

VISION

P O R T O F K E N N E W I C K

Since 2007, Port of Kennewick projects have created more than 800 private sector jobs. Clover Island has become a vibrant waterfront attracting new business and serving as a destination for boating, dining, tourism, and family-friendly recreation. Kennewick's Southridge area is booming due to early port investment. Spaulding Business Park in Richland is a thriving medical and office complex. Wineries, a distillery, and a world-renowned car manufacturer have all located in West Richland. And, on April 17, 2013 port commissioners voted to close and redevelop Vista Field airport.

Voting to close and redevelop the 112 acre airport property was a formative decision for our community. That decision was not undertaken lightly, and it followed significant community debate. I especially thank the Tri-Cities Visitor & Convention Bureau, TRIDEC, Tri-City Regional Chamber of Commerce, City of West Richland, and Kennewick Public Facilities District for researching the issues, engaging their memberships, and encouraging us in our decision. Closure and redevelopment was the only option which didn't require a property tax increase. It also eliminates operating subsidies and, long-term, will generate \$3.7 million in profit, add \$408,600,000 to the tax rolls, and create 3,380 jobs.

The port has worked hard to reduce taxes, save money, support business, foster job creation, and act as responsible stewards of the public's resources. We've increased constituent equity by 82% and decreased port liabilities by 32%--all while constructing new or renovating dated facilities; and buying, improving or selling land to benefit port district citizens.

The port works for you, our taxpayers. I take this responsibility very seriously and will continue to push for fiscally-sound, sustainable projects which demonstrate a positive return on investment and community benefit.

Skip Novakovich

President

Port of Kennewick Board of Commissioners

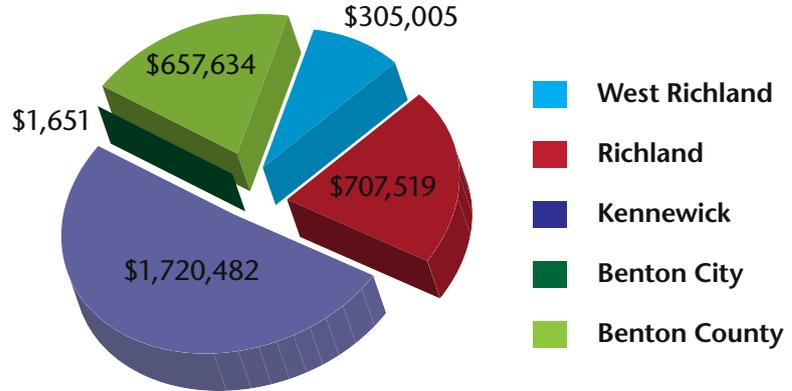
Mission:

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

About the Port

Port districts are the only government agencies whose primary responsibility is to foster economic activity for their communities. The Port of Kennewick was established in 1915, and takes its economic development authority seriously. By building and operating development buildings, industrial parks, a public use marina, and commercial waterfronts; and through buying, developing and selling of land and properties, the port is working to facilitate trade, tourism, recreation and employment opportunities within the district. The Port of Kennewick district includes Kennewick, south Richland, West Richland, and a portion of Benton City and unincorporated Benton County.

2013 Port of Kennewick Property Tax Revenue Received By Jurisdiction



Port of Kennewick

Solid Financial Position

The port is governed by three elected commissioners who are the policy-making and regulatory body of the port district. The Board of commissioners works closely with the community to establish policies under which the port staff, supervised by Executive Director Tim Arntzen, conduct daily operations. The commissioners are responsible for adopting a balanced budget each year to guide port spending.

In the past decade, the Port of Kennewick has experienced:



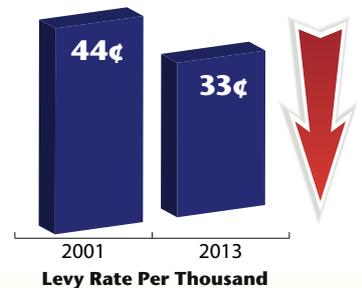
- Virtually **no debt**.
- 90% **increase in capital assets** constructed; from \$26.6 million in 2004 to \$50.6 million in 2013.
- 82% **increase in owner equity**; from \$28.8 million in 2004 to \$52.3 million in 2013.
- 32% **decrease in liabilities**; from \$479,000 in 2004 to \$326,000 in 2013.
- \$1.35 million in **cost savings, cost avoidance and revenue enhancements** since 2009; \$283,000 in 2013 alone (with another \$390,000 per year projected savings from closing Vista Field airport).

More for Less

Levy Rate Lowered

The port's levy rate has **decreased 25%**. Essentially a taxpayer with a \$200,000 house in 2001 would have paid \$88 per year to support the port district; in 2013 a taxpayer with a \$200,000 house paid only \$66 per year, or \$22 less—a 25% decrease in taxes paid. In that same time period, the port has continued buying, building, renovating, and developing major assets for the public's benefit—demonstrating a true stewardship of limited resources.

Property Owners Pay 25% Less Taxes



Port of Kennewick Public Commission Meetings

Meetings are held the second and fourth Tuesdays of each month. The meetings begin at 2:00 p.m. in the Commission Chambers at the Port of Kennewick offices, 350 Clover Island Drive, Suite 200, Kennewick, unless otherwise posted in the Tri-City Herald or Port of Kennewick website, www.portofkennewick.org. We would love to have you attend!

Port of Kennewick Commissioners

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Jobs Expanded/Taxes Reduced

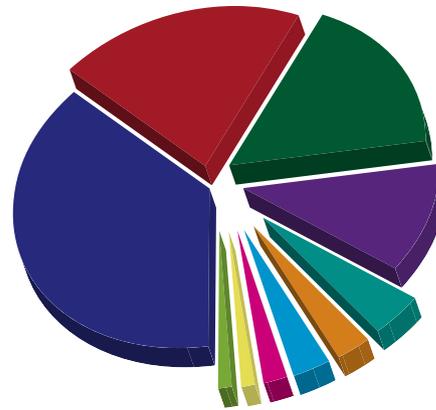
Port Projects Help Fund Life & Safety Services

Since 2007, the port's land development projects have stimulated **more than 800 private sector jobs** and fostered **\$52.2 million in taxable assessed property value**. Construction sales taxes on those projects generated more than \$4.7 million for state and local tax coffers.

Ports stimulate a significant economic benefit for the community, yet they receive very little financial return from their efforts. In Benton County, ports receive only \$.03 (three cents) from every dollar of increased taxable property value from port projects. The majority of those increased revenues actually go to fund schools, cities, counties, parks, and life safety services. As a result, private sector investment on port sites is reducing the total annual taxes district households must contribute to support those services.

Where Did Your Money Go?

Benton County Property Tax Assessments by Investment



Source: Office of the Benton County Treasurer A Report to Our Citizens 2012

Tipping a Tired Neighborhood

Business Park a Catalyst for Jobs

At the Spaulding Business Park 325 private sector jobs have already been added, and at complete build-out 850 permanent jobs are anticipated. In creating the business park, the port paid \$2.6 million for the land and improvements. It then sold parcels to the private sector and transformed the site into a waterfront complex for medical and professional offices. What was once debris-strewn, vacant land is now worth \$26 million in taxable assessed property values. To date 164,228 square feet of buildings have been completed within the business park.

“For every dime of public money the port spent at Spaulding, we not only got that dime back, we leveraged \$1.20 in private sector investment,” stated Tim Arntzen, port executive director. The port's improvements were also the catalyst for private business renovations, construction and expansion outside the park boundaries. “We tipped a very tired neighborhood into a desirable commercial area—and that’s a win-win for taxpayers.”

The port has only one remaining, 1.29 acre parcel available within the 31.6 acre business park. Interested parties should contact Amber Hanchette, director of real estate and operations at 509-586-8596.



Photo credit: www.garys-hangups.com

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Super Car Factory Breaks Ground

World Headquarters in West Richland

SSC North America—maker of the world’s fastest production cars—broke ground in West Richland on a 28,000-square-foot research and production facility that will also serve as their international headquarters. Port of Kennewick provided financial support to the City of West Richland in a multi-agency partnership designed to acquire the land necessary to accommodate SSC North America and allow them to consolidate their facilities within the city. West Richland is within the Port of Kennewick District.

Photo credit: City of West Richland



Revitalization Work Saves Money

Taxpayers Benefit

Port maintenance staff demolished the vacant, derelict The Chieftain apartments on Columbia Drive. Once the buildings were torn down, Coyote Ridge Corrections Center work crews helped port staff remove remaining debris. Crews were also able to salvage and recycle 27 tons of concrete, ultimately keeping the material out of local landfills. The cost of contracting the work was estimated at nearly \$58,000. Instead, by using port staff and correction crews, the actual expense was just over \$35,000; saving taxpayers nearly \$23,000.



Recently, top citizen suggestions for state budgeting have been to put inmate crews to work to save taxpayers money. Port of Kennewick has been using inmate crews for the past ten years. Two crews made up of non-violent offenders work four days a week, under close supervision of Coyote Ridge personnel, helping pull weeds, clean trash, and maintain port properties.

“We can hire a six-person crew for \$8.70 per hour for the entire team,” stated Tim Arntzen, port executive director. “We’re saving taxpayers thousands of dollars each year and providing a higher level of maintenance for the public.”

Breakfast at the Marina

Ice Harbor Brewery @ the Marina on Clover Island is now serving breakfast Saturday & Sunday from 8a to 11a. The menu features Kolsch beer biscuits & homemade gravy, Red Ale beer waffles and Nut Brown Ale syrup. Enjoy patio dining, signature drinks, and Ice Harbor’s award winning craft brews. With plenty of dock side boat parking, the restaurant offers convenient food, beer and ice to go. www.iceharbor.com.

Commission Votes to Close Vista Field Airport

Community Supports Redevelopment

Vista Field represents 112 acres in the heart of the Tri-Cities. The port commission voted in April of this year to close the Vista Field airport, thereby eliminating a \$390,000 annual tax subsidy. “Closure provides a unique opportunity to create a regional destination with shopping, entertainment, residential and flex industrial areas,” stated Commission Vice President, Don Barnes. A consultant study for that area proposed a chain of new public open spaces, parks, and plazas; water features and civic improvements; and possibly even a “Canal Walk” similar to those in Bricktown, Oklahoma or San Antonio, Texas. Redevelopment would be implemented in phases and designed for connectivity with other neighborhoods—especially the Entertainment District and the Columbia Center Shopping area.

The port will convene an advisory committee and use public input meetings to help craft a final vision for the redevelopment. “While I don’t yet know what direction the Vista Field property will take, that property won’t be sold off tomorrow,” stated Skip Novakovich, port commission president. “We made a commitment to master plan that area; to create something special for our region and future generations.”

“Closing the airport for redevelopment was the only feasible alternative presented and has by far the most beneficial economic impact for our region,” said Barnes. “With that option, no additional taxes will be required.”



Artist rendering: DPZ FEIS March 2013



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Open for Business!

Developing assets to create sustainable family wage jobs, user friendly transportation systems and quality of life enhancements for visitors and residents of the Port of Kennewick.