

# AGENDA

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

Tuesday, November 12, 2019  
2:00 p.m.

**I. CALL TO ORDER**

**II. PLEDGE OF ALLEGIANCE**

**III. APPROVAL OF AGENDA**

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

**V. CONSENT AGENDA**

- A. Approval of Direct Deposit and ePayments Dated November 4, 2019
- B. Approval of Warrant Register Dated November 12, 2019
- C. Approval of Special Commission Business Meeting Minutes October 29, 2019

**VI. PRESENTATION**

- A. City of Kennewick Vista Entertainment District Project, City Manager Marie Mosley and Vijay Patel of A-1 Hospitality (**TIM**)

**VII. EXECUTIVE SESSION @ 2:40 pm**

- A. Potential Litigation, per RCW 42.30.110(1)(i) (**LUCINDA**)  
*(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)*

**VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS**

- A. Neutral Hearing Status (**LUCINDA**)
- B. Chief Executive Officer 2019-2020 Goals & Objectives; Resolution 2019-31 (**LUCINDA/NICK**)
- C. Chief Executive Officer Performance Evaluation (**LUCINDA**)
- D. Acceptance of Columbia Gardens Wine Village Phase #2A (Big D's Construction); Resolution 2019-30 (**LARRY**)
- E. Southridge Update (**AMBER/LARRY**)
- F. Public Records Request Status (**BRIDGETTE/ LUCINDA**)
- G. Discussion of 2019-2020 Work Plan (**TIM**)
- H. Commission Meetings (**BRIDGETTE**)
  - 1. November 15, 2019 Special Meeting at Musser Auction Facility
  - 2. November 26, 2019 Cancelled
- I. Commissioner Meetings (formal and informal meetings with groups or individuals)
- J. Non-Scheduled Items

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

**X. EXECUTIVE SESSION**

- A. Real Estate, Minimum Price, per RCW 42.30.110(1)(c) (**AMBER**)

**XI. ADJOURNMENT**

***PLEASE SILENCE CELL PHONES***



# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

Commission President Thomas Moak called the Special Commission Meeting to order at 2:01 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

## The following were present:

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

**Staff Members:** Tim Arntzen, Chief Executive Officer  
Amber Hanchette, Director of Real Estate and Operations  
Lucinda Luke, Port Counsel (Via Teleconference)  
Nick Kooiker, Chief Financial Officer  
Larry Peterson, Director of Planning and Development  
Lisa Schumacher, Special Projects Coordinator  
Bridgette Scott, Executive Assistant

## PLEDGE OF ALLEGIANCE

Commissioner Novakovich led the Pledge of Allegiance.

## APPROVAL OF THE AGENDA

Mr. Arntzen requested to move the Cedars Lease under New Business after the Consent Agenda.

***MOTION:*** Commissioner Novakovich moved to move Item Eight, New Business, to follow the Consent Agenda and approve the amended Agenda as presented; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

## PUBLIC COMMENT

No comments were made.

## CONSENT AGENDA

- A. ***Approval of Direct Deposit and E-Payments Dated October 17, 2019***  
Direct Deposit and E-Payments totaling \$64,912.73
- B. ***Approval of Warrant Register Dated October 22, 2019***  
Expense Fund Voucher Number 101505 through 101533 for a grand total of \$30,403.10
- C. ***Approval of Warrant Register Dated October 29, 2019***  
Expense Fund Voucher Number 101534 through 101555 for a grand total of \$556,720.54
- D. ***Approval of Regular Commission Business Meeting Minutes October 8, 2019***

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

---

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

## NEW BUSINESS

### A. *Cedars Lease*

Ms. Hanchette stated before the Commission is the revised lease with Cedars Restaurant. Current owners, Dave and Darci Mitcham are retiring and are currently negotiating the sale with Doug and Carrie Lundgren and are scheduled to close on November 1, 2019. In June 2018, the Commission approved a lease extension for a 15 year lease with four, 10 year renewal options. In September 2019, the Commission approved a tenant request for a fixed escalation. The Lundgren's lender has requirements and requested that the Port include an initial lease term of 30 years with one 10 year renewal period and some additional default protections. Ms. Hanchette stated the Lundgren's will own the building and will enter into a ground lease with the Port. Ms. Hanchette met with Ms. Lundgren, Ms. Luke and the lender via conference call to discuss the lender's requirements. Ms. Hanchette stated before the Commission is a new lease agreement with Lundgren's, upon closing.

Commissioner Moak asked Ms. Luke (via telephone) if the lease terms were acceptable.

Ms. Luke stated the lease terms requested by the lender are acceptable.

Commissioner Barnes reviewed the lease and found the following typos:

- Section 1.9 refers to property tax payable as specified in 3.4, whereas section 3.4 has to do with late charges and interest;
  - Commissioner Barnes believes this should be placed in property taxes specified in 3.3;
- Section 1.9 states that the tenant shall pay property taxes to the landlord as specified in section 3.4; however, in section 3.3 states the tenant shall pay "when and as payable to the taxing authority";
- Section 10.2 under landlord duties, building is capitalized;
  - Commissioner Barnes believes building should be a lower case.

Commissioner Moak asked Ms. Luke if the items Commissioner Barnes pointed out related to the taxing authority is material.

Ms. Luke stated no, they are not material corrections that need to be made.

Commissioner Moak stated there is no conflict in those two corrections.

Ms. Hanchette stated in Resolution 2019-26, the Port addresses the 30 year lease with the 10 year option and authorizes the Lundgren's to submit a personal guarantee with a signature bond, as was previously done with the Mitcham's.

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

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Commissioner Moak asked Ms. Luke what is the difference between a 40 year lease and a 30 year lease with a 10 year renewal option.

Ms. Luke stated it is more procedural in nature and allows the tenant to exercise an option to terminate the lease after 30 years. Ms. Luke stated the Lundgren's lender requires a 30 year lease term.

## **PUBLIC COMMENTS**

No comments were made.

***MOTION:*** *Commissioner Barnes moved approval of Resolution 2019-26, approving a ground lease with Boulder Heights LLC. upon purchase of building and assets from DDM Investments LLC.; and that all action by port officers and employees in furtherance hereof is ratified and approved; and further, the Port Chief Executive Officer is authorized to take all action necessary in furtherance hereof; Commissioner Novakovich seconded.*

### ***Discussion:***

*Commissioner Barnes hopes for the best here and believes he is on record as saying he views the Cedars restaurant as an iconic establishment within the Tri-Cities and that the success there continues. Commissioner Barnes stated he had some concerns with the first version of lease and as it turns out, all of those except for very minor typos were addressed in the changes. Commissioner Barnes is pleased to see it is an initial term of 30 years and that sounds as though it was a golden rule, a lender requirement, "they have the gold, they make the rules." Commissioner Barnes hopes for long term success there and wish you very well.*

*Commissioner Novakovich offered his congratulations to Dave and Darci Mitcham and stated that they have been wonderful people to the Port. Commissioner Novakovich hopes that Carrie and her family can continue that. Dave and Darci have been friends of the Port and as Commissioner Barnes said, an iconic piece of this Island and we want to see it go further. Commissioner Novakovich hopes the Mitchams won't be strangers and that they will come back and continue to put your glory on this Port, as we continue to develop Clover Island. Commissioner Novakovich thanked the Mitchams for all they have done.*

*Commissioner Moak expressed his thanks to the Mitchams for all their work and when the place burned down a number of years ago, they rebuilt it and created a great restaurant for many years. And for many years, sometimes it was the only reason to come out to Clover Island. It was the one thing people said, Clover Island is a great place to come to because of Cedars. Now, the Port has done a lot of other great things on Clover Island that make it worthwhile to come to Cedars and to do some of the other things out here. We are very appreciative to Dave and Darci, we hope that this lease transfer and approval of this Resolution, that the restaurant can only get better. With every change, you hope people learn from previous experiences and move on to greater heights. Commissioner Moak thinks this is a good day for Port of Kennewick and he hopes it's a good day for all the parties involved in the restaurant and he thinks this is one of the successes.*

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

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

## PRESENTATIONS

### A. *Potential Land Sale – Oak Street*

Ms. Hanchette stated Port staff received an offer to purchase 26 acres in the East Kennewick area of the Port district. Ms. Hanchette introduced Dennis Gisi with J. L. Scott Realty, who is representing the prospective buyer and will be presenting additional information about the buyer. Ms. Hanchette stated the 26 acres are located near East 3<sup>rd</sup> and Verbena and are broken up into three parcels which are zoned industrial. Currently, one tenant is leasing the 16.8 acre parcel, the 5 acre parcel is for agricultural use, and the 4.5 acres is property is being leased with a life estate tenant. The tenant lives on the property, which has an older home and additional structures. The offer is for the three parcels equaling 26.42 acres and the perspective buyer is a very experienced developer within mobile home communities. The potential buyers see this as an opportunity to fill a need in our community to offer more affordable homes. The Tri-Cities has a very robust economy and home prices are strong but there is a need for more affordability. Ms. Hanchette stated two of the parcels are located in the County, whereas the third is located in the City. Mr. Gisi and his clients have some work to do to move this forward. They would need to go through a Comprehensive Plan change with the City to rezone to meet residential use, which would create a need for a longer lead time to closing. Ms. Hanchette stated the Commission will have an opportunity to discuss the offer in Executive Session.

Mr. Gisi thanked the Commission for the opportunity to speak today and stated Richard Simonian is the principal of Santiago Estates and has been developing these communities since 1988. Mr. Gisi stated there is a need for affordable housing and they have been searching for appropriate land in the Kennewick for quite some time. Mr. Gisi stated Santiago Estates made an offer to purchase Lewis Country Estates, which neighbors 3<sup>rd</sup> and Verbena, but they could not come to terms with the owners. Santiago decided to pursue a land purchase in the area because precedence has already been set because there is already manufactured housing available in area. Mr. Gisi stated the community will feature new Marlette homes for sale between \$79,000 to \$119,000 and the cost of space rent, which is approximately the cost to rent an apartment. Mr. Gisi stated there is a lot of work to do and offered a timeline for the project:

- Request a change in the City of Kennewick's Comprehensive Plan (File application May 2020);
- Approval of City Comprehensive Plan change, August 2020;
- File application for City zoning change, September 2020;
- Receive zoning change, November-December 2020;
- Plan review and approval by March 2021;
- Estimated project completion phase 1, October 2021;
- Final project completion June 2022. (timeline may vary).

Mr. Gisi stated there is no moratorium on manufactured homes in Kennewick.

Commissioner Novakovich inquired what the square footage of homes would be.

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

---

Mr. Gisi stated the new homes will be between 1,500-1,800 square feet and are classified as double wides.

Commissioner Novakovich inquired if there will be special consideration for homeless veterans.

Mr. Gisi stated the only thing that we have in place for veterans is qualified special financing.

Commissioner Moak stated as Chairman of the Housing Authority for the City of Kennewick, he can attest that there is need for affordable housing in our community. Folks who are renting, may be able to get into manufactured housing such as Mr. Gisi is proposing. Commissioner Moak believes this would be great if it were to happen. Commissioner Moak has heard for some time that the City does not have enough industrial land, although this may not be the kind of industrial land they are looking for. Commissioner Moak inquired if Mr. Gisi got a feeling if City planners were supportive of the idea or neutral.

Mr. Gisi believes the City is supportive of the idea and stated one of the caveats that came out of the conversation is the Comp Plan review by the state.

Commissioner Moak inquired if it is easier or more difficult to change zoning in the County.

Mr. Gisi stated in his experience, it is an easier process with the County because they generally approve the City's recommendation. The City drives the particular need for residential, industrial or commercial, because of the lack of density in the County.

Commissioner Moak inquired how Santiago Estates would deal with the life tenancy parcel.

Mr. Gisi stated there is a cloud on the parcel because of the life estate and we would honor the life tenancy.

Mr. Peterson clarified the zoning process for the City and County. The Port properties are within the City's Urban Growth Area and two of the parcels are unincorporated at this time, whereas one property is in within the City. The first step would be the City amending their Comprehensive Plan and then there would be a petition for annexation. Then the City would consider rezoning all three properties at the same time. At this point, the County designated these properties to be within the Urban Growth Area and would work with the City from an annexation and zoning standpoint. As Mr. Gisi indicated, the big challenge lies with the reviewers in Olympia, who determine if the community has enough land mix. The Port acquired two of these parcels in 1972, and the life estate in the 1990's.

Commissioner Moak asked Ms. Hanchette what the Port's Comp Scheme states for these properties.

Ms. Hanchette stated the Comp Scheme states to surplus the property.

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

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## ***B. 2019 Year in Review***

Mr. Peterson presented the year in review: project accomplishments, daily/annual operation accomplishments, land transactions and partnership and outreach.

### Port Projects

- Columbia Gardens:
  - Phase 2A: loop road, 30 space parking lot, food truck plaza;
  - Phase 2B: tasting room building construction underway;
  - phase 2C: transit shelter and artwork completed;
- Vista Field:
  - Construction began May 2019 and just recently the roads have been paved.

### Daily/Annual Operation Accomplishments:

- February –March 2019: 150,000 sq. feet of space maintained during winter storms;
- Marina – 90% occupancy;
- Industrial space – 95% occupancy;
- Clover Island Street Lights changed out to LED;
- Columbia Gardens Effluent Drainage revision;
- Clean audits and strong financials;
- New Port Website.

### Land Transactions:

- Benton County Fire District 4 purchased 2 acres for new Keene Road Fire Station;
- Three Rivers Acquisition purchased 12 acres in Oak Street;
- City of West Richland purchased the former Tri-City Raceway (92+ acres);
- Southridge property is slated for auction November 15, 2019 (8+acres).

### Partnerships and Outreach:

- Confederated Tribes of the Umatilla Indian Reservation (CTUIR) held the annual Directors Retreat on Clover Island in March 2019;
- United States Army Corps of Engineers (USACE) 1135 Design team and Port team held meeting on Clover Island in August 2019;
  - \$3,500,000 of funding from USACE for Clover Island Shoreline Restoration project;
- Benton Public Utility District #1 added an additional power network through Vista Field
  - \$450,000 of funding from Benton PUD allocated to Vista Field;
- City of Kennewick allocated funds to Clover Island Shoreline 1135 project;
  - \$1,000,000 of funding from City of Kennewick allocated to 1135 Project allowed Port to fund Vista Field;
- Benton County approved several Rural County Capital Funds (RCCF) applications for Columbia Gardens, Vista Field and Clover Island
  - \$500,000 allocated funds from Benton County to Vista Field Project;
- \$910,000 insurance proceeds from 211 E. Columbia Drive building collapse;

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

- 
- City of Kennewick allocated \$200,000 of general funds to Columbia Gardens Phase 2B tasting room project.
  - City of West Richland: former Tri-City Raceway land sale for Economic Development purposes;
  - City of Richland; Island View/Spaulding area RCCF application for Columbia Park Trail Road rehabilitation project. Successful transition to City of Spaulding Business Park street light network;
  - City of Benton City: financial assistance and participation on shoreline and near-shore master planning;
  - Ben-Franklin Transit: financial participation in “Rollin Mass” Bus Shelter;
  - Columbia Rotary: financial participation in “Rollin Mass” Bus Shelter;
  - City of Kennewick (ABC grant funds and Art Commission): financial participation in “Rollin Mass” Bus Shelter.

Commissioner Novakovich stated that was a wonderful presentation and congratulated staff for following Commission instructions and creating a fantastic year. It is unbelievable what a small staff with limited resources has accomplished in one year. Commissioner Novakovich stated great presentation, but even more so, congratulations on a wonderful year.

Commissioner Barnes stated everyone at the Port of Kennewick should be proud of our accomplishments this year. Commissioner Barnes thinks we are making tremendous improvements in our community for our citizens and this shows it. Commissioner Barnes stated it was a nice summary presentation.

Commissioner Moak stated pictures are worth a 1,000 words and a lot of illustrations and how the concepts we had a year ago are now being carried forward into the actuality, both at Columbia Gardens and Vista Field, he thinks is really tremendous. Commissioner Moak believes a lot of credit goes to everybody for their work on this and he thinks as Mr. Peterson indicated, it is not just projects, but it is the financial or the facilities or what have you. Commissioner Moak inquired about how the water feature at Vista Field was progressing.

Mr. Peterson stated a majority of the water feature is complete and the pumps and chlorine dispensers need to be installed.

Commissioner Moak inquired if City staff is supportive of the Vista Field street names, which goes before the City of Kennewick City Council in November.

Mr. Peterson stated yes.

Commissioner Moak stated a lot of work went into the street naming and hopes that City Council will approve the street names.

Mr. Peterson stated staff shared with the City, not only the map for the names but the rationale behind the names and the importance of connecting to major arterials from a wayfinding standpoint.



# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

Commissioner Moak stated the Tasting Room building at Columbia Gardens will be completed by end of the year and inquired what is the target opening for the tasting rooms once the construction is completed.

Mr. Peterson stated the building will be completed at the end of year and that will allow the tenants to then turn in the paperwork to the State and federal institutions. Mr. Peterson believes this is a 2-3 month process and at the same time they are awaiting their approvals, they will be working on their various tenant improvements. Mr. Peterson believes the tenants are working towards a “Spring Barrel Tasting” opening.

Ms. Hanchette stated the tenants are working on coordinating their construction schedules and are very excited to move forward. Ms. Hanchette also believes they are working towards a “Spring Barrel Tasting” opening.

Commissioner Moak inquired when there would be additional food trucks added to the plaza.

Ms. Hanchette has been working within the pilot program period and has learned a lot. Ms. Hanchette stated once the construction is completed and the plaza is more visible more opportunities will be available. We are learning where the customers are coming from and what days they are frequenting the plaza. Ms. Hanchette will be working with staff to fill the calendar for next year.

## **PUBLIC HEARINGS:**

### ***A. Amend Comprehensive Scheme of Development and Harbor Improvements (Surplus West Richland former Raceway Property)***

Mr. Peterson stated a public hearing was advertised for the Commission to consider approving Resolution 2019-27, which would amend the Comprehensive Scheme of Harbor Improvements specifically related to the former Tri-City Raceway site in West Richland. The Comp Scheme states the Port shall hold the property for a 4-7 year period, following the Master Plan, adopted in 2017; however, the Commission recently approved a Purchase and Sale Agreement (PSA) with the City of West Richland for the entire site for economic development purposes. The PSA necessitates an amendment to the Comp Scheme to identify the former Tri-City Raceway as surplus property. Resolution 2019-27 identifies the former Tri-City Raceway as surplus and amends the Port Comp Scheme and the 2019-2020 Work Plan.

## **PUBLIC HEARING**

***Commissioner Moak recessed the Regular Meeting at 3:19 p.m. and declared an Open Public Hearing for discussion regarding Resolution 2019-27, Amendment of the Comprehensive Scheme of Development and Harbor Improvements.***

## **PUBLIC COMMENTS**

No comments were made.

***Commissioner Moak closed the Public Hearing at 3:20 p.m.***

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

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***MOTION:*** *Commissioner Novakovich moved approval of Resolution 2019-27, amending the Comprehensive Scheme of Development and that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the port Chief Executive Officer is authorized to take all action and to pay all expenses necessary in furtherance hereof; Commissioner Moak seconded.*

***Discussion:***

*Commissioner Barnes stated the he did not support land sale and therefore will not support this because he wants to maintain a consistent position, even though the land sale has been approved by the Commission and will close. Nonetheless, he would like to maintain a consistent position regarding that issue.*

*Mr. Arntzen stated Ms. Luke is still with us via telephone and wanted to confirm that the procedure the Port is following regarding the Public Hearing is correct.*

*Ms. Luke stated the Port is following the correct process.*

***With no further discussion, motion carried. All in favor 2 (Commissioner Moak and Commissioner Novakovich); 1 Nay (Commissioner Barnes).***

***B. Levy Certification***

Mr. Kooiker stated each year the Commission has the opportunity to pass the Property Tax Levy which establishes how much the Port will collect in property taxes. Mr. Kooiker stated in 2020, the Port will be able to pass the Levy Certification and the Increase in Tax Capacity every two years, which will follow the Port's Budget and Work Plan. Mr. Kooiker estimated the tax collections at \$4,300,000 in 2020; however, the Port certifies higher than that amount in case new construction is higher.

***C. Increase in Tax Capacity***

Resolution is required by law and authorizes the Commission to take an increase in the tax levy of 1%, pursuant to RCW 84.55.120 and WAC 458-19-005. Mr. Kooiker stated the Port will receive approximately \$45,000 and this will not increase property taxes.

Commissioner Moak asked Ms. Luke if the Commission can proceed accordingly.

Ms. Luke stated yes.

## **PUBLIC HEARING**

***Commissioner Moak recessed the Regular Meeting at 3:23 p.m. and declared an Open Public Hearing for discussion regarding Resolution 2019-28, Levy Certification.***

## **PUBLIC COMMENTS**

No comments were made.

***Commissioner Moak closed the Public Hearing at 3:23 p.m.***

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

---

Commissioner Novakovich confirmed that the Commission can approve both Resolutions in one motion.

Mr. Kooiker believes that is appropriate.

Commissioner Moak inquired if the Commission can approve both Resolutions within one motion.

Ms. Luke stated the Commission can approve the Resolution in one motion; however, she believes two separate motions are better for the record.

***MOTION:*** *Commissioner Novakovich moved approval of Resolution 2019-28, certifying the Port of Kennewick's tax levy for 2020 collections; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

## **PUBLIC HEARING**

***Commissioner Moak recessed the Regular Meeting at 3:24 p.m. and declared an Open Public Hearing for discussion regarding and Resolution 2019-29, Increase in Tax Capacity.***

## **PUBLIC COMMENTS**

No comments were made.

***Commissioner Moak closed the Public Hearing at 3:25 p.m.***

***MOTION:*** *Commissioner Novakovich moved for approval of Resolution 2019-29, increasing the Port of Kennewick's tax levy capacity in 2020; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

## **REPORTS, COMMENTS AND DISCUSSION ITEMS**

### **A. West Richland Land Sale Update**

Ms. Hanchette updated the Commission on the West Richland land sale PSA of the former Tri-City Raceway. Escrow is open and Ms. Hanchette is waiting for the title report to be issued. Staff has provided the City of West Richland staff with all of the requested disclosure documents. City staff is currently working on the Rural Capital County Fund credit transfer from Benton County to the Port of Kennewick, which requires approval from Benton County. Ms. Hanchette stated Port staff will attend the meeting between Benton County and the City of West Richland as soon as it is scheduled. The closing date is still scheduled for December 6, 2019.

Mr. Arntzen thanked Ms. Hanchette for her summary and stated as a practical matter, the City of West Richland asked for a compressed timeframe for the PSA transaction to meet their bond funding that they would like to adhere to. The Port Commission has been aware of the compressed timeframe and in Mr. Arntzen's opinion, the Commission has taken every and all steps necessary to keep this moving. Now the Port and City need to ask the Benton County Commission to approve the RCCF credit transfer. Mr. Arntzen stated there are several ways to move forward, such as requesting to be added to the Agenda via the Clerk, where Port and City staff would present the RCCF transfer, or to work staff to staff, as we have done in the past. Mr. Arntzen stated Port staff

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

---

would ask County staff what their recommendation would be, based upon their familiarity with the organization and the elected officials. Mr. Arntzen stated the Port has worked very closely with Adam Fyall, the County's Sustainable Development Manager, who will be a good shepherd to guide Port staff through this process. Mr. Arntzen recommended that the City follow Mr. Fyall's lead in this process, who has done an amazing job working with Port staff over the past several years.

Mr. Arntzen stated Port and City staff are working on scheduling a presentation with the full Benton County Commission, which they have been briefed on by their staff. Port and City staff are trying to get all parties comfortable with this transaction, so that it is not a surprise to the Benton County Commission. Mr. Arntzen feels most comfortable following Mr. Fyall's lead, based on previous experience. There is no guarantee that Benton County will approve the RCCF credit transfer and while the Port has approved the land sale, with an explicit contingency that Benton County has the right to deliberate on and either approve or reject this funding methodology. Mr. Arntzen wants the Benton County Commission to be aware of the fact that the Port is not trying to pressure them into making a decision quickly based on the PSA. Mr. Arntzen recognizes the City's tight schedule, and the Port is doing everything we can to accommodate that. Additionally, there may be opportunities to suggest a different funding strategy. Mr. Arntzen strongly recommends staying the course and following Mr. Fyall's lead, who has been a proven leader for the Port in the past and he trusts his judgement to help guide the Port through this process.

Commissioner Moak stated no one has been more successful at using the RCCF funds than the Port of Kennewick and it is because of the strategies that Mr. Arntzen has adopted that have enabled us to do that, as Mr. Peterson indicated earlier. Commissioner Moak would think following the recommended course of action would be the wise one.

Mr. Arntzen thanked Commissioner Moak for his comments.

Commissioner Novakovich stated in addition to that, the Port attended the Washington Public Ports Association Small Ports Conference last week and Frank Chmelik spoke about leases. Commissioner Novakovich rephrased Mr. Chmelik comments on delegation of authority and parent authority, "some authorities are delegated to the Executive Director and Commissioners should not get involved in lease negotiations." Commissioner Novakovich thinks following the course of staff to staff is probably the best way to do things.

## ***B. Commissioner Meetings (formal and informal meetings with groups or individuals)***

### ***C. Non-Scheduled Items***

1. Commissioner Novakovich reported that the Washington State Legislature has commissioned a feasibility analysis of an east-west intercity passenger rail system for Washington State. The analysis will specifically look at the Stampede Pass corridor and service to Auburn, Cle Elum, Yakima, Ellensburg, Tri-Cities, Toppenish and Spokane. The Benton Franklin Council of Governments has organized a meeting to provide local input to the study that is scheduled for

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

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Wednesday, November 20<sup>th</sup> from 1:00 p.m. to 2:30 p.m. at the Pasco Police Community Services Building.

2. Commissioner Moak recognized the death of former Commissioner Gene Wagner, who sat in this chair for 12 years prior to Commissioner Moak being elected. Commissioner Wagner was part of a lot of things here at the Port that help put us in a position to be where we are today.
3. Mr. Arntzen stated Commissioner Novakovich mentioned the rail conference at the Small Ports Conference and asked that a Port staff member attend to represent the Port.

Commissioner Novakovich believes that would be wise.

Mr. Arntzen and Ms. Scott will ensure an appropriate staff member attend the rail meeting, with Commission consent.

Mr. Arntzen stated prior to attending the WPPA Small Ports Conference, he attended CEO training on Monday and Tuesday, which was one of the goals and objectives that the Port of Kennewick Commission placed on his two-year goal list. Mr. Arntzen had intensive and interactive training with Jim Darling of Maul Foster Alongi. Mr. Darling is very knowledgeable having served as the Port of Bellingham Executive Director for 15 years and been with Maul Foster Alongi for 10 years. Mr. Arntzen stated it was a very good, thorough learning experience and he appreciates the Commission authorizing the training.

## **PUBLIC COMMENTS**

No comments were made.

Commissioner Moak anticipates the Executive Session will last approximately 30 minutes, Potential Litigation, per RCW 42.30.110(1)(i) and Real Estate, Minimum Price, per RCW 42.30.110(1)(c) with possible action. Commissioner Moak asked the public to notify Port staff if they will return after the executive session so staff can advise if the session concludes early.

*Commissioner Moak recessed the Regular Commission Meeting at 3:39 p.m. for three minutes.*

*Commissioner Moak convened the meeting into Executive Session at 3:42 p.m. for approximately 30 minutes.*

## **EXECUTIVE SESSION**

**A. Real Estate, Minimum Price per RCW 42.30.110(1)(c)**

**B. Potential Litigation, per RCW 42.30.110(1)(i)**

*Ms. Hanchette extended the Executive Session for five minutes at 4:10 p.m.*

*Commissioner Moak reconvened the Regular Commission Meeting at 4:15 p.m.*

# PORT OF KENNEWICK SPECIAL COMMISSION MEETING

OCTOBER 29, 2019 MINUTES

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## COMMISSION COMMENTS

Commissioner Moak stated the Commission is going to take action on Item A: Real Estate from the Executive Session.

**MOTION:** *Commissioner Novakovich moved that the Commission allow staff to continue negotiations on a potential land sale on the Oak Street property; Commissioner Moak seconded.*

*Commissioner Moak inquired if the definition of the property was sufficient.*

*Ms. Luke stated the Commission could identify it from the item on the Agenda.*

### ***Discussion:***

*Commissioner Barnes understood that we wanted to try to have some discussion regarding some of the thoughts that the Port of Kennewick has regarding its approach to valuing this property. Commissioner Barnes inquired if the Commission should discuss on the open record that the Commission looked at the assessed values of these three parcel numbers and according to information provided by Ms. Hanchette, the assessed values are in the aggregate of \$831,400. It was also noted that these assessed values were for the year 2018 and that there are no 2019 assessed values for these three properties on the Benton County Assessors website. It was also noted that...*

*Ms. Luke interrupted Commissioner Barnes and stated that he is discussing items that were in Executive Session.*

*Commissioner Barnes offered his apology and stated that he misunderstood what the Commission was supposed to try to do in Open Session. Commissioner Barnes asked for forgiveness.*

*Mr. Arntzen offered that the Commission has authorized staff to use the assessed values and any other applicable data to assist in the valuation of properties.*

*Commissioner Moak stated that is fair to say and that the Port will not seek an appraisal of the property, but enter into negotiations with the potential purchaser.*

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

No further comments were made.

**PORT OF KENNEWICK  
SPECIAL COMMISSION MEETING**

**OCTOBER 29, 2019 MINUTES**

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**ADJOURNMENT**

With no further business to bring before the Board; the meeting was adjourned 4:18 p.m.

***APPROVED:***

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

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*Thomas Moak, President*

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*Don Barnes, Vice President*

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*Skip Novakovich, Secretary*



## AGENDA REPORT

**TO:** Port Commission

**FROM:** Nick Kooiker, CFO/Auditor

**MEETING DATE:** November 12, 2019

**AGENDA ITEM:** Resolution 2019-31; 2019-20 Goals and Objectives Update

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**I. REFERENCE(S):** Attachment “A”, 2019-20 goals and objectives update.

**II. FISCAL IMPACT:** None.

**III. DISCUSSION:** The Port Commission approved the current 2019-20 goals and objectives on October 23<sup>rd</sup>, 2018. Port staff and legal counsel have updated the list to reflect accomplishments completed since then.

**STAFF RECOMMENDATION:**

Approve the resolution.

**IV. ACTION REQUESTED OF COMMISSION:**

***Motion:** I move approval of Resolution 2019-31 in accordance with the CEO’s Goals and Objectives Update dated November 12th, 2019, attached as Exhibit “A”.*



**Exhibit "A"**

**EXHIBIT A** CEO 2019/20 Goals & Objectives Update (included update on 2017/18 ongoing goals)

**DATE:** November 12, 2019

<i>GOAL &amp; OBJECTIVE</i>		<b>TACTICAL STEPS</b>	<b>ACTION</b>	<b>STATUS</b> (checkmark = Completed)	<b>COMMENTS</b>
<i>2017/2018 Goals and Objective Update</i>					
<b>Vista Field</b>	<b>2017/18 GOAL</b>	Research, draft, and present the Vista Field Association or like organization for dues regarding operating Vista Field amenities; a key element includes shifting ongoing operating cost of Vista Field common areas to the development partners and businesses within Vista Field.	Considered complete when presented to Commission.	95% complete	Two types of owners association documents have been prepared (Commercial & Industrial). Doris Goldstein presented the concept to the Commission on 5/28/19. Awaiting final edits to documents for Commission approval in January 2020.
	3				
<i>2019/2020 Goals and Objective Update</i>					
<b>Vista Field</b>	<b>2019/20 GOAL</b>	Completion of Phase 1A construction.	Considered complete when presented to Commission for substantial completion	50% Complete	33% complete based upon pay applications from Contractor. The project is currently well within our estimated budget. Completion currently scheduled in Spring 2020.
	1				
<b>Vista Field</b>	<b>2019/20 GOAL</b>	Sell one parcel or obtain one ground lease (does not include Arts Center Task Force).	Considered complete when presented to Commission.	10% Complete	Unattainable until the Port has recorded lots to sell. Completion scheduled in Spring 2020. However, the Port has had substantial interest from developers.
	2				
<b>West Richland</b>	<b>2019/20 GOAL</b>	Negotiate the land sale of the former racetrack property with the City of West Richland and present the purchase offer to the Commission.	Considered complete when presented to Commission.	<b>✓</b>	Staff & port attorney have many hours invested toward PSA and water rights transfer logistics. Tentative PSA and major deal points presented to the Commission on 9/10/19. PSA presented to Commission on 9/24/19.
	3				
<b>Columbia Drive</b>	<b>2019/20 GOAL</b>	Design and complete engineering for Eagle Pond Restoration.	Considered complete when presented to Commission.	40% Complete	Consultants have drafted a basic restoration plan. Tim presented to USACE commander the potential solution on 7/29/19. Staff to staff consultations continue, but with USACE process there is no guarantee.
	4				
<b>Clover Island</b>	<b>2019/20 GOAL</b>	Present for Commission consideration the Waterfront master plan.	Considered complete when presented to Commission.	25% Complete	Introduced consultant to Commission and toured community; developing scope of work for Clover Island Master Plan Update. Goal on track for 2020.
	5				
<b>Port Staff</b>	<b>2019/20 GOAL</b>	Complete a team building event (e.g. seminar).	Considered complete when presented to Commission.	<b>✓</b>	Held a staff retreat with trainings on May 30/31. Reported to Commission on 6/11/19.
	6				
<b>Districtwide</b>	<b>2019/20 GOAL</b>	Completion of one executive level training course.	Considered complete when presented to Commission.	<b>✓</b>	Completed October 21-22 with with Jim Darling. Presented to Commission on 10-29-19.
	7				

**Exhibit "A"**

<i>GOAL &amp; OBJECTIVE</i>		<b>TACTICAL STEPS</b>	<b>ACTION</b>	<b>STATUS</b> (checkmark = Completed)	<b>COMMENTS</b>
<b>Districtwide</b>	<b>2019/20 GOAL</b>	Present for Commission consideration non City of Kennewick partnership visions.	Considered complete when presented to Commission.	✓	<b>Richland:</b> Working on next decade plan, with consultation from White Bluffs Consulting. Consultant and Port staff have met five times to prepare a list of long term and short term projects. <b>Benton City:</b> Partnership for DPZ shoreline master plan, which is now complete. <b>West Richland/Benton County:</b> Completed land sale to Fire District #4, enabling them to build a new fire station.
	8				
<b>Districtwide</b>	<b>2019/20 GOAL</b>	Establish "Vibrancy" policy.	Considered complete when presented to Commission.	✓	Presented to Commission on 5/14/19. Executed MOU on 4/25/19.
	9				
<b>Districtwide</b>	<b>2019/20 GOAL</b>	Identify and present one additional mutually beneficial or ROI partnering opportunity to the Commission.	Considered complete when presented to Commission.	✓	Executed PSA with Benton County on 9/24/19 for water rights transfer from the Raceway property to the Benton County Fairgrounds. This was beneficial to Benton County because they didn't have enough water rights for the fairgrounds, and benefitted the Port as a result of Benton County giving the Port \$500k of their RCCF funds for Vista Field. This will also result in future goodwill between both agencies, hopefully leading to more successful partnerships.
	10				

**Other Accomplishments**

**PORT OF KENNEWICK**

**Resolution No. 2019-31**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE PORT OF KENNEWICK APPROVING THE PORT CHIEF EXECUTIVE  
OFFICER'S 2019-20 GOALS AND OBJECTIVES UPDATE**

WHEREAS, on October 10, 2017, the Port Commission adopted Resolution 2017-16 establishing a Committee to draft the CEO's performance review and present to the Commission for final approval, citing a more efficient and effective process; and

WHEREAS, this Committee was also tasked with creating and updating the CEO's goals and objectives, then presenting to the Commission for final approval; and

WHEREAS, on November 28, 2017, the Port Commission adopted Resolution 2017-27 modifying the CEO's employment contract to adjust for changes made resulting from resolution 2017-16 establishing an evaluation committee; and

WHEREAS, on October 23, 2018, the Port Commission approved the CEO's goals and objectives for 2019-20; and

WHEREAS, on September 10, 2019, Commissioner Novakovich moved for approval and Commissioner Moak seconded Resolution 2019-20 amending Goal 3 of the CEO's 2019/2020 Goals and Objectives from pursuing a ground lease or sale in the Columbia Drive area to negotiating a land sale with the City of West Richland; and

WHEREAS, the motion carried 2-1 and the Resolution was adopted with Commissioners Moak and Novakovich voting in favor and Commissioner Barnes voting against; and,

WHEREAS, Port staff has worked with the CEO and legal counsel to update the goals and objectives list for 2019-20, based on current measurements.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Port of Kennewick Board of Commissioners hereby approves the reported status of the CEO's goals and objectives, as set forth in attached Exhibit "A".

ADOPTED by the Board of Commissioners of Port of Kennewick on the 12th day of November, 2019.

By: \_\_\_\_\_  
THOMAS MOAK, *President*

By: \_\_\_\_\_  
DON BARNES, *Vice President*

By: \_\_\_\_\_  
SKIP NOVAKOVICH, *Secretary*



## AGENDA REPORT

**TO:** Port Commission

**FROM:** Larry Peterson, Director of Planning & Development

**MEETING DATE:** November 12, 2019

**AGENDA ITEM:** Resolution 2019-30; Accepting Columbia Gardens Wine Village Phase #2A Loop Road Project

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**I. REFERENCE(S):**  
Resolution #2019-30

**II. FISCAL IMPACT:**  
\$892,100.15, plus applicable tax

**III. DISCUSSION:**

On April 24, 2018, the Port of Kennewick Commission approved Resolution 2018-05, entering into a contract with Big D's Construction of Tri-Cities, Inc. or Columbia Gardens Wine Village Phase #2A loop roadway and utilities on Columbia Drive.

Big D's has completed the construction of the water, sanitary sewer, industrial sewer, storm drainage, dry utilities, 30 space parking lots, sidewalks, illumination and food truck plaza.

It is appropriate for the Port to accept the construction as substantially complete so that we may issue a public notice and start the clock on potential lien filings by subcontractors and ultimately move toward final acceptance of the entire project.

**IV. ACTION REQUESTED OF COMMISSION:**

***Motion:*** I move approval of Resolution 2019-30 accepting Columbia Gardens Wine Village Phase #2A project as substantially complete by Big D's Construction of Tri-Cities, Inc.; and that all action by port officers and employees in furtherance hereof is ratified and approved; and authorize the Port Chief Executive Officer to take all action and finalize the financial terms of the contract.

**PORT OF KENNEWICK**

**Resolution No. 2019-30**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE PORT OF KENNEWICK ACCEPTING THE  
COLUMBIA GARDENS WINE VILLAGE PHASE #2A PROJECT ON COLUMBIA DRIVE**

**WHEREAS**, Big D's Construction of Tri-Cities, Inc. provided notification that the improvements to Columbia Gardens Wine Village Phase #2A Project on Columbia Drive, Kennewick has been completed in accordance with the plans and specifications; and

**WHEREAS**, Gary Hall, Hall Engineering & Associates, the Port of Kennewick staff, and the City of Kennewick 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 Big D's Construction of Tri-Cities, Inc. as being completed in accordance with the contract documents.

**BE IT FURTHER RESOLVED** that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the port Chief Executive Officer is authorized proceed with the necessary requirements to finalize the project account.

**ADOPTED** by the Board of Commissioners of Port of Kennewick on the 12th day of November 2019.

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

By: \_\_\_\_\_  
THOMAS MOAK, *President*

By: \_\_\_\_\_  
DON BARNES, *Vice President*

By: \_\_\_\_\_  
SKIP NOVAKOVICH, *Secretary*

## Public Records Requests - Update

	Total Requests	Commercial Standard Requests	Non-Standard Requests	Open Requests	Staff Time
2016	9	7	2	0	
2017	11	7	4	0	
2018	16	4	12	0	58 hours
2019	39	5	34	7	166 hours

## AGENDA

*Port of Kennewick  
Special Commission Business Meeting  
Located at Musser Bros. Inc.  
3125 Rickenbacker Drive  
Pasco, Washington*

Friday, November 15, 2019  
11:00 a.m.

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. APPROVAL OF AGENDA
- IV. RECESS FOR AUCTION
- V. RECONVENE MEETING
- VI. EXECUTIVE SESSION
  - A. Real Estate, Minimum Price, per RCW 42.30.110(1)(c) (AMBER)  
*(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)*
- VII. AUCTION RESULTS
- VIII. PUBLIC COMMENT *(Please state your name and address for the public record)*
- IX. ADJOURNMENT

***PLEASE SILENCE CELL PHONES***