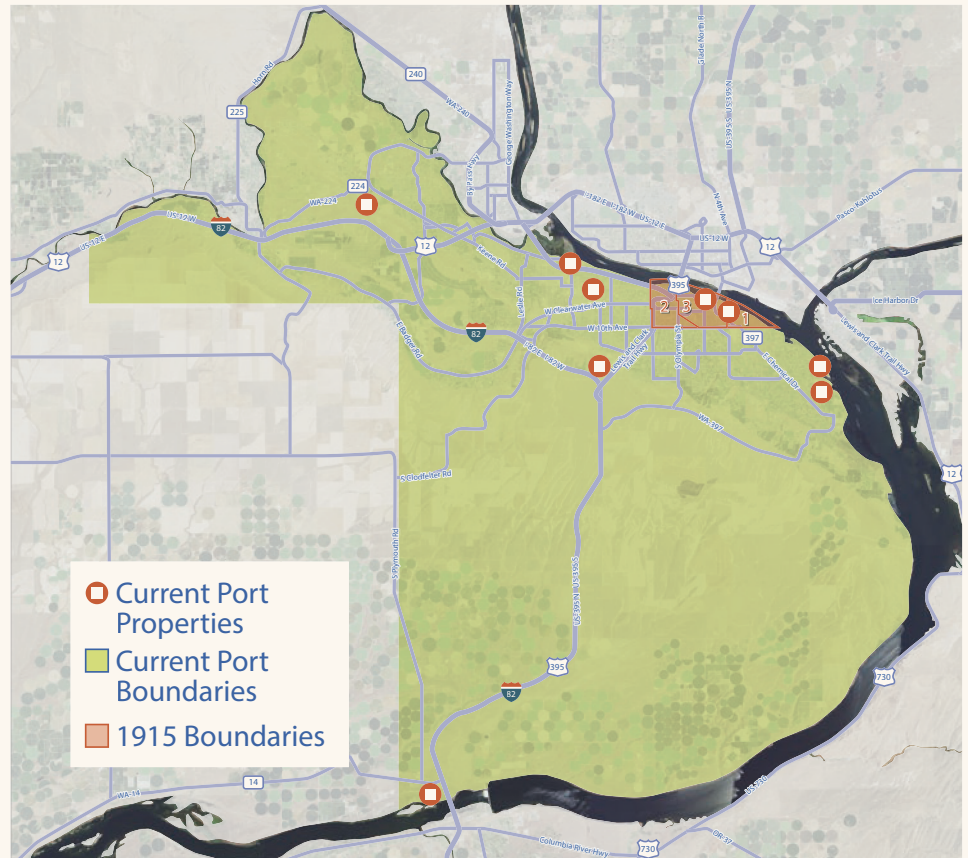
in Finley to serve the chemical manufacturing businesses beginning to locate in that area. In 1967, the Port sold the Hedges land and presumably the associated water facilities to the Collier Carbon Chemical or other industrial businesses in the area, ending the Ports involvement in dock and barge loading facilities.



Port Commissioners, A.I. Smith, George R. Turner, and Harry A. Linn attend a barge launch

Historical and Current Port District Boundaries

The Port of Kennewick District boundary originally extended south from the Columbia River at the middle of the present-day Columbia Park Golf Course, to the intersection of US 395/10th Avenue, and then due east along 10th Avenue to the Columbia River. In 1954, after seven years of construction, the McNary Dam was finished, which provided flood control along the Columbia River and improved navigation to the Tri-Cities area. The dam created new opportunities for the Port of Kennewick, with improved navigation and more river-accessible land in the City of Kennewick and Benton County. These opportunities led to an expansion of the Port District, additional Clover Island development, and heavy industrial development in the Finley and Hover areas of east Benton County. Property acquired by the U.S. Army Corps of Engineers and associated with McNary Dam construction was designated for



Port of Kennewick current boundaries

industry, recreation, and habitat, and industrial land was made available to public agencies. This additional industrial land was made available to the Port, which led to a proposal to expand the Port District.

In November 1954, 75 percent of voters approved the expansion of the Kennewick Port District to include an area constituting 485 square miles and comprising the eastern half of Benton County.

Port Supports the Navy During World War II and Later Invests in Rail in Downtown Kennewick



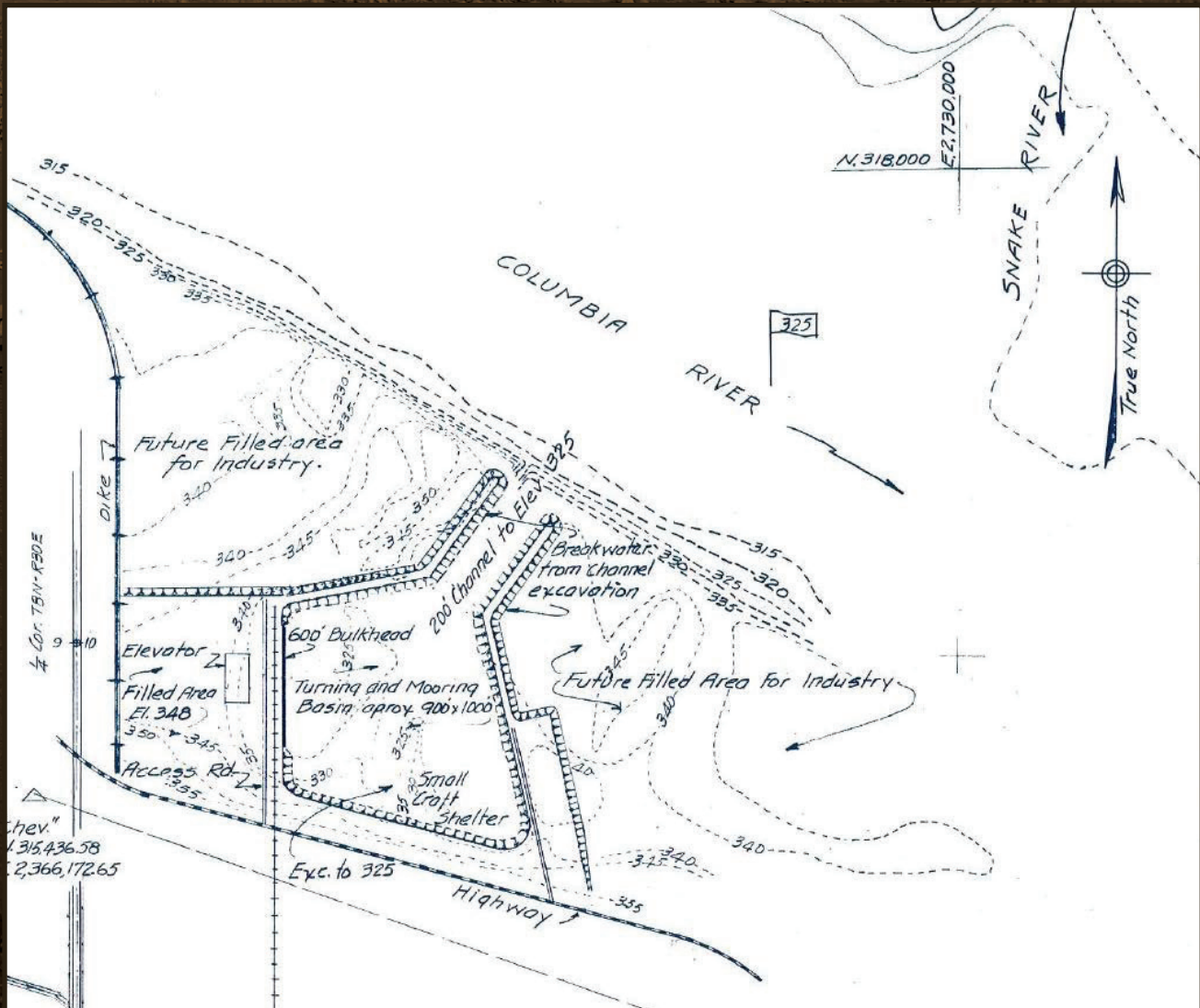
In 1942, representatives of the United States Navy called on the Port of Kennewick Commission to support the war effort by relinquishing to the Navy supplies of railroad steel and ties the Port had on hand for completion of a railroad spur track to Port facilities. The Port Commission felt duty-bound and obliged the Navy's request.

Rail was a primary means of moving products to and from the Port of Kennewick and other industrial properties in Kennewick during the 1940s. In 1941, Kennewick was served by three transcontinental railroads and originated thousands of railcars filled with frozen foods, canned goods, dressed poultry, asparagus, grape juice, cherries, and other commodities.

The Port had plans to develop additional rail spurs in the industrial areas of downtown Kennewick, but in 1942, the Port, in response to a request from the Navy, supported the war effort by donating steel and railroad ties.

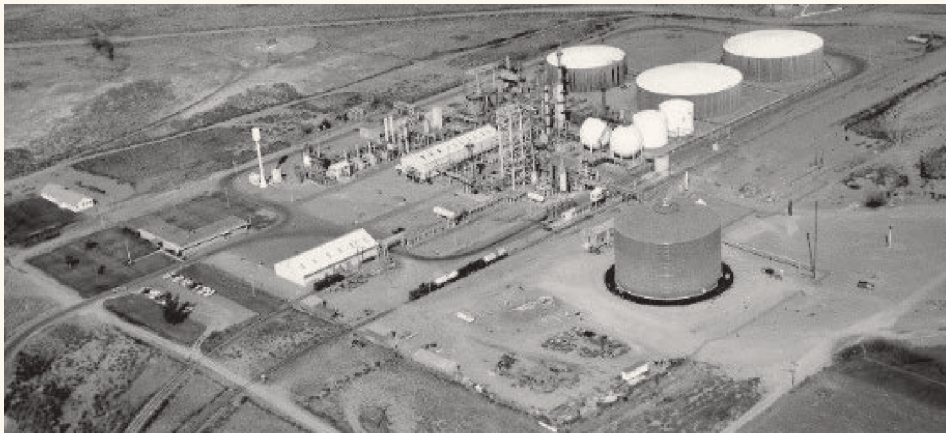
Rail development plans were placed on hold until after the war, and the Port made substantial rail investments in downtown Kennewick during the 1950s.

Present-day Two Rivers Park was once identified as a Port industrial site for barge-loading facilities.



Schematic from 1955 Comprehensive Scheme for Development Plan illustrating Camp Two Rivers (present-day Benton County Two Rivers Park)

1950s and 1960s Industrial Development (Chemical Row)



The Port acquired several industrial properties during the 1950s and 1960s in the Finley area. In 1956, after McNary Dam was constructed, the Port leased 314 acres of Columbia River waterfront land for development from the U.S. Army Corps of Engineers. Between 1953 and 1968, seven major firms established industrial operations in Finley, and the area became known as Chemical Row. These operations supported the U.S. Department of Energy Hanford Site Operations and produced fertilizer inputs to support the growing agricultural industry. A good example of this development occurred in 1957 when the Phillips Pacific Chemical Company built a \$15-million plant to produce anhydrous ammonia. The plant employed nearly 100 people and was considered

the area's largest private industrial development at the time.

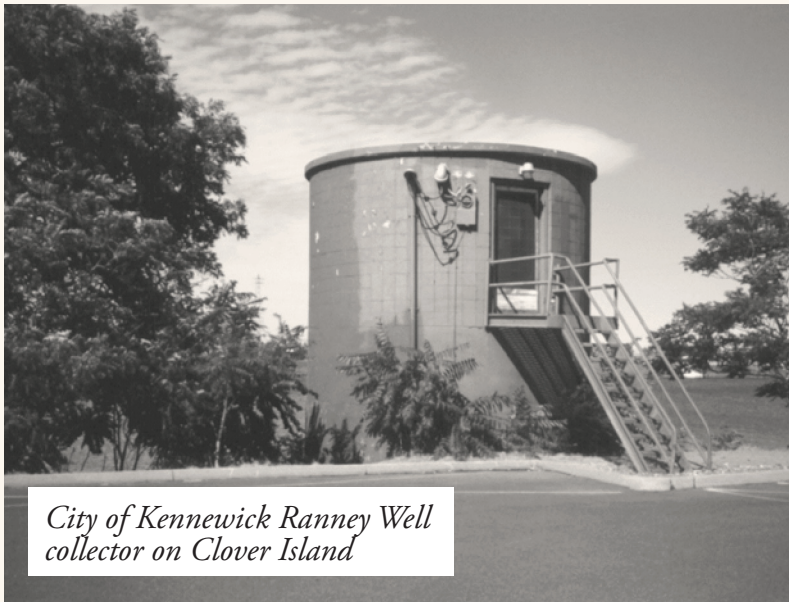
The Chemical Row area was known for its central location, ample transportation, low-cost power, and plentiful water. Total private investment in the Finley area from 1952 to 1964 exceeded \$23 million and resulted in approximately 250 new jobs. Most of these plants are still in operation today. Sandvik Special Metals also located in the Finley area and is currently a thriving business.

The Collier Carbon and Chemical Corporation bought a 40-acre site from the Port of Kennewick for \$140,000 at the present-day Hedges Industrial Area (now owned by Agrium), and the plant was finished in 1967.

1953 to 1968 Chemical Row Finley Area

1953	Allied Chemical (now Abandoned)
1957	Kerley Chemical
1957	Phillips Pacific Chemical (now Agrium)
1958	Gas Ice (now Air Liquide)
1960	Cal-Spray Chemical (now Agrium)
1967	Collier Carbon and Chemical Corporation (now Agrium)
1968	Sandvik Special Metals

City of Kennewick Water-Supply Facilities on Clover Island



The City of Kennewick had water-supply facilities on Clover Island from the 1950s through 1980. The first system was a filter bed in the “notch” area of the island, with pump stations just upstream, which were installed in 1952. This

system only lasted a few years before failing. Then, in the late 1950s, the City installed three Ranney Well collectors housed in round, concrete structures. These were located on the northern-side (river side) of the island. In

2002, two of the three Ranney well pumps were removed and the collectors were leveled and capped with concrete slabs. Safety railings were added, turning the slabs into viewing platforms.



Spaulding Business Park

In 1999, the Port of Kennewick purchased approximately 30 acres in the Richland Wye area, where the Yakima River enters the Columbia River. The land would be the future home of the Spaulding Business Park, which was named after the late Gene Spaulding, who had been a Port Commissioner for almost 36 years and retired in 1999. After spending \$610,000 preparing the land for sale, including the addition of roads, utilities, and street lights, the Port had a dedication ceremony for the new Spaulding Business Park in January 2003. Since the park's opening, the following businesses have located in the park: the Walker-Heye-Meehan

attorney office; New Edge; Reliance Medical; Vista Engineering; Arc of Tri-Cities; Eden Medical Center; Tri-City Chaplaincy; CV Development Medical Office; Dermahealth; Willamette Dental; and the Telquist Ziobro McMillen law firm. The Port has sold all but a 1-acre parcel within the business park, and private development has steadily occurred on adjacent property, including a large apartment complex and several office buildings. The Port's early investment tipped that tired neighborhood into desirable waterfront. Since 2007, private investment in the Spaulding Business Park resulted in a new building space worth \$32 million

in assessed property value and more than 300 new jobs.

Spaulding Business Park development is a good example of the Port's expanded redevelopment focus built on the guiding principles of achieving economic sustainability through revitalization, capitalizing on existing public sector infrastructure investments, and reconnecting communities to the rivers. In 2009, the Port received a Governor's Award for Workforce and Economic Development Best Practices for the Spaulding Business Park development.

Business Development Buildings

In addition to the Port of Kennewick's 100th anniversary, 2015 also marks the 30-year anniversary of the Development Building Program the Port launched in 1985, to provide start-up or expanding businesses with scalable spaces to meet their needs. The program was started based on findings from a business trip Port Commissioner Gene Spaulding made to New York City. Upon his return, he successfully pitched the idea to his fellow commissioners, and the Port constructed or acquired development buildings in its Oak Street Industrial Park and later at Vista Field, for a total of seven development buildings.

Notable businesses that have participated in this program include TiLite, PERSEUS Gourmet Products, Amara Cosmetics, Innovative Technology Lab, the Ag Engineering and Development Company, and others. These businesses created hundreds of jobs. TiLite is one of the most prominent Port success stories. During its time at the Oak Street Industrial Park, TiLite grew from a small, startup company into a thriving, 140-employee enterprise, before moving into a company-owned building. At Vista Field, development buildings have housed high-tech businesses such as Stavely Instruments (now Olympus),

Systek, Scitec, One World Telecommunications, ESTeem Wireless Communications, and Bruker. Bruker is an example of a local business using a Hanford technology spun off for private sector application. Bruker has become one of the world's leading analytical instrumentation companies.

Two of the five Oak Street buildings were recently renovated, and the Port is also upgrading Vista Field Development Building A. The Port continues to provide development space today.



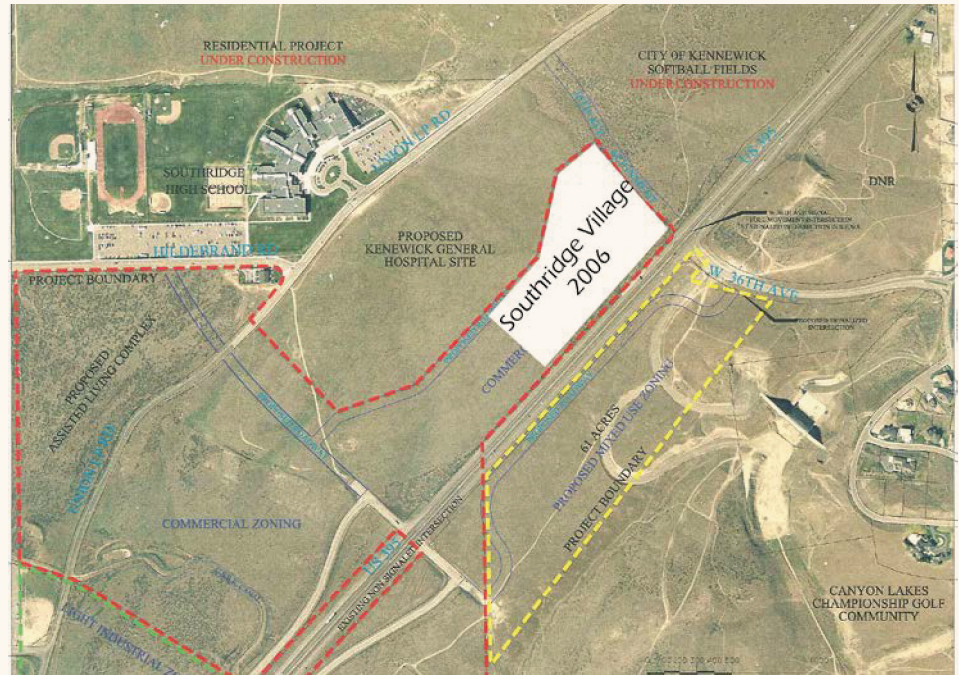
Oak Street Development Building signage



TiLite Facility

Southridge Area Development

The Dickerson “Southridge” property was purchased from the Washington State Department of Natural Resources in 1994. The property was named after Dave Dickerson, who served as Port Commissioner from 1977 until 1992, when he passed away. The original site included 160 acres, a majority of which were located on the west side of US 395. In 2002, the Port co-funded the Southridge Area Master Plan for a 2,500-acre area with the City of Kennewick, Benton Public Utility District, Kennewick General Hospital, and Kennewick School District. The City completed the Southridge Master Plan in 2004, which identified nearly all of the Port’s land for future commercial development. Realizing the land would not remain zoned for industrial uses as originally intended, the Port traded a portion of the site to Trios Health for a new hospital site. The Port also collaborated with the City of Kennewick to establish a local revitalization financing arrangement (commonly known as tax-increment financing) to support Southridge development. This partnership allowed local tax revenues generated in the revitalization area to fund infrastructure investments at Southridge.



Southridge Village

Development at Southridge has continued at a steady pace, including the development of Southridge High School, restaurants, retail shops, single- and multi-family housing, the City of Kennewick sports complex, the

Carousel of Dreams, and the new Trios Health hospital. Several hundred jobs have been created as a result of development in Southridge, and the area continues to grow.

Port Commissioners and Executive Directors

During the last 100 years, 36 Commissioners represented the Port of Kennewick, with Gene Spaulding having the longest tenure (36 years, from 1963 to 1998). James E. Magnuson served as a Port Commissioner for 21 years—serving from 1953 to 1973. Of the remaining Commissioners, six served more than ten years, including A. I. Smith (1931 to 1942), Paul G. Richmond (1943 to 1954), Ray F. Hamilton (1955 to 1966), Dave Dickerson (1977 to 1991), George Jones (1986 to 1997), and Gene Wagner (2002 to 2013).

Other Commissioners included: Ingwall Smith (1917 to 1924); G.R. Bradshaw (1924 to 1931); Willard Campbell (1931 to 1939); Jay Perry (1931 to 1939); George R. Turner (1940 to 1942); Harry A. Linn (1940 to 1942); Ralph E. Reed (1943 to 1944); Alfred C. Amon (1945 to 1952); Walter M. Knowles (1945 to 1952); Edward H. Weber (1953 to 1956); John H. Grigg (1957 to 1962); Wayne L. Rogers (1967 to 1973); Charles F. Markham (1974 to 1976); Gilbert J. Ackerman (1974 to 1978); Ray L. Elmgren (1979 to 1985); Paul L. Vick (1992 to 2001); Sue Frost (1998 to 2002); Norm Engelhard (1999 to 2001); John Olson (2000 to 2005); Dave Hanson (2003 to 2012); Linda Boomer (2006 to 2008); and Calvin Dudney (2008 to 2009).

The very first Commissioners were G. M. Annis (1915 to 1916), M. H. Church (1915 to 1924), and W. R. Weisel (1915 to 1923). Currently, the Board of Commissioners includes: Don Barnes, President; Skip Novakovich, Vice-President; and Thomas Moak, Secretary.



*Don Barnes,
President
(2012 to current)*



*Skip Novakovich,
Vice President
(2009 to current)*



*Thomas Moak,
Secretary
(2014 to current)*

Port Executive Directors

The Port has had six Executive Directors: John Neuman (1955 to 1973), Robert “Hank” Thietje (1974 to 1976), Art Colby (1974 to 1979), Sue Watkins (Frost) 1979 to 1997, John Givens (1997 to 2004), and Tim Arntzen (2004 to current).

A tall, cylindrical lighthouse with a tan-colored body and a dark blue upper section. It features a glass-enclosed lantern room at the top and a metal walkway with railings. The lighthouse is situated on a paved area with some young trees and a stone wall in the foreground. In the background, a body of water and a bridge are visible under a cloudy sky.

Port Achievements

The Port of Kennewick has achieved several notable successes during its 100-year history, including the creation of thousands of jobs in the District boundaries, stimulating Clover Island and Spaulding Business Park development, and helping many businesses grow. In recent years, Port investments and land sales (from 2007 through 2013) have resulted in the creation of more than 800 jobs, and private-sector investments of more than \$60 million. What began as a modest port focused on just a few services has grown to a multi-faceted organization providing a variety of economic development services in the Port District for the region.

Today, the Port's mission is to facilitate trade and economic development and to promote tourism. The Port owns and operates two industrial parks, Clover Island Marina, and other facilities and lands. It is also redeveloping several properties, including the former Vista Field Airport, Clover Island, the former Tri-City Raceway in West Richland, and properties along Columbia Drive in Kennewick.

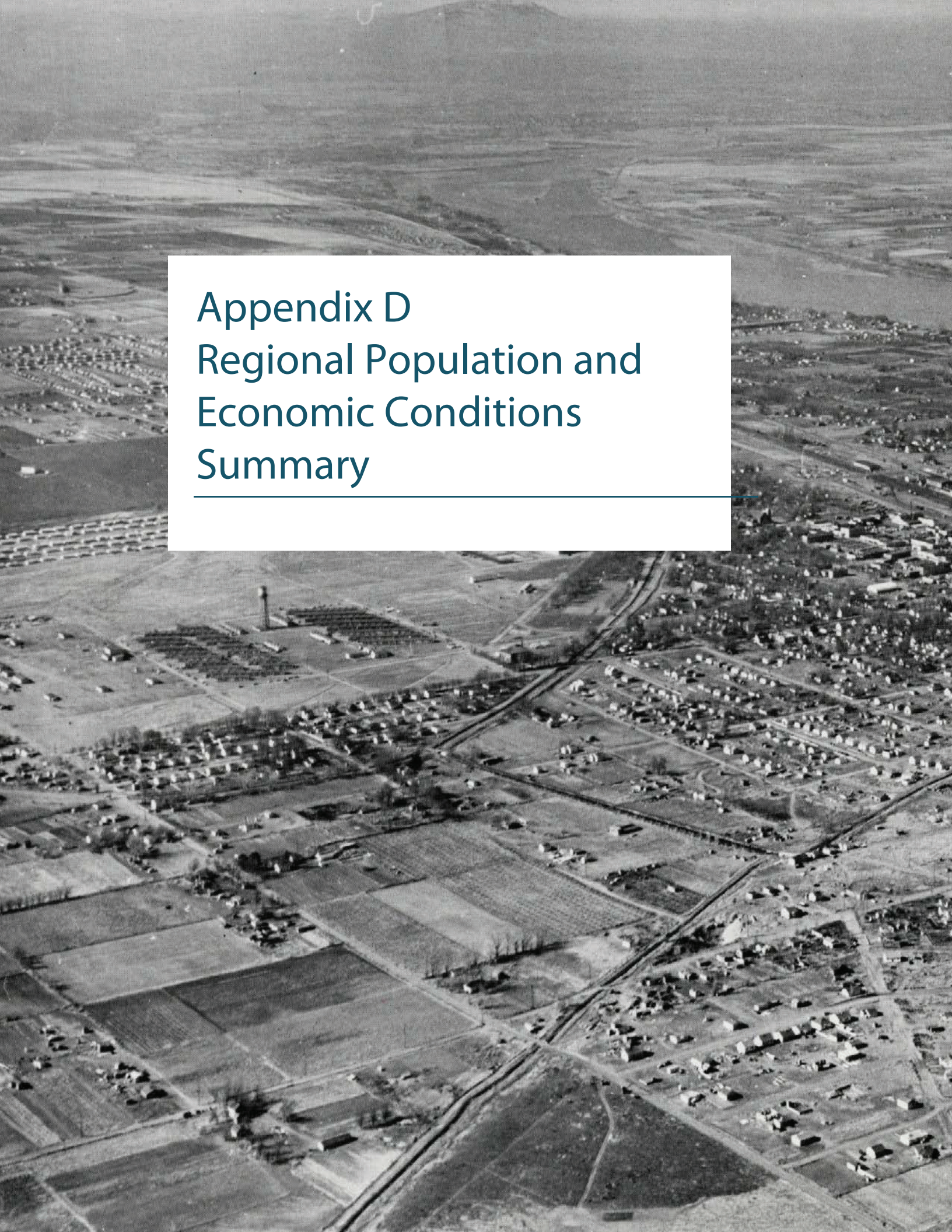
Port leaders are championing urban renewal efforts, investing in recreation and shoreline enhancement activities, and fostering the expansion of Washington's wine industry.

The future is bright for the regional economy. The Port is well-positioned to provide economic development services in close coordination with public and private-sector partners, and capitalize on market opportunities during the next 100 years.

Clover Island Lighthouse
Photo by Brian Gomez

Copyright 2015
Port of Kennewick



An aerial photograph of a rural landscape. The foreground and middle ground are dominated by a grid of rectangular agricultural fields, some of which appear to be planted with crops. Scattered throughout the landscape are numerous small, light-colored buildings, likely farmhouses or small villages. A prominent road or railway line runs diagonally across the lower half of the image. In the background, the terrain becomes more hilly and less structured, with some larger, more complex buildings or industrial structures visible. The overall tone is historical and documentary.

Appendix D Regional Population and Economic Conditions Summary

INTRODUCTION

An important consideration for the Comprehensive Scheme of Development (Comprehensive Scheme update) for the Port of Kennewick (Port) is industry growth trends in the region. As a property owner and economic development entity, the Port strives to meet the needs of the business community and the broader general community by providing properties, infrastructure, and (where appropriate) facilities, which help support economic growth needs. In turn, providing these items leads to the creation of jobs and an expanded tax base. Population and economic growth trends help inform the planning for future opportunities. Although population growth is not directly related to economic growth, population trends will drive economic growth and economic needs over time. Economic growth trends highlight the industries creating jobs and where potential Port development opportunities might exist in the foreseeable future.

Methodology

In projecting population and economic growth trends, historical growth rates were reviewed and linear regressions developed. Population linear regressions were developed using the historical time frame of 2000 to 2010 using U.S. census data (U.S. Census Bureau 2010a, 2010b) and Washington State Office of Financial Management estimates from 2010 to 2015 (OFM 2015a). Regressions for economic growth were developed by identifying the ten largest growing subsectors of the Tri-Cities regional economy by North American Industry Classification System codes. Those industries were identified using Washington Employment Security Department (WESD) historical data between 2010 and 2015 (WESD 2015), and linear regressions were developed from those data to project jobs in those industries out to 2040. In all cases (employment and population), regressions that identified a range of outcomes were developed. On the low end of the range were growth numbers that are likely to be met or exceeded 95% of the time. Numbers in the middle are the expected growth value of jobs (50%) created. High-end growth numbers are those that can only be expected to be met or exceeded in 5% of all cases. These ranges were developed to provide the Port with a broad picture of what growth in the community and in the identified industries could look like at the high and low end, as well as what the expected results are projected to be.

Economic Overview of the Tri-Cities Region

For the past 70 years, the economy of the Tri-Cities region can be summed up in two words: atoms and agriculture. Agriculture was the most important industry in the region until the creation of the Hanford Site in the 1940s. The site maintains an important and stable role in the region today. Prior to 1940, farming was the basis of nearly the entire economy because the region grew through the growth in agriculture fueled by the Columbia Basin Project, which irrigates nearly 700,000 acres of land in the region. The growth in farming activity peaked in the late 1960s and, though some growth has continued (particularly in wine grapes), the major boom era of agriculture effectively ended by the 1970s with the end of the Columbia Basin Project. That growth in arable farmland fueled growth in the value-added services sector for farm products, including that of chemical fertilizers such as Agrium, food processors such as Con-Agra Foods, and other agricultural support businesses. However, as the agricultural industry has reached maturity, the growth in those support businesses has also flattened. Since 1940, the overall



economy of the Tri-Cities region, which the Port serves, has been driven by the atomic work at the Hanford Site and by agriculture throughout the region, including the growing of wheat, potatoes, apples, asparagus, and (most recently) wine grapes. The overall work-shed for the area stretches from Hermiston-Umatilla to the south, to the Prosser area to the west, to the Wallula region to the east, and ultimately to the Connell area 40 miles north. According to WESD historic seasonally adjusted data, there are 133,922 individuals in the regional Tri-City metropolitan area labor force as of March 2016; of those, more than 124,903 are employed (WESD 2016). This gives the region an unemployment rate of 6.7%, above the state average of 5.8%. The region was largely protected from the 2008 recession impacting the rest of the nation due to expenditures at the Hanford Site, and the push to complete the construction of a vitrification plant for treating nuclear waste at the Hanford Site. During the past 20 years, the growing and processing of wine grapes has become one of the most important economic drivers in the region. Currently, health care and professional services are also some of the biggest economic drivers in the economy, in addition to the Hanford Site.

Some of the major private employers in the area include Con-Agra Foods, the Battelle Memorial Institute (which operates the Pacific Northwest National Laboratory [PNNL]), Mission Support Alliance, CH2M Hill, Tyson Foods, Areva, Lampson International, and Simplot Fine Foods. Several hospitals serve the area including Trios Health (former Kennewick General Hospital), Kadlec Medical Center, and Our Lady of Lourdes, making the area a regional medical center. On the public side, companies such as the Benton and Franklin Public Utility Districts, Energy Northwest, and the U.S. Department of Energy dominate the overall economy. All three school districts, i.e., Kennewick, Pasco, and Richland, are also three major employers in the region.

Population

Population data show the broader Tri-Cities region (Benton-Franklin counties) is one of the strongest growing population areas in Washington. Between 2000 and 2010, the region grew by nearly 61,500 people (OFM 2015a), and estimates from the Office of Financial Management show population growth of more than 22,000 between 2010 and 2015 (OFM 2015b). Forecasting population growth in the region during the next 20 years shows the overall population of the Benton-Franklin county area growing from 275,740 in 2015 to between 290,000 and 524,000. Figure D-1 shows the population growth analysis in the area using the 2012 Growth Management Act (GMA) provisional population projections (OFM 2012, 2015b).



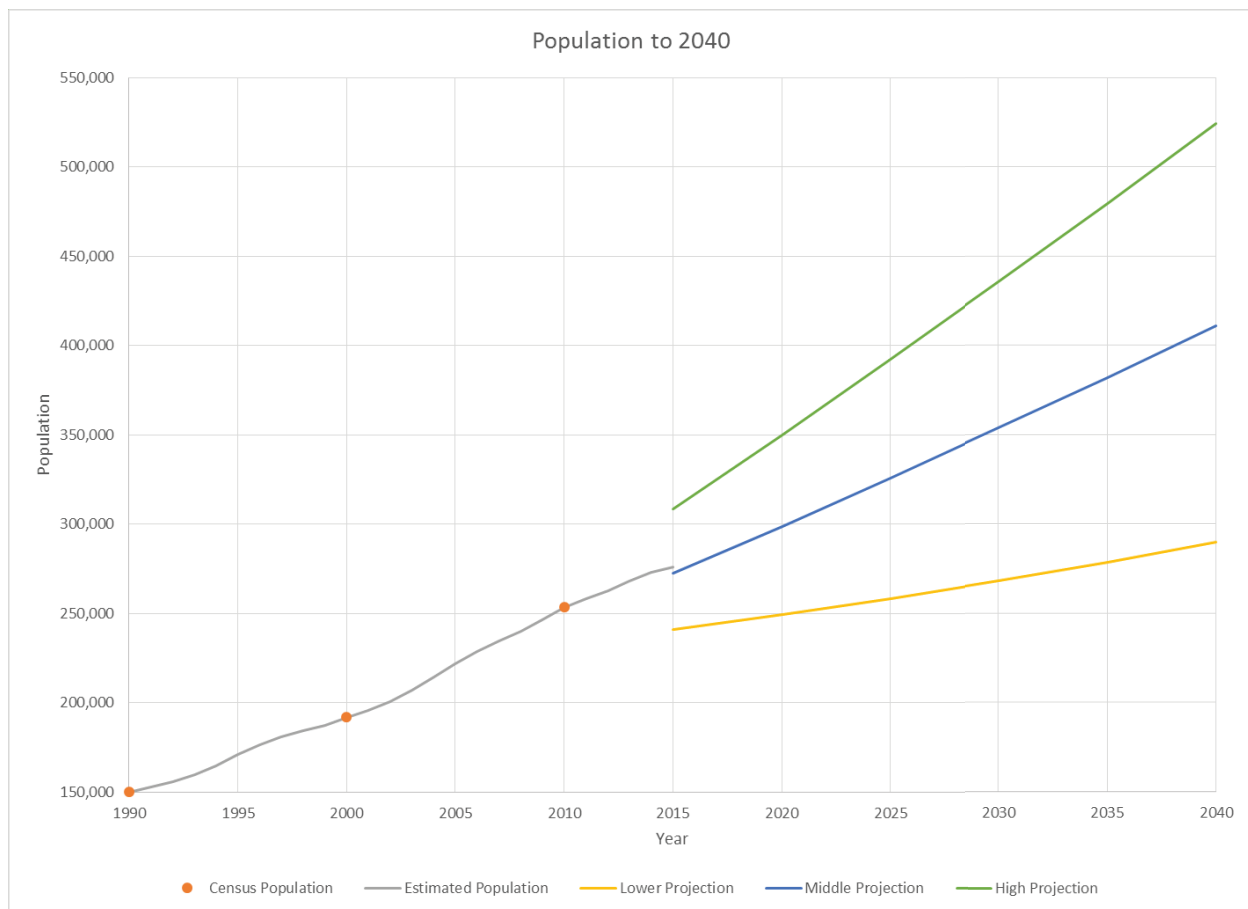


FIGURE D-1. POPULATION GROWTH REGRESSION ANALYSIS FOR THE TRI-CITIES REGION

As indicated, the Benton-Franklin county region has shown steady growth during the past 25 years, and there is no indication the growth will slow because the community continues to see significant activity at the Hanford Site, as well as growth in the broader community, including a continuing rise in the number of retirees moving into the region, which has driven the growth in the medical services industry and provides support for the retail, hospitality, and tourism sectors.

In Table D-1, Benton-Franklin County population growth is compared with other counties in the state. The annual average projected growth for Benton-Franklin counties exceeds that of all other counties in Washington for the expected growth, including neighboring Yakima and Walla Walla counties (OFM 2012).



TABLE D-1. BENTON-FRANKLIN COUNTIES POPULATION GROWTH COMPARED TO OTHER AREAS

County	Annual Average Percentage Growth 2010 to 2040		
	High	Expected	Low
Benton-Franklin	3.57%	2.07%	0.48%
Clark	2.31%	1.25%	0.00%
Grant	2.98%	1.84%	0.79%
King	1.65%	0.84%	0.22%
Pierce	1.61%	1.04%	0.29%
Spokane	2.06%	0.86%	0.22%
Walla Walla	1.17%	0.50%	-0.04%
Yakima	2.22%	1.03%	0.19%

Hanford Site Activities

One caveat to any growth projections for the region is the Hanford Site's remediation funding. Although not expected, if funding at the site significantly declined, it would affect employment in the region, adjusting it downward, which could delay timing of property investments and other development.

Hanford Site cleanup efforts do not take into account any job creation or loss related to work at the PNNL (Olds and French 2010). PNNL is the single largest employer in the Tri-Cities and provides an additional 4,000-plus jobs in the local economy.

However, history has shown that Hanford Site projects are often completed well after the original estimated completion date due to their complexity and the evolving regulatory environment in which the projects are delivered. The current vitrification plant provides a case in point. The plant (as originally scheduled) would be operating and processing nuclear waste in 2011. However, due to complications related to scope of work and budget constraints, the plant is now scheduled to go online in 2019 or later. These types of delays are consistent throughout the Hanford Site's cleanup history and should be considered in future development investment planning.

Agriculture Activities

The region has seen more growth in agriculture than all other industries throughout the past 10 years in terms of total job creation. Between 2005 to 2014, in Benton and Franklin counties, agricultural growth has outpaced all other industries, at 2.5% growth rate compared to 1.8% growth rate in all other industries (Suljic 2016). Agriculture grew rapidly in the 1960s and 1970s as the Columbia Basin project was completed. That growth was not only in agricultural production, but also in the value-added areas such as food processing and the development of chemical fertilizers to support the growth of the industry. Between 2005 and 2014, agricultural employment increased from 9,352 jobs to 12,029 jobs. Major contributors to this growth are agricultural support activities, with 8%, and crop production with 0.9% employment growth rates (Suljic 2016).



Employment

One benefit the consistent growth in the region has brought to the community is consistent employment growth. According to WESD, total non-farm employment in the region has grown much faster than the state rate in the last decade, with an annual average growth rate of nearly 2.15%, compared to the state average of 1.07% (WESD 2016). Much of this growth has been fueled by work at the Hanford Site and by local government growth. Currently, the WESD is forecasting an annual average growth rate of 1.86% between 2013 to 2023 for Benton-Franklin counties, compared to a growth rate of .8% for the nation, and .79% growth for the state of Washington between 2018 and 2023 (WESD 2015; U.S. Census Bureau 2014).

The recession that began in 2008 moderated some of this projected growth. To date, Benton-Franklin counties have largely been passed over in the recession due to a large influx of government money into the Hanford Site.

WESD is forecasting all industries in Benton-Franklin counties to have a positive growth rate between 2014 and 2024. Short-term non-farm growth is projected at 1.9% between 2014 and 2019, and 1.31% between 2019 and 2024. Although all industries are projected to grow during the next 8 years, construction industry is projected to grow at a higher rate than all other industries in the short term at 2.99% between 2014 and 2019. But this will drop significantly to 0.81% in the long term between 2019 and 2024 due to an estimated slowdown of overall growth in the region. Table D-2 identifies top sectors.

TABLE D-2. TOP GROWTH INDUSTRY SECTORS AND GROWTH RATES IN THE REGION

Major Growth Sectors	Growth Rate Short Term (2014 to 2019)	Major Growth Sectors (2019 to 2024)
Construction	2.99	0.81
Financial, professional, and business occupations	2.58	2.13
Education and health care	2.26	1.8
Leisure and hospitality	1.9	1.6
Wholesale trade	2.31	1.06

Source: Suljic (2016)

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An aerial photograph of a rural landscape. The foreground and middle ground show a patchwork of agricultural fields, some with distinct patterns of crops or irrigation. A network of roads and a railway line are visible, crisscrossing the area. A small town or village is nestled in the middle ground, with numerous small buildings and houses. In the background, a range of hills or mountains stretches across the horizon under a clear sky. A white rectangular box is overlaid on the left side of the image, containing the title text.

Appendix E Cash Flow Projection and Capital Improvements Plan

TABLE E-1
PROJECTED CASH FLOW 2016 TO 2026

Summary of Cash Flow Before Beginning Cash and Capital		Beginning Cash 1/1	Less Net Capital and Land Revenues and Lease	Adjusted Ending Cash 12/31	Reserve (Less \$2.5M Contingency)
2016	\$957,000	\$10,675,000	\$(7,697,000)	\$3,934,000	\$1,434,000
2017	\$928,000	\$3,934,000	\$(2,217,000)	\$2,645,000	\$145,000
2018	\$1,489,000	\$2,645,000	\$(1,230,000)	\$2,905,000	\$405,000
2019	\$1,484,000	\$2,905,000	\$(1,468,000)	\$2,921,000	\$421,000
2020	\$1,476,000	\$2,921,000	\$(19,000)	\$4,378,000	\$1,878,000
2021	\$1,466,000	\$4,379,000	\$(722,000)	\$5,122,000	\$2,622,000
2022	\$1,453,000	\$5,122,000	\$(2,313,000)	\$4,262,000	\$1,762,000
2023	\$1,437,000	\$4,262,000	\$(882,000)	\$4,818,000	\$2,318,000
2024	\$1,418,000	\$4,818,000	\$(851,000)	\$5,378,000	\$2,878,000
2025	\$1,395,000	\$5,378,000	\$(1,322,000)	\$5,451,000	\$2,951,000
2026	\$1,369,000	\$5,451,000	\$(4,615,000)	\$2,205,000	\$(295,000)

Cash Flow Projection Assumptions:

- * Operating revenues are projected to increase at 2%.
- * Operating expenses are projected to increase at 4%.
- * Non-operating expenses are projected to increase at 5%.
- * Property taxes are projected to increase at 4%.
- * Accounts for net future land sales.
- * Accounts for future operation and maintenance on new projects in 2017 to 2026 capital budget (see Table E-2).
- * Analysis includes 2017 to 2026 capital project costs in Table E-2.
- * Analysis is based on current operations and current capital assets.



TABLE E-2: 2017 TO 2026 CAPITAL IMPROVEMENTS AT PORT PROPERTY

	17/18 Budget	19/20 Budget	21/22 Budget	23/24 Budget	25/26 Budget	Total
2017 to 2026 Capital Projects						
Vista Field	\$5,880,000 ^a	\$985,000 ^b	\$990,000 ^b	\$995,000 ^b	\$4,100,000 ^b	\$12,950,000
Clover Island Shoreline 1135	\$875,000	\$100,000 ^c	\$100,000 ^c	\$100,000 ^c	\$100,000 ^c	\$1,275,000
Kennewick Waterfront Revitalization (Clover Island/Columbia Drive)	\$1,100,000	\$500,000				\$1,600,000
Richland Island View Infrastructure	\$400,000	\$600,000		\$450,000	\$450,000	\$1,900,000
West Richland Racetrack	\$200,000	\$200,000	\$100,000			\$500,000
ROI Project/Consultant	\$700,000	\$1,400,000	\$1,950,000		\$1,950,000	\$6,000,000
Port Facilities (Asset Replacement Program)	\$550,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,550,000
Opportunity Fund	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Rural County Capital Funds Project (TBD)	\$-	\$-	\$800,000	\$435,000	\$-	\$1,235,000
Miscellaneous Capital Projects	\$100,000	\$115,000	\$115,000	\$120,000	\$120,000	\$570,000
Total	\$9,905,000	\$4,500,000	\$4,655,000	\$2,700,000	\$7,320,000	\$28,780,000
2017 to 2026 One-time Revenues						
Vista Field	\$5,000,000	\$1,700,000	\$1,700,000	\$2,000,000	\$2,000,000	\$12,400,000
Rural County Capital Funds	\$1,450,000	\$600,000	\$600,000	\$300,000	\$-	\$2,950,000
Richland Land	\$-	\$-	\$-	\$-	\$500,000	\$500,000
West Richland Racetrack West	\$-	\$-	\$-	\$400,000	\$800,000	\$1,200,000
Richland/Keene Road	\$100,000	\$-	\$-	\$-	\$-	\$100,000
Columbia Drive	\$-	\$400,000	\$-	\$-	\$-	\$400,000
Southridge	\$-	\$2,000,000	\$1,000,000	\$-	\$-	\$3,000,000
Total	\$6,550,000	\$4,700,000	\$3,300,000	\$2,700,000	\$3,300,000	\$20,550,000

General note:

The source of capital improvement projects listed above for Clover Island is the Clover Island Master Plan (Makers 2005) and associated updates.

Specific notes:

a = Includes a \$5-million loan to be secured in 2017.

b = These are debt service payments and not for new infrastructure at Vista Field.

c = This includes ongoing maintenance for shoreline improvements.

N/A = not applicable

TBD = to be determined



PORT OF KENNEWICK
Resolution No. 2016-33

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK ADOPTING AN UPDATE TO ITS
COMPREHENSIVE SCHEME OF DEVELOPMENT***

WHEREAS, RCW 53.20 requires Port districts to adopt a Comprehensive Scheme of Development and Harbor Improvements which serves as the guide for future Port investment and actions; and

WHEREAS, the Port adopted a Comprehensive Scheme of Development in 2011 which has been implemented over the last five years and amended in 2013 to reflect the closure and redevelopment of the former Vista Field Airport; and

WHEREAS, the Port of Kennewick has and will continue to play a role in accommodating economic growth by acquiring, developing, selling and leasing land; and

WHEREAS, as required by law, the Board of Commissioners conducted a public hearing on the question of whether or not its Comprehensive Scheme of Development should be updated at a meeting of the Board of Commissioners held in the Commission Chambers of the Port Offices located at 350 Clover Island Drive, Kennewick, Washington at 2:00 pm on November 8, 2016; and

WHEREAS, notice of such hearing was given as provided by law (copy of said notice attached hereto as "Exhibit 1" and "Exhibit 2" and such public hearing was held at such time and place and on said date; and

WHEREAS, after discussion and consideration of the proposed update to said Comprehensive Scheme, the Board of Commissioners determined that said scheme should be updated.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Commissioners of the Port of Kennewick that after and pursuant to a public hearing held on the 8th day of November 2016, after notice thereof duly given in the manner required by law, the Board of Commissioners of the Port of Kennewick does hereby adopt the Update to the Comprehensive Scheme of Development as identified as "Exhibit 3".

BE IT FURTHER RESOLVED that previous versions of the Comprehensive Scheme and resolutions amending the previous Comprehensive Schemes are superseded by this new Comprehensive Scheme Update document.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 8th day of November, 2016.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: 
SKIP NOVAKOVICH, President

By: 
THOMAS MOAK, Vice President

By: 
DON BARNES, Secretary

10B

TRI-CITY HERALD

WEDNESDAY NOVEMBER 2 2016

IS CAPTIONED:
the District's Board of Commissioners.
#2716292 10/26 & 11/02/2016

PORT OF KENNEWICK
PUBLIC HEARING NOTICE

NOTICE IS HEREBY GIVEN that a Public Hearing will be held on Tuesday, November 8, 2016 at 2:00 p.m., or as soon thereafter as possible, in the Commission Chambers at the Port of Kennewick, 350 Clover Island Drive, Kennewick, Washington, to receive statements for and against adopting the port's Comprehensive Scheme of Development and Harbor Improvements (commonly known as Comp Scheme). The public is welcome and encouraged to attend.

/s/ Skip Novakovich,
President, Board of Commissioners
Port of Kennewick

Notice Dated: October 31, 2016

Please Direct Questions to:

509 586 1186

#2763688 11/02/2016

WASHINGTON STATE DEPARTMENT

SUNDAY NOVEMBER 6 2016
TRICITYHERALD.COM

PORT OF KENNEWICK PUBLIC HEARING NOTICE

NOTICE IS HEREBY GIVEN that a Public Hearing will be held on Tuesday, November 8, 2016 at 2:00 p.m., or as soon thereafter as possible, in the Commission Chambers at the Port of Kennewick, 350 Clover Island Drive, Kennewick, Washington, to receive statements for and against adopting the port's Comprehensive Scheme of Development and Harbor Improvements (commonly known as Comp Scheme). The public is welcome and encouraged to attend.

/s/

Skip Novakovich,
President, Board of Commissioners
Port of Kennewick

Notice Dated: October 31, 2016

Please Direct Questions to: 509.586.1186

PORT OF KENNEWICK

RESOLUTION NO. 2017-20

A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE PORT OF KENNEWICK CERTIFYING THE PORT'S 2017 LEVY FOR 2018 COLLECTION

WHEREAS, the Board of Commissioners of the Port of Kennewick met and considered its budget for the calendar year 2017 and 2018 at a regular meeting on October 24, 2017, a quorum of the Commission being present; and

WHEREAS, a legal notice of public hearing on the Preliminary Budget of Port of Kennewick for the calendar year of 2017 and 2018 was published in accordance with RCW 53.35.020, RCW 53.35.045 and RCW 84.52.020, and such hearing being held on the 11th day of October, 2016; and

WHEREAS, the Port's actual levy amount from 2017 year was \$3,934,421; and

WHEREAS, the population of the Port is more than 10,000; and

WHEREAS, the Board of Commissioners of Port of Kennewick after hearing and after duly considering all relevant evidence and testimony presented, determined that the Port of Kennewick requires a regular levy for the 2018 tax year in the amount of \$4,800,000, which includes an increase in property tax revenue from the previous year, amounts resulting from the addition of new construction, improvements to property, any increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the district and in its best interest.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick substantiate that an increase in the regular property tax levy is hereby authorized for the levy to be collected in 2018 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be approximately \$45,000, which is a percentage increase of 1% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

BE IT FURTHER RESOLVED that the Board of Commissioners of the Port of Kennewick hereby direct the Chief Financial Officer/Auditor to certify a copy of this resolution and forward the same to the Clerk of the Board of the County Commissioners in accordance with RCW 84.52.020.

APPROVED and dated by the Commissioners of the Port of Kennewick at a regular meeting on October 24, 2017.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

SKIP NOVAKOVICH, *President*

THOMAS MOAK, *Vice President*

DON BARNES, *Secretary*

CERTIFICATION OF TAX LEVY

STATE OF WASHINGTON

County of Benton

In accordance with RCW 84.52.020, I, **Nick Kooiker**, CFO/Auditor for Port of Kennewick, do hereby certify to the Benton County legislative authority that the Commissioners of said district request that the following levy October 24, 2017. I hereby request the Board of County Commissioners of Benton County, Washington, to make said regular levy of the Kennewick Port District, as set forth below, and that said regular levy is for operation, maintenance, land acquisition, construction, and the levy is to be distributed as follows:

Expense (General) Fund	\$4,770,000
Administration Refund Fund	\$30,000

Total Regular Levy	\$4,800,000
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<i>Population Certification:</i>	<i>Above 10,000</i>
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If the above certification is more than the Assessor's levy calculations, the Assessor's Office is directed to reduce the Construction Fund amount by the actual Assessor's levy calculation.

CERTIFIED this 24th day of October, 2017.

CERTIFIED BY:

**PORT of KENNEWICK
CFO/AUDITOR**



Nick Kooiker

PORT OF KENNEWICK

RESOLUTION NO. 2017-21

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING AN INCREASE IN TAX LEVY CAPACITY PURSUANT TO RCW 84.55.120 AND WAC 458-19-005

WHEREAS, a public hearing was held by the Board of Commissioners for the Port of Kennewick regarding the 2017 and 2018 budget; and

WHEREAS, pursuant to RCW 84.55.120 and WAC 458-19-005, the rate of inflation (IPD rate) for 2018 is 1.553 percent and the limit factor for property taxes for 2018 is 112.267%; and

WHEREAS, the Port of Kennewick's levy amount from the previous year was approximately \$3,934,421; and

WHEREAS, the Port has set its increase in tax levy capacity for the 2017 and 2018 budget at one percent (1%) and finds there is substantial need to set the levy limit at one hundred and one percent (101%); and

WHEREAS, the Board of Commissioners of the Port of Kennewick Taxing District, after hearing and after duly considering all relevant evidence and testimony presented, finds there is a substantial need to set the levy limit at one hundred one percent (101%), in order to discharge the expected expenses and obligations of the district and in its best interest; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Port of Kennewick Taxing District that an increase in the regular property tax levy, in addition to the increase resulting from the addition of new construction and improvements to property and any increase in levy value of state assessed property, is hereby authorized for the 2018 levy in the amount of approximately \$45,000 which is a one (1%) percentage increase from the previous year.

ADOPTED by the Board of Commissioners of the Port of Kennewick at a regular meeting held this 24th day of October 2017; and duly signed by its proper officers in the authentication of its passage on said date.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

SKIP NOVAKOVICH, *President*

THOMAS MOAK, *Vice President*

DON BARNES, *Secretary*