



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DECEMBER 10, 2019 MINUTES

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

Staff Members: Tim Arntzen, Chief Executive Officer
Tana Bader Inglima, Deputy Chief Executive Officer
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, Chief Finance Officer
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Commissioner Moak led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Commissioner Novakovich stated on Item H, Special Commission Business Meeting Minutes on the Consent Agenda; the amended motion should state the purchase price and an additional 6% buyer's premium.

Commissioner Moak stated at this time, we are approving the Agenda, not the Consent Agenda.

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

PUBLIC COMMENT

No comments were made.

Commissioner Novakovich stated Item H, the amended motion should read as follows: "the total purchase price of \$1,300,000 plus a 6% buyer's premium."

Commissioner Moak confirmed if that was how the motion was to be made.

Ms. Schumacher stated yes, the 6% buyer's premium is in addition to the \$1,300,000 purchase price.

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It is the Consensus of the Commission to revise the wording in the amended motion on the November 15, 2019 Special Commission Business Meeting Minutes.

CONSENT AGENDA

- A. Approval of Warrant Register Dated November 15, 2019**
Expense Fund Voucher Number 101613 for a grand total of \$391.52.
- B. Approval of Direct Deposit and E-Payments Dated November 18, 2019**
Direct Deposit and E-Payments totaling \$58,704.66.
- C. Approval of Warrant Register Dated November 26, 2019**
Expense Fund Voucher Number 101614 through 101658 for a grand total of \$869,585.80.
- D. Approval of Warrant Register Dated December 2, 2019**
Expense Fund Voucher Number 101659 for a grand total of \$391.52.
- E. Approval of Direct Deposit and E-Payments Dated December 3, 2019**
Direct Deposit and E-Payments totaling \$78,820.70
- F. Approval of Warrant Register Dated December 10, 2019**
Expense Fund Voucher Number 101660 through 101693 for a grand total of \$340,167.60
- G. Approval of Regular Commission Business Meeting Minutes November 12, 2019**
- H. Approval of Special Commission Business Meeting Minutes November 15, 2019 as amended.**

MOTION: *Commissioner Novakovich moved for approval of the Consent Agenda as presented, with the revision to the Special Commission Business Meeting Minutes for November 15, 2019; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

NEW BUSINESS

A. Carbitex Lease

Ms. Hanchette stated the two-year lease renewal for Carbitex is coming before the Commission today because the monthly lease amount is in excess of CEO's Delegation of Authority. Carbitex has been a tenant of the Port of Kennewick at the Oak Street Industrial Park for several years and they have seen a rapid expansion in their business. Carbitex manufactures flexible carbon fiber fabric and recently started producing a semi-ridged product and almost doubled their work force. Carbitex occupies space at Development Building B and leases additional space from the private sector. Carbitex has made a significant capital investment in their equipment for their new product line. Ms. Hanchette outlined the lease details:

- Lease 16,600 square feet of office and industrial space for flexible carbon fiber cloth manufacturing, research and development;
- Location – 1426 E. 3rd Ave. Development Building B;
- Lease rate - \$0.44 per square foot which includes a 3% rental increase from previous lease period.
- A continued lease commitment until December 31, 2021;
- Tenant responsible for separately metered electricity, water & sewer;

Ms. Hanchette inquired if the Commission had any questions regarding the lease terms.

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Commissioner Barnes stated the draft lease does not reference the prior lease or term of occupancy. Commissioner Barnes reads the lease as a new lease that runs for two years without reference of the prior occupancy of the space. Commissioner Barnes asked if he was missing something.

Ms. Hanchette stated it is written up as a new lease, not an extension of the existing lease. The terms have not changed, other than the items that were outlined, otherwise, the terms are the same as the prior lease.

Commissioner Barnes has a question regarding Article 10: alterations and improvements. His concern is about restoration of the premises to their condition prior to occupancy by this tenant. Commissioner Barnes would like assurance from staff and perhaps Ms. Luke that the language we have in the draft lease will require the tenant to restore the premises to the condition to the point of when they took occupancy, not back to the point when the new lease was signed. Commissioner Barnes stated it is a subtle point, but believes it could make a big difference. He believes the intent is clear and defers to Ms. Luke. Commissioner Barnes would like to ensure that the requirement is to restore the property to the original condition of the building when Carbitex signed their first lease.

Ms. Hanchette stated that is a good point and the intent of Article 10 is to restore the property to the condition the building was in when they took original occupancy. Ms. Hanchette and Ms. Luke will look into the language.

Commissioner Moak stated as he understand the lease, Carbitex is not taking additional space, but it is the same space that they have occupied.

Ms. Hanchette stated that is correct.

Commissioner Moak confirmed that there are no other changes to the standard lease agreement.

Ms. Hanchette stated that is correct.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Novakovich moved to approve Resolution 2019-34 to accept a two year lease with Carbitex 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; Commissioner Barnes seconded.

Discussion:

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Commissioner Barnes noted for the record that this is a lease extension, not a two year lease and that the restoration provision is marked back to the initial time of this tenant's occupancy of that space.

Commissioner Moak inquired if there is a difference between an extension of a lease and a beginning of a separate lease other than the point that Commissioner Barnes brought up about the restoration.

Ms. Luke stated they are two different things and typically, if there is an extension of a lease, it is provided for in the prior lease that there is an option to extend and this lease had ended. This is a new lease that is being offered to Carbitex. As to Commissioner Barnes' point about returning the premises to its original condition, we will take a look at that language. But note also, there is language in that same section that provides that Carbitex must come to the Port for any approval of changes to the premises, alterations or remodeling. Ms. Luke stated there are protections in place with this lease as well. Ms. Luke will review the language and work with Ms. Hanchette on the wording.

Commissioner Moak stated if the current lease is terminating, he assumes there is something in that lease that states the property needs to be returned to its initial state, which is not what we are requiring today.

Ms. Luke stated that is correct.

Commissioner Barnes stated it is a subtle change, but could have a big impact to the conditions to the facilities at the end of this lease.

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

B. Draft Purchase and Sale Agreement with Santiago Communities (Oak Street)

Ms. Hanchette stated in October, the Commission heard a presentation regarding Santiago Estates and their proposed purchase of Port property in east Kennewick. Santiago Estates submitted a letter of interest to purchase 26+ acres of land from the Port to develop an affordable manufactured home community. The property consists of three different parcels, which are zoned industrial and located in two different jurisdictions. Ms. Hanchette highlighted the terms of the draft Purchase and Sale Agreement (PSA):

- 26.42 acres;
- Purchase price - \$831,400.00 (inclusive of art policy);
- Dry land purchase with water rights retained by Port;
- Agriculture lease remains in place until closing and then is transferred to Buyer;
- Buyer assumes life estate on parcel #1-0580-202-0006-002;
- Buyer has requested an extended feasibility period in order to perform due diligence including comprehensive plan changes and rezoning process. Buyer is responsible for application documents, associated fees/costs and any meetings with jurisdictions. Seller to review documents and sign as needed.

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Ms. Hanchette stated the buyer anticipates 200 lots will be constructed in a phased approach. The development will have a community center with kitchen, laundry, recreation room and manager's office. The buyer estimates development would be approximately \$5,000,000 after improvements are made to the property.

Ms. Hanchette asked for Commission direction on the following policy questions:

- Buy-back clause: include or waive;
- The 2% for the Arts policy is included in purchase price; is this acceptable?
- The current land sale policy regarding a broker commission to the real estate agent:
 - Sales of unimproved real property (bare land):
 - On the first \$500,000 of any sale: 7%
 - On the next \$500,000 of any sale: 5%
 - Sales of improved real property (with structure):
 - On the first \$500,000 of any sale: 5%
 - On the next \$500,000 of any sale: 5%

Ms. Hanchette reported that the life estate has an older home and barns on the property, the 16+ acre property has an old barn and corrals on it and the five acre parcel has no buildings whatsoever. Ms. Hanchette stated the buildings are in disrepair and will be demolished after closing and there are no city services on the property: some might suggest that an improved property means that there are utilities are on the property. Ms. Hanchette inquired which commission structure the Commission prefers.

Commissioner Novakovich asked why the art policy was included in purchase price.

Ms. Hanchette stated the buyer looked at offer their and did not want to add an additional amount; however, they understand that it is at the Commission's discretion, whether the 2% is added or not. At the current time, the 2% is included in the purchase policy. If the Commission wishes to implement the art policy, Ms. Hanchette would relay that information to the buyer.

Commissioner Novakovich confirmed that it was part of the negotiations and inquired what is the value of the art policy.

Ms. Hanchette stated that is correct and there are two different amounts in the art policy and it is approximately \$16,000.

Commissioner Novakovich believes the amount should be included in the \$831,000.

Commissioner Barnes asked if the art policy would be added on top of the \$831,000 or if it was included.

Ms. Hanchette stated their offer includes the art policy; however, it is at the Commission's discretion if they would like to add the art policy on top of the \$831,000.

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Commissioner Barnes confirmed that their offer includes the art policy at \$831,000 and it is at the Commission's discretion to add the art policy on top of the \$831,000.

Ms. Hanchette stated that is correct.

Commissioner Moak stated the intent of art policy was that the buyer would pay that and not the seller, which is the Port. That was the intent that the Port Commission can choose whatever it wants to, but the intent was that it would be in addition.

Commissioner Novakovich stated if the value of the art policy is approximately \$16,000, then their offer is \$815,000 plus the art policy.

Ms. Hanchette stated that is correct.

Commissioner Barnes inquired if according to the Benton County Assessor, there is a value assigned to improvements on any of these properties. Commissioner Barnes stated he looked at the Assessor's website and for the record, yes there are; and apologized, it is not a quiz. Commissioner Barnes would like to note, per the County Assessor, there is an assessed value for improvements on one of the properties.

Ms. Hanchette is guessing that it would be on the life estate.

Commissioner Barnes is not aware of which property it is, he pulled up one parcel number. The reason he is asking, is that the Commission is being asked to determine the broker commission rate and our policy is very clear for a real estate with or without improvements.

Ms. Hanchette stated on bare land the commission would be 7% on the first \$500,000 and 5% on the next \$500,000. Improvements with structures, 5% on the first \$500,000 and 5% on the next \$500,000.

Commissioner Barnes mulled that perhaps there could be a compromise, that if they are including the art policy in their offer, we can go with improved the property commission.

Commissioner Novakovich stated we are dealing with two different entities, the buyer and the agent.

Commissioner Barnes confirmed that the Port pays their agent, which will come out of closing.

Ms. Hanchette stated the broker commission is paid 100% at closing to buyer's broker. Ms. Hanchette stated the art policy is paid by the buyer, in addition to. The broker will receive either the 5/5 or 7/5.

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Commissioner Moak specified the policy states unimproved is bare land and stated the only property that is bare land is the five acres; however, the rest of the property has some kind of structure even if they will be torn down and that is how he reads the policy.

Ms. Hanchette reiterated Commissioner Moak's comments: on the five acres, the commission is paid at the bare land and the remaining commission will be paid as improved with structures.

Commissioner Moak stated based upon what our policy says, that is how he reads it and inquired how Commissioner Barnes would interpret it.

Commissioner Barnes stated their offer is for the three properties in aggregate and the three properties in aggregate have improvements. They do not assign values of each of the parcel numbers to come up to the total offer.

Commissioner Moak confirmed that Commissioner Barnes is saying that because they are improved as a whole they should go under the improved property commission.

Commissioner Barnes stated that is correct and what he would favor.

Commissioner Moak stated Commissioner Barnes is correct, they are in aggregate.

Commissioner Novakovich asked Ms. Hanchette if she has spoken with the broker about the Port policy on commissions and if they had anything to say about the policy.

Ms. Hanchette has not spoken to the broker about the Port's commission policy.

Commissioner Moak asked if Ms. Luke had any comments.

Ms. Luke stated the approach of using the aggregate is supportable, as well as the ability to prorate the PSA for the broker commission. There is the ability to do that as well and Ms. Luke stated either way is supportable.

Commissioner Moak inquired if there has been any precedence.

Ms. Hanchette stated this is a unique offer.

Ms. Luke stated no, because there has not been precedence to draw upon.

Commissioner Novakovich stated if the Port accepts the \$831,000 including the art policy, instead of adding the \$16,000, then the Port is decreasing the purchase price by \$16,000. Commissioner Novakovich believes the Port would want to go with the improved property because the difference between the 7% and the 5% is 10,000. Why would the Port want to do another \$10,000 on top of the \$16,000 we are giving the buyer? Commissioner

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Novakovich believes the Port should take it in aggregate and use the improved real property for the broker commission.

Commissioner Barnes agrees with Commissioner Novakovich.

Commissioner Moak is not in favor, in terms of the art policy, he believes that we should be consistent in how we apply the art policy which is on top of the price. What we do with the broker commission, he is willing to do that. Commissioner Moak stated it is up to two out of three Commissioners to decide, but his feeling, that whatever we do, the art policy should be on top of the purchase price.

Commissioner Novakovich stated what they are doing, if you break it down another way, is that they are offering \$815,000 plus the art policy.

Commissioner Moak stated they are not offering the art policy, the Port is paying for the art policy.

Ms. Hanchette offered to talk to the buyer about the art policy.

Commissioner Novakovich asked Ms. Hanchette if we would lose the sale.

Ms. Hanchette is not sure, but we can have the discussion because we are in draft form.

Commissioner Barnes is in favor of going with Commissioner Novakovich's suggestion. Their offer can be looked at being \$815,000 and with the art policy, takes it up to \$831,000 and we can accept that. We can also say the property in aggregate does have improvements, therefore we get close to the same place. In the big picture, we are down to small dollar amounts and Commissioner Barnes expressed his appreciation for Ms. Hanchette and all the work she has done to get the Port to this point with this deal and the discussion and differing points of view.

Ms. Hanchette inquired about the buy-back clause and whether it should be included or waived.

Commissioner Moak believes it should be included.

Commissioner Barnes is in favor of waiving it and recalls that the Commission waived it for the Southridge property. The Port has no other property in the immediate vicinity where the Port is looking to develop. Given the location and the long period of time the Port has held the property, in this instance he is in favor of foregoing the buy-back clause.

Commissioner Novakovich agrees with Commissioner Barnes and the Port should waive the buy-back clause.

Commissioner Barnes thanked Ms. Hanchette for her work to get the Port to this point.

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REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Cedars Update

Ms. Hanchette reported at last Regular Commission Meeting staff discussed the Cedars transaction and potential material changes. The Lundgrens found a new lender that did not find issue with the permitted use language and the language issues were resolved. Additionally, notices to cure language was added and accepted by our legal counsel and their lender. The transaction closed last week and Doug and Carrie Lundgren are now the new owners of Cedars.

Commissioner Moak stated it sounds like a successful transaction and everybody is happy.

Commissioner Barnes thanked Ms. Hanchette and Ms. Luke for all of their work and helping the Mitchams sell their restaurant.

B. City of West Richland Transfer Agreement Update

Ms. Hanchette stated Port and City staff are currently working on two items for the former racetrack sale. The closing date has been moved to December 31, because Port and City staff cannot present the funding mechanism of this agreement to the Benton County Commissioners until December 17, 2019. West Richland offered the Port, as part of the funding mechanism for the former racetrack, to transfer the City's portion of Rural Capital County Funding (RCCF) credits. The Port and City entered into a transfer agreement, where, when the Port applies for a future RCCF project, Benton County would transfer the West Richland credits to the Port. The Port and City are scheduled to speak to the Benton County Commission on December 17, 2019 about the transfer agreement.

Mr. Arntzen stated it is his intention to present to the Benton County Commission on December 17, 2019; however, he has been drafted for jury duty that week and may be called to serve. In the event that Mr. Arntzen has jury duty, Ms. Hanchette will present to the Commission. Ms. Luke has been working with County's legal counsel and Adam Fyall, Sustainable Development Manager for the County. It is Port and City's intention to walk the Commission through the transfer agreement and how the process would work. County staff indicated that the Commission is supportive of the agreement and if we can get it on the record that they are supportive, Mr. Arntzen believes that would be the best that we can get. The County Commission has voiced some concerns over the proposal because it is unique in a unique system that is the RCCF process. Mr. Arntzen stated should the City be unsuccessful in transferring the RCCF credits to the Port, the City is ultimately responsible for every dollar of this transaction until paid in full in 2023.

Ms. Luke believes the date is April 15, 2023 for the deadline for full payment of the City's promissory note.

Mr. Arntzen stated one of the potential projects that will be discussed during the Work Plan Update is the rehabilitation of the Vista Field hangars. Staff believes that project could be a very strong application for RCCF credits for 2020. At the point of an accepted application, the Port would then request a transfer of credits from West Richland's portion.

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Commissioner Moak inquired if the City will be in attendance. Mr. Arntzen believes Mayor Gerry will be in attendance.

Commissioner Moak inquired if the discussion will be led by Benton County staff and will there be a recommendation from County staff.

Mr. Arntzen believes this will take a lot of finesse and we are relying on staff to have previously discussed the proposal with the Commission. Mr. Arntzen is comfortable with our working relationship with Mr. Fyall and in the past, the Port has had great success. Mr. Arntzen thinks the answer will depend on the day and he is hoping all three Commissioners will be present. Port and City staff will present the agreement and let the Commission weigh in and express any concerns they may have. Mr. Arntzen hopes that Mr. Fyall will be able to contribute to the discussion and that the Mayor can add helpful information as part of the process.

Commissioner Moak hopes the Port has been very successful outcome and this is a very important step and the Port has been very successful with Benton County and the RCCF applications.

C. 2017-2018 Accountability Audit Update

Mr. Kooiker reported that the State Auditor was on-site last two months to perform the Accountability Audit for 2017-2018. The exit conference was held on November 26, 2019 with Commissioner Moak in attendance and the audit process went very smoothly. The Auditor issued the final report last week and the Port received a clean audit. The report detailed the scope of the audit which included: accounts payable, payroll and retirement contributions, procurement, and public works and professional personal services contracts. The State Auditor reviewed the larger construction contracts and the disposition of land, such as Red Mountain Wine Estates, Pronghorn LLC and the Tri-City Chaplaincy and they reviewed the Port's self-insurance. In 2018, the Commission passed the reserve policy and the State Auditor was very impressed by this policy and how it protects the Port.

Mr. Kooiker stated two things helped in the process of the audit:

- the delegation of authority document that the Commission passed several years ago, helps tremendously, because it gives staff the ability to update policies in a timely manner when the State revises the law;
- The Port has been streamlining files and most documents were available in digital form.

Commissioner Novakovich offered his congratulations to Mr. Kooiker and the fact that you indicated it was the smoothest audit is a tribute to how far the Port has come and how far you have come. Commissioner Novakovich thanked Mr. Kooiker for his hard work.

Commissioner Moak believes that a lot of our digital materials saved a lot of staff time and made it easy for the state to access the files. This is a tribute to all of our staff because we document everything we do.

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Ms. Bader Inglima commented that Mr. Kooiker is being rather modest. Ms. Bader Inglima has sat through several of these exit interview in the past several years and this one had zero exit notes. This was an incredible audit and the Port has received clean audits for the past 24 years.

Commissioner Novakovich stated the Benton Franklin Council of Government's audit was at the same time as the Port and the auditors mentioned how clean ours was.

Mr. Arntzen appreciates how Ms. Bader Inglima offers her comments and we unveiled this at the staff meeting and it takes more than Mr. Kooiker to get this done. It takes our supporting staff to ensure that the information that Mr. Kooiker gets is appropriate and complete. Mr. Arntzen is incredibly proud of his staff and stated the finance department is not in public eye, but they are an integral part of our business. There is a lot of interworking with the finance department and Mr. Arntzen spends a lot of time with Mr. Kooiker to get the projects moving. Mr. Arntzen is proud of process and stated the audit is a year round activity for the accounting department. Furthermore, Mr. Arntzen is proud of the Port of Kennewick Commission's support of our staff, so that we are able to continue to do our best with the audit.

Commissioner Barnes offered his congratulations and stated great work and great job.

D. 2019-2020 Work Plan Update

Mr. Arntzen stated recently he discussed the possibility with updating the 2019-2020 Work Plan as we move into the second year of the work plan. Mr. Arntzen indicated that some items on the Work Plan may have changed and believes it is a good time for a review. If the Commission is receptive, Mr. Arntzen would like to start the process in January in more detail and fold the new projects into the 2021-2022 Budget cycle.

1. The Work Plan is a useful document but not very visually appealing. Should the Work Plan document become more externally focused, like the Port newsletter? It is an important working document that could be provided to public and included on the updated website.
 - Commissioner Novakovich stated that is an excellent idea and inquired if Ms. Bader Inglima has time to take on the project.
 - Ms. Bader Inglima stated that she can make it work and is all for incorporating our branding to elevate us within the public and better communicate what we are doing and letting the community know what our priorities are, in a visually stimulating way.
 - Commissioner Barnes is supportive of that too, with a limit of reasonableness there. To make it more palatable and easier to access by the public and to enhance the transparency, as well as access it digitally to see the elements of the Work Plan. If it is more user friendly and appealing to eye, he supports that.
 - Commissioner Moak stated that when there is a public meeting, the Port hands out the newsletter and swag and it would be nice to hand out the Work Plan as well; however, he believes we could omit certain elements, such as charts and

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documents and provide an executive summary that looks professional with the major components of the work plan.

- Mr. Arntzen will continue to review and believes the Port could update the Work Plan and provide an executive summary for hand-outs.
2. The Port contracted with Makers Architecture several months ago to discuss updating the Clover Island Master Plan. Mr. Arntzen stated Julie Bassuk, Principal is ready to move forward in January 2020 and will do most of the heavy lifting because staff is working on Columbia Gardens and Vista Field. Mr. Arntzen believes the project will take most of the year and involve public input. Mr. Arntzen believes the Master Plan should only include the “upland” portions of the island and steer clear of the shoreline because of all the agencies it would involve and the comments it could garner. Additionally, there has been discussion of breaching the causeway at Bateman Island in Richland, and Mr. Arntzen believes the Port should avoid discussion related to breaching anything or removing barriers on or near the island. However, once the Master Plan is open to the public, the discussion can go in a number of directions. Furthermore, it is important to recognize that the 1135 US Army Corps of Engineers (USACE) Shoreline Restoration project is moving forward and should be a stand-alone project within the Work Plan.
- Commissioner Novakovich does not see how the Port can instruct Makers to avoid discussing the causeway at all and only deal with the upland portion of the Island. Commissioner Novakovich believes the breaching issue will be the real problem.
 - Mr. Arntzen does not know for sure and stated he has talked with Ms. Bassuk and she understands the tenderness of the issue. Mr. Arntzen does not believe he can say the Port is not going to talk about the issue.
 - Commissioner Novakovich inquired if we could define the area.
 - Mr. Arntzen believes that is how we will get there, but sometimes with the public process, it can go any way and interesting questions can get asked. Mr. Arntzen will do his best to emphasize the area of the upland portion.
 - Commissioner Moak stated once the public is involved, many things could happen. When Makers was here earlier this year, the Commission emphasized more public input, similar to the Vista Field process. The public will be a major part of the discussion and will say what they want to say.
 - Mr. Arntzen agrees and stated there will be interest from the Tribes and the Clover Island Yacht Club. Mr. Arntzen believes it will be an interesting process.
 - Commissioner Barnes supports discussing the upland version of Master Plan as well and it would be well for the Port to focus on the piece of the island that we have the greatest control over.
 - Mr. Arntzen stated when staff interfaces with Ms. Bassuk, we will emphasize our greatest desire for advice is for the upland portion of the island.
3. Ms. Bader Inglima has been diligent over the past eleven years working the 1135 USACE project and Mr. Arntzen believes the project should be included in the Work Plan. The design work will begin in January; however, the calendar is rather fluid.

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This is a very good Return on Investment (ROI) project and the community will see an estimated \$4,000,000 invested in east Kennewick.

4. The Commission, as part of the CEO's Goals and Objectives for 2019-2020, included a plan for Duffy's Pond to increase the depth and water quality. Mr. Arntzen reported that Duffy's Pond is controlled by the USACE, who have commissioned a nationwide study to deal with this type of wetland. The process has been going on four years and could take another four. Mr. Arntzen would like to flag Duffy's Pond for further discussion and possibly remove the item from the Work Plan because of the USACE uncertain time frame. Mr. Arntzen stated staff continues to work on Vista Field and does not believe it would be prudent to pull them off for a project that could be a 5-10 year project for smaller results. Mr. Arntzen asked the Commission to weigh in on the effectiveness of the Duffy's Pond objective based on the new information and if it is a viable alternative.
 - Commissioner Moak inquired if there is anything that can be done about the variety of issues. Commissioner Moak understands that the USACE is trying to get a national perspective, but are they giving us any kind of hope that there is anything that could be done, outside of dredging.
 - Mr. Arntzen stated the short answer is no. Staff has asked for permission to treat the Pond with a biodegradable herbicide that we use in the Basin and USACE has said no because it is part of the study. Mr. Arntzen stated it is very frustrating when the Port can do something in the Basin but not in the Pond.
 - Commissioner Moak inquired if the tenants of Columbia Gardens have any expectations that the Port is going to be doing something at Duffy's Pond. Are there other things outside of the Pond that can make it better for the tenants?
 - Mr. Arntzen stated he has heard from the tenants about the Pond and believes on a scale of one to ten, they think it is a five and do not see it as critical. There are times where the Pond might produce odor. Mr. Arntzen has visited the area during the hot summer days and personally believes it is not critical. Mr. Arntzen stated it is important to the tenants and he recently had a conversation with Bart Fawbush of Bartholomew Wines and explained the USACE process, and Mr. Fawbush understood the complexity of the situation. There are other things that the Port can do to create enhancements on an informal basis; however, some work can be done within a certain distance of the Pond is subject to USACE approval and authorization. The Port can do make some enhancements on our property.
 - Ms. Bader Inglima stated Ms. Hanchette has developed a great relationship with the City, Department of Fish and Wildlife, Department of Ecology and the USACE staff on creating visual enhancements and removing the dead and decayed vegetation that surrounds the Pond and opening up the view shed and leaving some treefall for the native wildlife. Additionally, staff discussed installing interpretation signs to inform the public of the wildlife in the area. Ms. Bader Inglima stated the Port can only do so much to the area because of the migratory wildlife and limited labor. Port staff continues to take a strategic approach to maintaining the view shed along the Duffy's Pond area.

- Commissioner Moak suggested speaking with Congressman Newhouse or Senator Cantwell or their respective staff on the federal issues might be helpful. It is not at a critical area, but if you are talking about four years of nothing, that may not be totally acceptable either.
 - Commissioner Barnes appreciates the healthy dose of reality by staff to modify Commission expectations moving forward at Duffy's Pond. Commissioner Barnes would like to maintain a Duffy's Pond item in the Work Plan with the understanding that the work is in flux, to indicate to other entities and the tenants that we have not given up on it. He would like to see a realistic perspective and exception about what could be done.
 - Mr. Arntzen reiterated the Commission comments and stated that the Port should keep Duffy's Pond in the Work Plan, but as a long term goal. To fill the void created, the Port will perform some enhancements in the area. Mr. Arntzen confirmed if the Commission agreed with that course of action.
 - Commissioner Moak believes that is a good course of action.
 - Commissioner Novakovich agrees with the suggestion, as long as we don't take resources away from other on-going projects.
 - Mr. Arntzen stated by moving Duffy's Pond to a long term project, there will be a gap in resources and staff can work with the tenants to come up with ideas to enhance the area.
5. Mr. Arntzen stated the Commission previously discussed the Vista Field Hangar Remodel project as a priority for the Port and he wanted to confirm if it is still being considered. The project is in our current Work Plan and would create vibrancy within the development. The remodel project would add the vibrancy to the development that DPZ Partners identified and adopts the principal of lean urbanism. Staff could put together a proposal modifying the hangars to be utilized by a small business where the Port would retain ownership. It is a fairly big project if the Commission would like to formally pursue; the first detail is to determine what kind of businesses would work in the buildings, ie. restaurant or breweries. Then staff would move forward with the architecture and engineering components and look at garnering estimates for construction costs and prepare a draft financing plan that could include Rural Capital County Funding (RCCF). Mr. Arntzen believes this is a two-year project: 2020 would include the design and finances and 2021 construction would begin. There is a lot of work to do before the private sector can invest in Vista Field; however, this sets the stage of creating the vibrancy within the development.
- Commissioner Barnes stated Mr. Arntzen mentioned the private sector and working and partnering with the private sector. This is a topic that we have discussed in the past, and Commissioner Barnes shared his ideas and thoughts in the past. It is intriguing to Commissioner Barnes that almost all of Vista Field is in an opportunity zone and it is intriguing to look at what some of the possibilities are for private sector developers that have a tax issue. Commissioner Barnes would like to reiterate and/or encourage the Port to look at the possibility of achieving this vibrancy objective with, maybe with one of the hangars. Achieving the vibrancy objective by partnering with the private sector developer who would like to take advantage of the opportunity zone

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designation and work with the Port on the design, the use, and the look. Many of these things the Port could control and he thinks it would be a great opportunity for a public/private partnership that could utilize the incentives that are on the table for the opportunity zone.

- Commissioner Moak would like to be able to get the design work done sooner rather than later, so that when the Port begins to market property, we can show the private sector what we are doing to create vibrancy. Commissioner Moak stated construction can wait, but he thinks it is important to have a visual to show the community what we are going to do and how we will contribute to the vibrancy of Vista Field and that we have some control over it. Commissioner Moak would like to see the design and architectural renderings of the remodel sooner rather than later.
- Commissioner Novakovich agrees with Commissioner Moak on that, based upon Mr. Arntzen's break down. Commissioner Novakovich stated the way it is separated into two phases is the best use of Port resources, because we want to ensure that we complete Phase 1 infrastructure and stay out of the way of construction. It also gives staff an opportunity to look at what the hangars could become. As Commissioner Moak stated, it would be nice to finish the hangars in a way that we want to see it done and use them as a showcase for the private sector. Then we can physically show the developers the type of design and feel we are looking for at Vista Field. Commissioner Novakovich believes it is a good project and likes the way it is laid out.
- Mr. Arntzen asked how do we address Commissioner Barnes' concerns related to the opportunity zone. Staff can do additional research to see what that might look like with respect to the hangars and how that may or may not dovetail with the project.
- Commissioner Novakovich thinks the opportunity zone is there and the private sector can come in and purchase land that the Port can sell. Commissioner Novakovich thinks if we can showcase the hangars, we are able to set the overall tone for Vista Field for the private sector.
- Commissioner Moak stated there are developers who understand the opportunity zone and he thinks if they want to be involved, then it is up to private sector. Commissioner Moak stated Vista Field and a lot of the area surrounding the development is part of an opportunity zone. If developers are interested there is property available; however, Commissioner Moak would not specifically target the area as an opportunity zone and believes it is up to private sector to look at. If there is an interest in the private sector, then they should come to us and we could see how that might work.
- Commissioner Barnes stated maybe he is making things too difficult; however, he believes there is a clear fork in road. If the Port wants to work with the private sector on this opportunity zone designation, then the Port is looking at selling a hangar to the private sector. The private sector could then develop it, but the Port would have control over the development. Commissioner Barnes thinks it is a fork in the road and he is unsure if Mr. Arntzen has an answer to the questions about where to go. Commissioner Barnes appreciates the control

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that the Port can have over this initial development and initial impact in that process by retaining ownership of the hangars, but at the same time, it is a shame that we can't work with the private sector on the opportunity zone. Commissioner Barnes does not want to make it too difficult and confusing at the outset.

- Mr. Arntzen appreciates Commissioner Barnes' comments and stated staff will move in the general direction of renovating the three hangars, if our budget allows. Staff will also look at, as a minority opinion, what would an opportunity zone process look like and before we get too far, revisit this with the Commission. Now that we are on a two year plan, this will give staff time to review the opportunity zone. Additionally, we do have some preliminary work that was done by CKJT Architecture, in conjunction with DPZ Partners, on some of the hangars. Mr. Arntzen appreciates the discussion and stated the Port will take the lead on the remodel and see what it would look like if the Port sold one or more of the hangars as an opportunity zone scenario, if that is agreeable.

Mr. Arntzen stated Mr. Peterson will present items that need to be considered for an updated Vista Field project calendar. Mr. Arntzen believes it is important for the Commission and public to see all of the steps involved in getting four or five major policy directives from the Commission over time.

1. Project Review

Mr. Peterson shared information on current Port projects and potential projects for 2020-2022 Work Plan. Additionally, the Vista Field redevelopment calendar should address the Vista Art Center Site.

Mr. Peterson proposed some questions relevant to both Vista Field and Columbia Gardens for the Commission to consider:

- What does the Port want to see built and where? (Vista Field and Columbia Gardens)
- How are the Port's use, design and layout decisions conveyed to the builders? (Vista Field and Columbia Gardens)
- What is the mechanism to fund maintenance? (Vista Field and Columbia Gardens)
- What is the marketing and pricing strategy? (Vista Field and Columbia Gardens)
- How is the pricing conveyed to the builders? (Vista Field and Columbia Gardens)
- What efforts and funds should vibrancy receive? (Columbia Gardens)
- Is the traffic calming project to be pursued? (Columbia Drive)

Mr. Arntzen stated these questions need to be presented to the Commission and he suggested this might be a great opportunity to have a workshop off-site for additional public input.

Commissioner Novakovich thanked Mr. Peterson and stated this very helpful.

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6. Mr. Arntzen stated the Commission may direct staff to complete a review of the Rural Capital County Funding (RCCF) which would include an analysis of current funding, current projects identified for funding and future funding and project possibilities. At this time, the Port has a current agreement with the City of Richland, whereby the Port submitted an application to Benton County for RCCF for approximately \$800,000 for Columbia Park Trail road improvements; however, it seems as though that application has stalled. Mr. Arntzen does not believe the Columbia Park Trail improvement project is a high priority for Benton County. Should the County fail to approve the Port's application, the City may ask the Port to fund its portion of the project with non-RCCF funding. Should we take that as a sign and withdraw rather than force the County to vote. Mr. Arntzen inquired if the Commission would like him to withdraw the application and see if the Port can find funding or speak with Benton County to find out the status of the application. Mr. Arntzen has not had an in-depth conversation with Mr. Kooiker regarding financing, but has asked in passing if the Port could find \$800,000 for the City, to which he responded possibly. Pete Rogalsky, Public Works Director for the City of Richland is here today and asked if he had any comments.
- Commissioner Novakovich inquired if the Benton County Commissioners know that application is in.
 - Mr. Arntzen is not sure; however, he has been working with County staff on the project.
 - Commissioner Novakovich asked if County staff had some insight to the application.
 - Mr. Arntzen stated the Port has been rather thoughtful when approaching Benton County and recently transferred some Water Rights to them; however, he does not want to force the application.
 - Commissioner Novakovich stated with that said, he wants to ensure that the Port follows through with our obligation to the City and find the funds. Commissioner Novakovich stated the Port is going to have several RCCF applications into Benton County and he does not want to see this stand in our way to get funding for other projects.
 - Commissioner Barnes stated it is well known that the Benton County Commissioners currently have a lot on their plate. Commissioner Barnes is in favor of looking at different alternatives of funding for the City, because they are a very valuable jurisdictional partner. Commissioner Barnes feels the need to do something with them, but at the same time we are in the busy season and the holidays are upon us and with everything that the County Commissioners are dealing with, maybe we give them some more time to see if, indeed that is the case, that they do not want to approve the application.
 - Mr. Arntzen appreciates the comments and agrees that it is not something we should try and push forward in December. Mr. Arntzen is not sure how fast Richland needs the money, but would like the opportunity to meet with Mr. Kooiker to discuss possible funding scenarios. Mr. Arntzen stated Mr. Rogalsky is here today and may be able to update the Commission as to the status of the project.
 - Commissioner Moak asked Mr. Rogalsky if he would like to speak today.

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- Mr. Rogalsky stated the City very much appreciates the partnership with the Port on this project. The City has a number of projects going, but the Columbia Park Trail project has risen to the top of our delivery program for the next year. The preparation for bid documents is a current high priority effort on the City's part and they intend to bid and award a construction contract spring of 2020. It is important for the City to have some certainty within a matter of months, as to whether it can be funded for the 2020 construction season, as outlined in our Interlocal Agreement (ILA). The City could defer by mutual agreement; however, we have been marching forward, as outlined in the ILA. Mr. Rogalsky would defer and respect each agency's approach with the County in regards to the RCCF funds. Mr. Rogalsky believes the text of the ILA provides for flexibility, if the RCCF is not best path forward. Mr. Rogalsky believes Mr. Arntzen is correct and dollars spend like dollars. The City has already federalized the project, so we have risen to the highest bar in terms of compliance and process.
 - Commissioner Novakovich confirmed that the City would need funding for the entire project in 2020.
 - Mr. Rogalsky stated that is a clear preference; however, it is possible that there would be wrinkles that could be explored about how. In terms of the construction activity, it is not a multi- season project and could be delivered all in one calendar year. It would be the City's preference to receive the funding in 2020. Mr. Rogalsky stated generally, a project is fully funded at moment of award.
 - Mr. Arntzen will continue the dialogue with Mr. Rogalsky and ask Mr. Kooiker to run the numbers and come back with a staff recommendation in January for alternative funding.
7. Mr. Arntzen stated with the Arts Policy, the Commission may want to consider a fund building period for (1-3 years) and then an implementation period for a major art installation. For smaller art objects, we would be able to use other sources of funding.

In conclusion, this has been a great opportunity for Mr. Arntzen and he appreciates the time to walk through the Work Plan items. Mr. Arntzen stated one thing the Commission may want to consider is adding a significant statement about the importance of Work Plan as a keystone document, which will set the priorities for the Port and set precedence. Mr. Arntzen believes if the Work Plan is revised, then it should include appropriate supporting documents, including, but not limited to the Comprehensive Scheme and Goals and Objectives should also be reviewed and updated in order to dovetail with the updated Work Plan.

PRESENTATION

A. Hanford Reach Solar System, Trevor Macduff of Silas Education

Mr. Peterson reported that he and Barb Carter recently met with Trevor Macduff of Silas Education. Mr. Macduff would like to tie-in solar system art installations, like the arches seen at the Hanford Reach Museum, throughout the community and would like to include one in Vista Field.

Mr. Macduff is a science teacher in Richland and president of Silas Education, which he created to facilitate the fundraising, contracts and installation of the art project. Mr. Macduff presented

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an accurate artistic model of the solar system and explained how art could tell the story of the sun over the course of a year at several locations throughout the Tri-Cities. Mr. Macduff stated Vista Field encompasses the Mars orbit crossing the sun and presented examples of art objects and where the art piece be installed. Mr. Macduff stated the sun's orbit crosses several counties and cities, including Stanfield, Oregon. Currently, Benton City has the second planetary marker in the area for Uranus. Mr. Macduff stated the orbital marker would cost approximately \$5,000 and the planetary sculptures would be commissioned and the price would vary. Mr. Macduff is interested in a partnership between Silas Education and the Port of Kennewick to develop a concept for a Mars sculpture to install in the Vista Field Development.

Commissioner Novakovich asked Mr. Macduff what he is looking for in the way of a partnership.

Mr. Macduff stated as a non-profit, money would helpful at some point, but right now, he is asking for permission to move forward and be a part of the Vista Field development. Then, Silas can put out a call for artist and come up with a budget and plan for how Silas and the Hanford Reach Solar System would fit into Vista Field.

Ms. Bader Inglima stated Ms. Carter and Mr. Peterson met with Mr. Macduff and may be able to speak to the concept. If this project was to move forward, there would need to be oversight for materials, and to ensure that it is up to the standards of the Port.

Ms. Carter stated she was very interested when Mr. Macduff approached the Port and wanted to discuss the project. Ms. Carter believes this could be a really interesting project for the Port, primarily because of the location in Vista Field and the aeronautical history. It could be a very educational project, as well as a beautification and point of interest project that people would be coming to see and learn about the project. Ms. Carter knows that the City of Kennewick and their Arts Commission is looking at sponsoring or assisting with the project elsewhere in the City of Kennewick for a different planet. One of the items we discussed is that the orbit for Mars is big and encompasses a lot of places in the Tri-Cities, but we were hoping that the Port would be the only one that has Mars. Ms. Carter could work with Mr. Macduff to help state the Port's history and how we implement our art projects, if the Commissioned desired.

Commissioner Moak would look at this art piece in the Commons Area, since we do not have a clear concept at this point about how it is going to be developed. Commissioner Moak inquired what the time frame is in terms of developing that area, so that we could see how this project would fit in.

Ms. Bader Inglima stated what is intriguing is that the Port decided on the names of the streets in advance of this concept being brought forward. Ms. Bader Inglima stated the Commission formalized Constellation Way and it all comes together.

Mr. Peterson stated in response to Commissioner Moak's question about the design of park, at this point, once we are through the process of the earlier questions, we will have a much better answer to that. Mr. Peterson has asked Parametrix to draw up a few basic layouts for park

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concepts. Mr. Peterson stated the Port is not quite ready to install art in 2020 and thinks that we could use the same process of work as we did with the Latino Mural, where we work hand and hand and look at a 2021 installation.

Commissioner Barnes likes the concept and it seems like an interesting idea that helps Vista Field be integrated into a larger community in a unique way. Commissioner Barnes stated it is an intriguing concept; however, he would like more time to mull over.

Mr. Macduff has been working on the concept since 2012 and indicated that he is not looking for an answer today.

Commissioner Moak stated given the fact that the naming concept at Vista Field includes Constellation Way and a variety of different names that talk about looking up, he thinks it ties in with the planets and Mr. Macduff's concept. Commissioner Moak would like to figure out a way to incorporate the artwork somewhere in Vista Field, but believes the Commons would be a great place for the artwork. Commissioner Moak is interested in pursuing this project further.

Commissioner Novakovich inquired if Mr. Macduff is looking for a financial commitment from the Port.

Mr. Macduff stated at this time he is only working on the concepts; however, ultimately, we would work to create it and then gift it over to the Port to maintain. Silas is not in a position to have maintenance and liability in future. It is difficult to determine an amount until we can get a call for artists put together and know what the lighting and infrastructure will look like.

Mr. Peterson stated during our conversation he shared the Port's most recent example of the Latino Mural, where the Port effectively funded the foundation and illumination and approximately a 50/50 partner on the actual cost of the art. Mr. Peterson stated that is a policy question for the Commission; however, based upon the estimated \$25,000 for art, the Port could invest \$10,000 for the art piece, but would be involved in the flat work, approach, lightening, and frame.

Commissioner Moak stated it sounds like the Commission is interested in learning more about the project and moving forward and figuring out how to make it work.

Mr. Arntzen will work with the team and look at a few more ideas, funding sources, and ensure it would not be considered a gifting of public funds before coming back to the Commission.

RECESS

Commissioner Moak called a recess at 4:15 pm until 4:20 pm.

Commissioner Moak reconvened the meeting at 4:21 pm.

REPORTS, COMMENTS AND DISCUSSION ITEMS (continued)

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E. Chief Executive Officer Performance Evaluation

Ms. Luke will walk the Commission through the revised CEO performance evaluation, but asked that the Commission take their time because this is an important process and an important step moving forward. We have been working through this process for several months and the CEO requested that this process be conducted in an open meeting. Thus, the documents have been presented to the Commission in the Agenda Packet and we are processing the evaluation in the meeting today. Ms. Luke will not go through her Agenda Report in much detail because the Commission has had it for several days and have had many of the documents since October. Ms. Luke stated unless there is anything in particular that the Commission has a question about, that is included in the Agenda Packet, she will not go through it in detail. However, Ms. Luke stated the Commission has been given a revised final draft of the 2019 annual performance evaluation, marked as exhibit A, attached to Resolution 2019-35. Ms. Luke stated the revisions to the document were revisions to Commissioner Moak's preliminary draft that he submitted to her late yesterday and the changes were incorporated today. Ms. Luke stated if the Commission would like her to point out the revisions, she would be happy to do that, but will not take the time unless requested. As stated, going back to the Agenda Report, the Commission has Exhibit A which is the 2019 performance evaluation in final form, Exhibit B includes Ms. Luke's packet that was provided to the Commissioners on about October 2, 2019 and Exhibit C includes additional packet materials, including letters from various jurisdictional partners regarding the CEO's impacts to them. Exhibit D is the 2013 employment agreement and amendments, which provides the framework under which this evaluation is to be conducted, as well as how the evaluation outcome is to be utilized for purposes of adjustments to compensation. Moving forward, as far as the evaluation process, there are a couple of different directions we could take this; point by point through the evaluation and take each section (20 sections) and discuss, or take the evaluation as a whole and have the Commission address that. Ms. Luke will leave that to the Commission on how they would like to proceed. Ms. Luke explained how she compiled the document. Ms. Luke took each of the Commissioner's preliminary drafts and combined them and identified each Commissioner's comment by initial and identified where there is a split in determination by the Commissioners, whether a section was met or not met, by initials, as to how the vote was met or not met. Ms. Luke has not, in past years, when utilizing this form, and when Commissioner's comments were easier to combine or shorten or consistent in nature, Ms. Luke would shorten up and use some artistic interpretation and combine the Commission comments. Ms. Luke stated this year, it was important to utilize verbatim, the Commissioner comments that were provided to her. Commissioners have each had quite some time to consider those comments and to receive input, not only from Ms. Luke, but other council regarding the evaluations and their comments. Thus, we find ourselves today with this document, with the comments as Ms. Luke has received them. The Commission is needing to move forward in deciding whether to adopt this evaluation as presented or whether to make other revisions to it at this time. At the end of the day, per the employment contract, the Commission, if it is is going to move forward with adopting the evaluation as presented, there is a draft motion with the Agenda Report and as a Resolution that tracks the Commission's adoption of the evaluation. Also, pursuant to the CEO's employment agreement, the Commission must deem the CEO's performance in one of three ways: the language from the employment agreement is satisfactory, above satisfactory or exceptional. Again, referring back to the employment agreement, those are the terms that

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set the level of change of compensation to the CEO. It is important that the Commission take time and consider those impacts as it relates to their decision about adoption of the CEO performance evaluation. Ms. Luke can answer questions regarding the terms satisfactory, above satisfactory or exceptional later if the Commission decides how they would like to proceed. The first step is determine whether the Commission would like to review the document as whole or particular sections or section by section.

Commissioner Moak stated personally, his feeling is the document speaks for its self and it has three Commissioners with three different perspectives and they all equally represent the CEO. Commissioner Moak accepts them as written, but it is up to everyone else as to how you want to proceed.

Commissioner Novakovich is not sure...we received the last version of this document right at this meeting and obviously it does not give us any time to go through and compare what was previously done or what the changes are. Commissioner Novakovich does not know how to proceed, because we are under timeline, but we were given this now and had no time to even study it.

Ms. Luke is happy to walk the Commission through the changes of it, if you would like to do that.

Commissioner Novakovich is not in favor of this at all. The process was changed under what looks like very suspicious motives and we were criticized in the paper for doing that. We have had several warnings about doing this this way, we have had several warnings about negative comments in the CEO evaluation and about potential litigation. We have received those warnings from Ms. Luke, Steve DiJulio, and Phil Ritchie from Clear Risk Solutions probably said it the best to us, if we accept this, Commissioner Novakovich believes we are putting ourselves in harms way for potential litigation. Personally, Commissioner Novakovich does not want any part of this. Commissioner Novakovich does not want to be named in a lawsuit over something we....

Commissioner Barnes interjected point of order please.

Commissioner Moak recognized Commissioner Barnes' point of order.

Commissioner Barnes asked if we are discussing things that were in Executive Session.

Ms. Luke stated yes, in part, she believes you are, and other meetings that may have occurred outside of Executive Session, however, would not be.

Commissioner Novakovich stated there are enough warnings that whether it was in Executive Session or not, that we have been warned about potential litigation for one, changing the process in which we do this evaluation and two, for negative comments. Commissioner Novakovich would like to be on the record that he does not want any part of this at all. Commissioner Novakovich appreciates Commissioner Moak going through and changing his,

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and Commissioner Novakovich suspects he received the same kind of warnings from Mr. Ritchie from Clear Risk Solutions that the rest of us did. Commissioner Novakovich appreciates Commissioner Moak's changes in what he could see in this last revision that we received. However, there are still comments in there that Commissioner Novakovich cannot support and does not want to be named in any potential litigation that may occur. If you take a look at the letter that Thomas McClain sent, Commissioner Novakovich believes we are headed in that direction.

Commissioner Moak stated in his perception, his comments are his own, Commissioner Barnes' comments are his own, and Commissioner Novakovich's comments are his own. Commissioner Moak does not own anyone else's comments but his own comments.

Commissioner Barnes has no comments outside of what he has provided in writing.

Commissioner Moak stated the Chair is prepared to entertain a motion if someone would make a motion. The Commission is under obligation to meet the December 15 deadline to evaluate the CEO and that changed at our last Commission meeting, which Commissioner Moak believes the Commission agreed to do that.

Commissioner Barnes is in favor as taking the document as whole and has no further comments beyond what he provided in writing in his evaluation.

PUBLIC COMMENTS

**Clerk's Note: The President did not call for Public Comment.*

MOTION: *Commissioner Barnes moved for approval of Resolution 2019-35, adopting the CEO's 2019 Annual Performance Review, as set forth in Exhibit A, the latest version provided by Ms. Luke. Furthermore, in accordance with the CEO's Employment Agreement, deems the CEO's performance as Satisfactory;*

Motion dies for lack of second.

MOTION: *Commissioner Moak moved for approval of Resolution 2019-35, adopting the CEO's 2019 Annual Performance Review, as set forth in Exhibit A, or alternative. Furthermore, in accordance with the CEO's Employment Agreement, deems the CEO's performance as Above Satisfactory; Commissioner Barnes seconded. With no further discussion, motion carried. All in favor 2:0 (Commissioners Moak and Barnes) Commissioner Novakovich (nay).*

Ms. Luke stated as far as a follow up to the process, the steps after adoption, the presentation to the CEO, President of the Commission typically signs the evaluation and it is presented to the CEO for review, signature, and comment. With those steps, that should conclude the process.

F. Hearing Status Update

Ms. Luke stated the hearing referenced is the hearing related to the citizen complaint and the hearing requested by Commissioner Barnes. At the last meeting Ms. Luke updated the

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Commission, based on information received from Judge Kallus, who is our hearing officer. We had one phone conference with her and she had given us direction to submit a brief and then she would make a decision. We had a hearing with her last Tuesday, December 3, 2019, and she changed course on us and requested that the parties conduct some additional briefing prior to her making a decision related to the hearing process. Judge Kallus requested that the parties submit responsive briefs to each other's initial briefs and submit those by Friday, December 13, 2019. Then we will have a week to submit a reply to the response. Ms. Luke stated this is more typical briefing schedule than she is used to than the initial one the Judge Kallus proposed. Ms. Luke stated that is what she knows at this point and no hearing has been scheduled yet. Ms. Luke is hopeful, that after we complete our briefing, we will have a decision by Judge Kallus shortly thereafter as far as the process, then we will proceed to scheduling. Ms. Luke stated the two processes contemplated are the Port's position that the process, Judge Kallus steps into the shoes of the Commission and making a decision with submission of limited materials and documents. Commissioner Barnes' position, as Ms. Luke understands it, should be a full hearing, similar to a full arbitration with discovery undertaken prior to the hearing. We will await the Judge's decision and Ms. Luke will update as to where we are headed as far as a schedule in January.

G. Training / Consultants Update

Ms. Luke wanted to bring this to the Commissions' attention as she and Mr. Arntzen have been working on this. Mr. Arntzen initiated the process and Ms. Luke has been working on it since and will be bringing it back to the Commission. It is the desire of Mr. Arntzen and staff to get back on track, because we have important projects going forward and get communications and the lines of communications and so forth, moving forward in a positive direction. Ms. Luke is working on developing a scope and schedule with at least two consultants. Ms. Luke stated training would be a part of that process, is perhaps a workshop type setting. One would include staff and the CEO and the other would involve the staff, CEO, and Commissioners. Ms. Luke stated Jim Darling or his organization or others would be one of the types of consultants that she is looking at and the other is a Human Resources type. Ms. Luke stated as to the workshop or training involving in the Commission, her timing is in part, will be more conducive after we complete the hearing. Ms. Luke is happy to answer any questions or take Commission input as to their thoughts on this, as she believes it will be a very important process for us to be involved in next year.

Commissioner Moak thanked Ms. Luke for her work on that.

H. 2020-2021 Committee Assignments and Election of 2020-2021 Officers

Ms. Scott asked if she could present the Committee Assignments and Elections of Officers as one item.

Commissioner Moak stated the Commission has no objection to that.

Ms. Scott presented the updated 2020-2021 Committee Organization sheet. There were quite a few meeting times and locations that have changed. Ms. Scott stated the meetings have been updated and confirmed, with the exception of the Tri-Cities Regional Chamber Board of

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Directors meeting. The Benton Franklin Council of Governments used to have a Policy Advisory Committee (PAC); however, that has now been combined into a Board of Directors Economic Development District. Ms. Scott asked the Commission to review and if there are no changes, the Commission can accept or we can discuss this again in January. Additionally, the TRIDEC Executive Board Meeting position rotates each year between the three ports and 2020 the Port of Kennewick will serve on that Board.

Ms. Scott also presented the Election of Officers for Commission review.

Commissioner Moak stated the Sandburg Event Center has changed its name.

Commissioner Novakovich stated the Benton Franklin Council of Governments did not combine the PAC. We did away with that meeting altogether and it is now just the Board of Directors.

Commissioner Moak stated the Historic Downtown Kennewick Partnership is not meeting at Clover Island Inn; however, he is unsure if that is only temporary or permanent.

Ms. Scott will confirm the list again.

Commissioner Novakovich confirmed that the Commission does not need to complete this until January.

Ms. Scott stated that is correct.

I. Commission Meetings

1. December 24, 2019 Cancelled

Ms. Scott reported that the December 24th Commission Meeting is cancelled.

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

Commissioners reported on their respective committee meetings.

K. Non-Scheduled Items

1. Ms. Bader Inglima stated the Winter Newsletter went out in the *Tri-City Herald* today and copies are available at the front desk, as well as on the Port website.
2. Ms. Luke congratulated Ms. Bader Inglima and staff on the newsletter and stated she has received several positive comments.
3. Mr. Peterson stated at the November 19, 2019, the Kennewick City Council accepted the Port Commission's request for naming of streets at Vista Field.

Commissioner Novakovich inquired if Vista Field is drivable.

Mr. Peterson stated only a portion of the scissors is drivable.

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Commissioner Moak inquired when the street signs will go up.

Mr. Peterson stated the names officially take effect on February 21, 2020 and the signs will be put up and businesses will begin receiving mail.

PUBLIC COMMENTS

Cal Coie, 705 South Oklahoma, Kennewick. Mr. Coie expressed his disappointment about the Commission's decision to move forward with Makers Architecture next year. Mr. Coie stated the Port has enough to do with Vista Field and Columbia Gardens without spending tax payer dollars for more studying on the Island and believes it is somewhat foolish. Mr. Coie stated eventually it will need to happen; however, today is not the day. Having said that, Mr. Coie urged the Commission to take the advice of Mr. Arntzen and a Commissioner, to keep it to the upland only. The Port spent over \$10,000,000 for the Marina several years ago. Mr. Coie clarified that he is not representing the Clover Island Yacht Club, but stated the yacht club has spent a lot of money maintaining and improving the area and doing things the Port asked us to do, like install covered moorage. Mr. Coie stated if the Causeway is opened, it is only a matter of time before both are annihilated.

No further comments were made.

COMMISSION COMMENTS


No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:55 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**



Thomas Moak, President



Don Barnes, Vice President



Skip Novakovich, Secretary

PORT OF KENNEWICK

Resolution No. 2019-34

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK APPROVING
A LEASE AGREEMENT WITH CARBITEX LLC***

WHEREAS, the Port of Kennewick (Port) is authorized to enter into certain leases upon such terms as the Port Commission deems proper; and

WHEREAS, a two year lease for 16,600 square feet of office and industrial warehouse space has been negotiated by Port staff with Carbitex LLC; and

WHEREAS, the Port Commission has called a regularly scheduled public meeting with notice of such meeting given as provided by law and such public meeting was held at such time and on said date; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Lease Agreement and find it is in proper form and it is in the Port's best interest; and

WHEREAS, after consideration of the attached lease agreement, the Port Commission has determined that the lease is proper.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves a two-year lease with Carbitex LLC as presented and authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved.

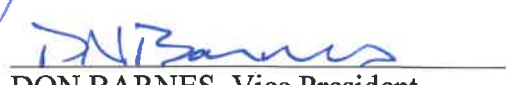
ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of December, 2019.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By:


THOMAS MOAK, President

By:


DON BARNES, Vice President

By:


SKIP NOVAKOVICH, Secretary

PORT OF KENNEWICK

Resolution No. 2019-35

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK APPROVING THE PORT CHIEF EXECUTIVE
OFFICER'S 2019 PERFORMANCE EVALUATION**

WHEREAS, the Port Commission conducts an annual evaluation of the Port's Chief Executive Officer's performance pursuant to the CEO's Employment Agreement; and

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, 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 August 13, 2019, Resolution 2019-16 was presented to the Board of Commissioners to appoint a new committee member to the CEO Evaluation Committee, and said resolution was not approved; and

WHEREAS, in lieu of Resolution 2019-16, Commissioner Barnes made a motion that the CEO Annual Evaluation Process revert to the CEO's Employment Agreement original paragraph 6 language and the use of the Exhibit D format that existed prior to Resolution 2017-27, Commissioner Moak seconded and the motion passed 2-1 with Commissioners Moak and Barnes voting in favor and Commissioner Novakovich opposed; and

WHEREAS, as directed by the Port Commission, Port counsel has gathered performance evaluations from all three individual Commissioners, and compiled those preliminary drafts into the attached 2019 Annual Performance Review form (attached as Exhibit "A").

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Port of Kennewick Board of Commissioners hereby approves the 2019 Annual Performance Review of CEO attached as Exhibit "A" and directs the Commission President to present the 2019 evaluation to the CEO.

NOW, THEREFORE, BE IT HEREBY FURTHER RESOLVED that the Port of Kennewick Board of Commissioners, in accordance with the CEO's Employment Agreement, hereby deems the CEO's performance *above satisfactory* for 2019.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 10th day of December, 2019.

By: 
THOMAS MOAK, *President*

By: 
DON BARNES, *Vice President*

By: 
SKIP NOVAKOVICH, *Secretary*

2019 ANNUAL PERFORMANCE REVIEW
Individual Commissioner Evaluation of
Executive Director Performance

IMPORTANT DUTIES/EXPECTATIONS	PERFORMANCE APPRAISAL		COMMISSIONER COMMENTS
<ul style="list-style-type: none"> ➤ Attach extra papers as necessary ➤ Factors should be reviewed in terms of quality, quantity and timeliness 	Met	Not met	
<p>I. <u>Vision and Purpose</u></p> <p>Collaborates with the Commission to advance the Port's vision and purpose. Leads senior staff to develop a concise vision. Advocates the vision by strategic resource allocation toward attainment.</p>	xx	x [DB]	<p>The Port Commission has been clear on its direction that Vista Field development and Columbia Gardens redevelopment were top priorities and Tim has delivered on those two projects. Tim more than once came back to the commission to clarify the port's vision and identified obstacles to be overcome or decisions that needed to be made in terms of resource allocation in order to achieve the vision.[TM]</p> <p>Mr. Arntzen failed to communicate and collaborate with the Commission when Commissions raised questions regarding the Ivey land transaction. See for example POK Commission meetings of Jan. 22 and Feb. 19, 2019. [DB]</p> <p>Tim's mind is constantly at work developing visions for future POK direction that are beneficial for our constituents. Then he will engage his senior staff and appropriate others, to vet his vision against all possible pitfalls giving careful consideration to allocation of all necessary resources before finalizing a vision and purpose that his staff can support. After careful assembly and understanding of all issues involved he will begin briefing the Commission on several occasions, each time researching answers to</p>

			Commission concerns or questions before asking for clear Commission direction on how to proceed. Yet Tim has always been willing to do whatever the Commission instructed even if his vision is not accepted or is modified by the Commission.[SN]
<p>II. <u>Strategic Agility</u></p> <p>Is proactive; anticipates future trends, benefits and consequences; has broad knowledge and perspective; can objectively state possibilities and probabilities.</p>	xxx		<p>Tim demonstrated agility with bringing the Southridge land to auction and working on various projects with the City of Kennewick, where he needed to work to meet the needs of the City and the Port in a way that could get funded through RCCF. Tim successfully led port to two land sales in West Richland that were unanticipated at the beginning of the year and served port and community interests.[TM]</p> <p>One exception here is that Mr. Arntzen failed to anticipate future benefits/consequences of his decisions and actions regarding the item in I. above. [DB]</p> <p>Before testing the merits of his ideas he carefully researches the pros and cons of implementing his visionary projects. I believe Tim deserves extreme praise for his knowledge and ability to accurately assess future trends and the effect they will have on the POK, our projects and ultimately our constituents. Tim assessment of situations and issues is something I can place complete trust in.[SN]</p>
<p>III. <u>Operating Plans</u></p> <p>A. Develops, maintains and implements strategic plans and operational goals that effectively brings the Port's vision to fruition.</p>	xxx		<p>A. Both the Vista Field and the Columbia Gardens projects have moved ahead to great acclaim and high level of public anticipation, for which Tim deserves great credit. Tim has done</p>

<p>B. Critical performance elements are monitored to help assure effective and efficient operations and to identify opportunities for policies and procedures improvement.</p>	<p>xx</p>	<p>x [DB]</p>	<p>a great job at looking for funding sources for the Vista Field hangars remodel which are an important element to the Vista Field implementation. Other items mentioned in the self-appraisal are also praiseworthy. [TM] The Port of Kennewick, through the policies established by its 3member Commission and implemented by its CEO and staff, has effectively brought its vision to fruition. It is a TEAM effort and these results are not due to the efforts of any single individual.[DB]</p> <p>B. It is not always easy to secure clean audits year after year, but Tim deserves credit for continual clean ones. [TM]</p> <p>Budget monitoring presentations to the Commission are too infrequent. Legal fees, in the opinion of some constituents, are too high. Constituents ask why attorney attends staff meetings and performs routine clerical tasks that could easily be handled by staff. [DB]</p> <p>My extensive training and experience in the US Army regarding operations and logistical management allows me to attest to Tim's steadfast, unwavering ability to carry out all duties required of him in a very strategic manner of employing necessary available resources in the most effective and efficient way possible while diligently overseeing all</p>
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			operations and exploring potential ways to create additional efficiencies in all areas of operations while operating in a hostile work environment.[SN]
<p>IV. <u>Integrity</u></p> <p>Sets the tone for the Port by exemplifying consistent values and high ethical awareness, honesty and fairness.</p>	xx	x [DB]	<p>Tim holds himself and his staff to the highest level of integrity. Corporate culture and tone is set at the top and that high level of ethical integrity, accountability, attention to detail, and transparency, is evident in the Port's clean audit history. [TM]</p> <p>In my opinion, the expectations for uniform and consistent adherence to values and principles of honesty/fairness have not been met in 2019. [DB]</p> <p>Tim has exemplified the most absolute manner of a person possessing a natural God given unwavering trait of integrity, ethical and moral value. Working in a very hostile work environment, being asked by commissioners to change his statements he has steadfastly refused to compromise his values. [SN]</p>

	Met	Not met	
<p>V. <u>Financial Stewardship</u></p> <p>A. Maximizes the Port’s ability to serve and expand the public purpose while maintaining taxation stability.</p> <p>B. Administers the Port’s financial affairs consistent with state law and adopted policies, budget and financial guidelines.</p>	<p>xx</p> <p>xxx</p>	<p>x [DB]</p>	<p>A. All the great projects the Port is accomplishing are done without tax increases. Tim borrowed conservatively in order to finance phase one of Vista Field and has developed a plan to pay off early, if circumstances warrant. [TM] My expectations here were not met because too many port resources are being wasted. Please see remarks in III. above. [DB]</p> <p>B. Even with more complicated transactions, Tim has managed to secure clean audits for the port again. Tim’s misunderstanding of Washington bid law almost cost the port a lawsuit over the award of a contract for Vista Field construction. To his credit, he listened to legal counsel and reversed course before the final bid award. [TM] The Port of Kennewick has a history of clean audits from the State Auditors Office. [DB] The clean financial audits, the consistent lowering of the levy rate and the 300%+ increase in constituent equity obtained under his leaders clearly substantiates the need to give Tim the highest possible marks on this subject. Tim is very well aware of his fiduciary responsibilities and takes this responsibly very seriously by insisting on only the very best</p>

			management of POK financial affairs. I don't think anyone can boast of a better accomplishment record in this regard. [SN]
<p>VI. <u>Political and Institutional Sensitivity</u></p> <p>A. Maneuvers through complex political and institutional situations effectively; anticipates potentially negative reactions, recommends and plans a course of action accordingly; views politics as a necessary part of organizational and public sector life and works to be effective within that reality. Unless otherwise not practical, obtains commission concurrence prior to publicly stating position.</p> <p>B. Develops solutions to complex issues that challenge the Port's ability to recognize its vision and purpose. Demonstrates sensitivity to resource availability when developing solutions.</p>	<p>xxx</p> <p>xxx</p>		<p>A. This is an area where Tim has excelled. He has maneuvered the port into not taking public positions on issues that would jeopardize relationship with various partners. He strengthened partnerships with multiple jurisdictions during the year and worked to make sure that the port was aligned correctly with cities and the county. Working through the racetrack sale to try to strike a deal with West Richland that would not offend Kennewick and could pass muster with the county was a good example. Working through RCCF issues with Kennewick was another good issue where understanding the political dynamics in the city were important. [TM]</p> <p>As above, the attached letters and my personal interaction and conversations with elected officials and staff members of other jurisdictions by way of committees I serve on give me great pride and honor to be associated with someone held in such high and respected regard as Tim.[SN]</p> <p>B. Tim has been very sensitive to the understanding that the port</p>

			<p>no longer has a lot of spare cash floating around and to continue to do more means careful resource allocation and has frequently shared that with the commission. But he also has looked for opportunities to fund additional with “other people’s money”. [TM] He is extremely talented guiding the Port of Kennewick through all political situations with a superior attention to necessary and appropriate political as well as institutional sensitivity.[SN]</p> <p>A. & B. Expectations met if looking only at Port projects (with the exception of the Ivey transaction). I would have to say that expectations were not met if looking only at the communication and collaboration by the CEO with the Commission. [DB]</p>
<p>VII. <u>Stakeholder Relations</u></p> <p>A. Leads the Port in building effective relationships with tenants, customers and community.</p> <p>B. Effective relations are maintained with other governmental officials, community leaders, citizens, news media, etc., to resolve problems and complaints; to coordinate functions, to gain and provide information and to assemble outside assistance for Port activities.</p>	<p>xxx</p> <p>xxx</p>		<p>A. Tim negotiated a new lease with Cedars with the goal to allow a transfer of ownership for a key tenant on Clover Island. The Port partnered with Clover Island Inn, the Benton Franklin Fair, the Historic Downtown Partnership, and other entities in sponsoring events that help promote the port’s partnerships. [TM]</p> <p>B. Tim’s relations with government officials has been good and he has responded appropriately to citizens and the media.[TM]</p>

			<p>A. & B. Please see response above which also applies here. In the past several years, under Tim's astute leadership, the POK has become the model for other governmental organizations to follow regarding Stakeholder Relations.[SN]</p> <p>A. & B. Mr. Arntzen's abilities in this area demonstrated by letters of commendation received from jurisdictional partners, contractors, and associate entities. [DB]</p>
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	Met	Not met	
<p>VIII. <u>Priority Setting</u></p> <p>Spends time and the time of others on what is important; can quickly sense what will help or hinder accomplishing a goal; eliminates obstacles; creates focus.</p>	xx	x [DB]	<p>Tim has worked on priorities of the port and has brought back items that were not priorities to the commission to help identify where these fit in the grand scheme of things. One area where the commission consistently told Tim to follow the comp scheme on West Richland and he kept bringing back West Richland issues. Fortunately, that is in the past with the successful sale of the racetrack property. [TM]</p> <p>Mr. Arntzen has spent too much time and resources on trying to shape the outcome of this performance evaluation. [DB]</p> <p>Tim has always been committed to inform Commissioners on all potential beneficial restructuring of Commission established priorities as new possibilities present themselves. He very concisely and thoroughly explains to the Commissioners both the positive and negative effects of any change to the existing priority list. Tim is very focused on meeting the goals and objects given him as well as bringing forward appropriate, constituent benefitting, unanticipated opportunities to the Commission for their directions. If Tim is asked to incorporate new opportunities into his work he skillfully will recommend to the Commission which previously set Goals and Objectives may have to be tabled for a period of time in order to allocate necessary resources to the new opportunity. He is very adept at working with his staff and the Commission to</p>

			accomplish whatever tasks are assigned him without prejudice.[SN]
<p>IX. <u>Knowledge</u></p> <p>A. Knows how successful public ports work; knowledgeable in current and possible future practices, trends and information affecting port management, the port industry and our Port; knows the competition; is aware of how strategies and tactics work in the marketplace.</p> <p>B. Maintains a favorable presence within the region, state and industry that results in an increased knowledge of initiatives, trends, practices and legislation that may affect the Port.</p>	<p>xxx</p> <p>xxx</p>		<p>A. Tim maintains good working relationships with many other port directors in the state and is aware of what they are doing and brings back ideas as appropriate. Tim investigated the powers of Industrial Development District which is unique to ports. He sends his staff to trainings so they can perform well in a port environment. [TM] The POK is extremely fortunate to have an ED with a doctorate degree in law. Tim is very well versed and knowledgeable in all managerial and operational aspects of ports. And what he doesn't know he will devote whatever time is necessary to self-education himself and then rely on other appropriate skilled resources, including his staff, to expand his knowledge before taking action to assure only the best possible results are achieved for the POK, those we partner with and those we serve. [SN]</p> <p>B. Tim follows what happens in the WPPA legislative committee and sometimes participates with them. [TM] The POK is well respected throughout the State and</p>

			<p>certainly within the Port community due to Tim’s knowledge and ability to craft mutually beneficial relationships. [SN]</p> <p>A. & B. Mr. Arntzen understands Ports and how they function. [DB]</p>
<p>X. <u>Decision Quality</u></p> <p>Makes good decisions based on analysis, wisdom, experience and judgment; most solutions and suggestions turn out to be correct when judged over time.</p>	<p>xx x [DB]</p>	<p>x [DB]</p>	<p>Tim appears to make good decisions bases on analysis, wisdom, experience, and judgment. Whether they turn out to be correct over time...time will tell.[TM]</p> <p>Mr. Arntzen’s decisions regarding Port projects and initiatives in the community have been met and, in my opinion, will turn out favorably when judged over time. However, I believe Mr. Arntzen’s decisions regarding communication and collaboration with the Commission, and how he responds to differences of opinion between himself and members of the Commission have not been sound. [DB]</p> <p>The constituent benefitting quality of decisions Tim makes is exceptional. He will take whatever time is necessary to research all consequence of a decision to assure it is the right one before taking action including vetting his potential decision with appropriate staff members or outside resources if necessary and prudent. I am unaware on any decisions Tim has made since he became the ED of the POK that has resulted in a negative impact on the POK constituents or our partners.[SN]</p>
<p>XI. <u>Entrepreneurial</u></p> <p>A. Demonstrates an entrepreneurial spirit by identifying ways to generate revenue,</p>	<p>xxx</p>		<p>A. Tim has looked for ways to use “other people’s money” to further the port. Tim secured an “unnecessary” appraisal of</p>

<p>investment capital and maximizes the financial potential of existing port assets.</p> <p>B. Brings recommended opportunities to the Commission's attention. Recommendations include financial projections, as well as potential public opinion concerns (risk/reward analysis).</p>	<p>xx</p>	<p>x [DB]</p>	<p>the Tri-City Raceway that resulted in an additional \$500,000 to the port coffers. He has leveraged funds from other government entities to support port projects.[TM] Expectations met in a minimally positive way. It is important to remember that return on investment at the Port is not always measured purely in financial (\$\$) terms. [DB]</p> <p>B. When Tim brings recommended opportunities to the commission, they are well thought out and he presents good analysis that enable the commission to take appropriate action.[TM] Mr. Arntzen rarely includes financial projections or any risk/reward analysis in his recommendations to the Commission. [DB]</p> <p>A. & B. Having grown up in a family owning small businesses, and himself owning a small business Tim's entrepreneurial spirit is perhaps second to none in the Port industry or perhaps in any governmental management position. I sincerely appreciate his knowledge and ability to maintain a true entrepreneurial spirit. Tim had excelled at bringing staff carefully vetted recommendations to the Commission with detailed information including allotted allocation of resources and staff evaluation of risk/rewards. Lately the Commission has publically reprimanded Tim for doing this. As a result he has become reluctant to continue doing so. As a policy making elected official I</p>
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			find Commissioners reluctant to listen to staff's knowledge and recommendations to be a real disservice to those they represent. [SN]
	Met	Not met	
XII. Leadership/Management			
A. Rallies support behind the vision and strategic plan; can inspire and motivate staff and community.	xx x [DB]	x [DB]	A. Tim has done a very good job of rallying staff and community around the port's priorities of Vista Field and Columbia Gardens. There is much excitement about these projects and Tim's abilities to move these along have been exceptional.[TM]
B. Creates an environment where employees at all levels contribute their knowledge, skills, abilities and ideas in a way that maximizes their potential. Employee potential is not limited by divisional walls or job title. Appropriately delegates to others. Is a good judge of talent; hires the best people available inside or outside the organization.	xx x [DB]	x [DB]	B. Tim has hired excellent employees who have succeeded not only on the big projects that garner much attention, but also the details of running a marina or managing many operations or keep the port in good financial standing.[TM]
C. Creates a climate in which people want to do and can do their best; can motivate team or project members; empowers others; invites input and shares ownership and visibility. Makes each person feel his/her work is important.	xx x [DB]	x [DB]	C. Tim has been good at recognizing not only the value that staff bring to the table, but also contractors, advisors, and other government entities. He has been very willing to share credit. [TM]
D. Assists the Commission in defining its shared vision. Communicates that direction to the organization. Advises the Commission on challenges and threats to the Port's ability to be successful.	xx x [DB]	x [DB]	D. Tim has done a very good job at drawing out opinions from the commissioners on strategic issues and vision for the port. He scans the horizon and helps provide context.[TM]
E. Effectively manages staff relations consistent with port policies.	xx x [DB]	x [DB]	E. Tim effectively manages staff relations consistent with port policies. [TM]
F. Manages the administration and operations of the Port consistent with the delegation of authority as adopted and/or modified by the Board of Commissioners.	xx x [DB]	x [DB]	F. Tim understands well his delegation of authority but

			<p>is very good at bringing issues to the commission, that, while within his delegation, have political or other dimensions and wants commission guidance.[TM]</p> <p>A. – F. When the visions and ideas of individual Port Commissioners are in close alignment with Mr. Arntzen’s personal visions and ideas, his performance in the area of leadership and management is excellent. However, when the visions and ideas of Port Commissioners depart from his personal views, there is a very marked change in Mr. Arntzen’s behavior and performance. When individual Commissioners question Mr. Arntzen’s decisions and judgment regarding Port business matters, he becomes defensive, argumentative, and combative. I find this behavior/performance to be divisive and detrimental to the overall democratic process (majority rule) of the Commission. [DB]</p> <p>A. – F. Tim’s managerial style has proven to be extremely effective. On many occasion I have stated that he has assembled and empowered the finest staff I have ever had the honor of working with in ether civilian, military or volunteer roles</p> <p>Tim hires only the very best employees possible. He clearly explains the POK vision, goals, and objectives to them and then empowers them to do what they do best. Tim gives his staff the ability to do what they do best as professionals in their field of expertise for which he hired them. Once he clearly explains</p>
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		<p>Commission established goals and objectives to staff he allows for their input on how to proceed until he is assured that all staff members have taken ownership of the goal or objective and then he does not micro manage, but remains available for help while continually offering motivation but reserving the right to give final approval.</p> <p>I feel the Commission would be far better served if they would allow Tim to give his well thought out advice without reprimanding him for doing so. I have always found his ability to clearly define a shared vision and taking as much time as allowed to the Commission on challenges and threats that may affect the vision to be extremely helpful and something Tim excelled at doing.</p> <p>Even though the Commission has given Tim certain authority, if he has any question or is uncertain of potential consequence or any action he may take, he will bring that subject to the Commission for discussion and ask for their direction even though the authority to take such action had already been delegated to him. He is very cautious to only make the very best decisions for the POK, its staff and constituents. He has been very effective in his decision making decisions and the handling of managerial issues.</p>
<p><u>XIII. Initiative</u></p> <p>Self-starting ability. Promptly takes hold and follows through with minimum direction.</p>	<p>xxx</p>	<p>Tim appears to demonstrate appropriate initiative.[TM] Mr. Arntzen has good initiative. [DB] Tim will never hesitate to accept direction from the Commission if given clear and non-conflicting</p>

			direction. He is a self-starter always looking for more to accomplish.[SN]
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	Met	Not met	
<p>XIV. <u>Courage</u></p> <p>Willingness to state opinions and reasons without concern about the popularity of the views. Forthrightness in dealing with customers, suppliers, and others in the organization.</p>	xx	x [DB]	<p>Tim demonstrated his willingness to stand in support of Benton County staff regarding the county's oversight/ownership of Rural County Capital funds when other jurisdictions used other tactics. [TM]</p> <p>In my opinion, Mr. Arntzen has not been forthright with the Commission regarding the Ivey land transaction. [DB]</p> <p>Tim has always been willing to state his opinions and reasons that comply with POK goals, visions and directives to anyone, anywhere, without regard for his personal popularity. He is a fair and honest "bulldog" for the POK. I sincerely appreciate his courage to stand up for the best interests of the POK and our taxpaying public even when doing so often subjects him to personal criticism especially from two Commissioners. [SN]</p>
<p>XV. <u>Persuasiveness</u></p> <p>Ability to sell a sound course of action. Persuasive ability in oral and written presentations.</p>	xxx		<p>Tim doesn't share much in the writing with the port commission, but he does a good job in oral persuasiveness. As the commission was dealing with much decision making on its projects, Tim was generally able to bring the commission to consensus and sometimes convince the commission not to act on something that it didn't need to. [TM]</p> <p>Mr. Arntzen can be very persuasive. [DB]</p> <p>Tim has always been willing to state his opinions and reasons that comply with POK goals, visions and directives to anyone,</p>

			anywhere, without regard for his personal popularity. He is a fair and honest “bulldog” for the POK. I sincerely appreciate his courage to stand up for the best interests of the POK and our taxpaying public even when doing so often subjects him to personal criticism especially from two Commissioners.[SN]
<p>XVI. <u>Adaptability</u></p> <p>Ability to adjust to changing conditions or unusual assignments. Flexibility in undertaking a variety of assignments, acceptance of decisions which go counter to own opinion.</p>	xx	x [DB]	<p>The biggest change Tim adapted to related to the unsolicited offer for the Tri-City Raceway. Tim was able to get that turned around with enough time to get the sale approved by the commission in a time frame that met the buyer’s needs, even though the off came in almost at the “eleventh hour”. [TM]</p> <p>Mr. Arntzen is not always receptive to or accepting of Commission discussions which go counter to his own opinion. He can become very defensive and combative. [DB]</p> <p>Anyone who has been involved in POK meetings for the past year has to admire and give Tim “Gold Stars” for his ability to move forward with Commission directives which go counter to his own opinions. He is firmly dedicated to carrying out Commission directives rather than his own.[SN]</p>
<p>XVII. <u>Stamina</u></p> <p>Physical vigor. Ability to stand up under heavy requirements including foreign or domestic travel.</p>	xxx		<p>There were no known issues with stamina. Tim did no foreign travel and limited domestic travel on behalf of the port.[TM]</p> <p>Very good abilities here. [DB]</p> <p>The hostile work environment created by Commissioners Moak and Barnes has damaged Tim’s health, yet he does not miss a step</p>

			in the performance of his duties. This would be extremely admirable for anyone to do so but Tim's performance and successes exceed any possible expectations.[SN]
<p>XVIII. <u>Ambition</u></p> <p>Desire to get ahead and willingness to make sacrifices necessary for progress.</p>	xxx		<p>Tim appears to demonstrate appropriate ambition.[TM]</p> <p>Mr. Arntzen has demonstrated a willingness to make sacrifices in some situations. [DB]</p> <p>See above and realize the work Tim is doing is having a long lasting effect on his health, personal life and personal financial resources. In all the years I have known Tim as the Executive Director of the POK I have never once seen him put personal needs in front of accomplishing POK goals and objectives. From what I have observed of other Port EDs across the State Tim easily sets an example of unselfish ambition to go beyond what is expected to see that the POK not just meets, but exceeds community expectations.[SN]</p>
<p>XIX. <u>Loyalty</u></p> <p>Understanding and acceptance of goals and policies of the organization. Willingness to support organization and management.</p>	xx	x [DB]	<p>Tim understands and accepts the goals and policies of the organization.[TM]</p> <p>Mr. Arntzen understands goals and policies, but is sometimes unreceptive to discussions of policies that are not in line with his personal views. In my opinion, it's imperative that individual Commissioners be able to openly and freely discuss their views without feeling threatened or intimidated by the CEO. [DB]</p> <p>Tim and his staff have been working under adverse conditions ever since Commissioner Moak was elected. This has elevated to the substantiation of a very hostile</p>

			work environment. Yet Tim, who has been offered other employment, has stayed loyal to the Port of Kennewick.[SN]
<p>XX. <u>Communications</u></p> <p>Effectiveness of exchanging significant information throughout all levels of the organization; with clients, vendors, and the public.</p>	xx	x [DB]	<p>Tim demonstrates good internal communication with staff and external communication with port partners. [TM]</p> <p>Mr. Arntzen has not demonstrated a consistent level of effective communication. For example, he resorted to name calling just after the conclusion of the March 12, 2019 Commission meeting. [DB]</p> <p>Tim will always error on the side of over communication and explanation to assure those he engages clearly understand what he is trying to accomplish. And he is always willing to offer further explanation or answers to questions when asked. It is unfortunate as well as a disservice to the public that Commissioners Moak and Barnes choose not to meet and listen to him. Tim offers to disclose and explain extensively in order to be clearly understood and never have anyone retort – “well you never told me that”.</p> <p>When given the opportunity his communication skills excel for the mutual benefit of the POK, those we serve, and those we partner with.[SN]</p>

	Met	Not met	
<p>XXI. <u>Listening</u></p> <p>Interest in and ability to receive and process information accurately. Able to overcome personal biases or defensiveness in so doing.</p>	xx	x [DB]	<p>Tim carefully studies, analyzes, and interprets information he receives-- and asks insightful questions to foster understanding. When Tim seeks information from Commission, he is not afraid to</p>

		<p>seek clarification or ask probing questions until he has clear direction. [TM]</p> <p>On three occasions (telecon 2/18/19, telecon 2/21/19, and meeting in Mr. Arntzen's office on 2/25/19), he was combative, defensive, and confrontational when our positions differed and it was very clear to me that he was not able to overcome his personal biases. Rather than discuss the topic (port procedures and handling of a routine land sale), Mr. Arntzen almost immediately made it personal. I wanted to discuss the handling of the matter (or policy) and Mr. Arntzen wanted to talk about being personally offended, his past personal battles with other (since departed) Commissioners and staff members, and to challenge me to a battle for my position and for control of the Port. [DB]</p> <p>There never has been a doubt that Tim's ability to carefully listen, interpret, and process information he receives is anything less than remarkable. Yet he will go beyond just listening and ask appropriate clarifying questions until he has a clear understanding of what is being communicated to him.[SN]</p>
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Additional Commissioner Comments: Tim rightfully earns stellar marks for many of the activities of the port. The list of accomplishments and achievements listed in the self-appraisal are real and due in no small part to Tim's leadership. Everyone at the port should feel very proud of the achievements that have happened in the past year. Tim should complete the work on updating the Port Commission Rules of Policy and Procedure which was stopped. Events of the year demonstrated the need for this update. [TM]

On or about March 21, 2019, I called Lucinda Luke and pointed out that we (Lucinda and I) are members of the CEO evaluation committee and that I wanted to discuss Tim's recent behavior/performance regarding the Ivey land transaction. I explained to Ms. Luke that I did not understand why Mr. Arntzen becomes so emotionally charged any time the Ivey file is brought up. I said that I'm concerned about the working relationship with Mr. Arntzen. I further explained that it is my understanding that the CEO evaluation committee is to let Mr. Arntzen know that his performance is unsatisfactory at the time it takes place (rather than holding it until the end of the year evaluation process). I asked Ms. Luke to schedule an appointment with Mr. Arntzen to address performance, working relations, and to clear the air. Ms. Luke set the appointment with Bridgette Scott and I received the calendar invite and accepted. I received notice the next day (from Ms. Scott) that Mr. Arntzen had cancelled the meeting. Later, Ms. Luke told me that she did not feel that she could force a meeting with Mr. Arntzen. She said she talked to Mr. Arntzen and he said that he did not see any problems with our working relationship. [DB]

Tim has done a remarkable job of accomplishing the goals given him by the Commission in spite of ever changing, sometimes unclear, Commission direction while working in a hostile work environment affecting his health. Even though he has done the very best he possibly can to educate and inform the Commission on various issues Commissioners Moak and Barnes have stated they do not trust his judgment, managerial or leadership skills. This perception has caused him to divert attention from established Commission approved goals and objectives to spending time on individual Commissioner requests (some of which are not in compliance with the "Port Commission Rules of Policy and Procedure" document, adopted February 22, 2011) and maintaining staff morale. Yet in spite of this he has managed to accomplish the goals given him by the Commission. This is nothing short of remarkable, only to be successfully accomplished by a very dedicated, loyal, hardworking, and flexible individual willing to do everything and anything expected of him by his Commissioners. The POK is very fortunate to have this rare combination of qualities in our Executive Director, Tim Arntzen. [SN]

I have been very discouraged and upset by what I have observed happening at the Port of Kennewick over the past several years since Commissioner Moak was elected. What I have heard, seen, and watched, especially in the past few months, have made me very concerned about the Port of Kennewick's ability to develop the projects we have pledged to our constituents and the entire Mid-Columbia region. [SN]

I have served on this Commission for over 10 years and in that time I have witnessed the Port of Kennewick (POK) under the skilled leadership of CEO Tim Arntzen and his assembly of a highly qualified, professional, motivated and loyal staff accomplishing great things for this region. The POK has developed a sterling reputation for the highest degree of integrity, open and transparent conduct of business, and an ability to develop and nurture mutually beneficial strategic partnerships through trusting relationships. This has allowed the establishment of many very successful quality of life and economically beneficial projects that are equal to or greater than those anyone else has done anywhere. AND this has been accomplished with very limited resources and without burdening our constituents with an increase in taxes. However, I now see two Commissioners jeopardizing future successes by violating our own adopted rules of policy and procedure. [SN]

I now see a CEO with noticeable health issues, worn down, tired, and rendered ineffective by being ridiculed in public meetings particularly by Commissioner Moak but also by Commissioner Barnes and being instructed to work on frivolous if not libelous matters rather than continuing to focus his efforts on the already planned good work of the POK as set forth in Commission approved documents. I see a once bright, energetic staff now fearful, discouraged, some ready to seek employment elsewhere in order to escape the continued abuse and criticism of Commissioners Moak and Barnes. I see the actions of Commissioner Moak and Barnes tearing apart a once effective, award winning, loyal team and frankly this breaks my heart. Yet Tim Arntzen continues to do everything within his power and available resources to maintain the high standards the Port of Kennewick is known for. [SN]

 12-10-19