



PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 11, 2020 MINUTES

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

Councilman Michael Alvarez led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated February 3, 2020***
Direct Deposit and E-Payments totaling \$89,871.08
- B. Approval of Warrant Register Dated February 11, 2020***
Expense Fund Voucher Number 101836 through 101872 for a grand total of \$288,703.25
- C. Approval of Special Commission Business Meeting Minutes January 28, 2020***
- D. Approval of 2020-2021 Commission Organization Representation***

Commissioner Barnes requested that Consent Agenda Items A and B be moved further down the Agenda.

PORT OF KENNEWICK SPECIAL COMMISSION MEETING

FEBRUARY 11, 2020 MINUTES

MOTION: *Commissioner Barnes moved that Items A and B under the Consent Agenda be moved to New Business and become Items B and C; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

MOTION: *Commissioner Moak moved for approval of the Amended Consent Agenda (Items C and D); Commissioner Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

PRESENTATIONS

A. *Historic Downtown Kennewick Partnership (HDKP), Stephanie Button*

Ms. Bader Inglima introduced Stephanie Button, the new executive director for the Historic Downtown Kennewick Partnership. Ms. Button updated the Commission on the HDKP visions for the area.

B. *United States Census 2020, United Way of Benton & Franklin Counties, LoAnn Ayers*

Ms. Bader Inglima introduced LoAnn Ayers of United Way of Benton and Franklin Counties. Ms. Ayers gave an update on the 2020 U.S. Census.

Mr. Arntzen gave a brief update on the City of Richland Columbia Park Trail project.

NEW BUSINESS

A. *Purchase and Sale Agreement with Santiago Communities (Oak Street)*

Ms. Hanchette received an offer from Santiago Communities to purchase 26.42 acres of land from the Port, to develop an affordable manufactured home community in east Kennewick. The property consists of three separate parcels located east of the City of Kennewick water treatment plant and north of the Port of Kennewick's Oak Street Industrial complex off of East 3rd Avenue. Parcels are zoned industrial and located in two different jurisdictions; two of the parcels are under lease for agricultural use and the third has a residence and is encumbered by a life estate.

Discussion commenced between the Commission and staff.

PUBLIC COMMENT

No Comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-03 authorizing the Port's CEO to execute all necessary documentation associated with the land sale to Santiago Communities Inc. and to take all other action necessary to close this transaction; and further ratifies and approves all action by Port officers and employees in furtherance; Commissioner Moak seconded.*

Discussion:

Commissioner Moak stated over the years in the Port Work Plan, our goal was to sell some of this property that we are no longer using, no longer felt that it had met the Port's needs. Commissioner Moak thinks we see in this community, as well as elsewhere, the need for affordable housing and for housing at the lower end. This adjoins another mobile home park

PORT OF KENNEWICK SPECIAL COMMISSION MEETING

FEBRUARY 11, 2020 MINUTES

and so it is not inconsistent with what is down there. Commissioner Moak thinks this is a good thing for the community if this were able to transpire. It would be good for the Port in providing us some income to pursue other projects that we are working on. And so Commissioner Moak does support this.

Commissioner Barnes agrees with Commissioner Moak's comments and if you look at the focus of the Port of Kennewick right now, it is clear that we have a huge project on our hands at Vista Field and we are trying to do some things here along Columbia Drive. We have heard in recent meetings how it would be challenging to have a larger number of projects and it would in many ways, dilute our effort to make meaningful improvements on the projects that are at the top of the list. For those reasons, Commissioner Barnes supports this as well.

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

B. Consent Agenda Items A and B

Commissioner Barnes stated if it is alright with everyone, we can discuss Consent Items A and B together. Commissioner Barnes had a question about the voucher for Michael Love Law Firm and asked Mr. Kooiker for further information.

Mr. Kooiker explained that it was a payment for legal counsel retained by the Port of Kennewick for the complainant in the citizen complaint process.

Commissioner Barnes understands that this expenditure is not supported nor justified by Rules of Policy and Procedure.

Ms. Luke stated that is incorrect and stated the rules were reviewed and vetted prior to the retaining of Mr. Love for representation. Ms. Luke will have the Port's special counsel address this issue at a future Commission Meeting.

MOTION: Commissioner Barnes moved that the proposed payment to Michael Love Law Firm be struck from the Warrant Register; Commissioner Moak seconded.

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

MOTION: Commissioner Moak moved approval of the direct deposit and E-payments dated February 4, 2020, and warrant register dated February 11, 2020 (with the exception of the proposed payment to Michael Love Law Firm); Commissioner Barnes seconded.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field Update

Mr. Peterson gave a presentation on the Vista Field redevelopment and timeline and discussed Commission policy issues.

PORT OF KENNEWICK SPECIAL COMMISSION MEETING

FEBRUARY 11, 2020 MINUTES

Discussion commenced between the Commission and staff.

1. Management and Implementation Memo

Mr. Arntzen presented the Commission with a memo regarding Vista Field management and implementation approach.

Discussion commenced between the Commission and staff.

RECESS

Commissioner Barnes called for a recess for at 3:53 p.m. until 4:00 p.m.

Commissioner Barnes reconvened the meeting at 4:01 p.m.

B. Columbia Gardens Update

Mr. Peterson and Ms. Hanchette provided an update for the Commission on Columbia Gardens.

Discussion commenced between the Commission and staff.

C. 2019-2020 Work Plan Memo

Mr. Arntzen presented the Commission with a draft updated 2019-2020 Work Plan.

Discussion commenced between the Commission and staff.

D. Clover Island (Kennewick Waterfront) Master Plan Update

Mr. Arntzen updated the Commission on the Clover Island (Kennewick Waterfront) Master Plan.

Discussion commenced between the Commission and staff.

E. Accounts Payable Fraud Avoidance

Mr. Kooiker presented the Commission with the Port's fraud avoidance procedures.

F. Commission Rules of Policy and Procedure, Section 4

Mr. Arntzen reviewed the Commission Rules of Policy and Procedure, Section 4.

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

Commissioners reported on their respective committee meetings.

H. Non-Scheduled Items

Commission and staff reported on non-scheduled items.

PUBLIC COMMENTS

No comments were made

COMMISSION COMMENTS

No comments were made.

**PORT OF KENNEWICK
SPECIAL COMMISSION MEETING**

FEBRUARY 11, 2020 MINUTES

ADJOURNMENT

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

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

BOARD OF COMMISSIONERS ACKNOWLEDGEMENT

The attached transcript provided by Naegeli Deposition & Trial of the February 11, 2020 Commission Meeting is approved and will be kept as a permanent record of the meeting.

*The February 11, 2020 Commission Meeting Minutes were Approved by the Port of Kennewick Commissioners on April 14, 2020 at the Regular Commission Business Meeting.



COURT REPORTING

LEGAL VIDEOGRAPHY

VIDEOCONFERENCING

TRIAL PRESENTATION

MOCK JURY SERVICES

LEGAL TRANSCRIPTION

COPYING AND SCANNING

LANGUAGE INTERPRETERS



ORIGINAL

PORT OF KENNEWICK

REGULAR COMMISSION BUSINESS MEETING

PORT OF KENNEWICK COMMISSION CHAMBERS

350 CLOVER ISLAND DRIVE, SUITE 200

KENNEWICK, WASHINGTON

TUESDAY, FEBRUARY 11, 2020

2:00 P.M.



NAEGELI
DEPOSITION & TRIAL



(800) 528-3335

NAEGELIUSA.COM

1 PORT OF KENNEWICK

2 REGULAR COMMISSION BUSINESS MEETING

3 PORT OF KENNEWICK COMMISSION CHAMBERS

4 350 CLOVER ISLAND DRIVE, SUITE 200

5 KENNEWICK, WASHINGTON

6 TUESDAY, FEBRUARY 11, 2020

7 2:00 P.M.

8

9 MR. BARNES: This meeting of the Port of Kennewick
10 Commission will please come to order. At this time, I'd
11 like to request that you silence all the noise-making
12 devices or cell phones. And if you would please rise, I
13 would like to invite Councilman Alvarez to lead us in the
14 Pledge of Allegiance.

15 (Whereupon, the Commission recited the Pledge of
16 Allegiance.)

17 MR. BARNES: Thank you. For the record, I'd like
18 to note that all three commissioners are present. And I
19 understand that we have some guests in the audience.

20 Bridgette, would you like to introduce some of the
21 folks in attendance?

22 MS. SCOTT: Just -- I'm sorry, not everyone, just
23 two. But we have Mitch Peterson, with CompuNet. He is our
24 contact with our new AV system, our audio-visual system. He
25 wanted to join us today and see how everything is working.

1 And then in the back of the room, we have Iliea
2 Perry. She is with Naegeli Deposition & Trial. And under
3 our schedule, I'll go into a little bit more of that.

4 Thank you.

5 **MR. BARNES:** Thank you very much. Okay.

6 Continuing down our agenda, the next item on the agenda is
7 approval of the agenda. The Chair will entertain that.

8 **MR. NOVAKOVICH:** Mr. President, I move approval of
9 the agenda as presented.

10 **MR. MOAK:** Second.

11 **MR. BARNES:** Okay. It's been moved and seconded
12 that the agenda be approved as presented. There is no
13 discussion. All in favor, please say "Aye".

14 Any opposed, please say "Nay".

15 Thank you, the Ayes have it.

16 All right. The next item on our agenda is an
17 opportunity for public comment. At the Port of Kennewick,
18 we have two opportunities for public comment, one at the
19 beginning of the meeting and one at the end of the meeting.
20 If you would like to make a public comment, we'd asked that
21 you please move to the podium, please state your name and
22 address for the record, and we ask that you please limit
23 your comments to three minutes.

24 Would anyone like to make a public comment?

25 Okay. No public comment. Thank you very much.

1 The next item on our agenda is the Consent Agenda.
2 These items are considered to be routine in nature, usually
3 taken by one vote of the commission. Any item can be
4 removed, placed further down the agenda or tabled for
5 another meeting by two-thirds vote of the Commission.

6 Before I ask, I would like to ask that two items
7 be moved further down the agenda. Therefore, I move that
8 items A and B, under the Consent Agenda, be moved to New
9 Business and become items B and C.

10 **MR. MOAK:** Second.

11 **MR. BARNES:** Okay. It's been moved and seconded
12 that items A and B of the Consent Agenda be moved and become
13 items B and C under New Business. Any discussion?

14 All in favor, please say "Aye".

15 Any opposed?

16 Thank you.

17 Okay. The remaining item on the Consent Agenda is
18 Approval of Special Committee Meeting Minutes dated January
19 8th, 2020. The Chair will entertain a motion regarding the
20 Consent Agenda.

21 **MR. MOAK:** I move approval of the Consent Agenda
22 as amended.

23 **MR. NOVAKOVICH:** Second.

24 **MR. BARNES:** It's been moved and seconded that the
25 Consent Agenda, as amended, be approved.

1 The remaining item on the Consent Agenda is
2 Approval of Special Commission Meeting Minutes dated January
3 28th, 2020. If there's no discussion, we'll vote.

4 All in favor, please say "Aye".

5 Any opposed?

6 The Ayes have it, 3 - nothing. All right. Thank
7 you.

8 The next item on our agenda under Presentations,
9 it's my understanding we have Stephanie Button here with the
10 Historic Downtown Kennewick Partnership. Tana, would you
11 like to introduce this, please?

12 **MS. BADER INGLIMA:** Yes thank you. Stephanie is
13 making her way to the podium. But Stephanie contacted Tim
14 and I. She is the new executive director of for the HDKP.
15 Oh, I'm sorry. I've got to get used to the new technology.

16 Stephanie Button has made her way to the podium.
17 Stephanie is the new executive director for the Historic
18 Downtown Kennewick Partnership. She reached out to Tim and
19 I. We met with her, and then she had indicated that she's
20 trying to make presentations and bring people up to speed,
21 the partner organizations on what the HDKP is doing, what
22 their new vision is for downtown. And I know she has some
23 of her people with her, so I'll let her introduce them. And
24 then she has a PowerPoint presentation for us.

25 **MS. BUTTON:** Thank you so much, Tana. Yes, my

1 name is Stephanie Button, and I am the new executive
2 director here. So I'm doing the rounds in Kennewick and in
3 the Tri-Cities to introduce the Historic Downtown Kennewick
4 Partnership to our community and also follow up with many of
5 our long-standing partners, since there's a new sheriff in
6 town. And I would like to introduce my staff that is here.
7 Amber Maiden is our marketing coordinator. Also, the
8 present of our board, Jay Freeman is also here in
9 attendance. So thank you to them for coming, and thank you
10 to the Port of Kennewick Commissioners, and of course, to
11 the staff for giving me this time to speak today.

12 So without further ado. Downtown Kennewick is a
13 dedicated -- we are Downtown Kennewick's dedicated advocate.
14 And that's the main thesis that I wanted to present today in
15 my presentation. With new leadership, both at the staff
16 level and within our board -- because we recently had some
17 new board members join us; we're looking to fill a few more
18 positions -- I wanted to give an update on our practices,
19 our culture as an organization moving forward, and of
20 course, a reminder that we are a volunteer-driven
21 organization. The majority of our organization is built on
22 our volunteer board members, as well as our volunteers and
23 members within the community. We are only a staff of two,
24 with a very ambitious program schedule. For instance, we do
25 over 64 events a year.

1 But moving on. One of the themes that we are
2 working on is this idea of working with our community of
3 being strong listeners and partners and making sure that
4 we're doing everything in our power to bring people to
5 downtown, help them rediscover our downtown community, and
6 working with our pre-existing partners to make it a
7 revitalized district of exciting opportunities. And in that
8 vein, how do we do what we do with the historic partnership?

9 We are part of the Main Street National Center. I
10 won't go too much in depth about what that program is, but
11 essentially, it's organized at the State level here through
12 the Washington Department of Archeology and Historic
13 Preservation. They then contract that program through the
14 Washington Historic Trust, and then through Main Street --
15 the Washington Main Street Program.

16 So last year, in 2019, we did have a site visit by
17 the State Director, as well as a National Program Officer.
18 So that would be Breanne Durham from Washington, and Norma
19 Ramirez from the Main Street. And this is kind of a brief
20 summary of their site visit.

21 So what they did is they met with staff, they met
22 with board members, they met with stakeholders in the
23 community. And this is some of their recommendations and
24 their advice and opportunities for growth.

25 Visually, where you see the checkmarks, those are

1 things that we have begun correcting or that we are in the
2 process of working on.

3 First, we're very excited about the assets and
4 opportunities of our district, that we are rebuilding a
5 solid foundation from an organizational perspective. They
6 saw great momentum. They saw a lot of recent investment in
7 the downtown in the form of private and public investments
8 and buildings and general street scape investment. And they
9 were really excited about the innovation of food and wine
10 resources coming to the district.

11 I've said the word "district" a few times. We
12 report to the Main Street, from Washington to Dayton -- or
13 excuse me, from -- yeah, Dayton to Washington Street, and
14 then from Canal to First. That's what we report on as our
15 main core. But, of course, we don't just view downtown as
16 that very narrow historic core of buildings and businesses.
17 We actually define our down street as bridge to bridge and
18 from waterfront to 10th.

19 So within our long-term district strategy, we're
20 very much invested in connectivity, accessibility, and
21 having easy egress for guests, visitors, workers and
22 residents to easily commute to and from the historic core to
23 the waterfront and, of course, to the civic district where
24 the museum, the school, and the City Hall are located.

25 Some recommendations and observations that they

1 had were in rebuilding some of our relationships and our
2 organizational infrastructure for our books. Those are
3 progress that we've made. We've redefined our financial
4 structure. We have QuickBooks Online. We're able to work
5 smarter, not harder on all of our internal processes.

6 And something that they saw was defining the
7 partnership. We are the Historic Downtown Kennewick
8 Partnership. We're not just a membership organization. We
9 really see ourselves as a facilitator. We work with our
10 partners, going back to the first slide where we work with
11 and not for.

12 The biggest celebration, reasons to celebrate,
13 kind of the take-away that we got from our site visit was
14 they saw that HDKP was a group of dedicated individuals who
15 weren't afraid of making tough decisions. In the last two
16 years, we've had to make some very tough decisions. And
17 we're a group of individuals who very much care about our
18 downtown and the future of our community. There's a sense
19 of energy in our town downtown right now, and they look
20 forward to seeing us as an organization leading the charge
21 in Downtown Kennewick.

22 So Downtown Kennewick by the numbers -- these
23 actually come from 2019. I look forward to the opportunity
24 to report 2020 numbers as they come in throughout the year.
25 But essentially, we saw \$1.7 million in capital improvements

1 in the last 18 months, four new or in-development projects,
2 most recently the opening of the Layered Cake Studio space.
3 We're eagerly anticipating the '19 development. And we are
4 still at about 90 percent occupancy in the Main Street
5 District, that earlier historic core that I described.

6 We saw a 5 percent increase in membership, and we
7 continue to grow that trend in 2020. We saw over 2,000
8 volunteer hours, and we received two grants, one from Banner
9 Bank, and one from the Benton County Historic Preservation.

10 How are we funded? How do we do what we do? We
11 are dedicated to continuing to revitalize, grow, and
12 diversify our revenue. But of course, a lot of that does
13 come from B & O tax. Very briefly, that is a business and
14 occupancy tax through the Main Street Tax Incentive Program,
15 where if you pay B & O tax, or you pay utility taxes in the
16 State of Washington, through this tax credit program, you
17 can self-direct some of those taxes to a Main Street
18 recipient, such as us.

19 In the first quarter, we were able to collect a
20 little over \$95,000 worth of B & O contributions. There's
21 about \$2.5 million at the State level for the 34 qualifying
22 Main Street communities, and we are well on track for
23 hitting our goal. We have about a little over \$20,000 left
24 to collect in our first quarter estimates. And like I said,
25 we're on track to being able to receive all those funds.

1 Sponsorships and partnerships. So I have the word
2 "partnerships" there, and I'm going to use this handy little
3 focus tool. So "partnerships," you might have historically
4 have read that as "memberships." And this is part of the
5 culture shift within our organization. We still have a
6 membership program, but internally, and then through the
7 year, externally, we will be calling our members our
8 partners. That's really what they are. When you are a
9 member of our organization, you're not just receiving
10 benefits, you being a member, you are impacting and creating
11 benefit for our community.

12 So viewing our members as partners, and just
13 because you're not a paying partner of the membership
14 program doesn't mean you're still not a part of our
15 community. And in our culture, we are dedicated to being
16 more inclusive to all of our members, partners and residents
17 to businesses in the Downtown.

18 Then finally, sponsorships. This year we're being
19 a lot more aggressive in our sponsorship program. We've
20 created new sponsorship levels at our Farmer's Market, as
21 well as revised some of our sponsorship levels at one of our
22 largest venue -- or event raising -- or fund-raising events,
23 Classy Chassy. So we look forward to growing our
24 partnerships and raising more funds so that we can continue
25 to provide the resource programming and promotion to the

1 Downtown district.

2 Earlier, in opportunities for growth, I mentioned
3 organization and internal operations, cleaning up our books
4 and fortifying our foundation as an organization. So we've
5 really spent the last year improving how we operate at an
6 administrative level. And part of that includes new
7 resources, such as MAESTRO and QuickBooks Online, that are
8 allowing us to have a better understanding of the
9 information that we collect, how to quickly access it,
10 understand it, so that we can actually be a resource for
11 outside interests, if they want to know anything about the
12 Downtown. It helps us continue to organization our members,
13 the inventory of Downtown. So if you are a developer, if
14 you are interested in bringing your business downtown, this
15 database is going to allow us to be more effective in
16 communicating the opportunities that are here in our
17 community.

18 And that is because Downtown Kennewick is
19 evolving. We've been a growing community since our
20 inception in 1904 in, of course, the early days of the Port
21 of Kennewick. And Downtown Kennewick, in the last 20 years,
22 has seen a real change in the street scape and in the
23 buildings and the facades.

24 My personal favorite, of course, is that we've
25 got, you know, the impact to the feel of Kennewick Avenue

1 with Layered Cake. And of course, we're very excited by the
2 increasing art coming to downtown, both in the sculpture and
3 in the traffic box wraps, a partnership with the City of
4 Kennewick and with SDCU. And we look forward to more
5 changing development in the Downtown.

6 We understand that change is coming, not just to
7 Downtown Kennewick, but to the Tri-Cities, and we are
8 prepared to step up and help strategically guide it in the
9 Downtown with all of our partners, like the City and with
10 the Port. We really very much enjoyed our chance to speak
11 with staff, with Tim and Tana, and we look forward to
12 growing that partnership with our respective staffs working
13 together towards our goals of revitalizing and growing our
14 Downtown community.

15 Other partners that we're very excited are our
16 growing partnership with the Visit Tri-Cities, as well as
17 the regional chamber. We even added to their business
18 resource listing. And we will be participating in the My
19 Tri 2030 planning. I recently joined the Life Committee,
20 where we will be working on opportunities and solutions to
21 increasing the quality of life for all citizens within our
22 Tri-Cities community.

23 We're also dedicated to continued connectivity to
24 Downtown and to the Waterfront. In particular, we're very
25 interested in helping support the continued connectivity

1 efforts on the Washington Street Corridor, as well as
2 looking at opportunities for further connectivity, whether
3 it's sidewalks or street scape or ebikes or whatever. We're
4 interested and excited to partner on those as they grow and
5 come to fruition.

6 Another opportunity for growth is in story telling
7 and communicating what the partnership is and what we do
8 exactly. And so we developed this iceberg graphic, that
9 analogy that with an iceberg, you really only see the upper
10 third of what that iceberg is. And this is what we wanted
11 to develop to demonstrate, really, the full encompassing
12 programs that we execute. So very visibly, of course, we
13 produce the Farmer's Market. We produced the car show,
14 Classy Chassy.

15 We are responsible for the street scape, the
16 holiday trees, Flag Plaza, ribbon cuttings, Discover the
17 Charms, but there's a lot beneath the surface. And that
18 really takes up a lot of what we do, and really, the heart
19 of our partnership and our process. Things like Downtown
20 advocacy, resource cultivation, connecting partners and
21 businesses to business relations within the district and
22 outside of the district. Data collection, analysis
23 reporting, facilitating, place-making.

24 And I do want to talk about resource cultivation.
25 So we're currently in the process, through our economic

1 vitality committee, of creating a series of quarterly
2 business development workshops. More information is coming
3 soon, but those are geared towards providing resources and
4 education to our Downtown businesses, our small and medium-
5 sized businesses, so that they can grow successfully in our
6 community, and hopefully never have to leave our community
7 or are able to capitalize on the coming growth.

8 So the biggest thing that I wanted to communicate
9 is that our Historic Downtown Kennewick Partnership, we have
10 heart. We're a group of dedicated individuals. We're
11 business owners. We're building owners. We're residents.
12 We're dedicated. We volunteer our time and our effort.
13 We're not afraid to make tough decisions. We generally care
14 about our community, and we are ready to step up and be
15 leaders and continue to work with our partners and grow our
16 relationships with our partners so that our entire district
17 can benefit.

18 We know that Downtown Kennewick isn't an island,
19 and that it depends on the larger community and coordinating
20 and collaborating with them so that we can all be
21 successful.

22 So thank you so much. And if you have any
23 questions, I would be happy to answer those.

24 **MR. BARNES:** Stephanie, I want to thank you very
25 much for a very informative presentation. Your enthusiasm

1 for Historic Downtown Kennewick Partnership is very clear
2 and very easy to read.

3 **MS. BUTTON:** Thank you.

4 **MR. BARNES:** I see a lot of mutual interest here.
5 So thank you very much for being here today. I'll open it
6 up for questions from the commission.

7 Again, Stephanie, thank you very much. We really
8 appreciate it.

9 **MS. BUTTON:** Thank you. And we very much
10 appreciate the Port's involvement and in having Tom Moak
11 appointed to our board as an additional liaison opportunity.
12 So thank you, and we'll do our part to continue keeping you
13 all informed and doing the good work.

14 **MR. BARNES:** Thanks again.

15 Okay. Moving to our next presentation on our
16 agenda. Today we have LoAnn Ayers, and I believe LoAnn's
17 with the -- is it United Way?

18 **MS. AYERS:** Yes, indeed.

19 **MR. BARNES:** Okay. Great. I do have a brain cell
20 working. LoAnn was unable to join us two weeks ago when we
21 had our special commission meeting. I'm glad that you're
22 recovered from the flu. That's no fun. And I've seen this
23 presentation once before, and it's very interesting. So
24 we're happy that that you can join us today. And thank you
25 very much.

1 **MS. AYERS:** Thank you.

2 **MR. BARNES:** And did I miss an opportunity for --
3 Tana?

4 **MS. BADER INGLIMA:** You did an excellent job. My
5 name was there, but you've made a great introduction for
6 LoAnn. And although she's with United Way, I think she's
7 here to talk about the census and why that is so important
8 to the community and to encourage everyone to get behind
9 that.

10 **MS. AYERS:** Thank you. Well, it's great to follow
11 Stephanie's presentation, because Downtown Kennewick is a
12 microcosm of what's happening all around our bi-county area.
13 Growth, opportunity, accompanied by challenges. And just
14 because Don's seen it before, I'm going to have to kick it
15 up a notch, Don. Because United Way is just one of many
16 partners that are working together across the bi-county
17 area, to increase the census count. In 2010, at our last
18 census, Benton County was undercounted by 26.4 percent, and
19 Franklin County by 31 percent.

20 So what that means is for the last decade, our
21 community has had less representation, and it has had less
22 resources than we deserve. So a group of dedicated
23 volunteers got together about a year ago and said, So what's
24 the plan? And many organizations like mine have not
25 budgeted funds for census work. It's not that it wasn't a

1 surprise, we were just busy in our swim lanes.

2 So my little organization at United Way -- we have
3 a small staff. All of our donor dollars already are
4 earmarked for a specific community impact, and we don't have
5 the capacity -- the surge capacity to really work on the
6 census. But I was able to apply for a grant and a contract
7 and brought in about \$300,000 to help support census work.
8 And in the last 10 days, I've hired 11 part-time people to
9 work with specific populations.

10 Now, why is the census important? You know, one
11 of the things we do at United Way is we collect data. I'm a
12 data nerd. And we look at what's happening across the bi-
13 county area that affect the health and safety of people who
14 are living here or working here now, because that's
15 important to really look at our current pipeline and our
16 current customers and our prospective customers, as well as
17 the workforce pipeline.

18 What's been interesting in the two years that
19 we've done this is in metrics related to children and youth
20 -- and we did the second upgrade in August -- in almost
21 every data point related to children and youth, we lost
22 ground in one year. That does not bode well for sustainable
23 Tri-Cities.

24 So, for example, I'm going to see if Don
25 remembers. Hey Don, so test. I'll throw it out. You know,

1 life's success really is hinged on a lot of things, where
2 you grew up, your role modeling in your life, nutritious
3 foods, support from birth forward. But a lot of that comes
4 to fruition when kiddos enter kindergarten, because that's
5 the start of their formal education. And kindergarten has
6 changed since most of us in this room have gone to
7 kindergarten. Some of you may have kids or grandkids who
8 are in that mode or have recently been there.

9 Kindergarten now is like first grade used to be.
10 So in the first two weeks of school, they assess all
11 kindergarteners on six areas of readiness, things like
12 social emotional readiness. Can they share? Communicate
13 with others? Do they recognize letters and numbers? Can
14 they hold a pencil?

15 And in our bi-county area -- okay, Don, this is
16 the test. And I think, Skip, you heard me as well -- what
17 percentage of kindergarteners -- the last data we had was
18 fall of '18 -- entered kindergarten ready on all six
19 parameters? It's a double digit. Any guesses? Anybody can
20 help Don and Skip. Double digits, what percentage of kids
21 entered kindergarten ready?

22 **MS. BADER INGLIMA:** 64.

23 **MS. AYERS:** Too high. We'd love it to be that
24 way. 64, too high. Another guess?

25 **UNIDENTIFIED SPEAKER:** 34.

1 **MS. AYERS:** Yay, too low. 38 percent. Okay. And
2 that number is flat and has not made any gains in three
3 years that we've been measuring. And in fact, if you're
4 from a family in poverty, it's one out of every four kids.
5 Now why does that matter? Because on third grade, when they
6 measure reading and language skills, about 40 percent of
7 those kids who enter kindergarten not ready will not be on
8 grade at grade 3, and just over 30 percent will not graduate
9 from high school.

10 That's the future of customers and the work force
11 in our bi-county area. So for those of you who are
12 interested in data, I bring that up because we have an
13 amazing array of public, private, and faith-based
14 organizations that help support families, whether it's
15 learning parenting skills -- you know those kids don't come
16 with instruction manuals. And maybe you're a busy, two-
17 parent household where you're both working. Maybe you grew
18 up and you did not have good parenting in your life, but you
19 want the best for your kid.

20 So we have organizations that work with parenting
21 classes, to help kids get ready on all levels of readiness
22 from the moment of birth forward. It's not when you go in
23 June to pick up the sign-up sheet for fall enrollment into
24 kindergarten.

25 We have our organizations, things like Head Start,

1 early learning programs that, again, are supported by
2 philanthropy, faith-based groups, and public dollars to help
3 with success once they're in school. Homelessness grew
4 among our K-12 students by 9 percent a year ago fall. Across
5 the bi-county area, 9 percent more kids were homeless than
6 in the year previous.

7 So there's a lot going on in our community. But
8 if we just look at that one metric of what's happening to
9 our future, there are opportunities for us to continue to
10 work together. And it's important because that blending of
11 funds is in jeopardy. We are now projected, in the 2020
12 census, to be at over 40 percent undercounted.

13 Think about what's happened in our community,
14 across the nation, in our society in the last decade.
15 There's a heightened sense of fear of information privacy
16 and cyber security. There's a fear of government systems
17 and active systems and distrust in government. There are
18 more people here in our bi-county area who come from diverse
19 backgrounds who may be refugees or immigrants or not here
20 legally. And everyone, everyone who's here deserves to be
21 counted. And it's important that they are counted, because
22 every person counted means \$2,300 per year in federal money
23 alone to our bi-county area.

24 So not counted -- if you don't answer -- and I
25 know Stephanie's going to answer. But if Stephanie didn't

1 answer, that would be \$23,000 we don't get.

2 **MR. BARNES:** Over 10 years.

3 **MS. AYERS:** Over 10 years.

4 Now 40 percent of a community of 300,000, bi-
5 county area, that's real money. And so I'm going to send
6 information around. I'm going to start here with Amber.
7 This is information about kind of some of the data points
8 that United Way tracks. We share this information. We have
9 a detailed 21-metric report called a community report card
10 that we share out with businesses and government entities.
11 It's just the highlights.

12 And then the census -- so unfortunately, I didn't
13 bring enough. I didn't expect such a wonderful crowd. But
14 we have a website that's available right now. It's
15 BFCensus2020.org. Information and tool kits are available
16 there for you to message out to your employees. For those
17 of you who are lucky enough, and maybe every other person --
18 and then I'll bring some more.

19 On the bridge side, there is a listing of the top
20 20 federal programs. And they -- oh, you brought yours. Don
21 gets a gold star today. So things like Head Start, free and
22 reduced lunch, supplemental food and housing for low-income
23 families. So kind of the sustainability of our community.
24 But things like crime victim assistance, support for special
25 needs. The third most dollar-intensive federal program is

1 college student loans. Kind of important to our future.
2 And then roads and bridges and transportation. And even
3 more important to our community with the passage of the
4 State initiative on gas tax -- on tabs. Excuse me.

5 So it makes a big difference whether you're a
6 business, looking at how you get product to and from
7 customers, how we transport our persons and our families to
8 go visit family, how do we get to work, roads and bridges
9 and infrastructure, how we support the sustainability of our
10 community and supplement the needs. Because our needs won't
11 go away, even if we have a short count. They'll continue to
12 grow, because we're a normal community.

13 So any person who is here, March 12th, the website
14 opens. We want people to know why is it important. That's
15 the small type information on the bridge side of the
16 brochure. Those programs that affect your life and your
17 business. How do you answer? Go on the website. If your
18 address is known, you will get an official government
19 looking envelope in English mailed to your address. You'll
20 open it, and it will say go to the website. Don't Google,
21 because they're worried about your own ghosting. So people
22 getting a dot-com, or something other than a dot-gov. The
23 nefarious activity has begun.

24 Last fall, when paid census takers were verifying
25 flying addresses -- so the cities and counties provide a

1 list of new housing developments and redevelopments, and
2 then paid government census people go out and say, Ah-ha,
3 yes, this street has this many houses, and this is the
4 address range. This apartment complex has 42 units. This
5 is the address range.

6 During that same time frame in our bi-county area,
7 we had reports of two people with clipboards and IDs, going
8 door to door, taking the census and asking Social Security
9 numbers. The census will never ask for your Social Security
10 number, your mother's maiden name, your full Social Security
11 number. They will never threaten you. They will never ask
12 to enter your home. That's not real. So we want people to
13 really understand what's real, why is it important, how can
14 they answer safely, and what's not real.

15 So we'd encourage to you spread the word now. You
16 are advocates in our community. You can make a difference.
17 One person, \$23,000? Where else can you get 10 minutes of
18 work that results in \$23,000. I mean, that's a good ROI,
19 right?

20 And if you want resources or a presentation, just
21 go onto the website. That's BF Census2020.org. We'd be
22 available to answer any questions.

23 **MR. BARNES:** LoAnn, thank you very much for your
24 presentation again. I really enjoy your enthusiasm for
25 this, and it means lot to our community.

1 Are there any questions from the Commission?

2 I do have one question. You mentioned that it's
3 forecast that our community could be undercounted by up to
4 40 percent. How does this compare, say, nationwide?

5 **MS. AYERS:** It really varies by the demographics
6 and the sociographics of a community, and how many hard to
7 count and how many rural they are. So it's a pretty
8 complicated algorithm. And actually, I've been tracking
9 this since April of '19, and our numbers have gotten worse
10 in projection of response rate, not better. So by golly,
11 we're going to change that.

12 I hope that the Port can at least put something on
13 their home page directing people to the census, a message
14 out to your employees. If you have an employee newsletter,
15 we can help equip you, and those other businesses that are
16 in the room. We really want to make sure people know who's
17 supposed to be counted, when, and why it's important.

18 **MR. BARNES:** Thank you. Any other questions?
19 Tana, please?

20 **MS. BADER INGLIMA:** You said that you were going
21 to -- thank you. I forget I'm supposed to put my microphone
22 on -- that the traditional way was to receive something in
23 the mail. That will still happen?

24 **MS. AYERS:** Yes. So if you don't respond, -- it's
25 about contact number 3. In communities that had a high

1 response of Spanish language responses in 2010, they'll get
2 a bilingual paper version. But just think about the first
3 two counts will be in English -- contacts.

4 **MS. BADER INGLIMA:** We'll still receive a notice
5 in the mail, and then it's encouraging us not to do the --

6 **MS. AYERS:** Correct.

7 **MS. BADER INGLIMA:** Fill out the form, but do it
8 online.

9 **MS. AYERS:** Correct. That's an efficiency
10 measure. We're just a more complex society. It's fast,
11 it's a secure link, and it's cost effective.

12 **MS. BADER INGLIMA:** But for the more rural
13 communities, they'll still be doing the mail out.

14 **MS. AYERS:** If you don't respond, even if you're
15 in the middle of the city, you'll get a paper version. If
16 you don't respond, door knockers. But they're expecting
17 less than a 10 percent response rate for door knocking. We
18 have two challenges, stranger danger, and lack of qualified
19 census employees. So we're about 200 short in Benton-
20 Franklin County in census takers right now.

21 Good questions. Again, BFCensus2020.org. Lots of
22 resources. We also have a FaceBook page that posts, every
23 day, little factoids that you can share out in English and
24 in Spanish.

25 Thank you very much.

1 **MR. BARNES:** Thank you, LoAnn. Thank you very
2 much.

3 Okay. Before our meeting started, Tim mentioned
4 that we have Councilman Alvarez here from the City of
5 Richland. Perhaps -- let me back up. The Port of Kennewick
6 made a decision at our last Commission meeting to enter into
7 a partnership with the City of Richland on the Columbia Park
8 Trail renovation project. And Tim felt that, perhaps, we
9 could have a little brief update at that? Would that be all
10 right, Tim?

11 **MR. ARNTZEN:** Yes, certainly, Commissioner. Thank
12 you. And this is primarily for the benefit of Councilman
13 Alvarez, and also for the public.

14 Port District encompasses -- Port of Kennewick
15 District encompasses a good portion of the City of Richland.
16 And we've had a longstanding partnership with the City of
17 Richland. And there's a couple of things that we've been
18 working on that might be of interest.

19 We have provided \$800,000 of Port of Kennewick
20 funding to the City of Richland for the Columbia Park Trail
21 project. And that's a multi million dollar project. It
22 will improve the Island View area. For those of us that
23 have been here for a while, we always remember it as the
24 Richland Y. But the Island View area will benefit from
25 improvements. There are going to be undergrounding power,

1 kind of putting it on the street diet, some of the new
2 principals of new urbanism, making it more efficient for
3 both vehicles and pedestrians.

4 So it's a really neat project. We first worked
5 with the City to pledge some of the Port's rural county
6 funding. That's an allocation that we get from Benton
7 County for worthy economic development projects. So we're
8 looking at passing through some of that funding. But it
9 just didn't appear that that funding source was available
10 for this project. So Port staff went back to the
11 Commission. The Commission decided it was an important
12 enough project that we used some of our general funds. So
13 we are transferring the \$800,000 in the City of Richland.
14 And as the public works director, Pete Rogalski said, I
15 don't care where you get the money from, as long as we --
16 you know, it all spends the same. So we appreciate Pete's
17 candor. That's a very important project. We've been
18 working on it for a couple of years. It's going to be nice
19 to see that that project finally comes to fruition.

20 One of the other things that we're working on now
21 is what we call the Next Decade Plan, where Port staff is
22 working with City of Richland staff to try to get, as I
23 explained in the last Commission meeting, a box full of
24 ideas, some ideas that we could do together, Port of
25 Kennewick and City of Richland, on projects that would

1 happen both within the Port District and within the City of
2 Richland, that are important for the public.

3 We're at the point now where the staff is working
4 together to try to get that box full of ideas. And what
5 we'd like to do is bring them back to both sets of elected
6 officials so you can put them up on the big board, see what
7 projects appear to be important, not only to the elected
8 officials of both bodies, but to the public. And then we'll
9 kind of sift through them. And I would expect that over
10 time, as we focus in on these projects, we'd come up with
11 some that are shorter term, maybe mid term, and then longer
12 term. We get them in the Next Decade plan. What we're
13 trying to do is identify projects so we don't have to just
14 kind of pull ideas out of the thin air, you know, in a
15 reactionary fashion. So we'd like to work together to come
16 up with some ideas. Again, I think public involvement is
17 going to be important in this.

18 I think there will be financial requests for some
19 of these projects over time. I think that's something that
20 I believe the Commission's aware of. And we can look at
21 that as we go forward with our budgeting. That's another
22 reason why you want to take a 10-year, you know, advance
23 look. So you don't have a great project that comes up, but
24 we say, Oh, gosh, we're in a two-year budget cycle, and we
25 didn't put any money in for that. So as we go forward, we

1 can look at these projects, see which makes sense, and see
2 whether or not the Commission would be willing to put a
3 potential funding match in for these projects.

4 So those are just two of the things that we've
5 been working on. I'll just thank the Commission for this
6 opportunity, and I'd be willing to answer any questions if
7 that would be helpful.

8 **MR. BARNES:** Any questions? Very good. Thank you
9 very much.

10 Okay. Moving on to the next item on our agenda,
11 we move to New Business. Item A, Purchase and Sale
12 Agreement with Santiago Communities and Oak Street,
13 Resolution 2020-03.

14 Amber, please?

15 **MS. HANCHETTE:** Thank you, Commissioners. So for
16 your consideration today is A purchase and sale agreement
17 from Santiago Communities. They have put in an offer to buy
18 property in the Port's Oak Street Industrial Development
19 Area of Kennewick. So back in the fall, late fall, a
20 representative from Santiago came in to do a presentation
21 for the Commissioners on the use of the property. They are
22 looking at developing an affordable home community of
23 manufactured homes. Approximately 200 homes would be cited
24 in this area.

25 The map on your screen kind of shows the proximity

1 from Clover Island to the area. This gives you a little bit
2 more detail on what they're proposing. It's about 26 acres,
3 a little bit more. Three parcels off of Third Street, not
4 too far from here. The parcels are in two different
5 jurisdictions. And one of the parcels, the four and a half
6 acre parcel that is on the upper right side here, is a life
7 estate. So it does have an encumbrance on it, which
8 includes a life estate. So there's a residence on it. The
9 Santiago folks are offering to purchase all three of these
10 parcels and accept the life estate to go with it as well.

11 At one of our last Commission meetings, all of the
12 Commissioners she went through several items that were
13 related to this purchase and sale, and those have been
14 incorporated into the document as well. Some of the
15 highlights that I just wanted to run through with you --
16 included in your packet was a copy of the agreement itself.
17 The acreage, the purchase price -- that was one thing that
18 we had discussed at one of our previous meetings, was the
19 purchase price, whether to include the art policy -- the
20 Port's art policy in that. So Commission had agreed to the
21 lower rate and breaking out the difference between the
22 purchase price and the art policy, which we have done in
23 this purchase and sale agreement.

24 So the art policy has been broken out at \$21,205,
25 and the purchase price that they are proposing is \$810,250,

1 is what they are proposing. This would be a dry line
2 purchase. It will be through their development, hooking to
3 City services for water/sewer. And the Port would retain
4 the water rights that are on that property, which is
5 approximately just a little bit less than 50-acre feet of
6 water rights.

7 There is an agricultural lease that we have on the
8 -- the 16.8 acres and the 5 acres. There's an ag lease that
9 would remain in effect until closing, and at that time would
10 either terminate or be transferred to the new buyer. And
11 again, the buyer has agreed to assume a life estate that is
12 on one of the parcels.

13 Now, because they have, currently, a industrial
14 zoning for these parcels, they have requested a 18-month --
15 approximately that length of a feasibility period, so that
16 they can do some due diligence that includes getting comp
17 scheme amendments through the County or the City. They've
18 got zoning changes to do. They've got some work on their
19 part. We have included in the agreement that they would do
20 the applications, go through the process to meet with the
21 jurisdictions, and that the Port would sign any applications
22 -- review and sign any applications prior to the
23 submissions, as we are still the property owner.

24 The closing date of September 1st, 2021, which
25 includes that longer feasibility period. The Commission,

1 also, at our previous meeting, voted to -- or I should say
2 agreed by consensus to waive the buy-back option. That is
3 at your discretion. Then we have also included a deed
4 restriction. Right now, we understand that they want to use
5 this to do a residential development, affordable housing,
6 but should, within a five-year period, choose to change that
7 use for whatever reason, then they would need to come back
8 and discuss that -- make that request to the Commission. So
9 I did want to highlight that as well.

10 We do have a resolution included, but at this
11 time, I'm happy to answer any questions you have. This is
12 up for your consideration at this point.

13 **MR. BARNES:** Thank you very much, Amber. I have
14 one question, please, regarding the retention of the water
15 rights. I've heard people say in the past that if you don't
16 use water rights, you run the risk of losing those. When
17 you're retaining water rights from a property that I think
18 would mean to most people that the intention would be that
19 those water rights be transferred to some other property.

20 Are there any discussions regarding the
21 disposition of these water rights that will be retained with
22 this? Or is there property that the Port owns that those
23 rights would could be transferred to? Or is there any
24 buyer, or -- I mean, is there any information you could
25 share at this time regarding the water rights?

1 **MS. HANCHETTE:** Sure. You're correct. It's a
2 "use it or lose it." So I believe you have five years in
3 which to transfer those water rights. So you don't have to
4 make an immediate decision at this point, and there are
5 other properties within the Port's portfolio that you could
6 transfer those water rights to. There are a number of
7 discussions going on right now related to water rights, that
8 will be coming back to Commissioners at another meeting. It
9 encompasses not just this property, but possibly other
10 properties as well.

11 **MR. BARNES:** Okay. And the retention of the water
12 rights, I mean, that five-year clock likely would not start
13 until closing?

14 **MS. HANCHETTE:** That is my understanding.

15 **MR. BARNES:** Okay. Thank you. Any other
16 questions of Amber? Commissioner Moak?

17 **MR. MOAK:** Yes, thank you. Do you know what the
18 zoning is of the property to the west of these two parcels?

19 **MS. HANCHETTE:** Larry, go ahead.

20 **MR. PETERSON:** The property directly to the west
21 is owned by the City of Kennewick as their future site for
22 their sewer treatment expansion, and it is zoned industrial.

23 **MR. MOAK:** The entire western part of that,
24 including like down there on Third?

25 **MR. PETERSON:** Which is being highlighted here,

1 that vacant land which the Port sold, and the part of the
2 land that is shown in brown further to the west is zoned
3 industrial. There's a portion of the land along Third,
4 which is actually unincorporated, and the zoning is
5 controlled by Benton County.

6 **MR. MOAK:** Thank you. How much are we making off
7 the ag leases on those properties?

8 **MS. HANCHETTE:** It's minimal. \$125 an acre, I
9 believe -- or for 21 acres, it's minimal.

10 **MR. MOAK:** One of the other discussions that we've
11 had when we had this previously was the real estate
12 commission and how that was going to be played. Can you
13 explain what you came up with and how that either sets
14 precedent or reflects precedent that the Commission has had
15 before? Or can you sort of give us a flavor for how --
16 because I'm not sure what -- I know there was a lot of
17 different discussion up here at this table.

18 **MS. HANCHETTE:** Sure. So as I interpreted the
19 discussion previously, this is unique. So this is a little
20 bit different. Improved versus unimproved. There are some
21 older structures. There are barns and corrals. There's a
22 home on one of them. And my interpretation of our previous
23 meeting was that all three parcels would be considered
24 improved, and that is how we have structured the commission
25 for the real estate agent that brought this offer to the

1 board.

2 **MR. MOAK:** Thank you. No further questions.

3 **MR. BARNES:** Okay. There are no further questions
4 of Amber? Okay. Because it is anticipated that the Port of
5 Kennewick would take action on this item, it creates an
6 opportunity for public comment. If anyone would like to
7 make a public comment regarding this item, we'd ask that you
8 please move to the podium, please state your name and
9 address for the record, and please limit your comments to
10 this subject and three minutes.

11 Okay. There's no public comment. The Chair will
12 entertain the motion.

13 **MR. NOVAKOVICH:** Mr. President, I move approval of
14 Resolution 2020-03 authorizing the Port's Chief Executive
15 Officer to execute all necessary documentation associated
16 with the land sale to Santiago Communities, Inc., and to
17 take all other action necessary to close this transaction,
18 and further ratifies and approves all action by Port
19 officers and employees in furtherance hereof.

20 **MR. MOAK:** Second.

21 **MR. BARNES:** Okay. It's been moved and seconded
22 that we approve Resolution 2020-03. Commission discussion?
23 Commissioner Moak?

24 **MR. MOAK:** Yes. Thank you. Over the years, in
25 our work plan, we have had -- our goal was to sell some of

1 these properties that we are no longer using, no longer felt
2 that they had met our needs. And I think we see, in this
3 community, as well as elsewhere, the need for affordable
4 housing and for housing at the lower end. This adjoins a
5 mobile home park, and so it's not inconsistent with what is
6 down there. And so I think this is a good thing for the
7 community, if this were able to transpire. It would be good
8 for the Port in providing us some income to pursue other
9 projects that we're working on. And so I do support this.

10 **MR. BARNES:** Thank you. Okay. I agree with
11 Commissioner Moak's comments. I think if you look at the
12 focus of the Port of Kennewick right now, it's clear this we
13 have a huge project on our hands at this field. We're
14 trying to do some things that are here along Columbia Drive.
15 We've heard in recent meetings how it would be challenging
16 to have a larger number of projects. It would, in many
17 ways, dilute our effort to make meaningful improvement on
18 projects that are at the top of the list. So for those
19 reasons, I support this as well.

20 Any further discussion? Okay. It's been moved
21 and seconded that we approved Resolution 2020-03. All in
22 favor please say "Aye".

23 Any opposed?

24 Motion carries 3 - nothing. Thank you.

25 Okay. The next item on our agenda are two items

1 that were removed from the Consent Agenda. If you don't
2 mind, we can take those two items together. They are
3 approval of warrant register dated February 11, 2020, and
4 approval of direct deposit dated February 4th, 2020.

5 If I may begin, I have a question regarding one
6 item. I think this is on the warrant register. And the
7 item that I have a question about, I'd like to direct this
8 question to Mr. Kooiker, please. It's an item for payment
9 to Michael Love Law Firm. Can you please provide some
10 information regarding that item?

11 **MR. KOOIKER:** Yes, I certainly can. And I think
12 Lucinda can probably help me, too, or Tim as well. But this
13 is a payment for legal counsel retained by the Port for the
14 complainant in the legal -- or in the citizen complaint
15 process.

16 **MR. BARNES:** Can you please restate that? This
17 counsel -- I'd like to restate what I think I heard. This
18 counsel, Michael Love Law Firm, was retained by the Port for
19 what purpose?

20 **MR. KOOIKER:** For the complainant in the citizen
21 complaint. It's to protect the complainant.

22 **MR. BARNES:** It's my understanding that this
23 expenditure would not be supported or justified by rules of
24 policy and procedure?

25 **MS. LUKE:** That's incorrect, Commissioner. Those

1 rules were reviewed and embedded prior to the retainer of
2 Mr. Love for representation.

3 **MR. BARNES:** I'm reading Section 18.3 of our rules
4 of policy and procedure, which states, "The Port can provide
5 legal representation as may be reasonably necessary to
6 defend a claim for lawsuit filed against an official
7 resulting from any conduct, act, or omission of the
8 official, which act or omission is within the scope of his
9 or her service or employment with the Port." To my
10 knowledge, there's been no claim or lawsuit filed against
11 the complainant, and so I would argue that our rules of
12 policy and procedure do not support this expenditure.

13 **MS. LUKE:** And I'll be happy to have our special
14 counsel address that back to you at the next meeting.

15 **MR. BARNES:** At this time, I move that the
16 proposed payment to Michael Love Law Firm be struck from the
17 warrant register.

18 **MR. MOAK:** Second.

19 **MR. BARNES:** It's been moved and seconded that the
20 proposed payment to Michael Love Law Firm be struck from
21 this warrant register. Any Commission discussion?

22 All in favor, please say "Aye".

23 **MR. MOAK:** Aye.

24 **MR. BARNES:** Aye.

25 Any opposed?

1 **MR. NOVAKOVICH:** Nay.

2 **MR. BARNES:** One Nay.

3 Two Ayes, one Nay.

4 Okay. Now up for approval is the revised direct
5 deposit and E-Payments dated February 4th, 2020, and warrant
6 register dated February 11th, 2020. The Chair will
7 entertain the motion.

8 **MR. MOAK:** I'll move approval.

9 **MR. BARNES:** Second.

10 It's been moved and seconded that we approve
11 direct deposit and E-Payments dated February 4th, 2020 and
12 warrant register dated February 11, 2020 as revised. Any
13 further discussion?

14 All in favor, please say "Aye".

15 Any opposed?

16 Motion carries 3 - nothing. Thank you.

17 The next item on our agenda Continuing Reports,
18 Comments, and Discussion Items of this appeal. Larry,
19 please.

20 **MR. PETERSON:** Yes, and I intend to give you an
21 update visually, discuss the timeline, the tasks that are in
22 front of the Port, and delve into a little bit of detail of
23 what some of those tasks might include.

24 This is a blow-up of the rendering that was
25 created in April of 2018 focusing on the hangars, the area

1 between Deschutes, the new connection made, the water
2 feature starting point, and working to the northeast,
3 crossing over a road now to be known as Azure and Octagonal
4 Fountain, three existing hangars, the curb on Deschutes,
5 along with now the street to be known as Crosswind Boulevard
6 heading to the northeast.

7 This is a shot from February 4th directly
8 overhead. I'll focus, on the next slide, on some of the
9 differences. This was a slide that unintentionally captured
10 some of the differences between an existing City street, the
11 street that is owned by the vehicle, and a pedestrian is an
12 unwanted visitor at best, and the transition into Vista
13 Field, where the pedestrian and the car are on near equal
14 footing.

15 As an example, the five-foot standard sidewalk
16 throughout the City of Kennewick identified in the dark
17 black, the portion of Crosswind Boulevard, first five feet
18 being identified as black, the additional seven feet that
19 the Port is constructing creating the 12-foot-wide sidewalk
20 identified in red. So the standard sidewalk, which will be
21 at Vista Field, would be five feet. We're talking about
22 City standards. This field is significantly different.

23 Here's a view looking to the south, southeast,
24 looking at Azure and Constellation Way, back towards the
25 hangars and the start of the fountain. And the Octagonal

1 Fountain that will be in the middle of Azure and
2 Constellation Way. Colored concrete to be poured -- some of
3 which was actually poured today, which I will have the
4 scoring pattern resembling the tortoise shell.

5 Different view, different perspective of the same
6 general area, focusing in on the Espinola Way -- Azure. I've
7 been calling it Espinola for five years. It will take a
8 while to get out of that habit. Azure, the street -- the
9 shared residential street that runs through the site.

10 And getting down to 25 or 30-foot elevation, the
11 street lights have just started to be replaced. This is a
12 16-foot-tall street light. It will have an arm extending
13 out from the roadway approximately five feet. Typical
14 street lights are up to 35 feet in height. These street
15 lights will be in line with the tree canopies, much lower
16 than typical street lights. They're spaced more frequently
17 because the road and narrower, and spaced a little more
18 often. There's not an issue in terms of illumination or
19 safety type. They meet a national design criteria.

20 **UNIDENTIFIED SPEAKER:** (Inaudible.)

21 **MR. PETERSON:** This is a video taken from the
22 hangar area along the Deschutes, working -- running down the
23 water features. If you were following the course of the
24 water -- and I apologize now for the last four seconds of
25 the video.

1 There are steps leading down into the water in
2 some places, allowing crossing on both sides. The depth of
3 the water is anywhere from 6 to 18 inches. This is the
4 roadway bridge and pedestrian bridge that was crossed. There
5 are any two pedestrian bridges that are in view, as we work
6 our way to one of the two raised or table top intersections
7 where the pedestrian will own that central crossing. This
8 is a four-way stop, and they're already starting to embed
9 the steel truncated domes. Rather than the yellow bumpy,
10 these are cast iron. This is the part I apologize for. Now
11 we're back. Terminating in the pond in the central part,
12 which is now named Daybreak Commons.

13 There's a second video on the next slide. This is
14 a view from Grandridge Boulevard and the Convention Center
15 in the upper right-hand corner, and we are now working our
16 way down what used to be Grandridge Boulevard, but is soon
17 to be renamed Cross Wind Boulevard. This is the first four-
18 way stop intersection, which is referred to as the scissors,
19 as it cut off a section of Grandridge Boulevard, rather than
20 just being a driveway, off of the City's main network.
21 Vista field pulls the City network into the site.

22 Working our way to the east-west street, crossing
23 Cross Wind Boulevard here, that will be known as Vista field
24 Boulevard. We're working our way to the southeast, working
25 our way upstream along the water feature. Two pedestrian

1 bridges coming into view. Every one of these squares in the
2 sidewalk that looks like a dark black box, there's a street
3 tree, spaced every 30 feet. 128 street trees along the main
4 three roadways had been dedicated to the City, another 28
5 along Azure, and then numerous street trees in the areas
6 between the roadway and water feature and the connection
7 back to Deschutes. This used to have a four-foot berm, and
8 it was a banked curb with the NASCAR curb. Now that's been
9 taken away, and we have a direct connection into the site.

10 This morning, the designer of the water feature,
11 Rick McGuire, from the LA area, was up with his co-design
12 team member, Gary Hall. We were out walking the site,
13 working through the details of the water feature. We turn
14 that on in mid March. But we needed to see all the plumbing
15 that was in the vault, the filters, and all that. We can
16 read plans. We wanted the person who designed it to come up
17 and put his hands on it and give some direction, potential
18 direction to the contractor, because this is such a unique
19 element.

20 I do want to call to your attention the rays of
21 light in the background. Sometimes you just get lucky. So
22 whether it was meant to be or not. Mr. McGuire, he's been
23 part of the design team since 200 -- late 2016 or early
24 2017, working with Hall & Associates and Parametrix.

25 I'm done with the visual part. Now to give you

1 the timetable. This is put together -- can't stress enough,
2 this is a draft timeline identifying the major tasks, not
3 each and every step. This was presented in the Commission
4 package. I realize it was small on the screen. That's what
5 the zoom feature on a PDF is for, to get down to the
6 details.

7 We're trying to indicate here where each and every
8 -- what we're indicating here each and every Commission
9 meeting for 2020 with the specific dates, colors for
10 particular tasks, whether they are green for construction,
11 blue for design-type questions, red for major policy, brown
12 for marketing, and the small X indicating when we look to
13 bring some of the information to the Commission, and a large
14 doubled X being a date necessary for a decision, to keep the
15 process rolling.

16 Quickly moving through the list, construction of
17 the top two items. We're near completion on the
18 construction, although it would be into June before the City
19 officially accepts all the improvements. They're going to
20 have to take a couple months to review all of the elements
21 that were created and double check the "as built" drawings
22 that will be submitted. We don't have record of what was
23 built and installed. There's also a planning process to
24 create lots of record that follow along.

25 The policies questions, or the next batch, deal

1 with the project team, the property owners' association,
2 some use considerations, architectural considerations,
3 property pricing, real estate commission policy, and a
4 market approach, and then the creation of marketing
5 materials. All of those issues need to be addressed before
6 the Port goes out for an RFP. How much do you want for the
7 property? What should go where? We have a lot of thoughts
8 that have been collected over the last five years related to
9 design. There's been some consideration on pricing. The
10 mechanics on the property owners' association, or the 85
11 percent stage. But all of those elements to get to the
12 point we're actually marketing the site. This is a proposed
13 timeline. This is the first the Commission has seen this.
14 To get to the point we're marketing the site, all of these
15 steps need to happen before we can go to the public and
16 market.

17 The timeline that we're dealing with here is a
18 little different, and I included a memo in the package. It's
19 just a little different than what the private sector may
20 typically do. Vista Field is not typical. It's a new
21 product in the community. You know, you talk with one
22 person through this process who indicated, actually, the
23 time line that's proposed here seems to make sense, because
24 the product is so different. It doesn't sell on a piece of
25 paper. We can show renderings. But the concept of the

1 skinny streets, the wide sidewalks, the water feature, some
2 of these elements need to be in place where you can
3 physically walk the site as opposed to just look at a
4 rendering and buy into the concept. So the time frame that
5 is involved here identifies we're going out with an RFP in
6 September, and receiving those results in November, bringing
7 the result of that RFP process of the Commission in
8 December. That is a draft timeline.

9 The XXs in each column, if the Commission -- I'd
10 like to have some discussion on the timeline. The tasks --
11 all tasks necessary to reach the finish line are identified
12 here and there, many steps within some of these bars. We
13 didn't try to capture reading through the different tasks.
14 But these are the main elements. This is the timeline that
15 was proposed as a starting point. I do not believe it is
16 just as easy as moving it back three months. This is an
17 optimistic timeline as presented.

18 If the Commission gives some direction, guidance,
19 comment, to move forward, we can then use this timetable,
20 predictable. What would be on the Commission agenda? What
21 could you expect to discuss and when? Much of this is
22 predicated upon the discussions we had in January about the
23 team approach, because the team will be necessary to help
24 gather some background information and bits and pieces on
25 the architectural and the use considerations. Some items

1 that we discussed over the last five years, we'll bring to
2 the Commission for consideration, a vote up, down, or
3 direction.

4 I had to start somewhere. I don't know if Tim
5 wants to add anything or --

6 **MR. BARNES:** Tim, you want to add anything,
7 please?

8 **MR. ARNTZEN:** Well, I would. Thank you. This --
9 I saw a chart of this earlier. And this is the one that I
10 referenced last meeting that causes me to lose sleep,
11 because there's really a lot of things that have to be done.
12 In addition to Vista Field, we have other projects as well.
13 So Larry could really overlay a couple of other timelines
14 for the Columbia Gardens and all of our other projects as
15 well.

16 So this is a very, very large task in front of us.
17 If I were to direct all of our resources towards Vista
18 Field, I think it would still be a tough bill for us. But
19 as I said, we have to direct resources, staffing, finances,
20 and other projects as well. So this is a very, very big
21 undertaking. And with all due respect to the Commission,
22 that's why I do get concerned when there are new projects
23 that we're talking about, because this is a very, very full
24 dance card, if you will, on the existing projects that have
25 been issued to Port staff by the Commission.

1 So you know, we just have to keep everything in
2 perspective here. Vista Field isn't everything that the
3 Port does. It is a major project, of course, but we have to
4 be good partners to our other jurisdictions. So I just want
5 to throw that out there.

6 I think the point that Larry is addressing is
7 there will be issues brought by staff to the Commission. We
8 hope to have time for the Commission to discuss them, and
9 maybe staff could bring back additional research. And then
10 at the next meeting, a subsequent meeting, the Commission
11 would give staff direction -- executive direction on each of
12 these topics. So for each of them, there's going to be a
13 presentation of the topic, some information, hopefully
14 enough for the Commission at some point in the near future
15 to make a decision, and then a direction to staff. So kind
16 of the faster we can get the issue to the Commission, get
17 feedback, get direction from the Commission, then I can have
18 staff implement each of those issues that will be brought to
19 you sequentially over time.

20 So it's just kind of one of those things that, you
21 know, like bring it to you, hopefully we have the
22 information you need, process that one, check it off the
23 list, and then we will continue to bring you other projects.
24 So it's going to be kind of a perpetual motion, if you will,
25 on any of many of these projects, over time, at Vista Field.

1 So I appreciate the memo. I told Larry today,
2 after I read it, I said, You know, there's a lot of
3 information that Larry boiled down and put into a one-page
4 memo in this chart. I really appreciate that.

5 **MR. BARNES:** Thank you. Questions of Larry or
6 Tim?

7 **MR. NOVAKOVICH:** Just a comment. The Army sent me
8 to Fort Lee, Virginia to attend a two-year logistical
9 management college. And Larry, this is a logistical
10 nightmare that I think you sorted out very, very well. So
11 I'm very appreciative of your work and what you've done. And
12 I just hope this Commission appreciates that, and I hope
13 this Commission will pay attention to when things need to
14 get done that we make decisions timely so you can move
15 forward with this project without any delay.

16 So thank you for your work.

17 **MR. BARNES:** Commissioner Moak?

18 **MR. MOAK:** Yes, thank you. I can certainly see a
19 lot of effort has gone into putting this together. I think,
20 you know, establishing who is lead on these projects, I
21 think, are very important, and who's part of each of these
22 teams. You know, I think it's the very understandable. And
23 I expect there is going to be slippage over time on one or
24 more of these. I don't know if it's going to be opposition
25 level, but I think life gets in the way, including other

1 projects and how long any of these things take. Things come
2 up, you know.

3 So what I would like is that, maybe periodically,
4 whether it's every couple months or whatever, that we see a
5 revised chart of what the stages are, what things have been
6 accomplished. You know, part of it is to celebrate as we
7 move through some of these items and check them off the
8 list. We've been very successful back then for -- you know,
9 if it takes more time so that we can continue to see where
10 we are, I mean, I think, yeah, there's a lot of decision
11 points that this Commission is going to have to take. I
12 think, you know, making sure that we're on target for all
13 those, I think it is good. So I really appreciate all the
14 work that's gone into this.

15 One question I have on the team, you know, and I
16 noticed the name Matt Lambert as a member of the team. I
17 wonder what Matt's job is going to be with respect to
18 working on this, because he has not, to my knowledge, been
19 involved with the project before the Cascadia Loop.

20 **MR. PETERSON:** Well, speaking with Liz and Senen
21 about Miami's involvement, they reminded me that Matt
22 Lambert is one of their owners, just like Senen. And he's
23 based out of Portland. And Matt was involved, and in fact,
24 attended -- was here for the entire charrette process. So
25 they were asking, should Matt have some reintroduction to

1 the project? And I want to make sure -- I realize it's on
2 the record -- they weren't suggesting that maybe the DPZ
3 Cascadia arm with Michael and Lawrence be faded out and the
4 DPZ official representative, Matt Lambert take that role.
5 But Matt, they were suggesting, if possible, Matt's
6 reintroduction would help have additional DPZ presence and,
7 basically, help the budget go further. As Liz and Senen are
8 high-priced and long distance, Matt could also be a
9 connection back to the Miami homebase and the ownership core
10 of DPZ without the expense and three-hour time difference on
11 each and every matter.

12 **MR. MOAK:** Thank you.

13 **MR. BARNES:** Thank you. I agree with the comments
14 made by my fellow commissioners. I really appreciate the
15 detail the thought that's gone into this, Larry. And I
16 appreciate Commissioner Novakovich's comments and concerns
17 about being able to respond in a timely fashion and make
18 decisions. At the same time, I appreciate what Commissioner
19 Moak says, and I harken back to the original -- some of the
20 original discussions that we had about Vista Field. The
21 mantra back at the start of the project was, Let's get this
22 right, not necessarily right now. And I think that's served
23 us very, very well.

24 I think that we've made tremendous progress. I
25 don't think there's been -- there have been too many delays

1 or anything. Thankfully, we've had a mild winter this year.
2 But I do appreciate the thought and the effort that's gone
3 into this. And I think it's going to be very important, as
4 we go forward, to continue to have great communication
5 between our staff and the Commission, to be able to have
6 this information, be able to have it in a packet, be able to
7 -- I like the fact that on many of these items, there are
8 more than one single X. So to me, that indicates that this
9 topic will be brought up and discussed with the Commission,
10 not on a single occasion before we hit the double XX or
11 decision, but there are going to be a couple of times for
12 exchange of information, thoughts, and ideas between staff
13 and Commission. I think that's really important going
14 forward.

15 So I really appreciate all the thought, all the
16 effort, all the energy that's gone into this. I think that
17 where we are right now is a tremendous accomplish. But
18 we've only just begun. So thank you.

19 Do we have any other questions -- any other
20 remarks, Larry or Tim?

21 **MR. PETERSON:** The bad news is I have a few more
22 slides. Because now we have a few Xs in particular columns,
23 so now it's time it talk about an item or two that's
24 identified. Although I will be honest, my main focus today
25 was the timeline. But if we had an item that was identified

1 as for discussion today, I at least wanted to touch upon it.
2 So five or 10 minutes of discussion. I was not expecting a
3 lot of --

4 I don't have materials to ask or represent on
5 items that are shown with an X, such as use considerations,
6 but I just wanted to touch what that might encompass and
7 mention that the team will be helping us with that and what
8 the next steps will be, what you can expect going forward.

9 I did intend, as I made PowerPoint presentations
10 to the Commission, you might be asking to stop seeing this
11 slide at some point in time. But I was proposing to use
12 this each and every time to give us an update of where we're
13 at to see if we are on track and what has happened. This
14 didn't come together by just my computer. This was all
15 staff in the building providing input. And so reality, just
16 some of the time frames involved with this, the initial
17 draft was maybe a tad more optimistic, or wholly
18 unrealistic, working from a -- what I thought might be a
19 perceived deadline, and simply stacking it ass backwards
20 versus what, realistically, do the steps need, and where
21 does that bring this in terms of an RFP process and an RFP
22 receipt.

23 There are, I believe, five items that have an X in
24 this column, one that relates to where the fork in the road
25 -- so what's the old phrase? When you come to the fork in

1 the road, take it. So we did a PowerPoint and we discussed
2 many items. Now it's going to make some decisions. The
3 five items I'm going to briefly touch on today, the project
4 team, the use considerations, the architectural
5 considerations, property pricing, and hangar reuse.

6 From the team, you've seen this before. This was
7 discussed quickly in December and in a little more detail in
8 January, and received some pretty quick direction on
9 reviewing it from the Commission, that the team approach was
10 the route to pursue. We've had some contact with all of the
11 folks identified on this list as far as the continued
12 participation, willingness to be part of this team going
13 forward. And if I can speak for Sam Nielsen, Gary Hall, our
14 project engineers, they're excited to be involved. Michael
15 Mahaffey and Lawrence Kumar, the DPZ Cascadia folks, are
16 also excited to see this through to the next steps.

17 I believe Tim got some communication from Liz and
18 Senen that also indicated that they were happy to be asked
19 to be part of the continuation of any of the projects. They
20 helped the community with the charrette to hand the plan
21 off, and someone else takes it. And they are excited to be
22 involved with the next step to Vista Field, the concept of
23 new urbanism coming to Eastern Washington.

24 So the team concept was thrown out. Now we've
25 confirmed all the players are willing to sign up and be on

1 the team, and we started negotiating what some of the
2 pricing might be. At the next Commission meeting, or
3 possibly the meeting in March, where the X is on the chart,
4 we will be back to give you some update on the status. Many
5 of these contracts are smaller in scale, and the price is
6 well within Tim's delegation of authority. But here in the
7 general direction to the Commission, the team approach with
8 these players is something that we wish to pursue. We
9 believe that gives Tim and the staff the direction to start
10 piecing players together.

11 The use considerations -- and some of these
12 questions aren't new, but this is what we looked to present
13 to you in a couple weeks after we've had some discussion
14 with the team members. This is new information. The
15 Commission packet only had the memo and the timeline.

16 Some of the general questions, the concept of
17 starting near the hangars and Azure Boulevard was stressed
18 during the charrette. We have 20 acres that will be open
19 for development. Many lots spread from Deschutes all the
20 way up to Grandridge Boulevard or Cross Wind Boulevard. It
21 was our focus, as was discussed during the charrette, to
22 start with the nucleus lease in and around the hangars, or
23 is any one of the 20 acres available for sale. That's a
24 policy question that will need to be asked and answered
25 before the marketing materials go forward.

1 Also, when it comes to uses, there's a broad
2 grocery list of land uses allowed under the the urban mix
3 use. Large lot residential is excluded, as are industrial
4 warehousing type uses. But along the Azure area, and along
5 the water feature, are the particular uses that the
6 Commission wishes to see. We can be specific when we're
7 crafting our RFP. What exactly is it we asking for?

8 The interest level is strong over here from the
9 private factor. What would the Commission consider a
10 success as the concept of all uses can go everywhere in the
11 mix of use, in the flexibility being a great design
12 capability. We've heard that. What do we really want to
13 see? So we're going to bring some of those questions back
14 to you with some suggestion and direction from the team
15 members, possibly heavily weighed in with some input from
16 DPZ on that.

17 There's a question about the art center site. And
18 from a use standpoint, we'll be bringing you the status
19 update on the two plus acres that's been reserved for two or
20 three years with the art center, since the formal MOU was
21 executed back in March of 2017. That's a piece to know, how
22 does that fit in the use puzzle? Is that a use that we're
23 expecting to see constructed? What might their timeline be?
24 What uses would compliment in and around that site? What
25 work -- is there a different direction for that? That is a

1 major use that we need to know before the marketing effort
2 moves forward.

3 These are some of the high level questions, we
4 hope to bring you details. Today we're not hoping to get
5 into back and forth discussions. We have very little
6 information for you. But if there's a comment along the
7 way, we're all ears.

8 The next one being architectural considerations.
9 This is also one with the team that we will be discussing as
10 a mini concept identified in the charrette documents related
11 to architectural themes, one of those being industrial chic,
12 realizing that we are next to industrial buildings on the
13 Deschutes side. Should there be a quick and fast break in
14 building material and design? Or should some of those
15 industrial nature of the metal buildings, should that
16 transition into Vista Field? There were lots of different
17 design elements throughout the site, and being sympathetic
18 to the brick and glass that is on the convention center
19 building, as we get closer to that site. So what are some
20 of the architectural themes or ideas for Vista Field? Or is
21 there purposely no adopted style.

22 From our renderings and the folks we've talked
23 with, people see Tuscan or they see Greece in our
24 renderings. Is that what the Commission wants? What is our
25 theme? What is the field? As we have heard from many that

1 look to build, they're focusing on the use and asking the
2 question, What do you want me to skin the building with?
3 What do you want it to look like? So those are some
4 questions we have to dive into.

5 We have a very broad menu, and is it time to say
6 anything on the menu is acceptable? Or do we need to focus
7 on a particular style, possibly a particular style for
8 certain areas. I think Michael and Lawrence, between the
9 two of them, have about 11 different opinions on that. So
10 we're going to refine that along with the DPZ Miami folks
11 and bring you a whole bunch of items on the plate for you.
12 So your suggestion and direction in realizing this is a
13 public project and a public entity, there may be some time
14 for some call or input from the citizens as far as what they
15 want to see.

16 Although we -- as the Port District, as a Port
17 entity, we've heard from the citizens for the last five
18 years, what they'd like to see. Rather than starting from
19 scratch, this might be a gathering of all the information
20 that has been generated over the last five years and
21 presenting that in a format that the Commission can give
22 some direction on.

23 Property pricing. We had some discussion on
24 January 14th related to the pricing and the appraisals. Some
25 of the questions that could be asked, we've had a chance to

1 talk to a real estate professional that does not only
2 appraisal work, but also marketing evaluations. Many of the
3 questions that we asked can be addressed through a market
4 evaluation, as it's tough to price a product that doesn't
5 exist in your community, hasn't been sold, and there's
6 nothing to compare it to. But we can get an idea of what
7 are market conditions for, other residential apartment
8 commercial type uses in the community. What's their
9 pricing? What's their time on the market? What are the
10 land costs? We'll bring that bundle of information to the
11 Commission and try to find something that is comparable or
12 useful in terms of starting the price.

13 There is also a policy question that the
14 Commission will be making of, Where do you want to start? Is
15 it -- what's your preference for waiting to get a particular
16 price? Is it more important to see activity or to hit a
17 certain price, realizing that if the first two or three
18 sales come through and the price is deemed to be a tad low
19 by the Commission, we can always move that pricing up. If we
20 end up pricing a tad too high in the market and no one
21 responds, what is the basis. So that's, we believe, some of
22 the pieces of the market analysis that will at least give
23 you a snapshot of where everybody else is in the community
24 so we can help get an idea of where Vista Field may fit.

25 Hangar Reuse and Discussion. This also fits in in

1 advance of the marketing activities, because if we're
2 marketing the areas along Azure and the water feature, what
3 are we telling these prospective buyers? Will there be
4 restaurants in those two hangar buildings that they may have
5 to compete with or to compliment? Maybe they wouldn't want
6 to have the 62 apartments near those two restaurants, or
7 maybe they would want to be the only restaurants in the
8 area. So making some determination of what happens with
9 those hangars is necessary before we begin marketing, as
10 that is a significant asset. The private sector is going to
11 want to know what's going to happen with those buildings. Is
12 that something to compliment or conflict with their
13 proposal?

14 The memo that Tim will be discussing next talks
15 about a team -- the approach, and I believe a larger 2020
16 discussion on the overall projects also gets into the hangar
17 discussion. I just wanted to touch on those. We may have
18 to -- we may be talking about the hangar reuse issue a
19 couple of items down the agenda.

20 That's it for this set of --

21 **MR. BARNES:** Thank you, Larry. This is all great
22 information, great material. You know, just as depicted on
23 your timeline here, these items are items that we need to
24 think about, we need to consider.

25 One request that I would have that would be very

1 helpful, it would have been -- I would have loved to have
2 had your PowerPoint, a copy of that, so I could jot down
3 some notes about some of your remarks as you're making them,
4 and then maybe I could go back and give some more time and
5 some more thought to that. So when we get a PowerPoint in
6 the future, may I please have a -- may we please have a
7 paper copy of that, just so I have something I can jot some
8 notes on and make some comments on, so that next time, maybe
9 I can retain that thought and share it with you next time?

10 **MR. PETERSON:** Happy to accommodate.

11 **MR. BARNES:** Thank you. Commission, questions?
12 Comments? Commissioner Moak?

13 **MR. MOAK:** I don't want it in paper. I want it
14 all electronic, so I don't have to worry about where my
15 paper is.

16 The thing that I would request is, you're so
17 embedded in this and you know all these streets and where
18 they are. I can't even figure out where Street A and Street
19 B were. So I'm wondering if we could have a better document
20 somewhere that shows where these streets are, and so we
21 start getting in our mind in the same way as you do. I know
22 where Cross Wind is -- and we're not there today -- part of
23 it. But the rest of them, I can't remember which is which.
24 So but Azure, it sounds like, is an important street. I
25 ought to know something about it, and I don't.

1 **MR. PETERSON:** I can include that along with the
2 timeline in each and every presentation both to the
3 Commission and the public. I sometimes forget, I am so
4 close to it, I think I know where every tree in the forest
5 is located. So --

6 **MR. MOAK:** You probably named about 128 trees.

7 **MR. BARNES:** Okay. I mean, the top foremost
8 message I hope you hear from at least one seat on this
9 Commission is that this is excellent work, very much
10 appreciated. Your attention to detail and everything is
11 commendable. I mean, this is a huge project. You're not
12 going anywhere, right? We want you around for a long time.
13 So from this side of the table, I'd like to thank you very
14 much for all your thought and your work that's gone into
15 this to get us to this point. I'm just looking for a little
16 better way that I can have it, digest it, and keep some of
17 it.

18 So thank you very much.

19 **MR. PETERSON:** You're welcome. And again, it's a
20 team approach. I happened to have the microphone and the
21 clicker today. But there were several pieces behind both
22 the questions. Tana doesn't get any blame for my lame
23 graphics and my PowerPoint. But the content -- not the
24 production quality, is many people's help on this.

25 **MR. BARNES:** Thank you. Now, are we continuing on

1 the management and implementation memo? Is that -- we're
2 still on the same topic?

3 **MR. ARNTZEN:** Yes, sir. That would be my
4 intention. So I'll try to keep it brief. Larry kind of
5 gave a high level fly over -- pun intended. So what I've
6 got is a brief presentation related to what I call the Vista
7 Field management and implementation approach, how we would
8 go about responding to the inquiries related to the
9 property, how we would take it from cradle to grave. That's
10 such a harsh term -- but from start to finish.

11 So if you have a developer-builder come in, ask
12 for information, how would we start at the very start to
13 have a sitdown with that builder, and then how would we
14 reach the conclusion of bringing the project to the Port
15 Commission saying, We believe that this is a valuable
16 project. So this is an overview of how I, as a manager of
17 would kind of reshuffle the deck to get the people on the
18 ground here that can help us move this thing forward. So it
19 is very much a management and implementation approach.

20 Previously, mainly for the benefit of the public,
21 we looked at two different approaches. One would be to hire
22 a highly-compensated individual to be the project manager.
23 They'd likely be bringing somebody in from outside of the
24 community, putting him or her in charge of the process. They
25 would interface with Port staff. But that would be -- you'd

1 have one person outside of the Port organization that would
2 handle everything. That is done in some other communities.
3 That's done in Rosemary Beach, Florida, which is one of the
4 earlier new urbanism communities.

5 We looked at that approach. It's a fairly high
6 price tag. We were hearing that the compensation level
7 might have to be \$150,000 to \$200,000 per individual. Then
8 the question is, Well, will there be benefits on top of
9 that? How well would that person dovetail with the Port
10 team? How well would that person work with the community,
11 if he or she was outside of the community?

12 So I had a chance it think about an alternative
13 approach, which I shared with the Commission previously. And
14 that might be an approach of where we build a team around
15 handling this project. We have talked about it internally
16 at the staff level. We think it's a viable option. We
17 shared a little bit of information with the Commission. My
18 interpretation is that we had a pretty good meeting, where
19 the Commission seemed interested in this team approach. And
20 I think -- well, I'm not saying, yeah, that's what we want
21 you to do, Mr. Manager. I think the Commission said, We
22 like the sound of it. Can you bring us more information.
23 And I believe I said to the Commission that I will bring you
24 more information on a periodic basis. And I want to start
25 with maybe some bite-sized chunks, because I don't have all

1 of this formulated in my head. It's a very complex process,
2 and I'll give you a couple of examples.

3 If I think, in my head, I have a person within my
4 organization that can maybe shift duties, I don't want to
5 say that publicly until I've talked with that individual and
6 had an analysis of, Can that individual really do it? Does
7 he or she want do it? What would the compensation look
8 like? So we're not really at that point yet. So I'm kind
9 of at an interim staff where I've got more detail that I
10 would happily share with the Commission and the public in
11 this meeting. I will name a few names, and I will leave a
12 few names out of there, just identified by position. And
13 I'll try to identify whether I think this position would be
14 filled by a current Port employee or a contractor or,
15 potentially, in one case, a new hire.

16 But that is the overview I will proceed down, kind
17 of, my checklist. But I'll just pause here briefly and see
18 if there's any questions or comments at this point.

19 **MR. BARNES:** Questions or comments at this point?
20 Please proceed.

21 **MR. ARNTZEN:** Thank you. So we start with the
22 project manager. And that is the person on staff -- my
23 suggestion would be Amber Hanchette. She's our director of
24 real estate and operations. I think she would be an
25 excellent point of first contact related to this project.

1 And there might even become a time where we would have an
2 office or a satellite office onsite to make it easier for
3 builder-developers to access this person, access the Port as
4 an institution, to come in and look at plans, to get
5 handouts of what we think our building requirements might
6 consist of.

7 So my first thought would be that Amber would be
8 our first point of contact. She would also dovetail with
9 planning, which would be Mr. Peterson, because I think those
10 two, while they would have different roles, those roles have
11 to be very, very complimentary. I can envision where in
12 maybe not the initial meeting, but an early meeting, that I
13 would have Amber and Larry, so I can have both real estate
14 and planning in that same meeting. Because I think a
15 builder, at very early meeting, is going to have questions
16 that could be answered by the real estate person and then
17 some questions that really need to have a planning
18 perspective.

19 So that would be the first thing that I would like
20 to mention, is I think that we would bring a project manager
21 in. That appears, to me, to be someone that we have on
22 staff.

23 If that's the direction we go in, Amber is going
24 to have to give up some of her current day-to-day operations
25 to fulfill the obligations that we would assign to her at

1 Vista Field. For that, there's going to be some backfilling
2 of other maintenance personnel. There would have to be a
3 person that would potentially move from exclusively in the
4 field to 80 percent in the field and 20 percent in the
5 office, filling out papers and forms and doing bid documents
6 and so forth.

7 Now, I know I've kind of taken that one out of
8 sequence. The other thing is we might need an assistant to
9 the project manager. We have an individual here that has
10 been very helpful with the Marina. She's learned quite a
11 bit about the real estate world, leasing and tenants and so
12 forth. So I think that we could maybe assign one of the
13 current employees part-time to assist Amber with the
14 administrative role at the Vista Field project.

15 And the beauty of doing this is, I don't have to
16 know exactly how many hours I'd need a person up at Vista
17 Field if it's an existing employee, because we can just kind
18 of see how it goes. This person might be spending the
19 majority of the time here doing current duties, and then we
20 have enough flexibility where the new person could spend
21 some time at Vista Field, and we learn how much time we
22 really need up there.

23 So it's kind of a situation where we could grow it
24 as we need it. I'd hate to hire a new person and then find
25 out, well, I only really needed somebody 20 percent of the

1 time at Vista Field.

2 Next, we work down, we talked about the project
3 planner and coordinator. That would be Mr. Peterson, as I
4 talked about. We've talked about bringing in the DPZ team.
5 Now, I want to draw a distinction there. We have DPZ Miami,
6 with the principal, one of the founders of the firm, Liz
7 Plater-Zyberk, and the current manager, Senen Antonio. Both
8 of those people have been instrumental in the planning
9 process for Vista Field up to this point.

10 I'd liken this a little bit to a franchise. If
11 you own a franchise business, you want to make sure that you
12 have the branding of the franchise. In this case, we have
13 the branding of the franchise with DPZ Miami. We have
14 access back to headquarters. So any questions that we need
15 answered at a larger policy level from the DPZ folks, I
16 think is a natural to come from DPZ Miami.

17 It's also, I think, a really beneficial situation,
18 not only for DPZ, because they'd be compensated, but for the
19 Port of Kennewick, because to my knowledge, there's not a
20 lot of other projects worldwide that have kept the presence
21 of DPZ MIami in the project. Typically, DPZ Miami will come
22 in, they'll do the shred, they may help for a year, and then
23 they kick the project over to the developer, and DPZ Miami
24 may not ever be involved again.

25 In our case, having their continued involvement, I

1 think, keeps us abreast of many of the new developments that
2 are coming, not only from a national perspective, but from a
3 worldwide perspective that funnels through the DPZ Miami
4 office.

5 So for all of that, you can see that I've left a
6 blank on how much we would pay them. The number hasn't been
7 fleshed out. But it's actually a very modest number. I
8 think when we get a chance to fill that number in for you,
9 you might be surprised on how reasonable the costs will be
10 to keep DPZ Miami evolved.

11 And then next on the list would be a role that we
12 call the town architects. And that would be Michael
13 Mahaffey and Lawrence Kumar. They've been with us for well
14 over five years. That's what we call DPZ Portland. There's
15 an offshoot from the DPZ Miami. They're in the Portland
16 area. It's relatively easy for them to come to our project.
17 And they would have an ongoing role, probably a more
18 substantial role than DPZ Miami, in the role of town
19 architect. That's a position that many projects have, both
20 public and private, going forward. Those are the folks that
21 spend a certain amount of time on the ground at the project,
22 and they bring in the expertise of architects and planner.

23 So I wouldn't ask Larry and Amber to, say, Review
24 these plans that Builder A has submitted. That would most
25 likely be something that Michael and Lawrence would help us

1 review, because they have that special expertise in the
2 architectural and planning field. Again, a lot of this is
3 going to be where there would be overlaps between Port
4 employees and among contractors. So I'm not going to just
5 say that when plans come in, only Michael and Lawrence will
6 look at them. We'll have a lot of people looking at them.
7 But the primary purpose, I think, of Michael and Lawrence
8 would be the role of the town architect.

9 It would help us when a proposal comes in, help us
10 work through the collaborative design process. And in a
11 nutshell, the Commission, I don't think, wants to hear from
12 a builder, I'm going to build an apartment building, and
13 I'll pay you 10 bucks a square foot. I think the Commission
14 wants to see, Okay, what is it going to look like? Is it
15 going to fit in with the surrounding plans? Does the
16 builder know new urbanism? Is he or she willing to learn
17 new urbanism, if they don't know it already.

18 So there's a lot of things for the town architect
19 to do, more than just report to the commission, I got you an
20 apartment, and they're going to pay you 10 bucks a square
21 foot.

22 Moving on, we have a role for the town engineers.
23 That would be Gary Hall, locally of Hall Engineering, and
24 Sam Nielson from Parametrix. I think Sam's out of the
25 Portland office. Those folks have been out here on the

1 ground with this project babysitting it. And they have
2 proven themselves, like most others on the team here.
3 They've proven themselves in the work that they have
4 previously done, the exemplary work that they've previously
5 done for the Port.

6 Construction management, another familiar face,
7 David Robison of Strategic Construction Management. We put
8 him down as a construction manager. But there's a lot of
9 thing that David brings to the table. He's had 40 plus
10 years in the building industry, primarily in the San
11 Francisco Bay area. You've seen a lot of it from the
12 builder's point of view. He's been very helpful for us on a
13 number of projects, Oak Street, et cetera, et cetera.

14 And David also had -- he has a lot of respect from
15 the Kennewick city manager and the Kennewick planning and
16 engineering and fire department staff. He was on the
17 committee to help pick the new fire chief. So while we
18 continue with the wonderful partnership with the City of
19 Kennewick, as technical issues arise, David Robison has been
20 very efficient and effect in helping the Port of Kennewick
21 and City of Kennewick sit down and resolve many of these
22 issues that pop up in the field.

23 One of the potential new hires we might have to
24 bring on board for this is another maintenance technician.
25 You've heard my discussion of potentially moving Amber, the

1 director of that department, over, maybe backfilling with
2 one of the senior maintenance people. It might create a
3 role, either now or in the near future, to bring in another
4 maintenance technician, because over time, there will be
5 more development at Vista Field. We will have obligations
6 to people buying at the property, the citizens that are
7 using the property, that I think have an exceptionally high
8 level of maintenance. You're putting in a water feature.
9 You're putting in street trees. You're putting in common
10 areas. And I think there will be a level of expectation
11 from the community that those areas are maintained.

12 Until we form an owners' association that would be
13 funded by dues as people purchase property, until we form
14 that, we're going to be doing all of this ourselves. The
15 question is how long will that be? Will it be six months?
16 Will it be a year? We're uncertain of how long that will
17 be, so we might need to at least be thinking about bringing
18 in a new maintenance technician.

19 And in addition, when you hand over the
20 maintenance to a contracted firm, if something isn't done
21 correctly, I don't know that the public's going to call a
22 maintenance firm. They're liable to call the Port
23 Commissioner. And the Port Commissioner is liable to call
24 the manager, who then is liable to call my employees and
25 say, Go out there and take a look and see what the problem

1 is with the pump at the water feature not working. So while
2 we can contract out much of the maintenance to a
3 professional organization, I still think there's going to
4 have to be some troubleshooting. The Port staff will be
5 called upon to continue with.

6 So that's, I guess, the modestly short version. I
7 will stop here and see if the Commission has questions. What
8 I think I can tell you -- I've not put a budget to this yet,
9 but I think that we can bring the team approach in for a
10 level that is commensurate with the property manager
11 approach. I think those numbers might be roughly the same.
12 I think that we get a better product with the team approach.
13 But again, I haven't really put detailed numbers to this.

14 And again, that's one of the other reasons why I
15 am concerned about financial commitments that we might make
16 in the future going forward. Because really, if we just
17 take a number for this team approach, that's something that
18 is unbudgeted. So I would have to say to the Commission
19 that we'd have to find a funding mechanism for this. And I
20 think we'd -- hopefully, we'd want to be very approving in
21 other commitments, because I think this is a priority. And
22 I'd hate to have a really, you know, very sophisticated team
23 approach that can work, but we just don't have the ability
24 to fund it.

25 So that would be the last caveat I've thrown out,

1 as I got the detail numbers with this. And currently, we do
2 not have a budget for this.

3 So I'll stop at this point.

4 **MR. BARNES:** Questions or comments for Tim?

5 **MR. NOVAKOVICH:** I like this, Tim. I think you
6 did a really good job here. I think putting -- I don't know
7 how in the world you're going to put a budget to this, but I
8 think that would be interesting to find it sometime. I
9 really like this better than getting a single person at a
10 high level salary to bring them in from the outside to try
11 to learn how to do all this stuff. I think you've got a
12 great start on putting together a team that would do a
13 really good job for us at Vista Field. So thank you for
14 your work on this.

15 **MR. BARNES:** I think we had an excellent
16 discussion about the team approach versus project manager
17 approach at one of our recent meetings. And to me, this
18 step or this progression to the team approach is pretty
19 natural, because we're not going to go from a workload
20 that's here and, in a very short period of time, where we
21 get a significant step up. I think this will be a gradual
22 ramp up in the workload, to try to accommodate it with our
23 existing staff, with the people that we know who have the
24 capabilities and the expertise and have demonstrated that
25 they're sound, reliable people on the team, I think, to

1 elevate them into positions of greater responsibility and
2 then bring in people to help support.

3 So I support this. But at the same time, I think
4 the discussions that we had at the last meeting regarding
5 the team approach versus the project manager approach is
6 that, you know, this is a project that's very ambitious for
7 a very small staff. I think it makes sense to say that
8 we're going to monitor this situation going forward. And I
9 just think that makes a lot of sense.

10 So I think this is the logical progression. The
11 next step to take makes a lot of sense, many different
12 levels. So I support this. And I think staffing is well
13 within your delegation of authority. You're sharing
14 information about your plans and this -- and then you
15 mentioned the budget. You mentioned finances of this team
16 approach. And so I've already voiced my questions and
17 concerns about budget. I mean, that, to me -- you know, we
18 need information about the budget. I mean, we do need to
19 have that as part of these discussions. I mean, to have
20 this discussion without really knowing where we are, it's
21 useful. It's meaningful, and it's -- you know, we're
22 providing a direction to go. But I mean, kind of the
23 missing piece is the budget element. So thank you.

24 **MR. ARNTZEN:** Sure. And if I could follow up a
25 little bit, one of the things that you might hear me say

1 over and over again is talk about a paradigm shift. And
2 here's what I mean with that. Typically, the Port would
3 fund a major capital construction project every, say, 18
4 months. So we'd take our budget and we'd say, what type of
5 building do we need to build? Would it be a winery building
6 that we can lease out? Would it be a new building that we
7 would lease to the yacht club? What would it be?

8 What I would ask the Commission to consider is
9 looking at maybe a major shift in the way the Port of
10 Kennewick does business. We have a lot of properties now.
11 The buildings that we've built require maintenance and
12 operations. The ground surrounding those buildings, whether
13 it's at the wine village or Vista Field, over time, we'll
14 have 100 green acres at Vista Field that you have to
15 maintain. So I'd like the Commission to consider a paradigm
16 shift. Maybe more of our budget is moved into the
17 maintenance and operations field as opposed to building
18 another building. And I think that we might find that that
19 is a direction that we have to go in.

20 Number 1, you don't like rural government. I
21 remember when we had less employees here than we do now. But
22 as our mission grew, we had to more people. I remember when
23 I started working here, we didn't have a single maintenance
24 person. If something broke, we would go fix it ourselves or
25 contract it out. So we have grown, because I believe our

1 mission has grown. So I want to prepare the Commission for
2 looking at when we're doing our budgeting to say, we need to
3 move more money, potentially, from capital funds, from
4 building things, to people that could be maintaining those
5 things, or like in the work plan. We're going to have to
6 have some intellectual people that will help us with Vista
7 Field. So I will call it a paradigm shift, for lack of a
8 better term. I'll try to bring that up a number of times.

9 I think as we get into our new budget -- we're on
10 a two-year budget -- so when we start to get into our new
11 budget, you're going to see me saying, here's the numbers
12 that I think I need for the team approach. Here's maybe
13 where we go as we shift some funding from capital to
14 operations. But again, budgeting is clearly a policy
15 decision made by the Port Commission. So that's really in
16 your wheelhouse. And what the staff can do is bring you
17 information that might support the property decision on
18 this. But I'm just flagging it for you, that we may have to
19 look, out of necessity, at building a few less things and
20 shipping more money into the operation and maintenance.

21 But you know what? That's really not a bad thing.
22 Because sometimes the public will criticize us for using
23 government money to build something, like a winery that we
24 lease. Did they might say, Well, gee, I could have stepped
25 up and done that. In my opinion, the Port has been really

1 good at building things to be a catalyst, to say -- at
2 Columbia Drive -- we believe in this enough that we're going
3 to put a couple million dollars and some buildings, and over
4 time, then the public says, Ah-ha, we now see your vision.
5 Port, will you please back off so I can buy some property
6 and build something private sector. We're real close to
7 that at the wine village, and we're probably really close to
8 that in Vista Field.

9 So as you as Commissioners say, Hey, I'm going to
10 take some money from building things and move it over into
11 the operations side, the public might actually applaud you
12 for that. So just a number of ways to look at it, but I'd
13 like to flag that for you.

14 **MR. BARNES:** Thank you. Okay. Any further
15 discussion on this agenda topic? Oh, Commissioner Moak?

16 **MR. MOAK:** Yeah, just in response to that last
17 comment. Part of it is, though, we have rural county
18 capital funds that can't be used for -- that's one of the
19 concerns I had at the last meeting, where we needed
20 discretionary funds for a capital project because we were
21 unable to use capital project.

22 So I mean, part of it is we are also talking, and
23 at some point, we're going to go into it, and we're going to
24 be talking about what are we going to do with our rural
25 county capital? If we don't do capital projects, you can't

1 use rural county capital funds, either. So that's a
2 dilemma.

3 **MR. ARNTZEN:** And I appreciate that comment,
4 because you almost lead me right into the next memo I'd like
5 to present.

6 **MR. BARNES:** So is this the conclusion of Port's
7 comments and discussion Items A, number 1?

8 **MR. ARNTZEN:** Yes, it is.

9 **MR. BARNES:** Thank you. You know what? Let's
10 take a recess. We'll take a seven-minute recess until 4:00
11 p.m.

12 **(Whereupon, a break was taken.)**

13 **MR. BARNES:** We will reconvene this regular
14 meeting of the Port of Kennewick Commission.

15 Moving to the next item on the agenda, continuing
16 on Reports, Comments, and Discussion Items. And we have
17 Item B, Columbia Gardens Update.

18 Larry and Amber, please.

19 **MR. PETERSON:** Briefly, I want to give you the
20 timeline for Columbia Gardens, very similar format to what
21 you saw on Vista Field, although a few less tasks on the
22 list.

23 Here we go. Columbia Gardens, we have some
24 construction that we're finishing up. We've actually
25 received the certificate of occupancy for the building. We

1 will look to bring a final resolution to you as a contract
2 authorized by the Commission that requires Commission
3 acceptance. That follows the "as built" process in the City
4 accepting a few details and the punch list process. We look
5 to bring that to you in the late part of March. The double
6 XX in green on the top row is the construction that's
7 complete. But there's still a little bit of paperwork that
8 goes with the process before we bring that for the final
9 completion of the construction.

10 And indicating right below that, although Amber
11 has some update on the tenants, especially the day they move
12 in, doesn't mean we're done with them, especially with a new
13 building. So we're allocating some time for the tenants to
14 get used to the space that they're inhabiting.

15 Next item is a bathroom shipping container that
16 was included in the budget, an 8 by 20 shipping container
17 that formed the bathroom down at the Columbia Gardens
18 adjacent to the food truck area in that industrial field,
19 where we're using that shipping container. That's more of a
20 process than a policy question. Those policies questions
21 were made when the budget was fixed 18 months ago.

22 Then the next batch are the similar discussions
23 that we had in Vista Field of a property owners'
24 association, or some mechanism, to fund the maintenance of
25 that private street. We don't have such a critter on Clover

1 Island as the land leases or the revenue stream to fund the
2 snowplowing, the covering of the costs for a light
3 illumination. But when we have the land sales at Columbia
4 Garden, the one-time revenue, how will we continue that
5 through the dollars necessary to maintain that Columbia
6 Gardens Way, as it is not a City street? It has the non-
7 City requirements of Clover Island, but without the long-
8 term revenue of land leases as sales are candidates. We need
9 to talk about that mechanism, a simpler machine than what
10 we're looking to incorporate at Vista Field is the concept
11 we're working with now.

12 Architectural Considerations. We have two
13 buildings of different styles down there. They share a
14 metal roof, but we have a 20-foot-wall stucco, more of an
15 industrial feeling building for the wine tasting facility,
16 the wineries that were created in 2017, and then the brand-
17 new tasting room building that has a cabin feel, more of a
18 craftsman type small home design. What is our criteria when
19 we go to market those sites? What should we be telling the
20 users that they should or should not have the buildings look
21 like? What's the pricing? And the real estate commission
22 policy piggybacks what you have at Vista Field. When we're
23 discussing the overall change, if any, of that commission
24 policy, what would be the application to Columbia Gardens,
25 and then the creation of some marketing materials and

1 getting the properties out to the private sector for their
2 input.

3 So similar timelines and tasks before we get to
4 that marketing phase, as we're showing generally in, I
5 believe, August of this year. So there's a few steps to
6 answer, a little quicker than Vista Field, still some
7 similar questions answered. How much? What do you want it
8 to look like? What might be some of the uses, as we have
9 that same urban mixed use zoning that has quite a bit of
10 flexibility. We have some questions to bring back to the
11 Commission. And again, we'll bring it to you in bite-sized
12 pieces, modifying taking the input we receive and bringing
13 that back to you.

14 Different team members on this. We're proposing
15 the Appraisal Group Northwest to help us with some pricing,
16 and O'Day's & Associates, who's helped us with the West
17 Richland racetrack site, to help pull some of the
18 architectural and property owners' association ideas
19 together for us.

20 That's it for the timeline. And I can turn it
21 over to Amber.

22 **MS. HANCHETTE:** Thank you, Commissioners. Did you
23 have any -- pause right here -- any questions for Larry on
24 the timeline?

25 **MR. BARNES:** I don't see the timeline in my

1 packet; is that correct?

2 **MR. PETERSON:** This timeline was not included in
3 the packet. Vista Field was the focus. That was an
4 opportunity, since it was created, to share where we're at.

5 **MR. BARNES:** Thank you.

6 **MS. HANCHETTE:** Very good.

7 **MR. MOAK:** I have one question on the timeline. I
8 remember the public asking when the dedication was going to
9 be for the tasting room building?

10 **MS. BADER INGLIMA:** We don't have a date yet.

11 **MR. MOAK:** What labor are we looking? Is that a
12 spring thing? Is that a --

13 **MS. BADER INGLIMA:** Well, I don't want to steal
14 Amber's thunder. She'll give you an update on tenants. And
15 then once we have that information, and they know kind of
16 where they're settled in, I'm going to need to coordinate
17 with the City and the County and the Port and all of the
18 folks that made investments in that, and then work with the
19 wineries and come up with a date.

20 The conversations I'm having with them, it looks
21 like maybe March or April.

22 **MR. MOAK:** Okay.

23 **MS. HANCHETTE:** So with that, they are very
24 excited to move in. We now have two signed leases for each
25 tenant. They have their keys. And today, they are both

1 moved in, by this time of day. They're bars. So we have a
2 lot of excitement going on.

3 The contractors are probably 90 percent finished
4 on the punch list. I met with them and our architect
5 yesterday to walk through the punch list. They're doing to
6 a good job. They've got a few odds and ends still to do.
7 They're looking forward to getting that wrapped up, also.
8 But the tenants are both marching forward. So yes, they
9 posted on their social media.

10 Cave B has on there that they hope to start some
11 soft openings the first of March. They have been both
12 planning, for quite a while now, on purchasing whatever
13 equipment that they need, getting their permits in place.
14 Gordon went down, and I think she's already put in -- Amanda
15 McBride is their tasting room manager. So she is taking the
16 lead on a number of items for them. Linda Moran is going to
17 be the tasting room manager for Cave B.

18 So both tasting room managers are doing quite a
19 bit of the work to get ready, get the product in, get the
20 furnishings in, get their utility accounts set up, because
21 it's a new building on a new road. So we're having a few
22 challenges with making sure everybody knows what the
23 addresses are. But like Larry said, we'll be working
24 through all of the growing pains of getting a new tenant
25 into a new space in the next few weeks.

1 So it's looking really good. It's looking really
2 good over there.

3 **MR. BARNES:** Okay. Thank you very much. Questions
4 for Amber and Larry?

5 I just want to say thank you very much. This is
6 an exciting step. I had occasion to try that function. I
7 had occasion to speak with some of the folks from Gordon
8 Brothers and they were really, really excited about the
9 prospects of getting in, getting established, and getting up
10 and running. So thanks for all that work. I really
11 appreciate it.

12 **MS. HANCHETTE:** And they are very grateful to the
13 Commission for such a beautiful building and a quality
14 space. I mean, they have thanked us over and over again for
15 the opportunity and such a great location.

16 **MR. BARNES:** Okay. Moving on. The next item on
17 the agenda, Item C, the 20190-2020 work plan memo, Tim,
18 please.

19 **MR. ARNTZEN:** Thank you. I will try to be brief.
20 I know we're kind of going long with this meeting. For the
21 public's sake, the Port Commission has a two-year budget,
22 and we also do a two-year work plan that dovetails with the
23 budget. So if you see a line item in the budget of X, Y, Z
24 building, you would also see a narrative in our work plan.

25 The work plan is, I would say, a highly functional

1 document. It's maybe 20 pages. It's produced by our
2 planner. And Larry, I don't want to hurt your feelings.
3 It's a highly functional document, but it just doesn't look
4 very pretty. It's not something that you hand out to the
5 public and say, Oh, my gosh, this is great, look at all the
6 pictures, look at the pictures in there and the lighthouse
7 and all that.

8 So what we wanted to do was to make some
9 suggestions to the Commission on how we could maybe revise
10 our work plan, so not only can it be prettier, and there can
11 be a summary version that Commissioners can take with them
12 and hand out to the public that would be not only helpful to
13 the Port staff, but useful to the public, so they can look
14 and see, Okay, here's what the Port's up to for the two-year
15 budget cycle.

16 So I think the Commission did agree on that point.
17 They said, Sure, we like the fact that we'll make it
18 prettier. But rather than making the 20-page document,
19 maybe sift it down so you have an executive summary that is
20 a pretty document that Commissioners can take and hand out
21 to the public. So more in the line of transparency. So
22 when you see Commissioner Barnes at an event, as he's Port
23 President, he could have a pocket full of these and hand
24 them out to the public. So I think that's the first thing
25 that we agreed on.

1 And then some of the other things that we talked
2 about and hope, from manager to Commission, is that what I
3 tell you today makes sense. We can kind of maybe say, this
4 is the last really in-depth look at the amendment to the
5 work plan. I'll take your comments back, and then we can
6 come back, maybe at the next meeting or the meeting
7 thereafter, with the resolution so the Commission can say,
8 Yeah, the eight or nine things that Tim presented are the
9 things that we want to do. Let's pass a resolution saying,
10 Please amend the work plan. So it would be the second year
11 of the two-year work plan the Staff is suggesting might be
12 amended. And then we could have that going forward.

13 The public might say, Well, why are you amending
14 the work plan? You have a two-year budget. You have a two-
15 year work plan. There have been some changes that have been
16 upon us, some fairly major changes. One is that the Port
17 Commission received an offer to purchase 93 acres of
18 property down in West Richland. And that was really nowhere
19 on our radar screen. But we pursued that one. It took a
20 number of months to follow up with. So we now have a work
21 plan that talks about a 93-acre piece of property we no
22 longer own. We have a substantial amount of money that has
23 been pledged for the payment of that property. So that
24 could affect our budget as well.

25 So there's been some changes along the way. And

1 I'll work through what I think are the major elements of the
2 work plan, suggest the changes that I would make. And I
3 want to remind the Commission that you saw this for the
4 first time on December 10th. We find of kind of walked you
5 through it. So the topics are pretty much the same. I'm
6 not going to repeat maybe what we concluded in that first
7 meeting. But with my memo, I've taken and highlighted and
8 bold-faced what I think were comments that staff has
9 received from the Commission subsequent to that time. So
10 I'll just focus on the things that I think we're going to
11 potentially change.

12 The next point beyond just what the appearance of
13 the work plan would be is I am to report to you on the
14 waterfront master plan. And I see that as a separate agenda
15 item. So I'll just tell you briefly here, and when I get to
16 that, I might tell you in a little bit more detail.

17 Briefly, Staff is going to be working with Maker's
18 Architecture, the planning firm that would help us with the
19 Clover Island master plan to enhance the scope of work. I
20 think Commissioner Moak was the primary advocate last
21 Commission meeting for, can we expand the master plan to
22 talk about the wine village area. I think, actually, we
23 talked about Columbia Drive and creating a segue into
24 Downtown Kennewick. So that's the change that the Staff
25 would propose for the Clover Island master plan, the

1 waterfront master plan. If I could, I'd like to address
2 that as the separate agenda topic.

3 The next item in my memo related to the amendment
4 of the master plan, Duffy's Pond. Initially, we reported --
5 well, let me back up. The real concern, the thing that we
6 had to fix with Duffy's Pond it is -- well, in the picture
7 you see here, the pond is, I guess facing the screen, the
8 right side of the screen right by the winery buildings. It
9 would be the north. It's a shallow pond. It's a Corps of
10 Engineers drainage pond.

11 Over the years, the Port, working with the City of
12 Kennewick, with State and Federal agencies, have cleaned it
13 up. It's now a pretty nice-looking pond. It used to have
14 car bodies in it, junk thrown in it. It's now a really neat
15 wildlife area. The City has built trails along it. But
16 there's one problem. It is such a shallow pond, and it
17 creates a lot of algae that gets on the water, primarily in
18 July and August. When the algae dies, decays, it has a
19 negative odor. Then you're out there drinking wine, and you
20 say, Gee, what's that interesting smell? That's the issue.

21 Initially, Staff looked at it, and we talked with
22 consultants that really know their business. We were told
23 that you have to create additional water depth, about two to
24 three feet in that pond in certain areas so you can have
25 aeration. That would solve the algae problem. That was the

1 traditional approach. And when we talked to the Corps, when
2 the term "dredging" comes up, you can't believe the number
3 of impediments that come out.

4 I initially reported to the Commission, I said, I
5 really think that this is a non-starter. And I remember
6 Commissioner Barnes said, Well, I get it, but are there
7 other things that we can do in the interim? Since then,
8 we've had a walkabout, as they say, around the pond with
9 State, Federal, City agencies. There has been a
10 reconsideration on the part of the Corps of Engineers to
11 perhaps allowing the Port and the City to use natural
12 herbicides. We used those in the harbor to treat the
13 milfoil. I think the City of Richland does it as well.
14 Occasionally, you can treat the milfoil in the river in an
15 environmentally safe method. Well, the Corps told us if we
16 wanted to try to get permits to do that to the pond, it's in
17 a different category, and that is at least a four-year
18 backup of getting approvals to potentially use these natural
19 herbicides.

20 We think that there might be some positive
21 development on that. So if we could continue to pursue
22 that, we might be able to come back to the Commission and
23 say, If we all agree that the problem was the awful smelling
24 water in July, August, and September, if we agree that was
25 the problem, we believe we have a fix for that. It's going

1 to be probably a magnitude of 10, 20, 30 times cheaper, and
2 it might be something that can be done yet this year, rather
3 than waiting for many, many years of permitting.

4 So we think -- we're not sure yet, but we do think
5 that there's enough information so we might take
6 Commissioner Barnes' suggestion and say, Hey, redefine the
7 objective slightly, and then see if we can pursue that. I
8 believe the Commission said, if that's the direction the
9 Staff goes in, why don't you go talk to the tenants up
10 there, the winery people, the food truck people, and ask
11 them what types of things can we do for a modest investment
12 to make their businesses better, to make it more attractive
13 for the public.

14 So I guess this is where I want to pause and say,
15 Commission, if you want to slightly modify this goal and
16 toss it back out there, taking the comments that I heard
17 from you a meeting or two ago, I do think that this could be
18 reshaped and be made viable. The only thing I can tell you
19 is I don't ever think we're going to get to dredge that
20 pond. But if we say, what was the real problem we were
21 trying to solve, it was the stench of the pond.

22 So I guess I'll pause. My recommendation would
23 be, like I said, repackage the goal, with the comments I
24 heard from the Commission, with the potential willingness of
25 local, State and Federal agencies to allow us to pursue an

1 alternate course, throw it back out there and let us go
2 after that one.

3 **MR. BARNES:** Commissioner comments? Commissioner
4 Moak?

5 **MR. MOAK:** I agree. I think as you talk to more
6 people, and you said I would get a different feel, it sounds
7 like there might be a better way to do things. But you
8 know, I also have a concern. You know, there's branches
9 that have fallen down into the pond, and other things, other
10 than this stench. You know, is any of that able to be done
11 and cleaned up in just the whole general area around the
12 pond?

13 **MR. ARNTZEN:** Well, I'll answer your question in
14 this fashion. Ironically, the agency, the State agency that
15 said, Yeah, you can cut some of this brush down that is
16 blocking the view, you can do that. It was a huge approval
17 from an agency, because normally if you go -- -- there's a
18 guy in Pasco that cut a tree down in front of his house to
19 get a better view of the river. They said, No, now you've
20 got to go plant two more trees in front of that. Those are
21 the people that tell you can't cut any of the brush.

22 Hannah and Amber got them to approve us cutting
23 some of the brush so we could enhance the views. But they
24 said, Now you throw some of that into the pond to create
25 wildlife habitat. So I think the short answer is probably

1 not.

2 **MR. MOAK:** Thank you.

3 **MR. NOVAKOVICH:** I think it's great, Tim. I think
4 it's a matter, though, do we have the resources to allocate
5 to that, both Staff time and financial.

6 **MR. ARNTZEN:** Well, I'm going to answer yes,
7 because it was initially put out there as a goal. And I've
8 had great support from my staff members. So basically, the
9 short answer is, yeah, it's been a goal. It looks like it
10 might still be a goal. So there would be no new allocation
11 of resources to this one if we wanted to stay on the list.

12 **MR. NOVAKOVICH:** I think it's great. I think we
13 ought to keep it on the list.

14 **MR. BARNES:** And I appreciate -- I mean, this is
15 encouraging to hear that there -- the problem was
16 identified, kind of the traditional way of addressing that
17 problem involved the D word, "dredging." That's not
18 palatable to the Army Corps of Engineers, but if there's
19 another way to address the problem, then, yeah I would
20 support that.

21 So thank you very much. This is encouraging to
22 hear this. And if we can, you know, keep this on the list,
23 continue to, you know, look for ways that work within our
24 budget and within our resources, look for ways to enhance or
25 improve Duffy's Pond, that's a win for the community. That's

1 a win for the tenants that are there close by. And that's
2 something the staff can be proud of and take credit for.
3 It's well deserved.

4 **MR. ARNTZEN:** Thank you. Then we'll go ahead and
5 keep it on the list. And again, I was to the point of
6 personally being very frustrated with this. But Tana and
7 Amber primarily plowed ahead with this. And when I was
8 about ready to just give up and say, We can't do it, these
9 two people kept the pressure on, and we got that. It was
10 almost like a Hail Mary Pass that was actually completed in
11 the end zone. So I give credit to these two to just get
12 this as a possibility going forward.

13 So we'll amend it and keep it on commission.

14 Thank you.

15 Moving ahead, for the sake of time, the next one
16 is the Vista Field calendar. I don't know that we need to
17 go into a lot of information here, because I think Larry's
18 done a very, very exemplary job of providing a very detailed
19 calendar. So I think just the point of this memo would be
20 that we're going to continue to bring you calendar items
21 related to Vista Field, and probably decision-making items
22 along the way as well.

23 So I'll go to -- the next item on my memo of
24 potential modifications to the work plan would be the Vista
25 Field Hangar remodel. I know we've talked about it many,

1 many times, some way in the past, some recently. And here's
2 what I think I've heard from the Commission. I believe
3 there was a consensus that this appears to be a good
4 project. There's a lot of unknowns with it. And here's
5 what I would propose.

6 I would like to see if the Commission would like
7 to add this as a goal. I have mechanisms in place to pursue
8 it. What I would like to do is work with a contractor. One
9 of the people on the DPZ team is willing to come in and help
10 us with this. What I'd like to do is have him sit down with
11 the Commission and say, What do you think the hangars ought
12 to be? Restaurant? You know, black box? Whatever. And
13 then take that vision, talk to the public, work through the
14 whole process of figuring out what these hangars might be,
15 what engineering -- architectural engineering might need to
16 be accomplished, what a budget might be.

17 So this is something we have talked about. I
18 think, really, the only difference between now and when I
19 brought it to you earlier is I did hear from Commissioner
20 Barnes that there's interest in the opportunities zone, how
21 can that potentially dovetail in.

22 So what I'd like to do, is if the Commission
23 approves of this, I'd like to maybe cost the opportunity to
24 go in and build an element in here, and maybe not
25 necessarily in the hangar project, but the discussion did

1 come up with on the hangar project. So I want to say that I
2 think does need to be addressed.

3 So with this one, I would like to see if the
4 Commission would like to have us, you know, put our foot on
5 the gas pedal and get this information in front of you so
6 you know everything about those hangars, what they should
7 be, what they could be. There would be discussion from the
8 real estate community, from the business community as to
9 their impressions of what they could be. Because what we've
10 heard loud and clear is creating vibrancy. And a
11 development is really the next step right after putting the
12 infrastructure in.

13 So I would suggest that we formally add this as a
14 goal. I can sit down, and the contractor I'd like to bring
15 on board is David Robison. It would be a fairly significant
16 project. Like I say, The first thing he'd do is sit down
17 with the Commissioner, talk about your visioning. And we
18 can move it forward.

19 The objective would be to get, potentially, a two-
20 year plan, 2020, of doing all of the renderings, th
21 eestimating of the budget, working with finance to find out
22 what the available sources of funding would be. Commissioner
23 Moak, this is coming back to your comments related to rural
24 county funding. I think that's a natural funding source for
25 this. And then, potentially, in 2021, start building these

1 things.

2 So I'll pause here. I think that the Commission
3 has heard this a number of times, so it's not a new
4 discussion. But I just want to see formally if this is a
5 direction we want to go in. I do have David Robison ready
6 to go on a contract, if that's a direction we'd like to go
7 in. It would be a fairly involved process, so that's why I
8 want to make sure that we're ready to do it.

9 Now, I can expect a question from Commissioner
10 Novakovich asking, Do you have the staff, time, and the
11 resources to do it. The answer, they don't have the staff
12 time do it, but David Robison has the ability to take on
13 some bite-sized chunks from us. So I have talk to him about
14 it with Larry, and I think that would be a question you
15 might ask. I'd say at the staff level, we probably don't
16 have the ability to do a lot of it. We could do 20 percent
17 of it. That's where sometimes you backfill in with the
18 contractor.

19 So I'll pause and see if this is something you'd
20 like to officially get on the radar screen.

21 **MR. BARNES:** Well, if I could take the lead here,
22 this opportunity zone designation is very intriguing to me.
23 And I think I voiced that before. The challenge to me, from
24 the Port perspective, the challenge is to know what
25 improvements to make to these hangars. If we're going to

1 sit down with a very competent capable guy like David
2 Robison to try to design a set of tenant improvements for a
3 specific business and then try to find that business, I
4 think that's a little challenging, not really knowing -- I
5 mean, we could make a decision about what business we want
6 in there, and then kind of design the basic improvements
7 that would fit that business.

8 The thing that I like about the opportunity zone
9 possibility is I don't think it would take as much of our
10 staff resources -- that is in time. But it has some
11 tradeoffs. If we're going to go the opportunity zone path,
12 a sale to the private sector might be in order where the
13 private sector would be able to take advantage of these
14 opportunity zone benefits, or a long-term lease, just of the
15 building in its current condition to the private sector.

16 But the private sector would bring their idea. The
17 private sector would bring specific tenant improvement
18 requirements that would meet their business needs. It would
19 take a lot of the guesswork out of it from our side of the
20 table.

21 So I'd like to continue to -- you know, at the
22 same time, I may be outvoted 2 - 1 on this, and so -- but I
23 just want to voice that possibility with the opportunity
24 zone. If we're going to design something for a possible
25 tenant, we have to know exactly what that tenant needs. If

1 you turn that around and say, We have a box here, it's an
2 old hangar, bring us your idea, bring us your proposed,
3 either long-term lease rate, or if you need to acquire it --
4 I don't know if the Port would need to sell it -- but then
5 we'll work with you on these tenant improvements.

6 Those tenant improvements, the uncertainty of what
7 those are, will be removed, because the tenant knows exactly
8 what they would need to make their business successful
9 there. And then we may have a selection or a choice to make
10 between two or three -- you know, a number of proposals from
11 possible end users there, as opposed to trying to do it
12 ourselves and then going and finding the one that fits the
13 improvements that we made.

14 **MR. ARNTZEN:** I think, Commissioner Barnes, the
15 way I would answer that is I'm not an expert on opportunity
16 zones. I know Amber has done more work on it than any of us
17 here at the Staff. What I would tell is within the
18 parameters of what we might be asking David Robison to do,
19 to fold some of that analysis in. And the reason why I'm
20 bringing up opportunity zone under the hangar discussions --
21 because I think that's initially where you brought it in,
22 because that kind of project to project made the most sense.
23 When I get down to the next bullet point on my memo, the
24 rural county analysis, I think maybe that's why where we
25 tuck the opportunity zone analysis in, because in my mind,

1 it is -- I don't want to say primary -- but it has a lot of
2 financial components to it.

3 So should the Commission say, Tim, get your
4 finance people to look at the rural county analysis, that's
5 where I would dovetail the opportunity zone analysis, but
6 yet recognizing that there does need to be some analysis of
7 it in the hangar project is as well.

8 So it's one of those things. The opportunity
9 zone, I think, needs to be split up in and stuck into two
10 future projects going forward. So I guess the way I would
11 answer it is should the Commission say, Yeah, go do the
12 hangars, and of the next one, Yeah, we need an analysis of
13 the rural county funding, I would then say to the Commission
14 that, Your opportunity zone analysis will be conducted as
15 part of those two projects. And I really don't know, at
16 this point, which one it fits in better with with. But I'd
17 also have to tell you, it may not be as in-depth analysis as
18 you want, Commissioner Barnes.

19 You know, pricing on, Gee, David, I'm going to pay
20 X amount, and I need you to -- you know, I'm not sure what
21 his deliverables would be, or if we tucked it into the
22 financial component. But I can tell you that it would be my
23 plan to do a reasonably thorough review of the opportunity
24 zone analysis. Again, it may not be to the level that, you
25 know, you think we need to do. We could potentially enhance

1 it.

2 But I guess where I'm starting from is we haven't
3 really done anything on your request for opportunity zone
4 funding. So I think this would be a chance for me, as
5 manager, to say, Commissioner Barnes, I hear you loud and
6 clear. I think we can put it in there as a scope of work
7 for somebody.

8 **MR. BARNES:** One thing I know about opportunity
9 zones is that I know I don't know very much. You know, I
10 can't sit here and tell you even what I would like to see,
11 because I think it's still evolving. And you know, some of
12 the specific things that you have to do to take advantage of
13 this are still being determined. So I know I don't know
14 what I need to know. But the concept, seems to me, to be
15 something maybe worth looking into.

16 **MR. ARNTZEN:** Commissioner Moak?

17 **MR. MOAK:** Thank you. I guess what's expected of
18 the opportunity zone, to me, it's up to the developer and
19 the buyer of a property to decide to use the opportunity
20 zone. I mean, it's to the owner for whom that tax benefit
21 would derive. I mean, so to me -- let's say we decided to
22 sell, you know, or we put out an RFP for these hangars that
23 we want a developer to kind of give us their ideas on what
24 should be these -- what we'd like to put in these hangars.
25 And we work with them on that.

1 I mean, I think it's for them to decide if they
2 want to utilize the opportunity zone and the tax benefits
3 that come with that, and probably all the paperwork that
4 goes in order to get there, and not for the seller or for
5 us. So I guess my feeling is, I mean, it's in the
6 opportunity zone. It's for them to see that and to kind of
7 do that. To me, it would be for us as to whether we wanted
8 to offer this to the private sector for them to purchase
9 them, rather than keeping them in our own portfolio. You
10 know --

11 **MR. ARNTZEN:** Thank you for this opportunity. And
12 I think the discussion between the two Commissioners leads
13 me to believe I'd like to at least stick a toe in the water
14 on this, because I can't say which one of you is right. I
15 don't know that Amber has enough information. So what I'd
16 like to propose is we maybe do a cursory review, because
17 Commissioner Moak, you might be entirely correct. But I
18 can't tell you that at this point.

19 So if we look at the hangar project and the rural
20 counting funding analysis, I think we can slip the
21 opportunity zone analysis in there and just pick a number,
22 say, maybe for three or \$4,000, we can get somebody
23 competent on this to write us a two-page memo that might
24 answer all a lot of these questions. Because I think you
25 two, the comments I've heard from you, really demonstrate

1 the reason why I might need it as a manager, because I can't
2 respond in an intelligent manner to you on that one.

3 **MR. MOAK:** And I know as much about opportunity
4 zones as Commissioner Barnes, probably.

5 **MR. BARNES:** I really appreciate your comment. I
6 mean, the opportunity zone won't -- I mean, the Port doesn't
7 pay income taxes. The Port already owns the land. I don't
8 think the opportunity zone tax benefits accrue to the Port,
9 from my understanding. So I mean, it's a great point that
10 Commissioner Moak makes, why should we be spending a bunch
11 of time and effort trying to understand this. But at the
12 same time, all of Vista Field is within an opportunity zone.

13 To have some general understanding of what those
14 benefits might be -- I mean, might be, not to dive in and
15 become experts and know every intricate detail of it, but to
16 have some general idea of how these could benefit to the
17 people we'll be doing business with, I think would provide
18 us --

19 **MR. ARNTZEN:** If I was just asked off the cuff
20 here, I would say I don't think it's going to help us much
21 on the hangar remodel. But I think the analysis might help
22 you for the properties that we have for sale next to the
23 hangars, where you could have a memo where you could hand it
24 to the builders and say, if you haven't already checked with
25 your tax people, here's something that might be very

1 beneficial.

2 So like I say, it may or may not help with the
3 hangar project, but it might be a question that we want to
4 ask sooner or later. And I think if the Commission says, go
5 for it on the hangars, go for it on the rural county
6 analysis, I think that's really easy to slide in there, to
7 have that analysis done. Because great questions. I mean,
8 that's the crux of the debate. Will it be helpful to us or
9 not. And I don't know the answer to that.

10 **MR. MOAK:** I do think that the hangar development
11 and redevelopment is an important factor in the vibrancy of
12 Vista Field. So certainly, I do want to see work done with
13 the -- that's why I asked where is the private sector. The
14 thing that troubled me a little bit was on Larry's chart,
15 which said we weren't going to even start talking about that
16 until October, the way I saw that on your chart, which the
17 hangar remodel was not until October.

18 Is that correct, what I read?

19 **MR. PETERSON:** The items for hangar, the policy,
20 direction, and scope, were suggested we actually touched on
21 today, and given a Commission decision on direction by May
22 12th. So it's a focus of February through July, again, in
23 trying to answer those questions, what's going to happen
24 with the building before we went out --

25 **MR. MOAK:** I misread that, then. Thank you.

1 **MR. NOVAKOVICH:** If I could say something. I
2 think the question here is do we keep the Vista Field hangar
3 remodel as a goal. And I think we need to. And I think
4 Commissioner -- I think Tim probably summed it up the best,
5 is yes, we keep it as a goal, and we look at how we do that.
6 We look at rural county capital funds in the opportunity
7 zone and give us some feedback on it. But I think the
8 question that he had was do we keep it as a goal. And I
9 think, from what I'm hearing, the answer to that is yes.

10 **MR. ARNTZEN:** Thank you, Commissioner. I think
11 this gives us a perfect segue into the next topic, rural
12 county capital fund strategy. And for the public, that's
13 economic development funds that were generated by a .0809
14 tax assessed against -- I guess passed through to Benton
15 County. There are surplus funds in there, and Benton County
16 has graciously agreed to broker it out to jurisdictional
17 partners, including the City of Richland.

18 The Port of Kennewick has been successful i
19 applying for some of these funds for some of our development
20 projects. I think we used some o the wine village and some
21 of the infrastructure there. I get a kick out of this,
22 because at staff meetings we say, I'd really like to know
23 more about the rural county fund. And Larry, my planner --
24 he's my finance guy -- says, how much money is in there. And
25 the reason why I like that is it should be a very simple

1 question, but it's not. And I'll tell you why. Because we
2 have, quote, unquote, pledged some Port of Kennewick funds,
3 \$500,000 along with \$500,000 matching funds from the City of
4 Kennewick. So Councilman Alvarez, maybe we could -- we have
5 pledged a total of a million dollars for the infrastructure
6 at the Willows property, and that was based on a potential
7 end user that we had. I think it was based on getting the
8 Federal ADA grant, which we didn't get.

9 So there could be a million dollars out there
10 floating around, and we might say, Well, what's the status
11 of that? And that's where I kind of get a chuckle out of
12 there, because it's there, but it hasn't been officially
13 approved by Benton County. It's been identified. And so I
14 think the question would be -- that I'd like to be able to
15 report back to the Commission -- can we get that funding
16 back. I think the answer is yes. But then we need to go
17 talk to our development partner, City of Kennewick and say,
18 Hey, Marie, we want our money back, and Tim's got a great
19 idea, we'd like to have your money, too, for economic
20 development. That's where we're going with it. And Marie
21 probably suspects that.

22 Those are some of the questions why I can't just
23 tell you how much money we've got in our account. Another
24 interesting one is we utilized some creative financing for
25 the City of West Richland when we sold the racetrack

1 property. They were going to pay us with some cash, and
2 they were going to pay us with a pledge of some of their
3 future rural county funds. And when we went to Benton
4 County to explain this, the County Commissioner said, yeah,
5 you can do that, but we're not going to officially say you
6 can do it right now. We want to wait until we see another
7 award winning application, Port of Kennewick, on something,
8 and then we'll confirm that you can do it.

9 I believe the County said, Tim, what kind of an
10 application might we see? So when they put me on the hot
11 seat in front of the County Commission, I said, Well,
12 potentially the Vista hangars. And that seemed to resonate.
13 So that's why I get a chuckle, because my planner's right.
14 There should just be, Nick, tell us how much money we've
15 got. But Nick and I are correct as well, because which
16 category? You know, how many tin cans in the backyard to we
17 got to go dig up to amass our funds, kind of, you know,
18 colloquial speaking.

19 So the money's there. The other interesting point
20 is if at some point people stop coming through from the
21 County, we need to be aware of that. So I'd like to ask the
22 Commission to consider authorizing us to do an analysis of,
23 how much money, you know, past, present and future? How
24 much money have we received that is kind of somewhere out
25 there that's maybe being allocated to projects that are no

1 longer feasible going forward? How much money do we
2 currently have in our account? And then how much money
3 might we likely get from City of West Richland? How much
4 money might we likely get, provided the program continues on
5 to its end date, which is in a couple more years.

6 And then, the interesting part is where might
7 those funds be utilized. So I think that's where I'd like
8 to go with the rural county analysis. I mean, it does get a
9 little bit complicated when we talk about the whole
10 parameter of it. And then also, remember, we're going to
11 tuck in a little bit of analysis on the opportunity zone. So
12 that's what I'd like the Commission to consider, to give me
13 the authority to direct staff, to get in Nick and say, hey,
14 we need to move you over here to do some of this stuff. And
15 Commissioner, you're going to ask, Hey, do we have the staff
16 who can do it?

17 This might be a little bit of a stretch for us,
18 but I think we have to do this it this way. Because there's
19 going to come a day, and it might be soon, where Benton
20 County says, we're turning the tap off on this funding. So
21 this might be one where I say, I'm going to have to pull
22 Nick off of some other projects and put him on this one,
23 because that's how important I think it is.

24 So I'll pause here and see if you have questions
25 or comments related to this. Remember, the way I look at

1 it, I think the hangar remodel, and the rural county funding
2 probably go pretty well together, because if I were asked,
3 where do you get the money for the hangars, assuming we
4 don't have rural county funding, I'd say, I don't think we
5 have it. So I think these two really need to be discussed
6 together.

7 So I'll pause at this point.

8 **MR. BARNES:** Commissioners, questions? Comments?

9 **MR. NOVAKOVICH:** I'd just comment to you about
10 that's a proper allocation of resources to do that. So
11 yeah, I appreciate the way you're thinking about that. I'm
12 totally in favor of that move.

13 **MR. BARNES:** Commissioner Moak?

14 **MR. MOAK:** Yes, thank you. I think, also, that
15 isn't it that only a certain amount of funds can be expended
16 in a given year or given biennium, or whatever, that you
17 can't -- I mean, you can't take a whole bunch and spend it
18 tomorrow, right? I mean, you have to have it spread out
19 over some years or whatever?

20 **MR. ARNTZEN:** Well, I'll ask Nick to correct me if
21 I'm wrong. But I think, let's just say we identified that
22 we have \$3 million in there from past accruals to what we've
23 got now. I think we can spend all of that. And so I don't
24 think if you only accrued \$400,000 in this calendar year,
25 you can only use that. I think you can bank it up. And

1 I'll defer to Nick on that.

2 **MR. KOOIKER:** Yeah. No, I think you're correct.
3 I've never heard that. That's a first for me.

4 **MR. MOAK:** But you can't -- I mean, isn't that a
5 seven-year span or whatever, that it was going to be?

6 **MR. KOOIKER:** Maybe what you're thinking is you
7 can't use future revenues.

8 **MR. MOAK:** Yeah.

9 **MR. KOOIKER:** So you can't go to the County and
10 say, Hey, we have \$500,000 today. We want to do a million
11 dollar project, because they're going to say, well --

12 **MR. MOAK:** So you can't do everything. I mean,
13 you've got to spread it out, to a certain extent, over the
14 seven years. And at some point, that does expire, whether
15 the County takes it away from us or not. But at some point,
16 they're not replenishing that money. Is that right?

17 **MR. ARNTZEN:** That's absolutely correct. At some
18 point, the money will cease coming in. And I used to
19 remember that date, but I forget a lot of things. So I
20 believe once there's no longer funding coming in, it doesn't
21 mean if you haven't used it by that time, it goes away. I
22 think there can be some grace period to use it. But I don't
23 want to put too much on the record, but these are rural
24 county funds. We're not rural counties any more. So again,
25 I don't want to put too much on the record.

1 But there's a lot of things out there where I
2 think it would behoove us to go through and say, how much
3 money do we have, and where could we use it in a relatively
4 short time frame. Because, you know, all good things come
5 to an end.

6 **MR. MOAK:** It certainly will. I mean, we have
7 depended on that. I mean, we couldn't be doing a lot of the
8 things we're doing today if it weren't for the rural county
9 capital, from ours, as well as from our partners at the City
10 of Kennewick who has contributed some of theirs to our
11 project. So we're just very fortunate to have been able to
12 utilize what we have, and that we've got great projects that
13 we want to use it on. That will be gone at some point. And
14 I think understanding what we can do with that and when is
15 kind of really important.

16 If you're thinking about, Okay, we've got to shift
17 more money into operations and capital, and you were
18 deferring capital and trying to look at where -- then maybe
19 you have \$1,000 this year, or \$2,000 or \$2 million, or
20 whatever it is in 2024, or whatever, then that's when we are
21 going to do X project. I mean, I think there's a lot of
22 thinking that's going to have to go into what we do, when we
23 do and how we do it.

24 **MR. ARNTZEN:** I agree. You've delivered the
25 second half of my speech, is that, it's not just going to be

1 Nick showing you a spreadsheet. I think there's going to be
2 a lot of thought put into this.

3 **MR. BARNES:** So I agree with the comments made
4 earlier. I think this would be a good thing to pursue, to
5 get some solid projections as to what might be available
6 through the RCCF. And we can have better plans once we have
7 that information.

8 **MR. ARNTZEN:** Thank you, then, Commission. What I
9 will do is I will move to getting this to the Commission to
10 implement. Because what I saw today isn't, you know,
11 consensus to do this. What I will do is type this up in an
12 easier format that we can look at. Maybe I'll do a
13 resolution. And then we can have this resolution formally
14 amend the work plan, if that would be acceptable. I want to
15 bring it back to you in a formal document that you can see a
16 line by line of what we think we agreed to today. Is that
17 fair?

18 **MR. BARNES:** Is the work plan a resolution to be
19 adopted, so therefore, we would need to officially amend it
20 through a resolution?

21 **MR. PETERSON:** I don't want to jump in front of
22 the attorney here. The work plan was adopted by resolution,
23 and that is the guiding document to look -- so if there was
24 to be a change, it would seem that a resolution would be
25 appropriate.

1 **MR. BARNES:** Excuse me, please. This memo that
2 you prepared is regarding the entire work plan.

3 **MR. ARNTZEN:** It is, yes. But I think, you know,
4 we could potentially say, Well, Tim, there's enough on the
5 record. If you just use that as your authorization, I think
6 we could go forward with that. But to me, I think the
7 cleaner way is I come back and say, Commissioner, here it is
8 typed up in a formal resolution of what I thought I heard
9 you agree to, so then you can look at it and say, We hereby
10 adopt the resolution that formally amends the work plan.
11 That would be the way I would suggest doing it.

12 **MR. BARNES:** And this work plan that we're talking
13 about is the 2019, 2020 work plan.

14 **MR. ARNTZEN:** Yes, it is.

15 **MR. BARNES:** So we're already almost two months
16 into 2020.

17 **MR. ARNTZEN:** Right.

18 **MR. BARNES:** And we're not going to wait until the
19 absolute end of 2020 before we come out with another two-
20 year work plan. This will be a resolution to take us from
21 where we are now to, say, the end of 2020. But then in this
22 September, October, -- August, September, October, November
23 time frame, we'll be working on the new work plan for '21,
24 '22.

25 **MR. ARNTZEN:** That is correct, and your budget. So

1 you're going to have a great opportunity to look at a lot of
2 really important projects. If I can get this stuff done,
3 next Commission meeting, we can feel good about, well, we're
4 making five or six tune-ups to the current work plan. And
5 then maybe in three or four months, you're going to see
6 draft information coming to you on your next two-year work
7 plan. So it could be a really fun time for the Commission,
8 because you'd get to make some decisions on projects that
9 are very important to the public.

10 So yes, you're correct, Mr. Barnes.

11 **MR. BARNES:** Okay. Is there anything further on
12 this item?

13 **MR. ARNTZEN:** No. I think I can take it from
14 here. I do appreciate your willingness to work through this
15 with me. I know there was a lot of information in front of
16 the Commission today with what Larry presented and others.
17 So I do appreciate your commitment to working through, you
18 know, my two issues with me that are very deep with
19 substantive matters. So thank you for your assistance on
20 this.

21 **MR. BARNES:** All right. Thank you for all your
22 work on this. You're right, we have a lot of -- I think
23 we're jugglers. We have a lot of balls in the air, or
24 plates in the air, or whatever we're juggling. Pretty great
25 projects. And so your work on there is very much

1 appreciated.

2 **MR. ARNTZEN:** Thank you.

3 **MR. BARNES:** Okay. Moving down to the next item
4 on our agenda. I believe it's the Item E, Clover Island
5 master plan update. Tim?

6 **MR. ARNTZEN:** Thank you. At the last Commission
7 meeting, I think we had robust discussion on the Clover
8 Island master plan. And what I took away from that was I
9 think was a good discussion. There was all sorts of
10 different viewpoints. And what I concluded is the direction
11 I think the Commission is heading in, it's not really the
12 Clover Island master plan. We might refer to it as the
13 Waterfront master plan. So I don't want to say I was
14 clever, but -- maybe I'm right a little.

15 But I had the cell phone number from Julie, one of
16 the principals of Maker's Architecture. So as I was driving
17 home from the Commission meeting, I called Julie and I said,
18 Hey, here's what I saw in the Commission meeting. And I
19 walked her through what I thought I heard the Commission
20 say, which was, Sure, we want the Clover Island stuff. We
21 also want to see if we can fold in, for lack of a better
22 term, the wine village stuff, you know, all of the property,
23 16-plus acres we own between Waterfront and Columbia Drive.

24 And then I said, I think the Commission's also
25 headed in the direction that they'd like to see some thought

1 even to maybe traffic calming or additional parking on
2 Columbia Drive and some of the side streets. I said one of
3 favorite ones that I think was brought up -- and I know is
4 it's a favorite for the City of Kennewick -- is a connection
5 from Clover Island Drive, down Washington Street to the
6 downtown.

7 So I talked to Julie about that. She said, Yeah,
8 I can do it, but it's going to take more time, and time is
9 money. We talked about potentially expanding the budget.
10 But I told her, I said, This is a project that I really
11 would like us to see -- get it done this year, because we've
12 got a lot of other projects, and this, in my opinion, isn't
13 one that can really languish. So Julie has the ability to
14 put staff on this thing -- you will see Julie as well -- to
15 get this thing done. It didn't throw her for a loop to add
16 on the others.

17 Your budget will go up. You were at 175 for this.
18 I don't want to put too many things on the record. But
19 you're going to go above \$200,000 for this. But you know
20 what? If it's 175 for the island, let's say it goes to 250,
21 and you get the other stuff rolled in, as elected officials,
22 if you say that's the big picture the public wants to see us
23 to do, I can tell you that we can likely find the budget to
24 get that rolled in there.

25 The other thing that I would tell you -- I learned

1 this from my planner -- is for that type of money and for
2 the time frame, we're not going to have the charrette like
3 we did with Vista Field. There will be plenty of public
4 outreach. And some of the best public outreach will be
5 Julie talking to the yacht club without the public around.
6 Because the yacht club may not want to tell you everything
7 they're thinking of in a public meeting. They'll go talk to
8 the hotel group, because they don't want to tell you what
9 their potential expansion plans might be in public about
10 with the trade secrets.

11 They will talk to all of the involved people. And
12 then I would believe there will be a public meeting. So you
13 might get a mini charrette out of this, where Commissioners
14 can walk around the room and here where Ann Frost says or
15 what Mark Blotz says. And you've got to be careful, because
16 Larry doesn't want me to over promise on a process. But
17 there has to be -- there will be a meaningful public aspect
18 of this. So it didn't throw Julie for a loop.

19 The other thing that is very beneficial is we're
20 not starting from scratch. We have a pretty good Clover
21 Island master plan in place from 2004, 2005. That could be
22 updated. We have some really neat planning documents from
23 the Willows project and the Columbia Drive stuff that
24 Professor Platt, from Cal-Berkley did for us, the pattern
25 language stuff that involved a lot of the public. We have

1 some stuff going way back that Steve Mallory did with
2 Arculus.

3 So we do have some other documents. And Julie's
4 aware of that, and she can take a look at that. So it's not
5 like starting from scratch with this. She will have some
6 valuable documents that she can look at, determine, to the
7 best of her ability, what is worth keeping from that and
8 what, maybe, we move on from. So talking with her, I have
9 some positive feedback, in my opinion, to tell you about.

10 **MR. BARNES:** Super. That's great news. Questions
11 or comments for Tim? Commissioner Moak?

12 **MR. MOAK:** Thank you. It shouldn't be a surprise
13 her, because the comments that we had last meeting were very
14 similar to the comments we had when she was here on June 25.
15 I went back and reviewed the minutes. A lot of the things
16 that were expressed by the Commission at that time were
17 things we were talking about. Yeah, it is going to cost
18 more money to enlarge the scope. But if we don't enlarge
19 the scope, I think we're missing the boat, so to speak, on
20 what really is the meeting, which is the tying together of
21 the waterfront properties.

22 You know, I never thought that we needed the type
23 of charrette that DPZ conducted for this project, but I
24 would hate to see -- oh, we talked to Mark Blotz, but that
25 never got published, or we talked to the yacht club and that

1 never got -- and so then when she comes up with a
2 recommendation and it doesn't seem to jibe with what the
3 public said, what the Commissioners heard, because somebody
4 else said, you know, I think it needs to be a balancing of
5 how it's reported out, the information that -- you know, I
6 think it's important. I mean, I think, talking to the yacht
7 club, I'd say it was important in getting those things, but
8 they can't be, well, nobody else knows about. And if the
9 hotel group has ideas for expansion, I'd certainly like to
10 know that.

11 **MR. ARNTZEN:** And in response, Commissioner Moak,
12 Larry and I are going to have a video conference with Julie,
13 I believe, on Friday. And we will pass along any comments
14 we've heard from the Commission to date with her. So I
15 think we'll be well prepared to have this discussion with
16 Julie. You'll get a chance to see her scope of work. And
17 one of the last things I want to do is try to tell you what
18 the process will be, because I'm not a planner.

19 I think Julie knows all three of the Port
20 Commissioners. She knows the community. And I will convey
21 to Julie the sincere desire from the Port Commission to have
22 public input. And I would then say, Julie, what would you
23 propose back to the Commission. So I think how I would
24 handle it. And like I say, we're not going to go forward
25 with this until the Commission sees the scope of work, sees

1 the budget, and says, okay, we're comfortable going forward.

2 And what I'd hope you're doing -- I believe you
3 will -- is say, get a look at this project with all the
4 other with charge slip and time frame that Larry put up
5 there for you and say, if the waterfront master plan was the
6 only thing we had, we could do a lot of detail with it. But
7 based on the other things, we're probably going to have to
8 say, there will be a certain level that will say, that's
9 really sufficient for where we're at now.

10 The other thing I will say, kind of like with the
11 hangars. I've told you I'm planning on handing off some of
12 the heavy lifting to David Robison. On the Clover Island
13 master plan, as much as Larry wants to jump in with both
14 feet, Larry will be a resource that we're relying on Julie
15 and her team to do the heavy lifting, because we need her
16 to, if we're going to balance this with the other projects
17 we have.

18 So in my opinion, if we come to a reasonable scope
19 of work with Julie, we recognize that Julie's going to be
20 running the show, we will provide input, I think we can get
21 you to where Larry showed you on the calendar for Vista
22 Field, I think we can get you there on the other project,
23 and I think we can get you there on the waterfront master
24 plan.

25 **MR. BARNES:** Thank you. Any other comments or

1 questions on this item?

2 Okay. Moving on, the next item on our agenda,
3 Item E, accounts payable, fraud avoidance update. Nick?

4 **MR. KOOIKER:** Yes, thank you. This kind of came
5 up -- yesterday I kind of briefed the staff with some issues
6 we've seen in the community, and Tim thought we should add
7 it to the agenda so I can update the Commission on things
8 that we do. So everybody knows -- if you haven't already
9 seen the news, one of our development partners, Benton
10 County, fell victim to an accounts payable scheme, otherwise
11 known as a social engineering scheme, which basically is a
12 fancy term for somebody stole money from you, via ACH
13 payment.

14 So anyway, that's why I'm briefing you today.
15 Benton County fell victim to this, and then also the City of
16 Ellensburg, Franklin County, and a big one five years ago,
17 but everyone remembers it still. That one lasted for about
18 20 years, and that's a pretty long one. But -- and P and L,
19 I believe, in the same type of thing.

20 So anyways, I just wanted to kind of update the
21 Commission on that. This one hit close to home. Not only
22 was it a Benton County. They're a development partner of
23 ours. But also, the contractor was Behling Construction,
24 which they do a lot of work for us. So I have looked
25 further into this one just so I can -- I mean, as an

1 auditor, you want to be looking farther into what happened
2 to try and figure out, you know, what controls you have in
3 place to mitigate something, a risk.

4 The first thing, the most important thing, is
5 training. I mean, I think, not only myself, but -- I attend
6 a lot of training, highly trained for fraud. So red flags
7 are many things. You know, a squirrel jumps out, and I jump
8 anymore, because it's -- there's little things that are
9 indicators that I'll see that most people wouldn't. And
10 then also my staff, they go through extensive training for
11 this kind of thing. So I think that's probably the most
12 important thing. And then we have a procedure in place to
13 vet any new vendor. Not only a new vendor, but if we have a
14 vendor that wants to change her address, that's obviously
15 another indicator there.

16 So just this morning, Jennifer came in with an
17 email from somebody that, hey, they want to change their
18 address. We go through the process of vetting this. I
19 said, Well, you call them at a different phone number, not
20 the one in their email thread. We looked at the email
21 address and called them directly, and then I emailed
22 somebody at the vendor that I personally know through
23 business. The Port doesn't have to verify that person
24 exists, because we never heard of them before. And then
25 last but not least, obviously, we have insurance for this

1 kind of thing. But I hope to not have to use it. I mean,
2 insurance is exactly what it is. I think it's good for us
3 to have, but it's one of those things that I hope we don't
4 have to use here.

5 The other thing I'll just say is that, you know,
6 these are little things that, you know, people might say,
7 you know, what takes the finance department so long for
8 this. Well, I mean, just vetting a vendor, taking that
9 extra 15 minutes to go through the process of calling them,
10 I may email the director vendor directly as well, and call
11 them. I mean, we go through all this stuff to protect the
12 Port. It's not that we're trying to make it slower. But I
13 think sometimes these are underappreciated, to be honest. I
14 think we'd gone through a lot of training, and no one's even
15 thought of this until people got money stolen.

16 But the other thing to do is I still personally
17 sign every check that leaves the Port. Every single check I
18 sign, I verify the address on it. That's a big -- just
19 another fraud type deal. You know, like I said, this is
20 important to us. We're keeping an eye on this. Also, we
21 don't do ACH payments. And that's -- all the ease of an ACH
22 payments, that's another thing that I haven't -- I've stayed
23 old school on that. I just don't -- there's so many risks
24 involved, and I couldn't ever be comfortable with that. So
25 we still issue paper checks.

1 Does anybody have any questions on that?

2 **MR. BARNES:** No. I appreciate all your work in
3 that area. I mean, I think everyone in this room has
4 received some sort of a crazy email or suspicious email. You
5 see them frequently, and then you hear of people that fall
6 victim to them, elderly people, you know, businesses,
7 prominent businesses, cities, all sorts of things. So I
8 appreciate your attention to detail on this, all the work
9 that you do to protect and be the excellent steward of tax
10 payer funds that the Port of Kennewick is. Thank you very
11 much.

12 Other questions or comments? Commissioner Moak?

13 **MR. MOAK:** Yes, thank you. Have you ever paid a
14 bill to Bannon Construction?

15 **MR. KOOIKER:** No.

16 **MR. MOAK:** Good. You know, I just happened,
17 yesterday, in fact, I was reading a PowerPoint put together
18 by the State Auditor's Office from the Pierce County Housing
19 Authority where they had lost money, but it was like the
20 old-fashioned way. The CEO/CFO had embezzled and basically
21 had sent monies and was doctoring, you know, invoices and
22 whatever. And I was reading through that, and one of the
23 things that they said is that it's more likely that this
24 sort of thing happens with experienced staff who has been
25 with the company for a long time than it is with somebody

1 new. And this was a CFO that had been there for, like, 20
2 some years. Oh, he would never do that, right?

3 And you know, there's no oversight by the CEO. You
4 know, nobody was asking questions. You know, there was a
5 silo mentality within the organization, you know, and I
6 think it was millions and millions of dollars that was lost.

7 So after reading that and reading some of the
8 conclusions by the State Auditor's office, and whatever, you
9 know, I appreciate very much someone -- Commissioner Barnes'
10 comments from last meeting is that all these things happen,
11 and they sometimes happen whether it's through the way that
12 it happened with Benton County or the way that it happened
13 with the Pierce County Housing Authority, by people,
14 probably very good people. And people never would have
15 suspect anybody at Benton County -- you work for Benton
16 County -- that they would fall prey to something like that.
17 And you know, you think, hey, they have -- the auditor, you
18 know, for Benton County, conveniently was not available to
19 comment.

20 But you know, how do these things happen? Well,
21 sometimes they just do, because we don't take the time that
22 you are identifying because, well, we don't need to. We're
23 busy, right? You have too much on your plate. You don't
24 have time to do those sorts of things, because Commissioners
25 are making you do this and that and whatever. It's very

1 important, I think, to follow through on those sorts of
2 things, and I commend you for that.

3 **MR. BARNES:** Any further comments or questions?

4 Thank you very much, Nick.

5 Okay. The next item on the agenda, we have
6 Commission Rules of Policy and Procedures Section 4. Whose
7 item is this, please?

8 **MR. ARNTZEN:** Well, I will speak to it, if you'd
9 like. The issue was, I guess, referenced to me. It's an
10 interesting one, because I have a little bit of independent
11 knowledge of it. So I'll just start talking about what I
12 think that the inquiry might be related to, and then if
13 other commissioners want to come in.

14 The former CEO of TRIDEC -- who's now retired -- I
15 believe talked with a Port Commissioner related to the
16 amount of dues the Port of Kennewick is paying TRIDEC. And
17 then I heard that the new CEO would be joining the former
18 CEO and was going to have a series of meetings with Port
19 Commissioners. When somebody asked me, was that
20 appropriate, in my opinion, I said, well, you know, I'm not
21 sure I'm going to jump in the middle of this, but I don't
22 know that it's appropriate. And I'll tell you where I'm
23 coming from with it.

24 When Agency A has a CEO, and Agency B has a CEO,
25 those two CEOs generally talk together. They say, okay,

1 here's the issues, let's see if there's a resolution to
2 this. One of the oldest rules in the book, so to speak, is
3 that the CEO of one agency does not go to the electeds of
4 another agency and start talking about business or policy.

5 And using my good friend Marie Mosley, Kennewick
6 City Manager, as an example, if I pick up the phone and
7 called up Councilman Terrelli and say, Chap, let me buy you
8 a cup of coffee; I want to talk to you about some rural
9 county funds; I've got a great project, my next phone call
10 would be from Marie. And I've seen Marie when she's really,
11 really mad at things I've done. And she would most likely
12 be very upset with me and say, hey, Tim, you know the
13 protocol. We're all in the same game. Managers, whether
14 you're a Port manager, City manager, TRIDEC, same game. I
15 don't go around Marie and talk to her electeds. I wouldn't
16 expect Marie would go around and talk to you guys, other
17 than Hi Commissioner Barnes, How was your last airplane
18 flight? You don't talk to electeds about substantive
19 matters.

20 You know, I guess naming names, Carl has done this
21 in the past. And if a manager just does it in the past, I
22 guess it's my assumption that he's going to do it in the
23 future. Am I happy with it? No. Where I decided to step
24 in and say, this issue bothers me, is when I heard the new
25 CEO was going to talk to Commissioner Barnes, because I had

1 a sitdown with the new CEO. We had a wonderful meeting, and
2 we talked about dues. And we talked about why, in my
3 opinion, our dues were at a certain level, and the Port's
4 might have been at a different level. We had a great
5 conversation.

6 We concluded that if he gets the job, he's going
7 to come back and and talk to his good friend, Tim, and we're
8 going to sit down and we're going to have a great
9 discussion, manager to manager, and we're going to talk
10 about what TRIDEC does for the community, what TRIDEC does
11 that directly benefits Port of Kennewick, our visions
12 together as managers, and we might be able to come up with
13 something that we could bring back to both of our boards and
14 say, hey, let's show you how smart the two managers are.
15 We've got a great compromise.

16 So that's kind of what got me on this. I
17 don't want to make a huge issue of it. But when I heard
18 that the former manager and the new manager were going to
19 double-team Commissioner Barnes without any notice, that's
20 kind of when I said, wait a second. So again, I don't know
21 that this is that big of an issue, but I believe that there
22 was some incentive for me to talk about this at the
23 Commission with you. So again, I can't stop the old Karl or
24 the new Karl. Apparently, they hire people that are only
25 named Karl at TRIDEC. I can't stop the new Karl from

1 talking to you. But I will tell you that that kind of
2 violates one of the oldest protocols in the book and really
3 got my hackles up because the new Karl and I talked, and we
4 agreed that we were going to try to resolve it manager to
5 manager.

6 So that's, I think, where I'll stop. It's a
7 little bit of a difficult topic for me, because as electeds,
8 you can talk to anybody you want to. I can't stop you from
9 talking to Marie Mosley. But I can go to Marie and say,
10 Marie, that's kind of breaking ranks. Nobody's ever done
11 that.

12 So I'll stop right now and just see if there's any
13 comments.

14 **MR. BARNES:** Well, all I can say is, you know, I
15 take these matters seriously. I want to adhere to these
16 rules of policy and procedure to the best of my ability. And
17 I did receive a request to meet with the old Carl, and I
18 accepted the invitation. Then it was moved, and I accepted
19 the invitation. And then it was like, well, he's really
20 busy. It's the end of his -- and I pretty much understood
21 what I thought he would want to talk about, you know, when
22 he says, hey, I'd really like to talk to you. And it's just
23 past the end of the year.

24 So my mental preparation going into that was,
25 well, I can speak as an individual Commissioner, but I

1 cannot speak to this issue representing the Port of
2 Kennewick. That's not my -- I can't do that. You want to
3 talk to me about something, I'll listen. But I can't --
4 unless I'm authorized to speak on behalf of the Port of
5 Kennewick on the issue, I'm not going to do that.

6 And there's nothing to present -- I'm on the
7 TRIDEC executive committee. If they want to talk to me, I'm
8 there. But I think my position is going to be pretty clear.

9 **MR. ARNTZEN:** Sure. And Commissioner Barnes, I
10 wanted to be very clear that I'm not referencing anything
11 that I think any one of the Commission did inappropriate.
12 I'm a million miles from that. Again, this is not really an
13 issue I would have brought up on my own volition. But I
14 just think because there is this attempt to talk to
15 Commissioners, that I wanted to bring it up. Because I'll
16 tell you, from my perspective, I thought it was very unfair
17 to put Commissioner Barnes in that situation of, you know,
18 Hi Don, Carl and Karl are here to talk to you, you know.
19 Yeah, exactly. So that's kind of where my interest lies in
20 this. So it's not to try to say, gee, I don't want you to
21 talk to Carl, because I never told the old Carl to not talk
22 to you because he's done it before and he's going to do it
23 again.

24 But I just wanted to throw this out so there can
25 be -- you know, just get it off my chest, because, you know

1 --

2 **MR. BARNES:** It's communication. It's
3 communication between staff and Commission, and I really
4 appreciate it. I mean, we should be able to have these
5 candid discussions about any number of things. And I really
6 appreciate this.

7 **MR. ARNTZEN:** And, you know, again, I don't care
8 what our TRIDEC dues level is, and I don't care that, as a
9 board member, I think TRIDEC can talk to you. But again,
10 like I say, I just thought it was really unfair when I was
11 under the misinterpretation that the new Karl was going to
12 be there. It's just not fun to have a two-on-one
13 conversation when those two are doing the talking and they
14 expect you to do the listening. So that's where I was
15 coming from.

16 **MR. BARNES:** There's a lot of that, I think, that
17 goes with the territory of being a Commissioner. But I
18 mean, to have this reminder, to have this discussion, I
19 think is very healthy, very good. And so I appreciate it.

20 **MR. NOVAKOVICH:** I think probably where where this
21 came from is when we had our last meeting in the Bechtold
22 boardroom, I'm walking in. There's nobody in that hallway
23 going in there. All of a sudden, Karl comes out of his
24 office, corners me, and starts talking about dues. And it
25 was very awkward. What I should have done -- and it's my

1 fault -- I should have said, you know, if you have something
2 there, you should be talking to Tim, not to me. That's
3 something that needs to come before the Commission. Talk to
4 our staff, and all three Commissioners can get the same
5 message, rather than talking to me.

6 He also mentioned to me that, we're going to sit
7 down and talk to Commissioner Barnes, too. So I think
8 that's probably where this started. But I think we've got
9 this Commission Rules of Policy and Procedures, and I think
10 it would behoove us to read those very carefully and to
11 adhere to them so we don't have any issues. And that was my
12 fault. I mean, I talked to him, and talked to him about
13 dues and said, look, you know -- same thing that you said --
14 I can't make any decision for the Commission. But what I
15 should have said is talk to Tim. Don't talk to me.

16 **MR. BARNES:** Okay. Anything further on this?
17 Commissioner Moak?

18 **MR. MOAK:** Yeah. Because you are on the board, I
19 think it's inappropriate for Karl to talk to you about
20 things. But I think if it sounds like that it's really --
21 the purpose is to gang up on a policy issue, I don't think
22 that's right. And it certainly was not right for him to
23 corner Commissioner Novakovich, who is not on this board.
24 You know, and so I think there's a little bit of a
25 difference. But also, I totally agree that it should be

1 staff to staff. And there is a chairman of the board, I
2 think, would be the appropriate person who should corner
3 you, if that were the case.

4 But I really think if -- I mean, unfortunately,
5 TRIDEC likes to operate in secret. They're not a public
6 agency, you know, and they don't have a fixed dues
7 structure, and they don't -- you know, I don't want to be at
8 the platinum level; I want to be at the silver level, you
9 know. And we'll see where all this goes with the new Karl
10 and hopefully working with you. But I mean, I really do
11 think that we should not be engaging in those policy issues.
12 And I think Commissioner Barnes should say, I don't speak
13 for the Commission. And as well you he knows, sometimes he
14 doesn't have the majority of the Commission on his side
15 anyway. None of us do.

16 But I think, you know trying to -- I mean, where
17 it looks like trying to hammer him on things anymore than
18 either the other two of us is not the appropriate way for
19 agencies, specially partner agencies, to be working with us.

20 **MR. BARNES:** Thank you. Anything further?

21 **MR. ARNTZEN:** No, thank you.

22 **MR. BARNES:** Okay. Let's move on, then. Next on
23 the agenda. Commissioner Meetings, Formal and Informal
24 Meetings with Groups or Individuals. Commissioner Moak?

25 **MR. MOAK:** Yeah, I attended a downtown Kennewick

1 breakfast, where LoAnn Ayers talked about the census. It
2 was 38 percent.

3 **MR. BARNES:** Thank you. Commissioner Novakovich?

4 **MR. NOVAKOVICH:** I also attended the same
5 breakfast. I attended the Hispanic chamber luncheon. And I
6 was to have a teleconference with the trust board on Friday.
7 However, I got a notice early Friday morning about it had
8 been cancelled because of the flooding in Pendleton. So I
9 sent a message to Bobbie Connor, who's the director of the
10 museum, and asked her what was the museum -- what was the
11 shape of it? And she responded just right before this
12 meeting and said, "Museum and museum family all good, just
13 river roads are a nightmare. Bridges and culverts have
14 disappeared from driveways. Lots of top soil relocated, and
15 half the lamprey root stock died in tubs. Others escaped to
16 muddy waters and rivers and fields. Cleanup will take quite
17 a while. Thanks for asking and offering."

18 **MR. BARNES:** Thank you. I had one phone call,
19 I'll call it a brief meeting over the phone. I received a
20 phone call from Benton PUD Commissioner Barry Bush asking if
21 I had read the article in the paper about the very large
22 wind turbine farm planned south of town. I told him I had
23 seen it. He asked for an audience at the Port Commission. I
24 directed him to contact Tim.

25 Okay. On to the next item, Non-scheduled Items.

1 Let's start with Amber, please.

2 **MS. HANCHETTE:** I have nothing today. Thank you.

3 **MR. BARNES:** Nick?

4 **MR. KOOIKER:** Nothing. Thank you.

5 **MR. BARNES:** Larry?

6 **MR. PETERSON:** You've heard enough from me.

7 Nothing.

8 **MR. BARNES:** Lucinda?

9 **MS. LUKE:** Nothing this afternoon. Thank you.

10 **MR. BARNES:** Thank you. Tim?

11 **MR. ARNTZEN:** Nothing, really. But I guess I'm
12 not sure how I would respond to Mr. Bush, because we did
13 have discussions about this way, way back when. And if the
14 consensus of the Commission was to have the manager handle
15 it, I'll handle it. Is that the consensus? You're okay
16 with how I handle it? Because also what I thought I heard
17 was you don't want anybody with a real or perceived issue
18 coming in front of you and directing you to provide a
19 resolution. So I will handle the request from Mr. Bush to
20 the best of my abilities.

21 **MR. MOAK:** Anything's welcome to get a few minutes
22 a thing.

23 **MR. ARNTZEN:** Thank you.

24 **MR. BARNES:** Okay. Tana?

25 **MS. BADER INGLIMA:** Nothing today. Thank you.

1 **MR. BARNES:** Bridgette?

2 **MS. SCOTT:** Thank you, Commissioners. Yes, I do
3 have one item. As you can see, Nick -- well, Lisa was here.
4 Lisa and myself were not supposed to be at this Commission
5 meeting, and yet, we are. Travel plans have changed. So
6 prior to us leaving, I had arranged for the court reporter
7 to come in, make sure our meeting was recorded while we were
8 gone. And also, I introduced you to Mitch Peterson. He's
9 with CompuNet, our new vendor for our AV system.

10 We have been having a few issues left over since
11 it was initially stalled. So Mitch came in to watch and see
12 how our system was working, if our microphones were coming
13 on like they were supposed to, the volumes, those kinds of
14 things. So we are still working on a few issues and bugs,
15 but that's why he was here, so he can help us figure those
16 out and come up with a game plan.

17 So and because I am here, I also wanted to give
18 you a brief update on posting our Commission meeting audio
19 recordings on our website. So since I was talking with
20 Mitch, one of the issues that we have is our recording
21 system does not have a pause button. So every time we have
22 a break or every time, it's just a completely new file so
23 for today's meeting, we probably would have at least three
24 files to post for one meeting, and that's unacceptable. So
25 I'm working with him on that issue, as well as a few others.

1 So with regards to posting our audio, I am working
2 with our on-call IT consultant, Cody Lewis, and we are --
3 we've reviewed many local agencies and ports to see if they
4 do record their meetings; if they do, what software they use
5 to post them on their websites.

6 We have look at 17 different agencies, and five of
7 them record their meetings. One of them actually uses a
8 televised option. So at this time, we're looking at four
9 programs. And we are researching the amount of time it will
10 take to implement it, the costs, the available features.
11 There is one program that I am very interested in, and it
12 would also help us with our agenda and meeting preparation
13 as well. So I thought that might be a good option for us.

14 Currently, Lisa, after each Commission meeting,
15 spends about a third of her time transcribing our minutes,
16 which is a lot of the time, honestly. So we are doing a
17 cost analysis to see if it's better to outsource, like a
18 court reporter to do our minutes for us, or maybe possibly
19 the new software that we can find can help us do our minutes
20 and agendas more efficiently as well.

21 So we probably will need or we will need
22 commissioner guidance as we come up with ideas and suggest
23 suggestions ever how to do our minutes and how we may be
24 able to change, I guess, the length of our minutes,
25 depending on which action we do.

1 So Tim and I discussed this a little bit. Did you
2 have anything you wanted to add?

3 **MR. ARNTZEN:** No. I just wanted to say that,
4 Bridgette gave us a brief update in the staff meeting
5 yesterday. Every Monday before a Commission meeting, I have
6 a staff meeting. I asked Bridgette, at the time, do you
7 want to give an update to the Commission. She said, no, I
8 don't really have very much to report. And then later she
9 came to me and said, you know, I've been thinking about it.
10 I could give them an update. And I'm glad she did, because
11 it's nice to know that she's doing some things. I'm sure
12 it's a process that we will figure out. But I wanted her to
13 walk you through some of the steps that we've been taking to
14 get us to where we can present a final opportunity to the
15 Port Commission. So I'm very proud of her with all the work
16 that she's been doing on this.

17 One of the other things that we've got to work on
18 is when we have the recordings out there, then we also have
19 to look at how do our minutes dovetail with the recordings.
20 Because we've ben doing more or less verbatim minutes, and
21 then one of the options could be could we move to action
22 minutes, because if you've already got the recording up
23 there, my staff maybe could go to action minutes. So we're
24 looking at options like that.

25 You know, I know it's getting late, but one of the

1 concerns that I have is if you have two detailed versions of
2 what went on, there's always going to be an opportunity for
3 a discrepancy. So if we're putting the verbatim audio out
4 there, and I'm having verbatim minutes done, you know, it
5 might be, well, the audio says Tim is going to go to
6 Seattle, the minutes might have been, Tim is thinking about
7 going to Seattle. I just want to make sure we're not
8 getting ourselves into a catch-22 of, Ah-ha, the minutes
9 don't reflect the recording. So there's a lot of things we
10 have to think about with, you know, public transparency, the
11 Records Act. Sometimes there's friendly records requests,
12 sometimes there's not. There's a lot of trap doors in
13 things that you do intending to be transparent. So we have
14 to take a look at how our minutes might dovetail with the
15 recording.

16 Like I say, we get to the finish line, but I just
17 wanted to let you know that we're actively working on this
18 so the Commissioners will think, well, the staff's been
19 doing other things. So I appreciate Bridgette giving me
20 that detailed update.

21 **MR. BARNES:** Thank you. And continuing with non-
22 scheduled, Commissioner Novakovich?

23 **MR. NOVAKOVICH:** I was at a council government
24 executive board meeting at lunch today, and Vicky Gordon was
25 telling me about, she was going to get the keys to their

1 place at the new building at the Columbia Garden. She sent
2 me this picture just right when I came into the Commission
3 meeting of their new bar. So I thought I'd just throw that
4 up there and show you that she's not only excited about it,
5 but she's also wanting to share what she's going to do in
6 it. Anyway, I just wanted to throw that up and show you
7 that.

8 The other thing is that Franklin County
9 Commissioners, Brad Peck and Bob Koch, were both at this
10 meeting at lunch, and Brad Peck, Commissioner Peck, was
11 talking about how he made a public records request of
12 Bridgette, and she took forever -- actually, he said she
13 never did respond. Then he quickly said, No, she responded
14 very quickly, and I don't know how Tim ever stole that from
15 us. But he really appreciated you. So I just wanted to let
16 you know that.

17 **MS. SCOTT:** Thank you.

18 **MR. BARNES:** Thank you. Commissioner Moak?

19 **MR. MOAK:** I'd just like to recognize the passing
20 of Rita Mazur, the former Richland City Councilperson. I
21 know that, before I was ever involved with this Commission,
22 I know she was a representative from Richland to the Port of
23 Kennewick. She took very seriously, her liaison role. Of
24 course, we were doing a lot of projects, with the Spaulding
25 project, especially, in Richland. But being here at Port of

1 Kennewick was very important to her during that time. I
2 remember her telling me that.

3 **MR. BARNES:** Thank you. And Bridgette, thank you
4 very much for the update on the Port's efforts to make audio
5 recordings of our Commission meetings available on our
6 website. I really appreciate that work, and I hope that we
7 can find a way to make that happen soon. I know we have a
8 lot of things on our plate. But again, I appreciate your
9 work in that regard, and I hope that the Port of Kennewick
10 can find a way to make that happen soon.

11 And the second item I want to talk about, again, I
12 want to circle back and talk again about budget updates. At
13 the last meeting, we talked about where maybe I would get
14 together with Nick and visit with him about what that might
15 entail. And I gave that some more thought while I was out
16 of town, and I came back and I said, you know, I don't
17 really know what -- you know, I couldn't sit down and tell
18 you, I'd like to see this or this or this or this. I don't
19 know all the accounts. I don't know.

20 So I would, again, like to contact and say how
21 much I feel in the dark when we're talking about things like
22 land sales, when we're talking about things like these big
23 construction projects and future projects, when we're
24 talking about resource allocation, finances of the team
25 approach versus the project manager approach, we're talking

1 about the waterfront master plan, what that may or may not
2 cost. You know, I know we're busy. I know we're busy. But
3 I just feel like I'm totally in the dark when it comes to
4 anything budget, anything finance.

5 And so I'd again request a budget update, and I'd
6 like to formally request that that be placed on the agenda
7 for the next meeting. If it's an overwhelming task, I hope
8 it's not. I trust that you're looking at the budget and
9 that you know where we are. And I just hope that you could
10 provide information that you believe or that you see as
11 appropriate for commissioners to look at. And I would like
12 to see it on a frequent basis. I'd still like to see it
13 monthly, especially as we're moving into the the end of the
14 year, as we prepare for a new budget because of all the
15 projects and everything we have going on.

16 So again, I'd like to formally request the budget
17 update. And I'd like to you to determine -- you determine,
18 please, what's appropriate for the Commission, and then we
19 can start there and go forward. So I'd like to formally
20 request that for our next meeting, and I would, again, like
21 to see those on a monthly basis.

22 Okay. That's the end of non-scheduled items. I
23 guess since I made a comment, I went last, I'd like to
24 provide an opportunity for anyone else to make a comment
25 under non-scheduled.

1 Tim?

2 **MR. ARNTZEN:** Thank you, Commissioner Barnes. Yes,
3 I've been working with Nick. I thought there had been some
4 dialogue between you and Nick related to the budget. And
5 what I've -- so I guess I'm a little bit surprised to hear
6 that it's a request again, because I thought there had been
7 dialogue between you and Nick.

8 What we would like to propose is Nick is going to
9 prepare a new view of the budget. He'll sit down with me,
10 walk me through it, and I will ask a number of questions. I
11 will say, Do you think this is going to highlight some of
12 the things that Commissioner Barnes might ask about? I will
13 also say, How much time did it take you to do this? How far
14 off course is this taking you? Because I've got to tell
15 you, it's been a little bit confusing for Nick when he's
16 asked to produce something, but there's no specifics as to
17 what he would be required to produce. And this is a rather
18 unusual request. In the 17 years I've been here before,
19 we've never been asked to do this.

20 It would be a formal action of the Commission to
21 ask us to do something different. I didn't want to really
22 get to the point and say, hey, can we vote on it. And I
23 think at the last Commission meeting, I said that I would
24 work to try to get a document that might satisfy the request
25 that you're making and also be something that staff could

1 produce. Again, I'd like to make sure that it's not
2 something that is overly time consuming, because, you know,
3 I've got Nick out there preventing us from having \$725,000
4 worth of illicit invoices come through. I need him to be
5 doing the analysis on Vista Field.

6 So what I'd like to do -- and I thought Nick had
7 communicated this to you -- that we would get you something
8 and show it to you and say, is this sufficient. So that's
9 where I'd like to end up. So I guess I'm just a wee bit
10 surprised that it's being brought up as a directive to
11 direct staff to produce it at the next meeting, because
12 that's confusing to me. I thought we were going down a
13 different path.

14 **MR. MOAK:** I thought I understood that Nick was
15 doing it and was going to --

16 **MR. BARNES:** Mr. Moak --

17 **MR. MOAK:** -- present it at the next meeting, that
18 that was what we had discussed.

19 **MR. KOIKER:** Yes, I disclosed that at the last
20 meeting as well.

21 **MR. BARNES:** So that says it's on the agenda for
22 next meeting. And again, I'd like to reiterate my request
23 for more frequent updates. I just feel like I'm in the
24 dark, and we have so many by things going on. And I
25 understand the workload. I understand the workload. But I

1 think that there's information that I feel would be
2 essential to make any sound decisions.

3 We made a decision to spend \$800,000 of non-rural
4 county capital funds with the City of Richland, and we made
5 that without any understanding of where that is coming from,
6 what the impact would be on the budget. You know, I'm not
7 trying to be unreasonable. I go to other board meetings
8 with, Tri-Cities, the Regional Chamber, clubs that I belong
9 with. Almost monthly, there's an update on the budget,
10 where we are. You know, every decision that we make has a
11 fiscal impact. And I just feel uncomfortable continuing to
12 make these decisions without having some idea of where we
13 are.

14 **MR. ARNTZEN:** Well, again, I'm not here to quarrel
15 with you, but at the last Commission meeting, I believe the
16 other two Commissioners said they were happy with the amount
17 of information we were producing. If there's going to be a
18 directive to staff, I believe it has to come from the
19 Commission as a unit. What I thought you and Nick had
20 communicated with by email was that there would be an effort
21 on staff's part to bring you something, to look at a draft
22 and say, is this going to satisfy what you want.

23 So I guess I'm probably as confused as Nick is as
24 to what you want. I've got to reiterate --

25 **MR. BARNES:** Well, me go back and look at the

1 email. I thought --

2 **MR. ARNTZEN:** In the 17 years I've been here,
3 we've never been asked to produce monthly budget reports.
4 That, frankly, is going to take a lot of time, probably not
5 going to produce a lot of new information for you. But if
6 the Commission directs us to do monthly budget reports, I'll
7 pull him off of other projects and put him on monthly budget
8 reports. It's that simple.

9 **MR. NOVAKOVICH:** I think the question here is what
10 do you want Nick to give up doing if he's going to spend
11 time doing this. And what you're asking for is basically
12 like asking a car dealer, sell me a car, without telling him
13 what you want. I think it's impossible for him to give you
14 what you want without giving him some parameters of what you
15 want to see.

16 **MR. BARNES:** Well, one of the last budget reports
17 we had was a two-page one like this. So if I could get that
18 periodically -- it's what I got the last time. Zero
19 information, I mean, any information I get, any additional
20 information I get is above zero. I mean, to get it every
21 six months -- I appreciate getting it every six months.
22 There's no question about that. But when you look in the
23 rearview mirror for the last six months, if you look at
24 everything that's taken place here, and now we're being
25 asked to make decisions like we were at the last meeting

1 with Richland, an \$800,000 decision, with no cost benefit
2 analysis, no budget analysis.

3 I mean, we're doing it in good faith. I'd like
4 some credit for having faith and confidence in the staff.
5 I'm not questioning the competence or the ability or any of
6 that. All I'm saying is I feel I'm in the dark.

7 **MR. MOAK:** I think the manager identified where
8 the money was coming from in the budget for the Richland
9 project.

10 **MR. ARNTZEN:** Well, yes, that is correct. You
11 know, we're not trying to play hide the ball here. So what
12 I've heard is that two of the three Commissioners appear to
13 be satisfied with the information that we're providing. This
14 is a standard level of information that we've provided. In
15 17 years, I worked for eight different Commissioners. This
16 comes as somewhat of a surprise, Commissioner Barnes, to
17 hear that I believe you said you're getting virtually zero
18 information from us.

19 **MR. BARNES:** I'm getting it every six months. I'm
20 getting it every six months. I appreciate that. I
21 appreciate it every six months. I'd like it more
22 frequently, if possible.

23 **MR. KOIKER:** I think part of the resolution from
24 the prior meeting, too, was not only the budget preparation
25 for the February 26th Commission meeting, but we also

1 conversed about you coming to my office, and we'd have a
2 face to face for hours, if you want, to discuss the budget.
3 And I have not had that happen yet.

4 **MR. BARNES:** No. I sent you an email, and I said
5 how I felt, and we just talked about one Commissioner
6 getting information that the other two aren't receiving. And
7 I feel uncomfortable going in and asking for information
8 when we just discussed that -- so, sir, I guess if the other
9 two Commissioners are happy getting budget information
10 information every six months, I'll stand down.

11 **MR. ARNTZEN:** Well, I might offer a suggestion. If
12 we could allow Nick to produce the information for me, walk
13 me through it, I will ask him a series of questions, like I
14 said earlier, Do we think this would be helpful for the
15 request Commissioner Barnes has? I'd ask him the time
16 commitment. I'd be able to share that with the Commission.
17 And like we mentioned at a previous Commission meeting, I
18 think we can solve this problem of Commissioner Barnes
19 getting additional information that the other two
20 Commissioners don't have, if Nick has an opportunity at each
21 Commission meeting to walk you through the budget that he's
22 produced.

23 I think it's unfair to ask Nick to spend two or
24 three hours per Commission meeting on a document that he
25 doesn't even get to read into the record at a Commission

1 meeting. That would solve the problem of you having
2 information that the other two didn't have.

3 So we're trying to figure out what it is you'd
4 like to to have. I think the trial balloon, if you will,
5 that Nick will float with me, say, I think this is
6 sufficient. We could bring that at an upcoming Commission
7 meeting, when we have it. And I would request that Nick has
8 an opportunity to share that publicly with all three
9 Commissioners, so if there are questions, we can address
10 those publicly with all three so there isn't a level of
11 information that one Commissioner has that the other two
12 don't have.

13 Again, if the guy's going to be ordered to produce
14 the work, I think he ought to be given an opportunity to
15 share his work product publicly.

16 **MR. BARNES:** Again, I want to be reasonable here,
17 but I just think that -- well, again, if my fellow
18 Commissioners are happy with every six months, I'm outvoted
19 2 - 1, as Commissioner Moak mentioned earlier.

20 **MR. MOAK:** I think that, you know, this last year,
21 we've had several big transactions. So it's just unusual.
22 We sold property at Southridge; we sold property at West
23 Richland. I mean, it's unusual, sometimes, to have some of
24 these big dollar values, you know, well, so what do we do
25 with that. And maybe -- I mean, I don't know that the day-

1 to-day bills are that important. But I think, you know,
2 what are we doing on these bigger issues. You know, a big
3 project like Vista Field, are we over budget or under
4 budget. To me, those are the things that I'm interested in,
5 you know, the bigger ones.

6 I don't know what -- you know, in terms of what
7 Commissioner Barnes says, but I think where we have these
8 big discrepancies maybe, what was in our work plan that we
9 were drafting.

10 **MR. BARNES:** And I think going forward, if you
11 look at the transactions that the Port of Kennewick will
12 have going forward at Vista Field and Columbia Drive, I
13 think there's going to be a lot of activity.

14 But again, I don't want to be a unreasonable here.
15 I don't want to sit here and say, oh, I want to be a
16 nitpicker, and I want to look and add up every column and
17 checks it and everything. I'd just like a better feel for
18 where we are at the Commission level. And I don't, for me,
19 -- that information every six months is not frequent enough.

20 **MR. MOAK:** Well, let's see what the budget
21 presentation is next month, or next meeting, and then maybe,
22 you know, we'll see where we stand from there.

23 **MR. BARNES:** Okay. Any other discussion regarding
24 this item?

25 **MR. ARNTZEN:** Well, not to belabor the point, but

1 please be clear as to what you'd like me to instruct Nick to
2 do.

3 **MR. BARNES:** Well, I believe he prepared an
4 excellent budget presentation that was given at the July 9th
5 meeting. And I don't know -- I mean, that's why I think I
6 tried to say -- and if I bungled it, all I tried to say is
7 if you help me, just give me the information that you think
8 is sufficient to give me a Commission level overview of the
9 budget, that's all I'm looking for. I'm not looking for
10 extra work, extra detail, any of that. I'm confident that
11 you're looking at these budgets all the time. I feel very
12 confident that you can say, well, this is within budget, or
13 we're doing fine here. I mean, there must be some
14 information we're looking at to be able to make that
15 statement. That's all.

16 I'm not -- if I give my wife the checkbook and
17 she's got it for six months and that's the only time I see
18 it, I'm nervous. I'm sorry.

19 Anything else on this item?

20 **MR. MOAK:** Well, I think your wife is a great
21 person, and I think she should spend as much of your money
22 as she can.

23 **MR. ARNTZEN:** With all due respect, I'm still
24 unclear as to what direction the Commissioner would like to
25 give me.

1 **MR. BARNES:** Well, may we please see the budget
2 presentation that's scheduled for the next meeting?

3 **MR. KOOIKER:** So the presentation I'm about
4 probably 70 percent through is the same presentation with
5 different numbers. Is that okay? That's the six-month
6 scheduled presentation. But I'd really prefer not to do
7 that every month.

8 **MR. BARNES:** Well, yeah. And I've got to say, I'm
9 looking at the presentation made in July, and there was
10 discussion in here regarding the yield curve inversion, the
11 unemployment rate, budget philosophy, some considerations
12 and things operating -- you know, the federal unemployment
13 rate or the local unemployment rate or the yield curve,
14 those types of things, I'm not interested in.

15 **MR. NOVAKOVICH:** Maybe you need to look at that
16 budget and just line the items that you'd want to --

17 **MR. BARNES:** These two pages were fantastic. This
18 is the operating budget, though, and then I would imagine
19 there's a capital budget as well that has to do with the
20 extraordinary items like land sales and construction
21 projects, as a separate budget.

22 So is that --

23 **MR. KOOIKER:** Well, I'll continue to produce what
24 I was planning on, at this rate, and if that makes you
25 happy, we'll go from there.

1 **MR. BARNES:** I'll be happy. I'll be happy. I
2 know I'll be happy.

3 **MR. KOOIKER:** Okay. Well, if you're happy, I'm
4 happy.

5 **MR. BARNES:** Great.

6 **MR. NOVAKOVICH:** Then we're all happy. Can we
7 have public comments and adjourn this meeting?

8 **MR. BARNES:** Sure. Okay. The next item on the
9 agenda is the second opportunity for public comment. If
10 anyone would like to make a public comment, please move to
11 the podium and state your name and address for the record.
12 And we'd ask that you limit your comments to three minutes.

13 No public comment? Is there any other matter to
14 come before the Commission? Meeting's adjourned.

15 **(Whereupon, the meeting adjourned at 7:47 p.m.)**

16

17

18

19

20

21

22

23

24

25

1 CERTIFICATE

2
3 I, Ileia C. Perry, do hereby certify that I
4 reported all proceedings adduced in the foregoing matter
5 and that the foregoing transcript pages constitutes a
6 full, true and accurate record of said proceedings to the
7 best of my ability.

8
9 I further certify that I am neither related
10 to counsel or any party to the proceedings nor have any
11 interest in the outcome of the proceedings.

12
13 IN WITNESS HEREOF, I have hereunto set my
14 hand this 11th day of February, 2020.

15
16
17 

18
19 _____
20 Ileia C. Perry
21
22
23
24
25