



PORT OF KENNEWICK REGULAR COMMISSION MEETING

OCTOBER 25, 2016 MINUTES

CALL TO ORDER

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

The following were present:

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

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

PLEDGE OF ALLEGIANCE

Ben Floyd led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated October 18, 2016**
Direct Deposit and E-Payments totaling \$46,001.93
- B. Approval of Warrant Registers Dated October 25, 2016**
Expense Fund Voucher Numbers 38378 through 38402 for a grand total of \$52,316.69
- C. Approval of Special Commission Retreat Minutes September 10, 2016**
- D. Approval of Regular Commission Business Meeting Minutes October 11, 2016**

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

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PRESENTATIONS

A. Draft Comprehensive Scheme, Ben Floyd Anchor QEA

Mr. Peterson stated over the past two years, Ben Floyd of Anchor QEA, Port staff and the Commission have been working to update the Comprehensive Scheme of Development of Harbor Improvements. Mr. Floyd and staff have engaged the public and our jurisdictional partners about what the Port should be doing, how it applies to the various Port properties, and how the budget effected. The Comp Scheme outlines Port projects over the next ten years and includes a perspective budget. Furthermore, the Comp Scheme, the 2017-2018 Draft Work Plan and the 2017-2018 Draft Budget are in sync for the next two years. Once the Comp Scheme is adopted by the Commission, the Commission may revisit the document every two to three years to update as needed.

Mr. Floyd provided a brief overview and presented the Draft Comp Scheme. Mr. Floyd stated the Commission established the focus and priorities of the Comp Scheme at the September 10, 2016 Commission Retreat. Today the focus is on the content of the document and Mr. Floyd asked for additional Commission comments. Mr. Floyd stated the Draft Comp Scheme is much different from the 2011 Comp Scheme and focuses on the following:

- Port Mission and Goals;
- Summary of Port History;
- Redevelopment Priorities;
 - Vista Field Redevelopment;
 - Kennewick Waterfront;
 - Richland Island View;
 - West Richland Site.
- Revenues, Expenses and Capital Improvement Plan.

Mr. Barnes summarized page 2, stating the Port has emerged as an economic redevelopment agency, however, Mr. Barnes believes the Port has always been focused on economic development. There has been a subtle change in direction and the Port has been working primarily in the form of urban renewal.

Mr. Floyd inquired if the Commission would like the document to reflect urban renewal and redevelopment.

Mr. Arntzen agrees with Mr. Barnes, however, he inquired if the phrasing could be changed to urban revitalization.

It is the consensus of the Commission to state the Port is focused on urban revitalization and redevelopment.

Mr. Floyd will verify that the closure of Vista Field is covered in the history of the Port.

Mr. Floyd stated the Draft Comp Scheme focuses on the future and with regard to Richland/Island View, staff will work with the City of Richland to identify the next project in that area.

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Mr. Arntzen confirmed with Mr. Floyd that the statement indicates that staff will work with the City of Richland to identify new opportunities. Mr. Arntzen inquired if the Commission could comment on identifying opportunities for a joint project with the City of Richland.

Mr. Moak agrees with Mr. Floyd's statement on page 12 which states, "Identify and implement a project that helps to further spur redevelopment efforts in the Richland Island View area."

Mr. Floyd stated the Commission will review and update the Capital Improvements portion of the document every two years, as part of the budget process and revisit the Comp Scheme every five years or earlier if needed. In terms of a five year horizon, is it the Commission's intent to complete one project in Richland or would the Port be open to participating in more than one project.

Mr. Novakovich suggested changing the language to project(s).

Mr. Moak stated the statement should simply read, "the Port will work with the City to further spur redevelopment efforts" and not identify whether it is one or more projects. The emphasis should be on working with the City of Richland to help spur redevelopment of the Richland Wye/Island View.

Mr. Floyd stated, as previously discussed at the Commission Retreat, there is additional work that needs to be done to determine where the Commission wants to invest in Richland, which could take several years to determine.

Ms. Fine estimated the Port receives approximately \$400,000-\$600,000 a year from property taxes from the City of Richland.

Mr. Moak inquired how much revenue the Spaulding Business Park has generated for the City of Richland. Mr. Moak stated if the City of Richland does not communicate what they would like to see or how the Port reinvests in the area, how is this Commission supposed know what it is they truly want.

Mr. Floyd stated that is why it is important for the Commission to outline priorities and implement projects that fit within the Port's mission and priorities.

Mr. Arntzen stated there has been extensive discussion at staff level. Mr. Arntzen and Mr. Peterson met regularly with Mr. King, however, since Mr. King retired, the City has undergone some personnel changes. Staff has been undertaking dialogue with City staff and it is an on-going discussion.

Mr. Floyd suggested the statement read: "Identify and support a project(s) that helps to further spur redevelopment efforts in the Richland Island View area." However, the Port may not necessarily be in the lead development role, for example, the Badger Mountain Trailhead Parking Lot project.

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Mr. Floyd will reflect the Commission comments regarding the City of Richland.

Mr. Arntzen stated staff will continue the dialogue with City staff and report back as appropriate.

Mr. Floyd stated the Port collected \$760,000 in revenue from the City of Richland.

Mr. Floyd stated the West Richland former Tri-City Raceway (TCRW) is referred to as the West Richland Light Industrial Park and inquired if the Commission found that title acceptable. Mr. Floyd stated it was emphasized during the Commission retreat that several institutional impediments needed to be addressed before any work could happen at the former TCRW.

Mr. Arntzen stated the joint Port/West Richland Economic Development Committee recently met, and is comprised of myself, Mr. Novakovich, Mr. Peterson, Mayor Brent Gerry, Public Works Director, Roscoe Slade and Community Development Director Aaron Lambert. During that meeting, Mr. Gerry and City staff acknowledged that development of the TCRW time frame of 4-7 years was acceptable. Since the Commission Retreat, the West Richland wine effluent treatment plan has come on line and is now operational and there was a strong consensus to allow enough time for the for private land owners to utilize the treatment facility.

Mr. Novakovich stated West Richland was asked to discuss whether they would like the Port to bank money for the redevelopment of the TCRW for years 1-3 or invest \$100,000 each year for smaller projects.

Mr. Moak would like to see the property identified as the Former Racetrack until the Port is prepared to redevelop the property. If the property is identified as industrial, there is an expectation that the Port is developing industrial and until the master plan is adopted, he does not believe the use has been fully identified.

Mr. Novakovich inquired what the zoning is for the TCRW site.

Mr. Peterson stated the TCRW is zoned commercial light industrial.

Mr. Novakovich believes the word industrial defines the site better than racetrack. The Port is not redeveloping a racetrack but redeveloping a racetrack into industrial property.

Mr. Moak stated the Commission has not made that decision yet and until we are prepared to move forward with the redevelopment, he would like to see it referred to as the former TCRW.

Mr. Arntzen would like to compare notes with West Richland, because he believes there may be a viable short term project for years 1-3. Mr. Arntzen would like to bring back a potential project to the Commission at a later date, but asked the Commission to continue with the Draft Comp Scheme. There will be additional items added to the document next year, for example, the Vista Field Master Plan. Furthermore, this is the first time the Port and West Richland have been on the same page where the TCRW is concerned. Mr. Arntzen stated the current City utilities do not reach the TCRW and it will cost approximately \$750,000 to extend them to the site. Mr.

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Arntzen has discussed a proposed a scenario with West Richland to get the utilities to the TCRW site. The discussion centered on the City doing the majority of the utility work with the Port marshalling some assets to assist the City. The City's concern is that they would need time to create an implementation strategy to get the utilities to the site, if so elected. Mr. Arntzen stated that scenario might include the sale of other Port properties, such as the two parcels located on Keene Road.

Mr. Floyd suggested adding general language about the Port developing shorter term strategy, in cooperation with the City, which will allow flexibility. Mr. Floyd stated he and Mr. Peterson will work on the TCRW that incorporates both and bring back a proposal.

Mr. Floyd outlined other Port property priorities including: Oak Street, Vista Field Development Buildings, Southridge, Finley (Twin Tracks and the Hedges Lagoon) and Plymouth.

Mr. Floyd stated it is a priority to reduce owner responsibility and let another agency take over the Hedges Lagoon, as long as it is consistent with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and other Port partners.

Mr. Peterson stated Plymouth would be a good opportunity for the U.S. Army Corps of Engineers to take over, since they already own 1/3 of the island and the land is protected.

Mr. Floyd stated the next section addresses Port revenue, expenses and capital plan. Mr. Floyd stated since the capital improvement plan and cash flows change, he suggested adding them into the appendixes and updating periodically.

Mr. Kooiker agrees with Mr. Floyd's suggestion and believes it would flow better as an appendix.

Mr. Floyd stated financials are constantly changing and updating and it is better to speak on generalities which should be updated at least every two years with the budget.

Mr. Arntzen is very impressed with the Comp Scheme and Capital Plan and appreciates the collaborative efforts by Mr. Floyd and staff to produce the documents.

Mr. Novakovich stated page 3 of the Comp Scheme states "pursuing projects with development partners who demonstrate support" and asked if that could also be included in considerations.

Mr. Arntzen suggested the Comp Scheme should reference Resolution 2014-31, which outlines the Budget, Financial and Operational Philosophy of the Port.

Mr. Novakovich agrees with Mr. Arntzen's suggestion and asked Mr. Floyd to include Resolution 2014-31. Mr. Novakovich thanked Mr. Floyd for his work and stated this is a remarkable document.

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Mr. Moak asked Mr. Floyd, after working on the Comp Scheme for almost two years and working closely with staff, the Commission, and the public, if there anything he believes, in his professional opinion, missing from the document.

Mr. Floyd stated the updated Comp Scheme is concise, and focused with a clear set of direction and priorities. The 2011 Comp Scheme did not have a clear direction and priorities were constantly changing. Mr. Floyd believes the document outlines the Port's established priorities and the Port will be able to implement projects and explain to the public the "how" and "why" behind each decision.

Mr. Moak appreciates the work of Mr. Floyd and his team and the collaboration with the Commission and staff to create a complete Comp Scheme.

Mr. Barnes inquired what the next steps will be for the Comp Scheme.

Mr. Floyd stated the Comp Scheme is scheduled for action at the November 8, 2016 Commission meeting.

Mr. Peterson stated the Commission addressed the larger items today, and staff will make those corrections and proofread and correct typos.

Mr. Floyd asked the Commission to submit any additional comments or edits by noon on November 2, 2016, in preparation for the Agenda Packet.

B. Historic Downtown Kennewick Partnership Update

Mr. Arntzen introduced Dan Smith, executive director of the Historic Downtown Kennewick Partnership (HDKP). Mr. Arntzen and Mr. Smith met yesterday with members of the HDKP and Emily Estes Cross of the City of Kennewick, to look at a project that the Port, City and HDKP could undertake together.

Mr. Smith stated the HDKP has had a few meetings with the Bridge to Bridge, River to Rail Task Force to discuss revitalizing the plan. Mr. Smith stated the task force would like to implement a portion of the Bridge to Bridge, River to Rail plan and agreed the most effective would be to link Columbia Drive and Washington Street. This is a very young plan, but the task force believes linking downtown to Columbia Gardens and Clover Island would be the best option, and would include additional streetscape or wayfinding, and increasing walkability of the area. Mr. Smith believes Washington Street is the best street to begin, because it already has the sidewalks and a historical significance of downtown Kennewick. Mr. Smith asked the Commission for their support to move forward implementing a portion of the Bridge to Bridge, River to Rail plan, which may require financial support at some point.

Mr. Arntzen inquired if the Commission feels that this would be an idea worth exploring and stated the project would be a collaborative partnership with the City and HDKP. Mr. Arntzen stated linking the lighthouse through heart of Columbia Drive into downtown has been addressed in several plans and Mr. Arntzen asked the task force to consider linking the three activity points:

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Clover Island Drive, Downtown Kennewick and the Wine Village together. The task force will review all previous plans and pattern language and try to implement what has already been suggested.

Mr. Novakovich believes this is an awesome idea and would like to see the task force move forward.

Mr. Smith stated the most important link would be bringing the downtown to the waterfront. Mr. Smith believes the right people are involved and will continue to meet.

Mr. Moak stated in terms of walkability, the area is pretty unwelcoming and the ability to create something that links the downtown to Columbia Drive and Clover Island is something that should be explored.

Mr. Barnes agrees and stated if the Port is trying to create a destination area along Columbia Drive and Duffy's Pond, a linkage will provide greater benefit area to the area and he believes it is an important idea to pursue.

Mr. Arntzen stated the area will need wayfinding and Ms. Estes Cross showed some examples of wayfinding signage. Mr. Arntzen inquired if the Commission might be amiable to addressing the linkage and wayfinding together.

It is the consensus of the Commission to pursue the linkage between Columbia Drive and Washington Street and address wayfinding in conjunction with the linkage project.

Mr. Moak inquired if there will be additional public involvement with the community.

Emily Estes-Cross, City of Kennewick Economic Development Manager, appreciates Mr. Moak's comments on the draft Comp Scheme update and the redevelopment objectives that are outlying the importance of reconnecting community areas to the waterfront. Providing a link will connect the community to the waterfront to another degree, by bringing additional businesses to the commercial business district. Furthermore, it will provide a sustainable economy and increase the health of local businesses by attracting more traffic and more visitors by using the linkages and wayfinding. In addition, Ms. Estes-Cross acknowledged the environmental sustainability that comes with providing a walkable or bikeable community, which reduces the number of cars, because people are parking and walking and enjoying their downtown experience. The City sees this as a viable economic development impact initiative, and in terms of public engagement, the City will continue engaging the community and Ms. Estes-Cross anticipates more meetings with property owners in the Bridge to Bridge, River to Rail area. Just recently the City held a meeting and the Bridge to Bridge, River to 10th area property owners communicated their desire to enhance the connection at Washington Street and Columbia Drive. Ms. Estes-Cross stated the importance of making the connection to the Wine Village, justifies City Council's investment in the Wine Effluent treatment system. This is a fantastic opportunity and the City is currently working on the auto row zoning and mixed use zoning for the Bridge to Bridge, River to Rail area and that includes a community outreach

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component. This outreach will give constituents a bigger picture that includes additional improvements along Columbia Drive.

C. Adoption of 2017-2018 Work Plan: Resolution 2016-25 (Exhibit A)

Mr. Peterson presented the 2017-2018 Work Plan and Resolution 2016-25 for Commission consideration.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated there has been a lot of discussion about the Draft 2017-2018 Work Plan and the Draft Comprehensive Scheme following the same course. However, on page 7 of the Draft Work Plan, it shows \$3,000,000 invested in Vista Field for infrastructure, including several roads, a narrow street, and a possible road in front of the future Performing Arts Center (PAC). Page 21 of Draft Comp Scheme allocates \$3,000,000 for infrastructure as well as \$900,000 for years 2019-2024 and \$4,000,000 in 2025. Mr. Burdick inquired after the ten year period, has the Port completed half of the development as discussed at the Charrette. Furthermore, Mr. Burdick would like to see what will be added into Vista Field for each of these 2 year budget periods and how much the Port will redevelopment.

Mr. Peterson stated the 2017-2018 Work Plan and Draft Comp Scheme have duplicate time frames for 2017-2018, with \$3,000,000 allocated for infrastructure, however, the Draft Comp Scheme takes it one step further by extending it an additional 8 years. The \$3,000,000 investment will open up 20 acres of land, which is approximately 1/5 of Vista Field. Furthermore, if land sales progress as staff anticipates, 1/2 of Vista Field will be developed in a 10 year time frame that the Draft Comp Plan covers. Phase I will be more costly because of the installation of main roads and connections to the site. Mr. Peterson stated it is hard to determine what build out will look like in 10 years, especially since the development is self-funded.

Mr. Kooiker added the \$900,000 allocated for years 2019-2014 is broken down as follows: \$800,000 for debt service on Vista Field and \$100,000 for marketing. In 2025, the \$4,000,000 is the final pay off for the loan.

No further comments.

MOTION: *Commissioner Moak moved approval of Resolution 2016-25, adopting the 2017-2018 Work Plan, as presented; Commissioner Barnes seconded.*

Discussion:

Mr. Moak stated this is a very ambition plan and reflects the Updated Draft Comp Scheme and if we accomplish everything, the Port will have a very successful two years.

Mr. Barnes agrees with Mr. Moak and stated the 2017-2018 Work Plan outlines a number of ambitious yet achievable projects.

With no further discussion, all in favor 3:0. Motion carried unanimously.

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D. 1135 Project Update

Mr. Arntzen and staff met with U.S. Army Corps of Engineers (USACE) project manager Rebecca Kalamasz recently for a very informative update. Ms. Kalamasz requested the Port make a tentative decision on which alternative the Port would like USACE to pursue. Mr. Arntzen asked Mr. Kooiker to update the Commission on the meeting and the financial ramifications of each alternative.

Mr. Kooiker reported Ms. Kalamasz provided staff information on eleven alternatives for the shoreline, each addressing different measures of restoration. Of the eleven alternatives, Ms. Kalamasz highlighted two alternatives the USACE would like the Port to consider moving forward with for the design phase. Mr. Kooiker briefed the Commission on the two alternatives (*Exhibit A*).

Alternative five focuses on the aquatic and riparian habitat from the Lighthouse plaza to the Coast Guard center and addresses the notch. The Port's estimated cost share for alternative five is approximately \$800,000 and the USACE's share is approximately \$2,000,000.

Alternative one also focuses on the aquatic and riparian habitat from the Lighthouse Plaza to the Coast Guard center and addresses the notch and adds an additional measure which focuses on the aquatic habitat, which is different from the Riparian habitat. USACE engineers have determined that there is a big hole in the river floor which is causing sediment build up in the notch. Mr. Kooiker stated if the Port decides to go with alternative five, there could be potential issues in the notch and further erosion issues. The Port share of alternative one is approximately \$1,300,000 and the USACE's share is \$3,200,000.

At this time, the Port has approximately \$930,000 allocated for the 1135 project and staff discussed several options to make up the \$500,000 difference for alternative one. One such option is to apply for a state grant, however, the results are unknown until spring of 2017.

Mr. Kooiker believes the USACE would like to complete alternative one, because it offers the highest environmental benefit to the habitat, however, the USACE understands if the Port does not have the funds to complete alternative one, however, future funding could be affected if the Port does not choose alternative one. Furthermore, the Port has an established Memorandum of Understanding with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), who would most likely want the best option for the environment. Additionally, if the Port chose to develop the corner parcel, it would have to repair the area at a later date, which would ultimately cost more.

Mr. Kooiker stated when the USACE bids a project like this, they factor in a 50% contingency cost and Ms. Kalamasz is confident about the estimates. Recently, the USACE bid a project of the same magnitude. Mr. Kooiker asked for Commission direction and reiterated the alternatives:

- Alternative One: delay project one more year to ensure grant funding is in place;
 - If the Port does not receive grant funding, the project will begin at the end of the 2018 budget cycle and there may be funds available due to the conservative budget;

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- Alternative Five: addresses the aquatic and riparian habitat from the Lighthouse plaza to the Coast Guard center and addresses the notch for approximately \$800,000 (Port share);
- Alternative Three: fix the notch only for \$300,000 (Port share);
- Do not proceed with the 1135 project.

Mr. Kooiker stated staff consensus is to proceed with alternative one, because it allows more flexibility and is the best option for the environment. USACE has begun working on the alternative one plan and staff believes construction will not begin until 2018.

Mr. Novakovich is supportive of alternative one.

Mr. Arntzen stated the Commission can choose alternative one and if the grant dollars do not come through, the Port can always opt for alternative five. However, since this is primarily a habitat project, the USACE biologist may say it does not make sense to continue with the project. Mr. Arntzen stated under either alternative one or five, the area in front of Cedars and Clover Island Inn will be improved.

Mr. Barnes appreciates the recommendation and agrees with staff. Alternative one is the best option for Clover Island and believes applying for additional grant dollars is appropriate. If the Port fails at finding a grant to leverage the project, there is a potential off ramp.

Mr. Moak stated either alternative will begin sometime in 2018 and even if the Port is not successful at attaining a grant, there may be other opportunities worth pursuing, such as federal or community funding. Mr. Moak believes it is important to do the right thing and it is important to listen to the CTUIR and do more for the aquatic environment and businesses on Clover Island. Mr. Moak agrees with Mr. Barnes and Mr. Novakovich.

The consensus of the Commission to choose alternative one for the design phase of the USACE 1135 project.

RECESS

Mr. Novakovich recessed the meeting 4:09 p.m. for a break and will reconvene at approximately 4:20 p.m.

Mr. Novakovich reconvened the meeting at 4:20 p.m.

PUBLIC HEARING: 2017-2018 FINAL BUDGET / ADOPTION

A. 2017-2018 Final Budget Hearing / Adoption; Resolution 2016-26

Ms. Fine presented the 2017-2018 Final Budget.

Mr. Novakovich declared an open public hearing for discussion on 2017-2018 Final Budget.

PUBLIC COMMENTS

No comments were made.

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Mr. Novakovich closed the public hearing.

MOTION: *Commissioner Moak moved approval of Resolution 2016-26, adopting the 2017-2018 Final Budget as presented; Commissioner Barnes seconded. With no further discussion, all in favor 3:0. Motion carried unanimously.*

MOTION: *Commissioner Moak moved for approval of Resolution 2016-27, Levy Certification; Commissioner Barnes seconded. With no further discussion, all in favor, 3:0. Motion carried unanimously.*

MOTION: *Commissioner Moak moved for approval of Resolution 2016-28, authorizing an increase in the Tax Capacity, authorizing the 1%; Commissioner Barnes seconded. With no further discussion, all in favor, 3:0. Motion carried unanimously.*

Mr. Novakovich stated Item 9 C will be removed due to time constraints.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Arts Policy 2016-29

Mr. Arntzen presented the Arts policy for Commission consideration.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Moak moved for approval of Resolution 2016-29, approving the Art Policy as attached in Exhibit A; and directing the Chief Executive Officer (CEO) to take all action necessary to implement this policy; Commissioner Barnes seconded.*

Discussion:

Mr. Moak is pleased to see this policy adopted and stated this Commission is a step ahead of our jurisdictional partners by adopting an Art policy. Mr. Moak stated great projects that deserve great art and looks forward to seeing the policy implemented.

With no further discussion, all in favor, 3:0. Motion carried unanimously.

B. Vista Field Development Building (Bruker) Resolution 2016-30

Ms. Hanchette reported the interior remodel at 415 North Quay, buildings A and B were recently completed by Banlin Construction. The Commission approved a contract with Banlin Construction in February of 2016, and Ms. Hanchette presented photos of the completed remodel of the interior remodel. Furthermore, the remodel allows for additional rental opportunities, which will be available in early 2017. Ms. Hanchette presented Resolution 2016-30 for Commission consideration.

PUBLIC COMMENT

No comments were made.

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MOTION: *Commissioner Moak moved for approval of Resolution 2016-30, accepting the 415 North Quay Street Building A interior remodel project completed by Banlin Construction LLC and authorize the Chief Executive Officer to finalize the financial terms of the contract; Commissioner Barnes seconded. With no further discussion, all in favor, 3:0. Motion carried unanimously.*

C. Columbia Drive Update

Columbia Drive will be discussed at a future meeting, due to time constraints.

D. Cancel November 22, 2016 Commission Meeting

It is the consensus of the Commission to cancel the Regular Commission Business meeting on November 22, 2016.

E. Cancel December 27, 2016 Commission Meeting

It is the consensus of the Commission to cancel the Regular Commission Business meeting on December 27, 2016.

F. Cancel January 24, 2017 Commission Meeting

It is the consensus of the Commission to cancel the Regular Commission Business meeting on January 24, 2017.

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

Commissioners reported on their respective committee meetings.

H. Non Scheduled Items

1. Mr. Moak asked staff to investigate if local preference, in terms of local contracts are appropriate. Mr. Moak stated a presentation was given at the Small Port's Conference addressing local preferences, but there seems to be divergence of opinions.

Mr. Arntzen will research local preference with Ms. Luke and bring back an additional information for the Commission.

2. Mr. Peterson thanked the Commission for providing direction on the 2017-2018 Work Plan and Draft Comp Scheme.

PUBLIC COMMENTS

No comments were made.

COMMISSIONER COMMENTS

No comments were made.

Mr. Novakovich anticipates the Executive Session will last approximately 30 minutes, Personnel, per RCW 42.30.110(1)(g) with action anticipated. Mr. Novakovich asked the public to notify Port staff if they will return after the executive session.

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Mr. Novakovich recessed the Regular Commission Meeting at 4:45 p.m.

EXECUTIVE SESSION

A. Personnel, per RCW 42.30.110(1)(g)

Mr. Novakovich convened the meeting into Executive Session at 4:45p.m. for approximately 30 minutes.

Ms. Fine exited the meeting at 5:15 p.m. and extended Executive Session for 10 minutes.

Ms. Fine exited the meeting at 5:25 p.m. and extended Executive Session for 10 minutes.

Ms. Fine exited the meeting at 5:35 p.m. and extended Executive Session for 5 minutes.

Ms. Fine exited the meeting at 5:40 p.m. and extended Executive Session for 5 minutes.

Mr. Novakovich adjourned the Executive Session at 5:42 p.m.

Mr. Novakovich reconvened Regular Commission Meeting at 5:43 p.m.

MOTION: *Commissioner Barnes moved for approval accepting the memo (Exhibit A), as amended, regarding the CEO's 2015-2016 Goals and Objectives accomplished in 2106; Commissioner Moak seconded. With no further discussion, all in favor, 3:0. Motion carried unanimously.*

MOTION: *Commissioner Barnes moved for approval of 2017-2018 CEO Goals and Objectives, (Exhibit B), as amended; Commissioner Moak seconded. With no further discussion, all in favor, 3:0. Motion carried unanimously.*

MOTION: *Commissioner Barnes moved for approval of the Commission's evaluation of the CEO for his 2016 Annual Performance Review, based on the Employment Agreement dated November 15, 2013, deeming the CEO's performance to be exceptional; Commissioner Moak seconded.*

Discussion:

Mr. Barnes stated when he has the opportunity to update the community regarding the Port of Kennewick, he can't stress enough how proud he is to be a part of this team and is pleased with the work that staff has been doing to make a tremendous impact on the community. Furthermore, our CEO is the leader of our staff and interfaces with the Commission, staff and our community, and this reflects on his performance.

Mr. Moak stated the Port has accomplished many great things over the past two years, which is the time frame the Commission is evaluating. Mr. Arntzen has been instrumental in forming great partnerships and bringing great plans to fruition. Furthermore, Mr. Arntzen has been the key to facilitating these projects, which is reflected in his performance.

Mr. Novakovich agrees with Mr. Barnes and Mr. Moak and stated Mr. Arntzen has done an amazing job the past several years and it is because of him that the Port has great partners,

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additional funding and an amazing team. The Commission and staff are doing great projects while reinvigorating our community and Mr. Novakovich is proud to be a part of the Port.

With no further discussion, all in favor, 3:0. Motion carried unanimously.

ADJOURNMENT

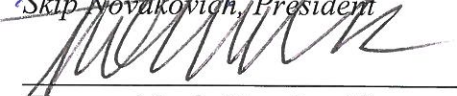
With no further business to bring before the Board; the meeting was adjourned 5:46 p.m.

APPROVED:


PORT of KENNEWICK BOARD of COMMISSIONERS



Skip Novakovich, President



Thomas Moak, Vice President



Don Barnes, Secretary

Clover Island, Port of Kennewick, Washington — Ecosystem Restoration

Exhibit A

Restoration Alternatives

Alternative 1 — Max Aquatic and Riparian Habitat

- Aquatic Habitat — Shallow Water Bench
- Aquatic/Riparian Habitat — Wetland in Notch
- Riparian Habitat — Multi-storied Canopy

Measure A: Aquatic Habitat — Shallow Water Bench

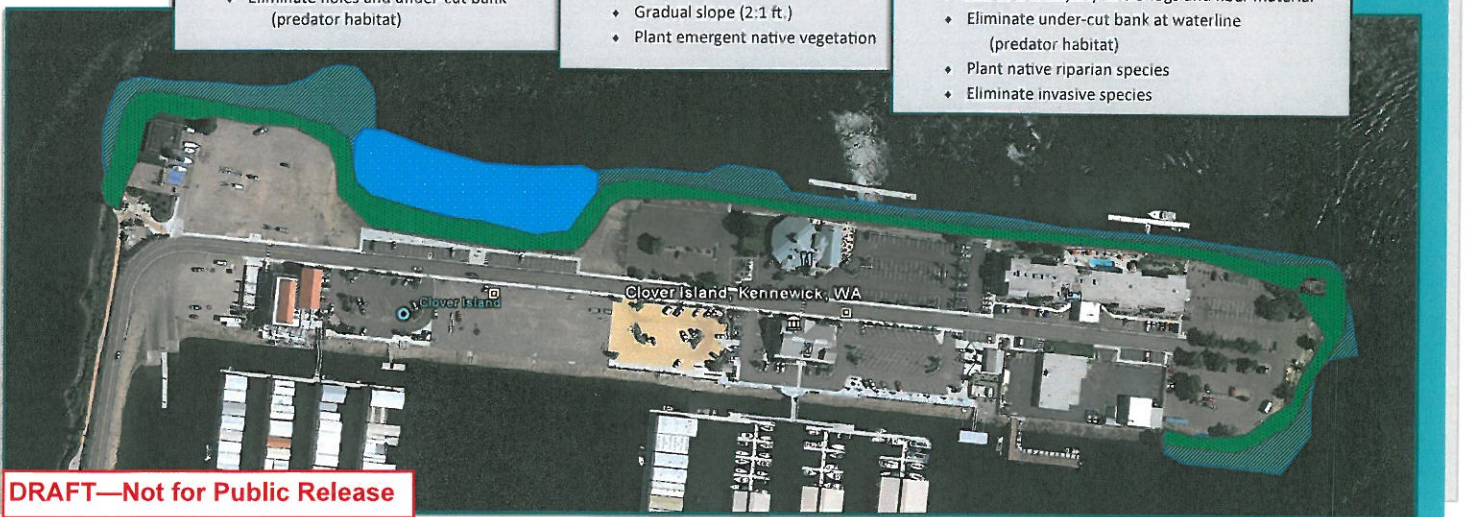
- Gravel and cobble substrate
- Shallow depth < 10 ft. deep
- Gradual slope (3:1 ft.)
- Eliminate holes and under-cut bank (predator habitat)

Measure B: Riparian Habitat — Wetland

- Fine materials substrate
- Shallow depth < 6 ft. deep
- Gradual slope (2:1 ft.)
- Plant emergent native vegetation

Measure C: Riparian Habitat — Multi-storied Canopy

- Stabilize bank, key-in bio-logs and fiber material
- Eliminate under-cut bank at waterline (predator habitat)
- Plant native riparian species
- Eliminate invasive species



DRAFT—Not for Public Release

Clover Island, Port of Kennewick, Washington — Ecosystem Restoration

Exhibit A

Restoration Alternatives

Alternative 5 — Aquatic and Max Riparian Habitat

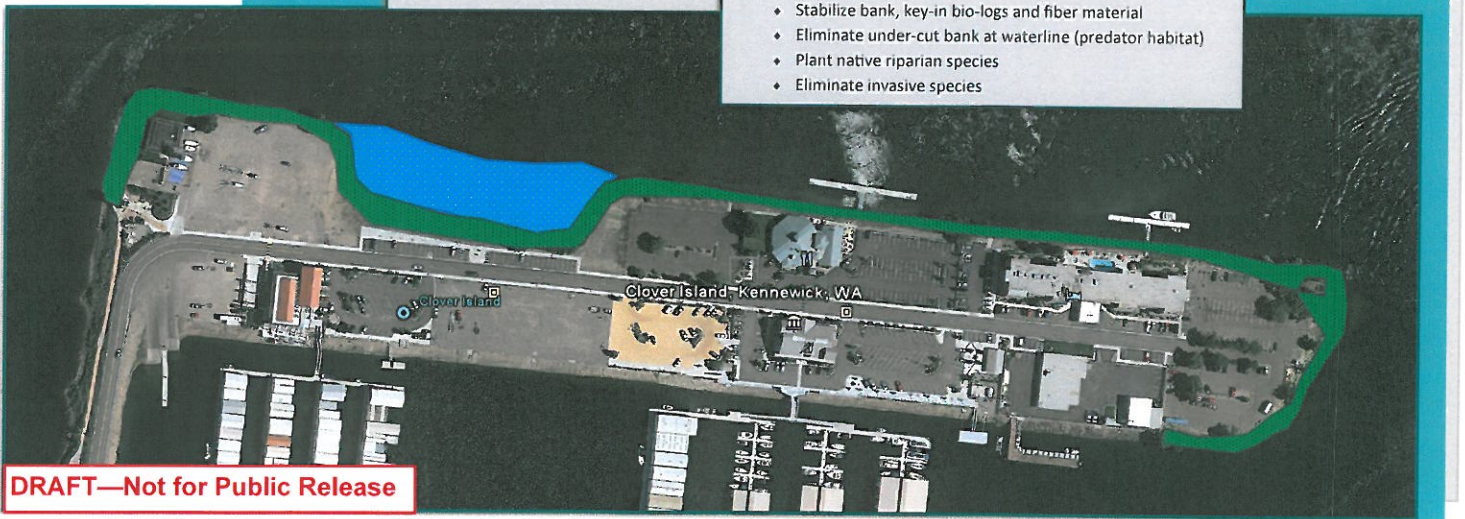
- Aquatic/Riparian Habitat — Wetland in Notch
- Riparian Habitat — Multi-storied Canopy with a Stabilized Toe

Measure B: Riparian Habitat — Wetland

- Fine materials substrate
- Shallow depth < 6 ft. deep
- Gradual slope (2:1 ft.)
- Plant emergent native vegetation

Measure C: Riparian Habitat — Multi-storied Canopy

- Stabilize bank, key-in bio-logs and fiber material
- Eliminate under-cut bank at waterline (predator habitat)
- Plant native riparian species
- Eliminate invasive species



Clover Island 1135 Feasibility Study
Planning Level Costs - DRAFT

Exhibit A

Alternative 1	Total Restoration Construction	Construction Cost Break Out (75%/25%)	Allowable Recreation* (50%/50%)	Total Cost Construction and Recreation
Design and Implementation Est.	\$3,960,046		\$594,007	\$4,554,053
Federal Cost		\$2,970,035	\$297,003	\$3,267,038
Sponsor Cost		\$990,012	\$297,003	\$1,287,015
Total Project Cost (Fed and Sponsor)		\$3,960,046	\$594,007	\$4,554,053

* Allowable - 10% of Federal portion of project design and construction costs

Alternative 5	Total Restoration Construction	Construction Cost Break Out (75%/25%)	Allowable Recreation* (50%/50%)	Total Cost Construction and Recreation
Design and Implementation Est.	\$2,431,476		\$364,721	\$2,796,197
Federal Cost		\$1,823,607	\$182,361	\$2,005,968
Sponsor Cost		\$607,869	\$182,361	\$790,230
Total Project Cost (Fed and Sponsor)		\$2,431,476	\$364,721	\$2,796,197

* Allowable - 10% of Federal portion of project design and construction costs

PORT OF KENNEWICK

Resolution No. 2016-25

***A RESOLUTION OF THE PORT OF KENNEWICK
BOARD OF COMMISSIONERS ADOPTING THE 2017-2018 WORK PLAN***

WHEREAS, the Port of Kennewick Commission conducted a Planning Workshop at its Regular Meeting on Tuesday, October 11, 2016, to receive public input and discuss in open session proposed plans and development policies to be undertaken and implemented in calendar years 2017-2018; and

WHEREAS, following input from the public and discussion amongst the Commission, the Commission requested additions and modifications to the Work Plan presented by staff; and

WHEREAS, the requested additions and modifications have been incorporated into the document titled "Port of Kennewick 2017-2018 Work Plan".

NOW, THEREFORE, BE IT HEREBY RESOLVED the Board of Commissioners of the Port of Kennewick hereby adopt the 2017-2018 Work Plan as attached hereto and identified as "Exhibit A".

ADOPTED by the Board of Commissioners of the Port of Kennewick this 25th day of October, 2016.

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

By: _____


SKIP NOVAKOVICH, President

By: _____


THOMAS MOAK, Vice-President

By: _____


DON BARNES, Secretary



2017-2018 WORK PLAN

Public Meeting
Port Commission Chambers
October 11, 2016 2:00 p.m.

Approved by Resolution 2016-25
October 25, 2016

350 Clover Island Drive, Suite 200
Kennewick, WA 99336

Tel: (509) 586-1186
Fax: (509) 582-7678

www.PortofKennewick.org

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PROSPECTIVE VISION

- **Follow direction established by 2011 Comprehensive Scheme of Development and Harbor Improvements and as amended in April 2013 and refined at fall 2016 Commission Retreat**
- **The Port is an economic development entity focused on redevelopment**
- **Undertake Vista Field Redevelopment**
- **Continue with Kennewick waterfront projects: Clover Island - Shoreline Improvements "Gathering Place" & 1135 Program and Columbia Drive — Wine Village Phase 1 & 2**
- **Pursue projects with development partners demonstrating support (match funding, political support and enthusiasm)**
- Pursue fewer projects while selecting projects with the greatest benefit to the community
- Focus on Waterfront development/redevelopment
- Realize & support economic development opportunities with wine, culinary & tourism industry
- Continue to secure grant funding opportunities
- Remain focused on containing operational expenses
- Remain solidly focused on the Port's core business and established priorities; not swayed by the oscillating influence of external entities
- A strong focus must be placed on successfully running daily Port operations

ACHIEVEMENTS (Sept. 16, 2014—Sept. 30, 2016)

PRIORITY PROJECTS

VISTA FIELD REDEVELOPMENT

- ☒ Completed Vista Field Charrette public outreach
- ☒ Completed formal public outreach process including “sun-setting” of Vista Vision Task Force
- ☒ Completed Vista Field Redevelopment Transportation System Impact Evaluation (TSIE) and negotiated mitigation commitments and timing
- ☒ Developed draft Mixed Use zoning ordinance for Vista Field site

KENNEWICK WATERFRONT CLOVER ISLAND

CLOVER ISLAND

- ☒ Boat launch ramp, site paving & bathroom project (100% complete) improvement design
- ☒ Gathering Place project refined and redesigned & project ready for bid
- ☒ U.S.A.C.E. 1135 Program coordination & participation
- ☒ Applied for \$500,000 ALEA grant funds for Shoreline Enhancement (ranked above funding threshold, however state budget funds for RCO programs are unknown)
- ☒ Marina at 92% occupancy

COLUMBIA DRIVE

- ☒ Revised Winery site improvements and bid utility work separately (100% Complete)
- ☒ Established tenant criteria and solicited interest in Winery Buildings (100% Complete)
- ☒ Redesigned Winery Buildings & site improvements and bid project (bidding 100% Complete)
- ☒ Duffy's Pond Phase #1 vegetation cleanup
- ☒ Negotiated Phase #2 preliminary cost sharing agreement with the City of Kennewick
- ☒ Undertook Phase #2 utility and parking lot improvement design (10% complete)

RICHLAND PROJECT

- ☒ Marketing last Spaulding Business Park parcel
- ☒ **Closed .77 ac Land Sale (SARC) - \$167,705**

WEST RICHLAND PARK

- ☒ Partnered with City of West Richland on the successful Urban Growth Boundary Amendment Request (annexation followed in December 2015)
- ☒ Negotiated removal of K.I.D. Flood Water Inundation Clause on West VanGiesen/Raceway property

ACHIEVEMENTS (Sept. 16, 2014—Sept. 30, 2016)

OTHER PROJECTS/PROPERTIES

OAK STREET INDUSTRIAL PARK

- ☒ Development Buildings A, B & C 100% occupancy

VISTA FIELD INDUSTRIAL PARK

- ☒ VFDF-A (Bruker) Building rejuvenation project (100% complete)
- ☒ Closed 9.91 ac Land Sale (Shemali) - \$1,640,000

FINLEY / HEDGES / TWIN TRACKS INDUSTRIAL

- ☒ Closed 146.92 ac Land Sale (Kennewick Game Farm) - \$562,000
- ☒ Closed 37.43 ac Land Sale (Rocking River) - \$230,000
- ☒ Closed 12.64 ac Land Sale (Agrium U.S.) - \$75,000

PLYMOUTH

- ☒ Closed 94.32 ac Land Sale (AgReserves) - \$265,000

DISTRICT WIDE

- ☒ Conducted 4 public participation meetings focused on Comp Scheme update
- ☒ Conducted Port's Commission Retreat/public meeting to discuss Comp Scheme updates

WORK IN PROGRESS

PRIORITY PROJECTS

VISTA FIELD REDEVELOPMENT

- Completing Master Plan for former Airport site (Development Agreement, zoning regulations, Business Improvement District, Financing Plan)

KENNEWICK WATERFRONT

CLOVER ISLAND

- “Gathering Place” design complete & project bidding in October 2016
- U.S.A.C.E. 1135 Program coordination & participation

COLUMBIA DRIVE

- Winery Buildings construction at 421 E. Columbia Drive
- Designing loop roadway & joint-use parking lot for 6 Acre Phase #2
- Undertaking Willows site development feasibility analysis

RICHLAND PROJECT

- Marketing last Spaulding Business Park parcel

WEST RICHLAND INDUSTRIAL PARK

- Completing Master Plan for West VanGiesen/Raceway property
- Finalize inundation clause agreement with K.I.D.

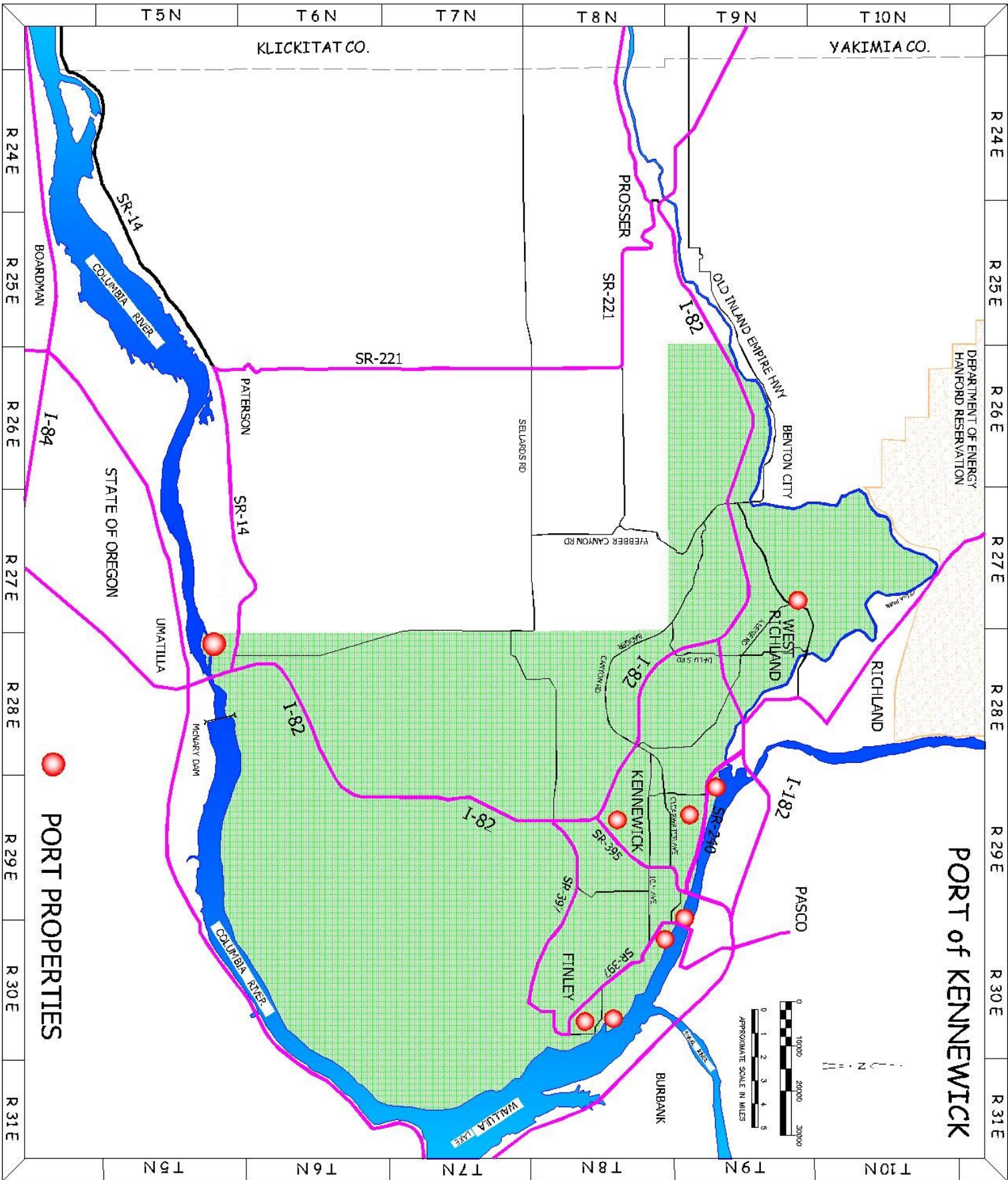
OTHER PROPERTIES/PROJECTS

VISTA FIELD INDUSTRIAL PARK

- VFDF-A (Bruker) Building rejuvenation project 98% complete

OAK STREET INDUSTRIAL PARK

- Ag Engineering Building rehabilitation project 25% complete



VISTA FIELD REDEVELOPMENT

- 103± Acres Combined
- Zoning: CR (Commercial Regional)
- Municipal Services Available

STRENGTHS

- Centrally located in the Tri-Cities, surrounded by vibrant commercial district
- Adjacent to the Three Rivers Entertainment District (Toyota Center Coliseum, Three Rivers Convention Center and Tri-Cities Business & Visitor Center)
- Flat land, consolidated ownership with all utilities available
- No known cultural resources or environmental concerns

CHALLENGES

- ✱ Undertaking massive redevelopment effort while balancing district-wide objectives
- Limited financial resources
- Refining community input into a viable redevelopment plan
- Establishing connection to transportation network and adjacent anchors (Columbia Center Mall & Three-Rivers Entertainment District) while balancing district-wide

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ **Complete Master Plan & jointly Adopt a 10-year Development Agreement with the City of Kennewick** ®
- ☐ **Vista Field Phase 1A Improvements - \$5,000,000** ®
 - ◇ Infrastructure (road & utilities) - \$3,000,000
 - ◇ Public Amenities (public plaza, water feature) - \$1,000,000
 - ◇ Hangar building improvements (exterior enhancements & remodel) - \$1,000,000
- ☐ **Vista Field Redevelopment - Town Planner - \$80,000** ®
- ☐ **Vista Field Redevelopment Loan Repayment & Marketing - \$800,000** ®
 - ◇ Vista Field loan repayment - \$700,000
 - ◇ Vista Field marketing for sale or lease - \$100,000
- HOLD Former Vista Field Airport properties until completion of Master Planning process

Obligation
Support Previously Expressed
 ® **Revenue Generation Potential**



KENNEWICK WATERFRONT (Clover Island & Columbia Drive)

- Clover Island 16 Acres; Columbia Drive 15.32 acres
- Zoning: Clover Island CM (Commercial Marina); Columbia Drive CC (Commercial Community)
- Municipal Services: water, sewer, electricity, natural gas and wireless coverage

STRENGTHS

- Unique waterfront property
- City & Port partnership formation for Columbia Drive Wine Village Development
- Tourism Opportunities - lighthouse, gateway, marine, public plazas, shoreline trails & public art amenities with mixed use, commercial & recreational opportunities
- Original Kennewick waterfront destination near Historic Downtown Kennewick

CHALLENGES

- ✱ Balancing focus on both Kennewick waterfront and Vista Field redevelopment priority projects
- Shoreline work must be completed before private sector development occurs
- Blighted neighborhood consisting of residential, low-income, commercial-general and light industrial business-use properties

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

CLOVER ISLAND

- ☐ **Complete construct of the “Gathering Place” and demolition of former Port Office building & Ranney Collector structures - \$725,000 (2015/2016 budget) ®**
- ☐ **Shoreline Restoration design assistance & construction matching funds (USACE 1135 Program) - \$850,000 (\$275,000 in 2015/2016 budget)**
- **Market adjacent property upon completion of the “Gathering Place” project market and Northwest corner property upon completion of the USACE 1135 Program Shoreline Improvements ®**

COLUMBIA DRIVE

- ☐ **Phase#1 -\$3,950,000 (2015/2016 budget) ®**
 - ◇ Complete construct Phase 1 Columbia Gardens Wine Village - \$3,950,000
- ☐ **Phase#2 -\$1,100,000 ® {Rural County Capital Funds}**
 - ◇ Design work and construct loop road & joint use parking lot -\$600,000
 - ◇ Willows utility design work and fund grant matching dollars - \$500,000
- ☐ **Explore potential and complementary private sector development (sale or lease) ®**

Contractual Obligation
Support Previously Expressed
 ® **Revenue Generation Potential**



RICHLAND PROJECT (ISLAND VIEW AREA)

- 31.12 acres cold
- .53 Acre parcel available
- Zoning: City of Richland - C2 (Central Business)
- Municipal Services: water, sewer, electricity, natural gas, wireless coverage

STRENGTHS

- Waterfront area prime for redevelopment
- Central location between two interchanges on SR-240 (Columbia Center Boulevard and Columbia Park Trail)
- Freeway frontage visibility
- Spaulding Business Park redevelopment/infill project created development momentum
- Well suited for professional, medical, office & retail business

CHALLENGES

- ✱ Kennewick waterfront and Vista Field redevelopment priority projects require most of Port resources
- Buffered between aging residential, transitional properties and new professional businesses
- Success of the Spaulding Business Park has led to increased value/expectation of current land owners negatively impacting feasibility of future acquisitions

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Upon completion of the City of Richland's Comprehensive Land Use Plan Update, Port and City staff will work to identify a project of mutual benefit. - **\$400,000**
- ☐ Explore opportunities to create regional linkages to and from Vista Field, including Island View
- **Continue marketing last Spaulding Business Park parcel (.53 Acres) ®**

Contractual Obligation
Support Previously Expressed
® Revenue Generation Potential



WEST RICHLAND INDUSTRIAL

- Keene Road: 14 acres incorporated (12 acres leased, 2 acres available)
- West VanGiesen/Raceway property: 92+ Acres unincorporated (45 acres leased to Alexander Farms)
- Zoning: West Richland (industrial)
- Municipal Services: water, sewer, industrial sewer electricity available to Keene Road Parcels; electricity available to West VanGiesen/Raceway property and water, sewer, industrial sewer within the vicinity

STRENGTHS

- Close proximity to world-renowned Red Mountain AVA
- Ideally suited for wineries and Red Mountain AVA ancillary businesses
- West VanGiesen/Raceway property within City of West Richland UGA and city limits
- Within Wine Effluent Treatment System service area

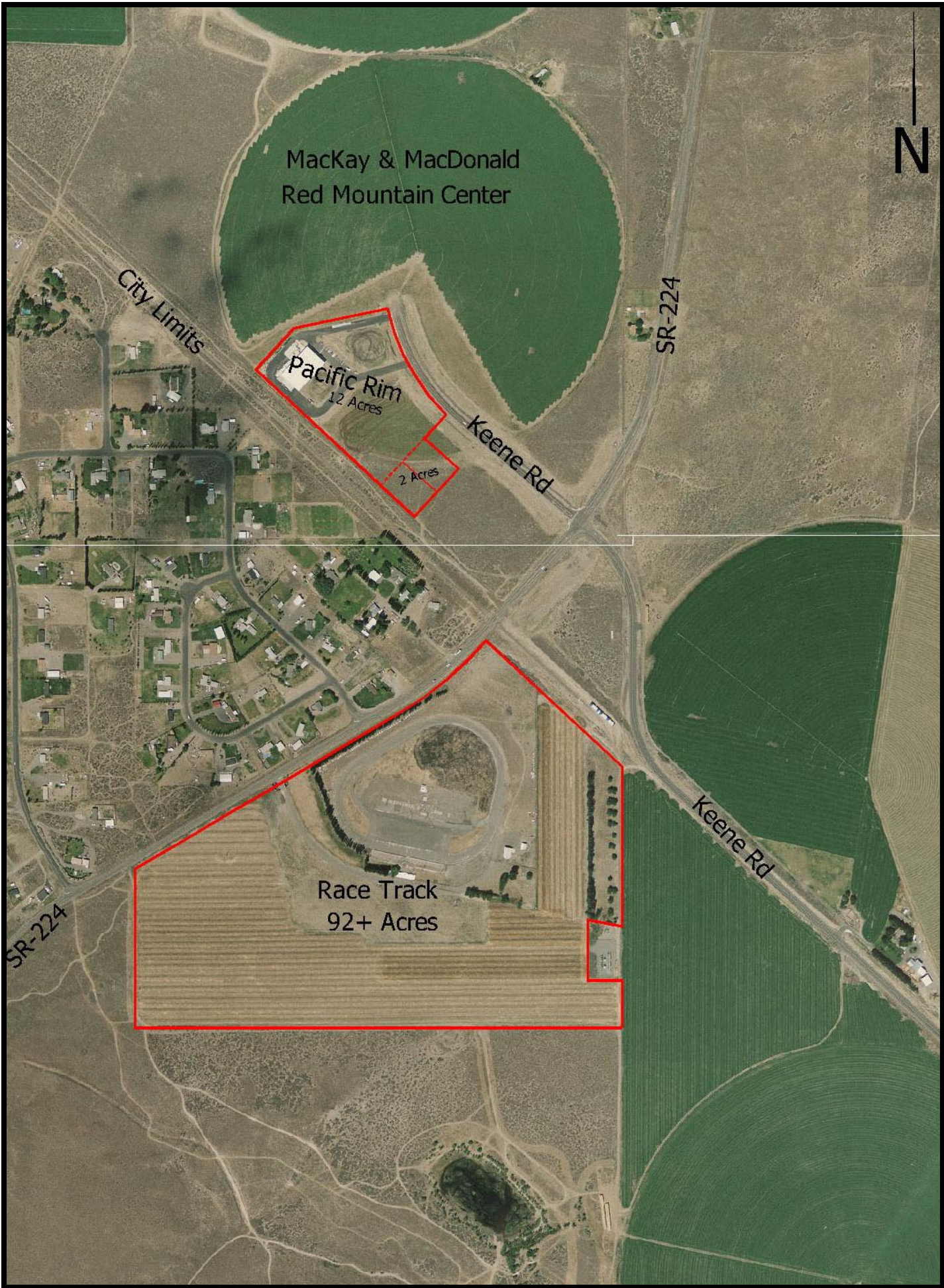
CHALLENGES

- ✱ Kennewick waterfront and Vista Field redevelopment priority projects require most of Port resources
- KID flood inundation clause effectively negates development on West VanGiesen/Raceway property
- Municipal utilities presently unavailable to West VanGiesen/Raceway property (\$750,000+ extension cost)
- Catalyst development needs to be initiated to spur ancillary businesses in immediate vicinity
- Excessive supply of readily available private sector land in the immediate vicinity

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ **Complete Master Planning & jointly adopt a 10-year development agreement with the City of West Richland ®**
- ☐ **Finalize agreement regarding of KID inundation clause - \$100,000 ®**
- ☐ **Port and City staff work to identify a project of mutual benefit - \$100,000**
- **Market both Keene Road lots (Lots 3 & 4) consistent with adopted development agreement)®**
- **HOLD West VanGiesen/Raceway property ®**

Contractual Obligation
Support Previously Expressed
 ® **Revenue Generation Potential**



N

MacKay & MacDonald
Red Mountain Center

City Limits

Pacific Rim
12 Acres

2 Acres

Keene Rd

SR-224

Race Track
92+ Acres

Keene Rd

SR-224

OAK STREET INDUSTRIAL PARK

- 74+ Acres
- Zoning: City of Kennewick - IH (Industrial Heavy)
Benton County - LI (Light Industrial)
- Municipal Services: water, sewer and electricity available

STRENGTHS

- Close to SR 397; flat topography; all municipal utilities available to incorporated parcels

CHALLENGES

- ✱ Kennewick waterfront and Vista Field redevelopment priority projects require most of Port resources
- Poor visibility; no rail access; high ground water; perceived as isolated
- Municipal utilities unavailable to land located in county

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Complete improvements underway at Ag Engineering Building (1515 E. 7th Ave)
Phase 1 building improvements - \$110,000 (2015/2016 budget) ®
- ☐ Continue to actively market Development Buildings A, B, C & D as available ®
- Market for sale vacant industrial land southeast of Development Buildings A, B, & C ®
- Market for sale all vacant/ag parcels ®

Contractual Obligation



VISTA FIELD DEVELOPMENT BUILDINGS

- 3.73 acres
- Zoning: City of Kennewick - IL (Industrial Light)
- All municipal services available

STRENGTHS

- Centrally located in the Tri-Cities, surrounded by vibrant commercial district
- VFDF-A Building rehabilitation/remodel work completed September 2016

CHALLENGES

- ✱ Kennewick waterfront and Vista Field redevelopment priority projects require most of Port resources

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Continue to actively market Development Buildings A & B as available ®

Contractual Obligation
Support Previously Expressed
 ® **Revenue Generation Potential**



SOUTHRIDGE

- 8.50 acres
- Zoning: City of Kennewick - CC (Commercial Community)
- All municipal services available

STRENGTHS

- Adjacent to Trios Health (KGH) Hospital development
- Interstate 82/Highway 395 accessibility; Southern gateway entrance into Kennewick
- Prime commercial, mixed use and residential development area

CHALLENGES

- ✱ Kennewick waterfront and Vista Field redevelopment priority projects require most of Port resources
- Excessive quantity of developed land available
- Topography challenges

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

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

Obligation
Support Previously Expressed



FINLEY (TWIN TRACKS & HEDGES LAGOON)

TWIN TRACKS:

- 148.14 acres; Zoning: Benton County - HI (Heavy Industrial)
- Utility Services: ground well, electricity and natural gas available

HEDGES LAGOON:

- 55.35 acres (of which 3.65 acres above ordinary high water line)
- Zoning: upland Benton County - HI (Heavy Industrial); aquatic NA
- Municipal Services: electricity available (upland)

STRENGTHS

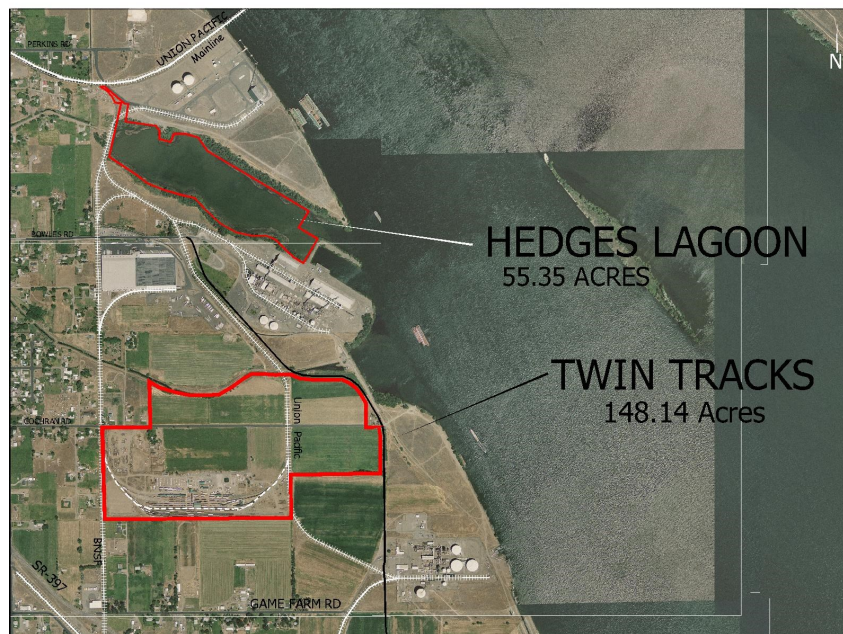
- Current dual rail service (Twin Tracks)
- Inter-Tie and Piert Road project improves access Interstate 82/Highway 397

CHALLENGES

- ✱ Kennewick waterfront and Vista Field redevelopment priority projects require most of Port resources
- No municipal utilities and adjacent to existing & expanding residential (Twin Tracks)

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Investigate sale/transfer of Hedges Lagoon to federal, state and/or tribal parties
- **Market for sale Twin Tracks properties lying east of UP rail spur (34.66 Acres)**
Contractual Obligation
Support Previously Committed
 ® **Revenue Generation Potential**



PLYMOUTH INDUSTRIAL

- 157+ Acres (Zoning: Benton County - P (Park District) and HI (Heavy Industrial))
- Municipal Services: ground wells and power available

STRENGTHS

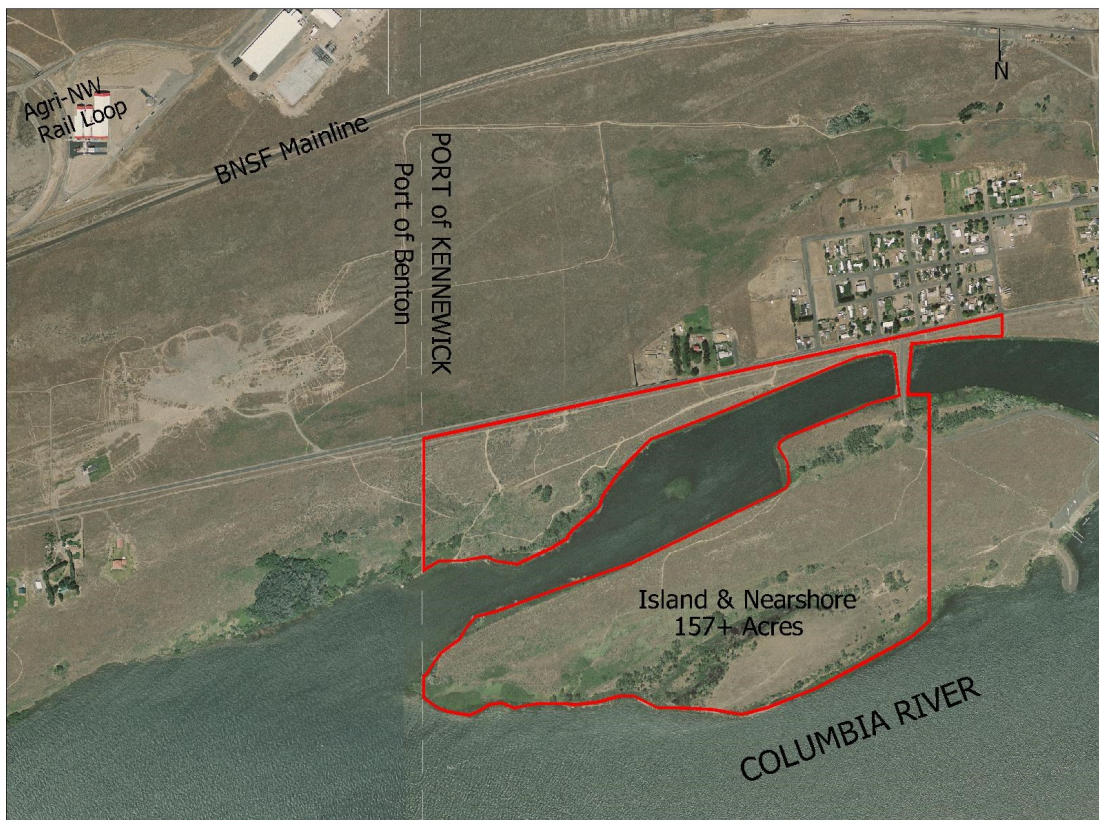
- Near Interstate 82 and State Route 14
- Natural Gas - 1,000 feet from site
- Substantial electrical service in immediate vicinity

CHALLENGES

- ✱ Kennewick waterfront and Vista Field redevelopment priority projects require most of Port resources
- Cultural resource protections on island areas and nearshore

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ Investigate sale/transfer of Island & nearshore land to federal, state and/or tribal parties
 - Contractual Obligation**
 - Support Previously Expressed**
 - ® **Revenue Generation Potential**



DISTRICT - WIDE WORK PLAN PROJECTS

SUGGESTED WORK PLAN

- ☐ Remain focused on the day-to-day efforts to operate a successful Port District
- ☐ Complete projects authorized in 2015-2016 Budget
- ☐ **Pursue grant funding as appropriate** ®
- ☐ **Return-On-Investment analysis & capital reserve for ROI project - \$700,000** ®
- ☐ **Port asset replacement program (building upkeep & annual maintenance) - \$550,000** ®
- ☐ **Opportunity fund for yet to be identified small projects (either Port or outside agency) - \$100,000** ® *[dependent upon project(s) selected]*
- ☐ Governmental relations and public outreach - **\$16,000**
- ☐ Continue strengthening governmental relationships with CTUIR
- ☐ Continue strengthening governmental relationships with jurisdictional partners: City of Kennewick, City of Richland, City of West Richland, City of Benton City, Benton County
- ☐ Partnership with City of Benton City for shoreline master planning efforts - **\$15,000**
{Rural County Capital Funds}
- ☐ Miscellaneous capital - **\$100,000**

Contractual Obligation
Support Previously Expressed
® **Revenue Generation Potential**

2017-2018 PORT of KENNEWICK CAPITAL BUDGET

Adopted October 25, 2016 by Resolution 2016-25

2017-2018 PORT of KENNEWICK CAPITAL BUDGET			Committed 2015-2016 Carry-Over	2017-2018 ALLOCATION	FUNDED TOTAL	
Adopted October 25, 2016 by Resolution 2016-25						
PRIORITY PROJECTS	VISTA FIELD REDEVELOPMENT		\$0	\$5,880,000	\$5,880,000	
	Phase #1	Infrastructure Roadway and Utility Design & Construction	\$0	\$3,000,000		
	Phase #1	Public Amenities Plaza, Water Feature Design & Construction	\$0	\$1,000,000		
	Phase #1	Building Renovation Corporate Hangar Remodel Design & Construction	\$0	\$1,000,000		
	Phase #1	Financing Loan Repayment & Interest	\$0	\$700,000		
		Town Planning Implementation Assistance (DPZ and Mehaffy & Qamar)	\$0	\$80,000		
		Marketing Project Marketing	\$0	\$100,000		
	KENNEWICK WATERFRONT		\$4,950,000	\$1,675,000	\$6,625,000	
		Construction Clover Island "Gathering Place" public plaza & boardwalk	\$725,000	\$0		
		Design & Construction 1135 Shoreline Program Design & Construction Matching Funds	\$275,000	\$575,000		
	Phase #1	Construction Wine Village Phase 1 Building Construction	\$3,950,000	\$0		
	Phase #2	Design & Construction Columbia Gardens Roadway, Utility and Parking Lot Design & Construction **	\$0	\$600,000		
	Phase #1	Design & Grant Match Willows Design & Grant Fund Match **	\$0	\$500,000		
	CITY OF RICHLAND		\$0	\$400,000	\$400,000	
		Project Allocation Mutually beneficial project within Island View area	\$0	\$400,000		
	CITY OF WEST RICHLAND		\$0	\$200,000	\$200,000	
		Entitlement K.I.D. Inudation Clause removal	\$0	\$100,000		
		Project Allocation Mutually beneficial project within West Van Giesen site area	\$0	\$100,000		
	PRIORITY PROJECT TOTALS			\$4,950,000	\$8,155,000	\$13,105,000
	R.O.I. PROJECT			\$0	\$700,000	\$700,000
		R.O.I. Analysis & Capital Reserve	Analyze ROI opportunities & invest consistent with analysis	\$0	\$700,000	
	ASSEST REPLACEMENT PROGRAM			\$110,000	\$550,000	\$660,000
	Building Maintenance	Establish dedicated funding source to maintain Port revenue generating properties	\$0	\$550,000		
Oak Street	Building Renovation	Ag Engineering Building (1515 E. 7th) Remodel Construction	\$110,000	\$0		
OPPORTUNITY FUND			\$0	\$100,000	\$100,000	
	Capital and/or Partnership	Allocation for Yet to Be Determined Small Project (Port and/or outside agency)	\$0	\$100,000		
Misc. Capital Expenditures			\$0	\$100,000	\$100,000	
	Construction & Equipment	Non-scheduled improvements and equipment	\$0	\$100,000		
BENTON CITY			\$0	\$15,000	\$15,000	
	Planning Assistance	Matching Funds for Shoreline Master Plan Update **	\$0	\$15,000		
GOVERNMENT RELATIONS			\$0	\$16,000	\$16,000	
	Public Relations	Public outreach and communication	\$0	\$16,000		
OTHER PROJECT/PROPERTY TOTALS			\$110,000	\$1,481,000	\$1,591,000	
TOTALS			\$5,060,000	\$9,636,000	\$14,696,000	

Notes: ** Rural County Capital Funds

PORT OF KENNEWICK

RESOLUTION NO. 2016-26

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PORT OF KENNEWICK ADOPTING THE 2017 & 2018 BUDGET

WHEREAS, the Board of Commissioners of Port of Kennewick met at a special meeting on October 25, 2016, a quorum of the Commission being present; and

WHEREAS, Port of Kennewick has properly given notice of the public hearing held on October 11, 2016 to consider Port of Kennewick's Budget for the 2017 and 2018 calendar years, pursuant to RCW 84.55.120; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Port of Kennewick after a public hearing, and after duly considering all relevant evidence and testimony presented, has adopted the attached budget for Port of Kennewick for the year 2017 & 2018.

ADOPTED by the Board of Commissioners of Port of Kennewick at its regular meeting on October 25, 2016.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____

SKIP NOVAKOVICH, President

By: _____

THOMAS MOAK, Vice President

By: _____

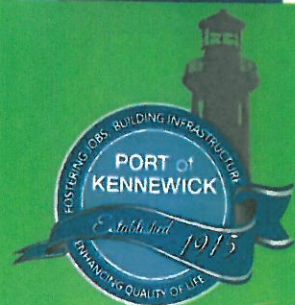
DON BARNES, Secretary



Port of Kennewick

Fostering Jobs

Building Infrastructure



Mission & Goals

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

Economic Development and Job Creation Goals:

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

These above goals will be accomplished through the following projects:

- ✓ Vista Field Redevelopment planning efforts are in full swing with high community and business involvement throughout the 2017 & 2018 years. The Port is working to formulate a financial plan that involves public and private partnerships, a financing mechanism which does not increase taxes, and engages open and competitive practices. The impacts of this project will be substantial to the local area as well as the

state and even nationally as we work to spur and retain jobs in the United States.

- ✓ Columbia Drive Redevelopment involves multiple sound economic development projects planned for construction in 2017 & 2018. These construction projects are in conjunction with partnering entities and a competitive bid process will be used throughout. The Columbia Drive Redevelopment projects will positively impact the Port district-wide, while supporting the "Bridge to Bridge, River to Railroad" community plan, and the expansion of Washington's wine, culinary, and artistic industries.



- ✓ Clover Island shoreline restoration, public amenity enhancements and project planning are all under way. The Port is working with the U.S. Army Corp of Engineers and the Washington State Recreation & Conservation Office (RCO) to help fund shoreline improvements; and Confederated Tribes of the Umatilla Indian Reservation to create and install artwork on the Island. These are key projects to restoring the shoreline for salmon habitat restoration, visually improving the island's aesthetic, and adding very valuable and community-desired recreational and artistic improvements. These project are important to the Port's

return on investment as they will encourage future potential development and businesses to locate at Clover Island.

Financial, Operational, and Budget Philosophy for 2017 & 2018:

- The Port is maintaining its goal of a balanced budget.
- The Port is fiscally sound and is ensuring its available resources do not exceed expenditures.
- The Port's budget will maintain current staffing levels and can therefore continue to promote fiscal responsibility into the future.
- The Port's budget does reflect incurring debt; however, if debt is pursued it will be with the goal of being sustainable while meeting cost, risk, legal and economic objectives.
- The Port will continue to report ROI as appropriate and share audited financial reports with the public.

2017 & 2018 PRELIMINARY BUDGET

Total Revenues	<u>\$ 16,268,759</u>
Total Expenses (less capital and promotional hosting)	<u>\$ 7,845,489</u>
<i>Profit (Loss)</i>	<u><u>\$ 8,423,270</u></u>
Less Capital Expenses	<u>\$ 11,636,937</u>
Less Promotional Hosting Expenses	<u>\$ 20,449</u>
Beginning Cash on Hand	\$ 6,335,887
RESERVE FUNDS	\$ 2,500,000
UNRESTRICTED FUND BALANCES	<u>\$ 601,772</u>
<i>ENDING CASH ON HAND</i>	<u><u>\$ 3,101,772</u></u>

The 2017 & 2018 Preliminary Budget PowerPoint Presentation are integral to the Port of Kennewick's preliminary budget document.

PORT OF KENNEWICK

RESOLUTION NO. 2016-28

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 2016 is 0.953 percent and the limit factor for property taxes for 2016 is one hundred and one percent (100.953%); and

WHEREAS, the Port of Kennewick's levy amount from the previous year was approximately \$3,700,000; 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 2017 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 25th day of October 2016; 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*

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 25, 2016. 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	\$4,470,000
Administration Refund Fund	\$30,000

Total Regular Levy	\$4,500,000
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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 25th day of October, 2016.

CERTIFIED BY:

**PORT of KENNEWICK
CFO/AUDITOR**



Nick Kooiker

PORT OF KENNEWICK

RESOLUTION NO. 2016-27

A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE PORT OF KENNEWICK CERTIFYING THE PORT'S 2016 LEVY FOR 2017 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 25, 2016, 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 2016 year was \$3,700,000; 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 2017 tax year in the amount of \$4,500,000, 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 2017 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 Director of Finance/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 25, 2016.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**


SKIP NOVAKOVICH, *President*


THOMAS MOAK, *Vice President*


DON BARNES, *Secretary*

PORT OF KENNEWICK

RESOLUTION 2016-29

A RESOLUTION OF THE BOARD OF COMMISSISONERS OF PORT OF KENNEWICK ADOPTING AN ART POLICY

WHEREAS, this policy is intended to foster the artistic interests of the community, including the expression of ideas and viewpoints, by providing a showcase for artwork created by community and regional artists; and

WHEREAS, this policy provides the guidelines and mechanisms to be used for artwork commissioned, purchased by, or gifted to the Port; and

WHEREAS, the Commission shall evaluate the effectiveness of this policy over time and reserves the right to expand, amend or rescind this policy as appropriate; and

WHEREAS, the policy has been discussed in several commission meetings and amendments have been offered and incorporated into the final edit, which is presented herewith.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby approves and adopts the Artwork Policy as attached in Exhibit A, and directs the Chief Executive Officer (CEO) to take all action necessary to implement this policy.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 25th day of October, 2016.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

By: 
SKIP NOVAKOVICH, *President*

By: 
THOMAS MOAK, *Vice President*

By: 
DON BARNES, *Secretary*

Port of Kennewick Artwork Policy

It is the policy of the Port of Kennewick to foster the artistic interests of the community, including the expression of ideas and viewpoints, by providing a showcase for artwork created by community and regional artists. In furtherance hereof, the Port establishes the following policy related to artwork.

Section 1. General Provisions.

- A. The term "artwork" means all forms of the visual arts conceived in any medium, material or combination thereof, commissioned, purchased by, or gifted to the Port.
- B. The term "artwork budget" shall include cost of artwork, design fees, engineering costs, installation and similar costs, together with consulting fees and costs related to administering this policy.
- C. The Port Commission shall determine whether artwork shall be installed when the Port designs, engineers and constructs new capital projects of its own undertaking and when the Port sells undeveloped land.

Section 2. Artwork in Port Capital Projects.

If the Port Commission decides to include artwork in a capital project of the Port's undertaking, the Port shall establish an artwork budget of 1% of the total capital cost of the construction project. For infrastructure only projects, i.e.: those where the Port does not construct a building, the Commission may elect to refrain from including artwork.

Section 3. Artwork required as part of Port Land Sales.

- A. When the Port sells unimproved real property, at the discretion of the Port Commission, the Port may require that a sum (as determined below) be paid by the purchaser and deposited with the Port to purchase artwork to be installed in a public area within the Port of Kennewick district boundaries. The selection of the site for artwork shall be at the discretion of the Port Commission.
 - 1. For the first \$500,000, of sales price, a sum equivalent to 3% shall be assessed for artwork; and
 - 2. For sales in excess of \$500,000, a sum equivalent to 2% shall be assessed for artwork.
- B. Funds collected under this section shall be used for selection, acquisition, and installation or display of artwork; repairs and maintenance of artwork; and other project-specific expenses of selection and acquisition of public art.
- C. Any unexpended funds shall be carried forward from year to year until expended for the purposes set forth in this section, unless otherwise directed by the Port Commission.

Section 4. Artwork Selection Process.

- A. When selecting artwork, whether for a capital project of the Port's own undertaking, or when the Port sells unimproved real property, the Port may seek the advice of the arts commission in the jurisdiction where the artwork will be installed. The Port Commission shall request advice from the arts commission in extending calls to artists for submission of artwork and in the evaluation and selection of artwork.
- B. Artists responding to calls for submissions shall provide a detailed sample or rendering of artwork proposed for consideration.
- C. Because potential artwork display areas will be open to all segments of the community and all age groups, artwork shall not include material, which in the sole discretion of the Port Commission is defaming, obscene, or otherwise inappropriate.
- D. Artwork submissions shall be original artwork as opposed to mass-produced, of standard design or limited editions.
- E. The Port Commission may review, evaluate, select or reject any artwork submission in its sole discretion.

PORT OF KENNEWICK

Resolution No. 2016-30

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK ACCEPTING THE
415 N. QUAY BUILDING A - INTERIOR REMODEL PROJECT***

WHEREAS, Banlin Construction, LLC provided notification that the improvements to the Vista Field Development Facility located at 415 N. Quay Building A, Kennewick has been substantially completed in accordance with the plans and specifications; and

WHEREAS, Meier Architects and the Port of Kennewick staff have inspected the work and certified that it has been completed in accordance with the plans and specifications.

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby accepts the work of Banlin Construction, LLC as being substantially completed in accordance with the contract documents.

BE IT FURTHER RESOLVED that upon completion of all required documentation for the project, the Chief Executive Officer is authorized to proceed with the necessary requirements to finalize the project account.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 25th day of October 2016.

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

By: 
SKIP NOVAKOVICH, *President*

By: 
THOMAS MOAK, *Vice President*

By: 
DON BARNES, *Secretary*