



PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 25, 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

Commissioner Barnes 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

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated at the previous Meeting, Commission and staff discussed adding the Commission Meeting audio recording to the Port Website and that the audio would replace the written minutes. Mr. Burdick believes this is a mistake because there are issues with audio recordings and can be problematic, at best. Additionally, Mr. Burdick believes it would be a mistake to go to action minutes, because the discussions are really valuable.

No further comments were made.

CONSENT AGENDA

- A. ***Approval of Direct Deposit and E-Payments Dated February 19, 2020***
Direct Deposit and E-Payments totaling \$79,980.58
- B. ***Approval of Warrant Register Dated February 25, 2020***
Expense Fund Voucher Number 101873 through 101915 for a grand total of \$410,146.86

PORT OF KENNEWICK SPECIAL COMMISSION MEETING

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

PRESENTATIONS

A. Friend of the Port

Ms. Bader Inglima explained the process of how the Friend of the Port is chosen and introduced Liz and Mark Thompson of ET Estate Sales as Friend of the Port for 2019.

Liz Thompson thanked the Port for the work they have done in the area and stated it was the Port's revitalization of the area that prompted them to invest in the building.

B. Budget Review through December 31, 2019

Mr. Kooiker presented a six month budget review from July of 2019 through December 2019.

Discussion commenced between the Commission and staff.

NEW BUSINESS

A. Kennewick Waterfront Master Plan

Mr. Peterson outlined the differences between the Makers Clover Island Master Plan scope and the Kennewick Waterfront Master Plan scope for Commission consideration.

Discussion commenced between the Commission and staff.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Moak moved for approval of Resolution 2020-01, authorizing the Port's Chief Executive Officer to execute the contract with Makers architecture & urban design, LLP for master planning consulting services regarding the development for the Kennewick Waterfront for the sum not to exceed \$248,288.00. Further, all action by port officers and employees in furtherance hereof is ratified and approved; and the Chief Executive Officer is authorized to amend the 2019-2020 capital budget to reflect the \$75,000.00 project allocation; the Chief Executive Officer's annual goals are amended to identify completion of the public outreach process as the threshold for attainment; and the port Chief Executive Officer is authorized to take all action necessary in furtherance hereof; Commissioner Novakovich seconded.*

Discussion:

Commissioner Moak has one question related to the scope and it deals with social media. The scope says "per Port policies, no social media will be used for this project." Commissioner Moak stated what is the Port policy that we have against social media? Commissioner Moak does not believe or remember that that Board has taken a position opposing social media. Commissioner Moak could not find it in our policy manual.

Mr. Peterson will address that question and then pass it on to Ms. Bader Inglima for further explanation. The scope does, and the staff had a discussion with Julie Bassuk of Makers, because

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they had some ideas about how they could use social media, ie. Facebook, Twitter, and all kinds of outreach. Staff indicated because of concerns on record retention, metadata, the Port of Kennewick is not on social media and if one of our contracted sub-consultants was doing that work, would there be a responsibility for retention of those records and metadata. Being cautious when it comes to public records retention and specifically metadata, since the Port does not use Twitter, Instagram, or TikTok as a Port, our consultant also identified that they would not be using that because of the concern. We contract with them, is it not a responsibility of the Port to produce that record if requested. Mr. Peterson deferred to Ms. Bader Inglima or others who would like to augment what he is sharing.

Ms. Bader Inglima stated Mr. Peterson covered that the Port does not have a social media presence. The Port has our website and in the past when we did the outreach with the Charettes for Vista Field, we promoted the Charettes using our partner's social media, but any record retention record maintenance, we used email to capture that and those emails went directly to Mr. Peterson. He was able to capture all of that data, so that we would have that as a public record. Staff has been cautioned by our legal counsel that we have not entered into that foray as of yet.

Commissioner Moak thanked staff for that answer, but it does not answer his question. It says, "per Port policy," do we have a policy that bans social media? He does not think we do. Commissioner Moak thinks staff has said we don't do it, but he does not know that we have a policy and this says "per port policy."

Mr. Arntzen stated maybe that is an inaccurate description produced by Makers. Mr. Arntzen believes the point was, that we would use our usual and customary practice.

Commissioner Moak understands that and would accept that, but is it appropriate to substitute that language?

Mr. Arntzen would think so and asked Mr. Peterson if that would work.

Mr. Peterson stated there are no concerns with modifying that word to say practices as opposed to policy.

Commissioner Moak stated for the record, he thinks the Port should have a social media policy, a lot of government jurisdictions do have social media policies and have an active social media presence. Commissioner Moak thinks we should on something like this, but he also realizes that it isn't something you change in a day. Commissioner Moak is concerned when it says policies and that policies is this Board up here rather than that Board over there and our practice is certainly to not do social media. Other than that, Commissioner Moak thinks this is a good thing to do, and he has been certainly excited about this for some time and he thinks tying in with Clover Island with the Wine Village and all the other projects on Columbia Drive that we have identified there and the public outreach that is identified, with both private sector and public sector. Commissioner Moak thinks the Port award today, the Friend of the Port, specifically talks about the importance of the private sector along Columbia Drive and what is happening

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on Columbia Drive. Commissioner Moak really thinks putting together this project really helps, hopefully pull together a lot of folks that are interested in this whole area and have been interested for some time. To looking at where we are going with this, and it will help govern our development for the next number of years. Mr. Chair is it appropriate to seek to amend the word policy to procedure at this time.

Commissioner Barnes stated it is consistent with discussion that we have had to this point.

MOTION: *Commissioner Moak moved to substitute the word practice for policy in the section dealing with social media in scope of work;*

In Makers scope of work, the word policies will be changed to practices:

Page 3 under Section 1B;

Page 6 under Assumptions;

And any other section that references social media policy will be used related to this project.

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

Discussion Continued:

Commissioner Barnes voiced earlier, added to this resolution is language amending our CEO's Goals and Objectives and he appreciates that, but at the same time, note that the very next item on our Agenda is Amendment of the 2019-2020 Work Plan and CEO's Goals and Objectives. His preference would be to address all changes and amendments to the CEO's Goals and Objectives at the same time under the next Agenda Item.

MOTION: *Commissioner Barnes moved to amend the Motion, by striking these words: "the Chief Executive Officer's annual Goals are amended to identify completion of the public outreach process as the threshold for attainment." Motion Dies for lack of second.*

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

RECESS

Commissioner Barnes called for a recess for at 3:37 p.m. until 3:43 p.m.

Commissioner Barnes reconvened the meeting at 3:44 p.m.

B. Amendment of the 2019-2020 Work Plan and the CEO's Goals and Objectives;

Mr. Arntzen outlined the proposed amendments to the 2019-2020 Work Plan, which have been discussed several times in previous meetings.

Discussion commenced between the Commission and staff.

PUBLIC COMMENT

No Comments were made.

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MOTION: *Commissioner Novakovich moved approval of Resolution 2020-04 amending the 2019-2020 Work Plan and associated Goals and Objectives as set forth in the Resolution and Exhibit A and Exhibit B; and that all action by port officers and employees in furtherance hereof is ratified and approved; Commissioner Moak seconded.*

Discussion:

Commissioner Moak thinks the Work Plan is a living document and he thinks as things change, as we look at things, he thinks it should be reflected in our Work Plan. As it is, some of these are very good changes to our Work Plan, and moving forward on a number of different areas that has been important not only to the Commission, but he thinks the public. Commissioner Moak thinks it is important to have that reflected in our Work Plan and move forward on those and he appreciates the discussion.

Commissioner Barnes agrees with Commissioner Moak's comments and our Work Plan is a living document and we do not need to look too far back in the rear view mirror to see evidence of that. The Port had a Work Plan that had addressed the Tri-City Raceway property, but he thinks a significant opportunity presented itself, an opportunity to work with very good partner, even though he voted against that sale because of the price, in the end, Commissioner Barnes thinks it was an excellent thing to do. The Port made the changes and decided to do that, in spite of the fact that the Work Plan said to do Y instead of X. But it is a living document and Commissioner Barnes thinks that also illustrates that the Port is aware of evolving change in our community and we are capable of making changes that are in the best interest of the Port. Commissioner Barnes thinks that change we made, the decision we made with the Tri-City Raceway was in best interest of the Port and the City of West Richland. Commissioner Barnes supports these changes.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. District Wide Project Timeline

Mr. Peterson introduced the Port of Kennewick 2020 timeline for major projects, including Vista Field, Columbia Gardens, 1135 USACE Project, and the Kennewick Waterfront. Additionally, Mr. Peterson presented the two year time line for 2020-2021 for major projects for the Port.

Discussion commenced between the Commission and staff.

B. Vista Field

Mr. Peterson updated the Commission on several items regarding Vista Field, such as the Property Owners Association, the Realtor Commission, Marketing Plan and the corporate Hangar Reuse.

- 1. Construction Update***
- 2. Task Status Update***

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David Robison of Strategic Construction Management updated the Commission on the letter the Port received on February 25, 2020 from the Arts Center Task Force letter regarding the Vista Arts Center.

Discussion commenced between the Commission and staff.

Commissioner Barnes requested that the Arts Center Task Force be placed on the Agenda for the March 10, 2020 Commission Meeting.

C. Columbia Gardens Urban Wine & Artisan Village Update

1. Food Truck Plaza

Ms. Hanchette updated the Commission on the Food Truck Plaza.

2. Task Status Update

Mr. Peterson stated if acceptable, due to the time, he will update the Commission at the next Meeting.

3. Phase Two Ribbon Cutting Ceremony

Ms. Bader Inglima reported that the Ribbon Cutting for the new wine village building will take place on March 27, 2020.

D. Posting Commission Meeting Audio Update

Ms. Scott briefly updated the Commission on posting the Commission Meeting audio on the website.

Discussion commenced between the Commission and staff.

E. Congressman Newhouse Update

Commissioner Novakovich recently attended a meeting with Congressman Newhouse regarding Hanford, the dams, and the 1135 USACE Project.

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

Commissioners reported on their respective committee meetings.

G. 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**

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ADJOURNMENT

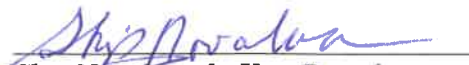
With no further business to bring before the Board; the meeting was adjourned 5:21 p.m.

APPROVED:

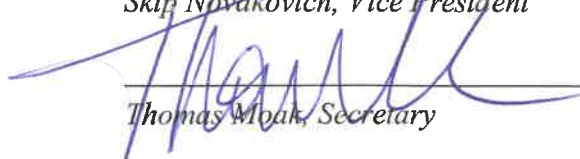
**PORT of KENNEWICK
BOARD of COMMISSIONERS**



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 25, 2020 Commission Meeting is approved and will be kept as a permanent record of the meeting.

*The February 25, 2020 Commission Meeting Minutes were Approved by the Port of Kennewick Commissioners on April 14, 2020 at the Regular Commission Business Meeting.

PORT OF KENNEWICK

Resolution No. 2020-01

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING THE PORT CHIEF EXECUTIVE OFFICER TO EXECUTE A CONTRACT WITH MAKERS ARCHITECTURE & URBAN DESIGN, LLP TO UPDATE THE CLOVER ISLAND MASTER PLAN AND CONSOLIDATE WITH PLANNING EFFORTS WITHIN THE KENNEWICK HISTORIC WATERFRONT DISTRICT

WHEREAS, in 2004, with substantial public input, the port formulated a master plan for the development of Clover Island; and

WHEREAS, in the intervening years, portions of the island have been built out according to the master plan; other adjacent properties have been built out, and neighborhood and community changes have occurred, making an update of the plan imperative; and

WHEREAS, a consolidation of prior Columbia Drive planning efforts with the Clover Island update into one cohesive Kennewick Historic Waterfront District master plan is imperative; and

WHEREAS, the Port Commission having confidence in continuing its professional association with the plan author (Makers architecture & urban design, LLP); and

WHEREAS, the Port Commission having been briefed by staff related to possible issues, both pro and con, which may arise during a public planning process; and

WHEREAS, the Port Commission deems it prudent to update and consolidated planning activities in the Kennewick Historic Waterfront District.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick directs the Chief Executive Officer to execute a contract with Makers architecture & urban design, LLP to complete the attached scope of work (Exhibit A- Kennewick Historic Waterfront District) in the amount of \$248,288.00; and directs the Chief Executive Officer to present the plan to the Commission for review and possible adoption prior to the end of the year.

BE IT FURTHER RESOLVED that the Chief Executive Officer is authorized to amend the 2019-2020 capital budget to reflect the reallocation of \$75,000.00 for this task.

BE IT FURTHER RESOLVED that the Chief Executive Officer's annual goals be amended to reflect completion of the public outreach process for the Kennewick Historic Waterfront District is the threshold for attainment.

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the Port Chief Executive Officer is authorized to take all action and to pay all expenses necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 25th day of February, 2020.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: 
DON BARNES, President

By: 
SKIP NOVAKOVICH, Vice President

By: 
THOMAS MOAK, Secretary

PORT OF KENNEWICK

Resolution No. 2020-04

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK AMENDING THE 2019-2020 WORK PLAN
AND THE CEO'S 2019/20 GOALS AND OBJECTIVES***

WHEREAS, every two years, with public input, the port produces a work plan and budget to guide the commission in its mission of economic development; and

WHEREAS, in the past year, significant changes have occurred to the Port's asset portfolio, making an update of the work plan and associated Chief Executive Officer's (CEO) Goals and Objectives necessary; and

WHEREAS, the Port Commission deems it prudent to update the work plan and CEO's Goals and Objectives.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby amends the 2019-2020 Work Plan, as described in Exhibit A attached hereto.

BE IT FURTHER RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves the CEO's revised Goals and Objectives, as described in Exhibit B attached hereto.

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

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 25th day of February, 2020.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: 
DON BARNES, President

By: 
SKIP NOVAKOVICH, Vice President

By: 
THOMAS MOAK, Secretary

Resolution No. 2020-04
Exhibit A

Amendments to the 2019-2020 Work Plan and associated Goals and Objectives

1. General. Staff shall prepare a work plan executive summary, serving as an attractive, succinct document highlighting current port projects. A primary function of the summary will be to enhance public understanding of the port's planned activities.

2. Waterfront Master Plan. Staff shall facilitate master planning, which will focus on upland portions of Clover Island; the port's holdings along Columbia Drive; potential Columbia Drive traffic calming; and linkages to Downtown. The "expanded" nature of the master plan will require an additional 120 days to complete (approximately March 1, 2021). The associated Goals and Objectives shall be amended to reflect the new timeframe.

3. Duffy's Pond. The major objective related to Duffy's Pond is the elimination of the unattractive smell created by algae blooms during the summer months. In addition, the commission acknowledged the importance of identifying modest enhancements at the wine village which would benefit tenants and the public. Therefore the Work Plan (and related goal) will be amended to read:

Present plan for commission approval that addresses remedial action for algae buildup in Duffy's Pond; which includes a list of upland enhancements in the wine village (with corresponding budget information) for commission consideration.

4. Vista Field Hangar Remodel. The commission identified a need to formulate a "phased" hangar remodel strategy which would address future uses of the hangars to enhance Vista Field vibrancy. Therefore, the Work Plan will be amended to read (with a companion goal):

Complete market, architectural and engineering analysis for the Vista Hangars, together with estimated budget and draft financing plan for commission consideration.

5. Rural County Capital Fund Strategy and Opportunity Zone Analysis. The commission indicated a desire for a detailed review of present projects and the future status of rural county capital funding (RCCF). Therefore the Work Plan will be amended to read (with a companion goal):

Complete analysis of current and future RCCF funding; potential capital construction projects which may be funded by RCCF; and independent review of potential Opportunity Zone funding and project analysis.

6. Miscellaneous. The commission may desire to comment on the importance of the plan as follows:

The 2019-2020 Work Plan is a "keystone" document which provides strong guidance to staff. The directives contained in the Work Plan shall remain paramount to other tasks and activities.

**Resolution 2020-04
Exhibit "B"**

EXHIBIT B CEO 2019/20 Goals & Objectives Update (included update on 2017/18 ongoing goals)
DATE: February 25, 2020

| GOAL & OBJECTIVES | TACTICAL STEPS | ACTION | STATUS (checkmark = Completed) | COMMENTS |
|------------------------------|--|---|---|--|
| | 2017/2018 Goals and Objectives Update | | | |
| | 2017/18 GOAL | Research, draft, and present the Vista Field Association or the organization for dues regarding operating Vista Field amenities; a key element includes shifting ongoing operating cost of Vista Field common areas to the development partners and businesses within Vista Field. | Considered complete when presented to Commission. | Two types of owners association documents have been prepared (Commercial & Industrial). Doris Goldstein presented the concept to the Commission on 5/28/19. Awaiting final edits to documents for Commission approval in January 2020. |
| | 2019/2020 Goals and Objectives Update | | | |
| Vista Field | 2019/20 GOAL | Completion of Phase 1A construction. | Considered complete when presented to Commission for substantial completion | 50% complete 50% complete based upon pay applications from Contractor. The project is currently well within our estimated budget. Completion currently scheduled in Spring 2020. |
| | 1 | | | |
| Vista Field | 2019/20 GOAL | Sell one parcel or obtain one ground lease (does not include Arts Center Task Force). | Considered complete when presented to Commission. | 100% Complete Unattainable until the Port has recorded lots to sell. Completion scheduled in Spring 2020. However, the Port has had substantial interest from developers. |
| | 2 | | | |
| West Richland | 2019/20 GOAL | Negotiate the land sale of the former racetrack property with the City of West Richland and present the purchase offer to the Commission. | Considered complete when presented to Commission. | Staff & port attorney have many hours invested toward PSA and water rights transfer logistics. Tentative PSA and major deal points presented to the Commission on 9/15/19. PSA reviewed to Commission on 9/24/19. |
| | 3 | | <input checked="" type="checkbox"/> | |
| Columbia Drive | 2019/20 GOAL | Develop and complete engineering for bridge. Develop recommendations present plan for commission approval that addresses remedial action for algae buildup in Duff's Pond, which includes a list of rip-rap enhancements in the wide village (with corresponding budget information) for commission consideration | Considered complete when presented to Commission | Consultants have drafted a basic restoration plan. Tim presented to USACE commander the potential solution on 7/29/19. Staff to staff consultations continue, but with USACE process there is no guarantee. Goal amended 2/25/20. |
| | 4 | | | |
| Clover Island | 2019/20 GOAL | Present for Commission consideration the Waterfront master plan. | Considered complete when presented to Commission. | 25% Complete Introduced consultant to Commission and toured community; developing scope of work for Clover Island Master Plan Update. Goal on track for 2020. |
| | 5 | | | |
| | 2019/20 GOAL | Complete a team building event (e.g. seminar). | Considered complete when presented to Commission. | Field a staff retreat with trainings on May 30/31. Reported to Commission on 6/11/19. |
| Port Staff | 6 | | <input checked="" type="checkbox"/> | |
| | 2019/20 GOAL | Completion of one executive level training course. | Considered complete when presented to Commission. | Completed October 21-22 with with Jim Darling. Presented to Commission on 10-29-19. |
| Districtwide | 7 | | <input checked="" type="checkbox"/> | |
| | 2019/20 GOAL | Present for Commission consideration non City of Kennewick partnership visions. | Considered complete when presented to Commission. | Richland: Working on next decade plan, with consultation from White Bluffs Consulting. Consultant and Port staff have met five times to prepare a list of long term and short term projects. Bayton City: Partnership for DPCZ shoreline master plan, |
| | 2019/20 GOAL | | <input checked="" type="checkbox"/> | |

Resolution 2020-04
Exhibit "B"

| GOAL & OBJECTIVES | TACTICAL STEPS | ACTION | STATUS (checkmark = Completed) | COMMENTS |
|-------------------|----------------|--|---|--|
| Districtwide | 8 | | | |
| Districtwide | 2019 /20 GOAL | Establish "Vibrancy" policy. | Considered complete when presented to Commission. | Presented to Commission on 3/14/19. Executed MOU on 4/25/19. |
| Districtwide | 9 | | ✓ | Executed PSA with Barton County on 9/24/19 for water rights transfer from the Racoway property to the Barton County Fairgrounds. This was beneficial to Barton County because they didn't have enough water rights for the fairgrounds and benefited the Port as a result of Barton County giving the Port \$500k of their RCCE funds for Visa Field. This will also result in future goodwill between both agencies, hopefully leading to more successful partnerships. |
| Districtwide | 2019 /20 GOAL | Identify and present one additional mutually beneficial or ROI partnering opportunity to the Commission. | Considered complete when presented to Commission. | ✓ |
| Districtwide | 10 | | | |
| Visa Field | 2019 /20 GOAL | Complete architectural and engineering analysis for the Visa Hangers, together with estimated budget and draft financing plan for commission consideration | Considered complete when presented to Commission. | Added 2/25/20 |
| 11 | | | | |
| Districtwide | 2019 /20 GOAL | Complete analysis of current and future RCCE funding; potential capital construction projects which may be funded by RCCE; and independent review of potential Opportunity Zone funding and project analysis | Considered complete when presented to Commission | Added 2/25/20 |
| 12 | | | | |

Other Accomplishments

- 1) Completed land sale to Three Rivers Acquisitions
- 2) Successful launch of new Port website
- 3) Signed contract with USACE for 1135 project phase 2
- 4) Obtained clean financial statement audits for 2017 & 2018



AGENDA REPORT

TO: Port Commission
FROM: Tim Arntzen, CEO
MEETING DATE: February 25, 2020
AGENDA ITEM: Resolution 2020-04;
Amendment of 2019-2020 Work Plan and
CEO's Goals and Objectives

- I. REFERENCE(S):** Resolution 2020-04
Amendments to 2019/20 Work Plan (Exhibit A)
Updated CEO's Goals and Objectives (Exhibit B)
- II. FISCAL IMPACT:** N/A
- III. DISCUSSION:** In several recent commission meetings, staff and the commission discussed the 2019-2020 Work Plan recognizing that a number of situations have changed over the past year (e.g. Southridge Auction and West Richland Raceway land sale). The commission directed the CEO to propose updates to the work plan for the balance of its effective period (2020).
- IV. STAFF RECOMMENDATION:** Consider Resolution 2020-04, amending the 2019-2020 Work Plan and associated CEO's Goals and Objectives, as described in Exhibit A and Exhibit B, attached hereto.
- V. ACTION REQUESTED OF COMMISSION:**
Motion: I move approval of Resolution 2020-04 amending the 2019-2020 Work Plan and associated Goals and Objectives as set forth in the Resolution; Exhibit A and Exhibit B; and that all action by port officers and employees in furtherance hereof is ratified and approved.

1 **PORT OF KENNEWICK**

2 **REGULAR COMMISSION BUSINESS MEETING**

3 **HELD ON**

4 **TUESDAY, FEBRUARY 25, 2020**

5 **2:00 P.M.**

6
7 **MR. BARNES:** This meeting of the Port of Kennewick
8 Commission will please come to order. At this time, I'd
9 invite everyone to check their noise-making devices, make
10 sure they're in the silent or off mode. And if you would,
11 please rise and join me in the Pledge of Allegiance.

12 **(Whereupon, the Pledge of Allegiance was recited.)**

13 **MR. BARNES:** Thank you. I'd note, for the record,
14 we have all three commissioners present. Our next item on
15 the agenda is approval of the agenda. The Chair will
16 entertain a motion.

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

19 **MR. MOAK:** Second.

20 **MR. BARNES:** Okay. It's been moved and seconded
21 that we approve the agenda as published or as presented. If
22 there's no discussion, we'll vote. All in favor, please say
23 "Aye".

24 Opposed?

25 The Ayes have it, 3 nothing.

1 Our next item on the agenda is an opportunity for
2 public comment. At the Port of Kennewick, we have two
3 opportunities for public comment, one at the beginning of
4 the meeting, one at the end of the meeting. If you would
5 like to make a a public comment, we'd ask that you please
6 move to the podium, please state your name and address for
7 the record, and please limit your comments to three minutes.

8 Would anyone care to make a public comment? Mr.
9 Burdick, please.

10 **MR. BURDICK:** Boyce Burdick, 414 Snyder Street,
11 Richland, Washington. At the previous Commission meeting,
12 there was a discussion about putting the audio records
13 online so they could be accessed easily. And also, I think
14 there was discussion that these audio recordings might
15 replace the written minutes. I think that would be a
16 mistake. Audio recordings are problematic at best.
17 Typically, you don't know who is speaking, whereas if you
18 look at the written minutes, you get the name of each person
19 before each paragraph and what they've said.

20 So I guess, also, the topic of action minutes also
21 stuck its ugly head up, and I think that's also a mistake. I
22 think the discussions that we see in the written minutes are
23 really valuable.

24 Thank you.

25 **MR. BARNES:** Thank you very much. Are there any

1 other public comments? Thank you.

2 Okay. The next item on on our agenda is the
3 consent agenda. These items are considered routine in
4 nature, usually taken by one vote of the Commission. Any
5 item can be removed, placed down the agenda or tabled for
6 another meeting by two-thirds vote of the Commission. Do we
7 need to have any items removed from the consent agenda?

8 The Chair will entertain a motion.

Clerk's Note: Mr.
Novakovich

~~MR. MOAK:~~ Mr. President, I move approval of the
10 consent agenda.

Clerk's Note: Mr. Moak

11 ~~MR. NOVAKOVICH:~~ Second.

12 ~~THE COURT:~~ Okay

13 **MR. BARNES:** Okay. It's been moved and seconded
14 that we approve the consent agenda. Today our consent
15 agenda is comprised of approval of direct deposit and
16 epayments dated February 19th, 2020, and approval of warrant
17 register dated February 25th, 2020. If there's no
18 discussion, we'll proceed to vote.

19 All in favor, please say "Aye".

20 Any opposed?

21 The Ayes have it, 3 nothing. Thank you.

22 The next item on our agenda, presentations. Friend
23 of the Port, Tana and Tim, please.

24 **MS. BADER IGLIMA:** Thank you, Commissioners. I
25 appreciate that. As you know, in the past, we have done a

1 Friend report for probably a decade now. It's an
2 opportunity for staff to come together under consensus and
3 determine somebody that's kind of gone over and above what
4 is kind of normal activity in benefit of the Port district.
5 And this year, by consensus, the staff decided that ET
6 Estate Sales would be the one that we would recommend you
7 recognize. And there's a reason for that.

8 Liz and Mark Thompson are here today for ET Estate
9 Sales, and they brought their team with them. And in a
10 moment, I'll let her introduce everybody.

11 Do you want to do that right now?

12 **MS. THOMPSON:** Either way.

13 **MS. BADER IGLIMA:** Okay. Let me tell you why
14 we're so excited that they're with us today and why they've
15 brought such a great crew. They understood the Port's
16 vision for the Columbia Gardens redevelopment. A number of
17 years ago, they chose to move to a building across the
18 street from the wine village, because they wanted to be part
19 of the synergy and the redevelopment and the transformation
20 of East Kennewick and the historic waterfront. So they
21 supported the Port's vision from day one.

22 They made personal investment in that
23 neighborhood. They moved their business, and they created a
24 retail opportunity at ET Estate Sales that complements what
25 we're doing with the wine village development. And their

1 business, since it opened, has also attracted some
2 additional retail to that end of town.

3 But not only that, they took it upon themselves
4 recently, because they have such pride in ownership of the
5 revitalization of East Kennewick, that when we had a recent
6 spate of some very bad graffiti, not just on their building,
7 but all up and down Columbia Drive. And they hit just about
8 every building, fortunately, not our wine buildings, but the
9 ones across the street, a number of the buildings with some
10 very ugly, very visible graffiti.

11 Liz contacted me and said, Hey, how do we get this
12 cleaned up? And rather than waiting for the City's Graffiti
13 Abatement Team -- which they do have a program in place, but
14 it might take a day or two -- Liz said, No, we want to take
15 this on and we want to get it cleaned up right away. So I
16 gave her some contacts. She reached out to the other
17 neighbors. And they sent their team out to clean up, paint
18 over, power-wash and clean up the neighborhood.

19 So we felt that that was above and beyond, not
20 only were they good neighbors making personal investments,
21 they have really -- their prompt and civic-minded action
22 really is helping us with the place-making that we're doing
23 with Columbia Gardens, and they're helping us with that
24 sense of urban revitalization. They have taken ownership of
25 it and are making visitors proud, being able to come down to

1 that area.

2 So with that, I'll let Liz say -- she's got a
3 chance to introduce her people, and then I think we can kind
4 of --

5 **MS. THOMPSON:** I would just like to thank the Port
6 Commissioners --

7 **MS. BADER INGLIMA:** Can we get you up to the mic
8 so we can record that?

9 **MS. THOMPSON:** I would just like to thank the
10 Commissioners and the Port and the staff, all the hard work
11 that you guys have done. It's been amazing to see the
12 transformation. And it really was the decision for us in
13 buying the building. If it would have been status quo down
14 here, we would not even have looked twice at the building we
15 purchased. So I just want to thank everybody. I know how
16 hard you guys have worked. It takes dedication. It's taken
17 a long time, and we really, really appreciate that.

18 And with that, I'm just start here in the front
19 row and introduce some of our team. Jessica -- please stand
20 up and wave real quick -- and then we have Devon Gardner,
21 Lisa Ritchard, and then come back behind with Trevor,
22 Curtis, he's the one that helped us clean up the graffiti,
23 Curtis Malone, my husband, Mark Thompson, and in the back
24 row, he helped clean up the graffiti, Jess Messenger and his
25 girlfriend.

1 And thank you for having us here today. We
2 really, really appreciate it.

3 **MR. BARNES:** Thank you. Liz and Mark, could you
4 please come forward and join me?

5 **MS. BADER IGLIMA:** And I think, Liz, did you want
6 to have the team up there as well?

7 **MS. THOMPSON:** Do we have enough room?

8 **MR. BARNES:** We'll make room.

9 **MS. THOMPSON:** You've probably got room for the
10 other Commissioners, too. Mark is going to manage this
11 whole thing.

Clerk's Note: Mark Showalter of PS Media

12 **MR. BARNES:** I'd like to, first of all, say how
13 much the Port appreciates having a private sector partner
14 make a significant investment in our area, not only an
15 invest in money, but also time, and then be dedicated and
16 committed to the neighborhood through actions.

17 So I'd like to read the plaque that we'd like to
18 present to you today. There says, "The 2019 Friend of the
19 Port award presented to Liz and Mark Thompson, ET Estate
20 Sales, in recognition of your efforts to transform Columbia
21 Drive through personal investments, a commitment to
22 excellence and tenacity in making East Kennewick and the
23 Columbia Gardens Wine and Artisan Village an inviting
24 destination."

25 On behalf of all three commissioners, I'd like to

1 thank you very much.

2 **(Whereupon, a picture was taken.)**

3 **MS. BADER IGLIMA:** Liz and Mark, thank you, and
4 your entire team, we really appreciate it, as the
5 Commissioners have said. We also have a plaque that's the
6 same that will be hanging on our wall. So you will join our
7 Friend of the Port walls with a plaque here on the wall in
8 recognition of everything you've done.

9 So thank you.

10 **MR. BARNES:** Okay. Thanks again very much, for
11 joining us today.

12 Okay. Moving to the next item on our agenda, we
13 have budget review through December 31st, 2019. Nick?

14 **MR. KOOIKER:** Thank you. This is our six-month
15 budget review, if you can remember the last one back in
16 July, July 9th, I believe.

17 For reference, in your packets, you will see a
18 one-page, it's like a profit and loss statement, otherwise
19 known as an income statement. It shows the Port's revenues
20 and expenses through December 31st, '19. And then also, you
21 will see the PowerPoint presentation, which I have built the
22 capital budget into that presentation. I've kind of
23 condensed that down to make it, you know, simpler because
24 then it sticks together, whereas making it easier for the
25 Commission.

1 So I guess I'll just go ahead and get started
2 here. So this is a graphic that I came across about a year
3 ago. GFOA is Government Finance Officer's Association of
4 America and Canada. They're a highly regarded -- you know,
5 they're an entity that basically teaches finance people like
6 me. They're highly regarded for training and resources. And
7 this is where I go to reference many things like this. Like
8 running the financing for Vista Field, I went through a lot
9 of guidance with them and followed checklists and things.

10 So GFOA has provided this to me. And I think this
11 is just kind of relevant for any entities. This is kind of
12 just the guidance for us. And I show this, also, because I
13 prepared this presentation based upon what I think the
14 Commission wants to see, which is at the top of the pyramid,
15 so the leadership of the Port Commission. Really, the level
16 of data they are looking to see is higher-level summary
17 data. Middle management in the green there, that's probably
18 more budget meetings I have with Tim. I give Tim more
19 detail, but still not extreme detail. And then lower bottom
20 of that pyramid, these are meetings with directors and
21 people at the Port, like Amber. We'll discuss down to the
22 penny repairs for buildings, by line items, and various
23 different costs like that.

24 So anyways, I based this presentation, based upon
25 the top, just trying to keep it at a higher level.

1 So the first thing I always start with is some
2 economic data. And I try to kind of gear this not only to
3 the Port's -- how it can impact the Port, but also, things
4 that are kind of interesting to the average person, just
5 kind of interesting things we can take with us through the
6 budget process or even this presentation.

7 This one, I found this pretty interesting. The
8 national unemployment rate, the state unemployment rate, the
9 local Benton County rate. The national and State
10 unemployment rates all went down in the last six months, but
11 the Benton County unemployment rate went up, which I found
12 kind of interesting.

13 So to put a few notes on the bottom here, the
14 national unemployment rate is the lowest it's been in 50
15 years. And I think people underestimate that, but that's a
16 pretty big deal. And the State, you can see that 10.4
17 percent -- all of us remember living through that last
18 recession -- but 10.4 percent. Now we're at 4.3. And the
19 Benton County unemployment rate is 5.4. Six months ago, I
20 think it was about 4.9. It was still higher.

21 I didn't know until recently -- I went to the
22 economic forum last week with other staff and a commissioner
23 here -- and a presenter -- I don't know how to say her name,
24 Ajsa Suljic. She's kind of highly regarded as the local
25 Benton County economist. And one thing I caught from her

1 was that she thinks the reason why the County is higher than
2 everybody else in the State is due to the fact that we have
3 a very young work force. So basically, there's more people
4 going into the work force, therefore, the unemployment rate
5 is a little bit higher, just because the pool is increasing
6 faster than everybody else. And that's the first time I've
7 heard that, because I have never really been able to pin
8 down what the reasoning for that technically is.

9 Recession. I always kind of include this, and I
10 don't mean to be a Doomsdayer. But about six months ago, I
11 mentioned the yield curve is negative, and that -- or it was
12 inverted. I'm sorry. So that means short-term rates are
13 higher than long-term rates. And that's always been a
14 predictor of a recession. And I'm not trying to scare
15 anybody, but this certainly should be on our radar.

16 And the bullet I have there, I found this, the
17 Federal Reserve Bank of Cleveland shows the probability of
18 recession, at the highest in August 2020, 43 percent. And I
19 bring this up just, you know -- I think it's something, the
20 recession could have a slower effect on the Port, or a
21 delayed effect. And I just think it's something we need to
22 think about when we're doing the budget here in eight
23 months. I just think it's -- when we're forecasting
24 revenues, our revenues are highly dependent upon private
25 businesses, and some of those private businesses could be

1 impacted. So I think it's something that -- Part of the
2 problem with us is our revenues can drop, and our expenses
3 will still stay the same, because we're still supporting a
4 higher level of services ongoing. So I bring that up.

5 This one, I think, hits everybody in this room.
6 And this one, I kind of -- I was trying to correlate home
7 prices with household incomes. The chart on the left is --
8 the chart on the left is home prices. In '09, we were down
9 to, like, 190. Today, we're up at about 320, I believe. So
10 home prices have gone up 70 percent since 2009, or 7 percent
11 per year. And the biggest increase has been in the last
12 four years, and that's 32 percent since 2016.

13 What I was hoping I would see, as I was gathering
14 this data -- and I got this data from, as you can see at the
15 bottom, the Association of Realtors and Ajsa, I guess I
16 would call her. The chart on the right, I got that data
17 from her. But I was hoping I would see a similar
18 correlation on the right-hand side. But as you can see, you
19 don't. So income has only risen 3 percent since '09,
20 whereas home prices have gone up 70 percent. And I don't
21 know about you guys, but I see a problem. I mean, I don't
22 see how this could be sustainable.

23 How does this relate to the Port? I mean, we've
24 noticed our construction costs have gone through the roof. I
25 mean, trying to predict, when we bid a project, what it's

1 going to be six months from now, has become almost
2 impossible, if not impossible, as, really, trying to pin
3 jello down. And this does relate to us, because it can
4 impact us in the future.

5 So our budget philosophy -- this is a resolution
6 the Commission passed -- originally in '14, we amended it
7 just this last year or two years ago. I always put a few
8 bold points in here that I think apply to where we're at.
9 The first one is eliminating, or transferring to private
10 sector, holdings which provide minimal benefit to the Port
11 or our constituents. This I brought up because the Port
12 Commission recently sold the South Ridge property and the
13 West Richland Race Track, with thoughts being that somebody
14 else could probably develop in the near term, or in a better
15 way the Port didn't have the ability to right now.

16 The second one, accurately predict funding
17 sources, I thought this was relevant. We're going to talk a
18 little bit about the RCCF funds, the 9/10ths of 1 percent
19 sales tax funds from Benton County. We've been thinking
20 about this. We now have a plan in place how we're going to
21 utilize this money. And then also, you know, just part of
22 the problem, kind of in the past, we've had a lot of
23 partners, the City of Kennewick, Benton County. And this
24 other people's money is a great revenue for the Port, but
25 it's been hard to forecast. So we can be thinking about

1 this in our budget the next go-around.

2 The next one I think is always important,
3 evaluating economic development based upon results to be
4 derived district wide versus project specific. This, I
5 always come back to Vista Field. I mean, just because Vista
6 Field is in Kennewick doesn't mean it won't have a positive
7 effect on Pasco, West Richland, Benton City and Richland as
8 well. So we just want to keep that in mind.

9 And then the last one I always put in here, just
10 because the staff -- the Port staff is consistently doing
11 more with less. And I realize this is part of working in
12 government, that we're asking more of less. But it's
13 getting more and more in Vista Field. I think the
14 operations, you know, once that takes over, is going to be
15 further amplified, the stress you put on staff.

16 So as I mentioned a few Commission meetings ago, I
17 just want to put some disclosures out there. So I'm being
18 asked to put a year-end budget report together, and I just
19 think the Commissioners need to know that those numbers will
20 change, because we accrue are accounting. So for example,
21 in the check run today, there's expenses in there, like the
22 payment to Musser Brothers, for example, I accrued that to
23 November, because the auction was in November. So that
24 \$9,000 you paid for the South Ridge auction isn't in our
25 revenues and expenses. So I just want to point that out.

1 This presentation is through last Commission
2 meeting's check run. So any check run you see or any check
3 you see in the warrant today is not included. And part of
4 that was because I've been preparing this presentation for a
5 couple of weeks.

6 **MR. BARNES:** I have a question, please. We're on
7 an accrual accounting basis?

8 **MR. KOOIKER:** That's correct, yeah.

9 **MR. BARNES:** But your reports are cash-based?

10 **MR. KOOIKER:** No, that is not correct. So we're
11 on accrual-based accounting, and this sheet I give you is
12 accrual-based accounting.

13 **MR. BARNES:** Okay.

14 **MR. KOOIKER:** The only thing that's cash-based is
15 the bank account balance.

16 **MR. BARNES:** Okay. So the Musser Brother payment
17 was accrued in November.

18 **MR. KOOIKER:** Right.

19 **MR. BARNES:** So if it was accrued in November,
20 then it is in --

21 **MR. KOOIKER:** It's not in here because we paid it
22 today. If it was paid on February 11th, it would have been,
23 yes. Does that make sense?

24 **MR. BARNES:** No.

25 **MR. KOOIKER:** So the \$9,000, I accrued that back

1 to November, but the check run didn't happen until today.

2 **MR. BARNES:** So the \$9,000 obligation to pay them
3 -- we knew the \$9,000 payment was coming back in November,
4 right?

5 **MR. KOOIKER:** We didn't know what the amount was.

6 **MR. BARNES:** Oh, okay.

7 **MR. KOOIKER:** Because actually, the contract says
8 we're going to pay them \$15,000. I'm glad we didn't,
9 because they sent us a bill for \$9,000. So we don't accrue
10 it back until we get an invoice for it.

11 **MR. BARNES:** Okay. Okay. So we knew there would
12 be a payment coming, but we didn't know the amount.

13 **MR. KOOIKER:** Right.

14 **MR. BARNES:** So when you're doing debits and
15 credits, you can't -- you didn't have a specific amount that
16 you could enter in as an accrual or as an accrued entry in
17 November.

18 **MR. KOOIKER:** Right. Yeah.

19 **MR. BARNES:** Oh, okay. Thank you very much.

20 **MR. KOOIKER:** Yeah. So I mean, yeah, just keep in
21 mind, this check run -- and we'll do one more March 10th, or
22 whatever the next Commission meeting is -- we'll still be
23 accruing some back. You know, we got a bill, I think it was
24 the HVAC company, and they did their work in August.

25 **MR. BARNES:** Oh.

1 **MR. KOOIKER:** And for whatever reason, I don't
2 know why --

3 **MR. BARNES:** Free credit for five months.

4 **MR. KOOIKER:** That is, you know. But it's amazing
5 how long we invoiced this. So I should send an email out to
6 some vendors saying, hey, we need to get these -- to make
7 our financial statements accurate, I want to accrue that
8 back to last year, so please send me a bill. And it's not
9 that we're not going to pay it, it just -- it makes our
10 financials inaccurate if I close the books and it accrues
11 something to 2020 that we shouldn't have. So if that makes
12 sense to the board --

13 So on that note, Commissioner Barnes, like the
14 third bold I put there, the land sales. So we received \$1.8
15 million, roughly, on December 31st. That's in the bank
16 account balance, but it doesn't show up on your profit and
17 loss statement. Because it's in the bank, but we haven't
18 recognized the revenue yet, because we're still accruing
19 expenses for that land sale.

20 **MR. BARNES:** The land sale wouldn't be an item
21 that would be on an operating statement.

22 **MR. KOOIKER:** It will be. It will go under non-
23 operating revenues.

24 **MR. BARNES:** Okay. Okay. Thanks.

25 **MR. KOOIKER:** But like I said, that Musser

1 payment, I'm capitalizing that payment, because we had to
2 pay that to sell the property. So by GAP standards, we have
3 to capitalize that payment.

4 **MR. BARNES:** And then amortize it over what
5 period?

6 **MR. KOIKER:** That's right, yeah. So we'll go
7 back and recapture all the cumulative depreciation that we
8 put on that property. And we hadn't done an entity yet
9 because we're still accruing expenses back.

10 **MR. BARNES:** Okay.

11 **MR. KOIKER:** So anyways, I just want to bring
12 that up. And then the second bullet, you know, these are
13 draft form. I just told you the numbers will change
14 anyways, I guarantee it.

15 Clifton Larson Allen, we've hired them again to do
16 another three-year contract with the Port. And they
17 independently audit our financial statements. We have to
18 submit our financials by the end of May to the auditor's
19 office, and then Clifton Larson Allen -- I've already got on
20 them on the schedule. They'll be here the third week of
21 June, right after the finance conference. And they'll
22 probably be done in August, is my guess. So we're already
23 planning ahead on that one.

24 So a couple of considerations to be thinking
25 about, when looking at this data. The fund balance, like I

1 said -- and I specifically put on there what that includes,
2 because I figured the Commission would probably ask that
3 question. The \$8 million includes the \$1.8 million from the
4 raceway land sale and from South Ridge. So that money was
5 in there December 31st, literally, from the escrow company.

6 The second bullet, Vista Field, I want the
7 Commission to understand that just because the phase 1A work
8 with Total Site Services is winding down, I think other
9 things are going to come up, just smaller little things. I
10 mean, we see this with the wine village. Just because
11 you're done with the buildings, there's always things that
12 come up that were either planned or not planned, you know,
13 that we'll have to pay for. So just keep that in
14 perspective.

15 The third bullet point is regarding the loan. I
16 have delayed taking a draw on the financing. My plan is to
17 take a draw on that here shortly. I have delayed that
18 because I don't want to pay interest, unnecessary interest
19 to the bank with tax payer money. But I have to take the
20 final draw by June. So I just want to point that out.

21 **MR. BARNES:** Excuse me again. When you say the
22 final draw, would the final draw take it all the way up to
23 the \$5 million authorized?

24 **MR. KOIKER:** Yes.

25 **MR. BARNES:** Or is there some less than \$5 million

1 total final draw that's being considered?

2 **MR. KOOIKER:** Well, what I'll probably do is take
3 a lesser draw. I'll probably take a total of two draws, is
4 kind of what I'm thinking. I've been watching our cash flow
5 really closely, but as you can see, our bank account balance
6 -- and actually, after January, our account balance is down
7 to about \$7 million. And the Commission keeps two and a
8 half in reserve. So all of a sudden, that leaves us with
9 4.5. And it really helped us, we put that \$1.8 million in
10 the bank. So that allowed me to cash flow Vista Field and
11 those total sites for payments longer.

12 What I don't want to do is pay 2.85 percent when
13 our money at the bank is earning 2 percent. So I really,
14 you know, carefully considered when to take a draw. I mean,
15 most districts would have taken \$5 million when they got the
16 bond. But we strategically haven't done that, just trying
17 to save everybody money.

18 And to take a draw, it's not easy for me. It's a
19 lot of paperwork. I have to fingerprint stuff, you know,
20 notarize it and all kinds of stuff. So it's not like just
21 going in and getting a loan, unfortunately.

22 So the last thing I want -- we're 15 percent
23 through the budget cycle, revenues and expenses. But again,
24 that's -- it's a little confusing, because the expenses
25 technically aren't fully accrued yet.

Clerk's Note: 50%

1 The Shoreline project -- and I referenced this
2 last budget presentation back in July. But Tana has been
3 bulldogging this effort since I've worked here, and before
4 that, I think.

5 Right, Tana?

6 **MS. BADER IGLIMA:** Mm-hmm.

7 **MR. KOOIKER:** So you know, it's been a while. And
8 she's really pushed us along. There have been delays on
9 their part. But I think the Port needs to recognize that,
10 you know, this is a lot of other people's money, mainly the
11 Corps' money. And if their estimates are off, we need to
12 either say, hey, we're going to come to the table with extra
13 money or, we're not going to do it. So I think we need to
14 keep that in mind. Because I mean, we like to be able to
15 utilize partners, and I think that would be a big -- a
16 negative thing if we weren't able to do that project when it
17 came up. So I just want people people to remember that.

18 The second one is Vista Field. I reference that
19 again. I know Tim, at the last meeting, referenced -- or
20 wrote a memo placed on implementation team from Vista Field.
21 I think, you know, we haven't pinned costs down, exactly
22 what that will be. But just keep that in mind. Again, keep
23 that in mind. And then when we budget in eight months, we
24 really need to have that refined.

25 The third one is insurance reimbursement. And I

1 have been on top of the insurance company about getting paid
2 our \$582,000. And I finally -- I've had email
3 correspondence with them, and they called me last week and
4 said, well, we had a software glitch, and they never paid
5 us. So it's things like that that we're doing that, you
6 know, people don't see that. But you know, we will get paid
7 this money. I mean, I haven't had to involve counsel,
8 because I've heard that was just an error on their part. It
9 wasn't that they weren't trying to pay us.

10 And then the RCCF money, I already mentioned this,
11 but coming into the plan with this money is a really
12 probably a more pressing issues for the Port Commission than
13 some people might realize, just because of the timeline that
14 they put on it. And that money is accruing every month. So
15 we need to think of a plan to use that.

16 Next slide, Operating Revenues. This is just -- I
17 hate to say this, kind of the boring, day-to-day operations
18 of the Port. So revenues, we're at almost \$1.3 million for
19 the first half of the biennial. You know, these are things
20 like marina payments, so somebody comes to the front counter
21 and pays their lease. Our operating leases, these are, you
22 know, Ice Harbor Brewery, people like that.

23 We're 55 percent collected. But you've got to
24 remember, I booked the full year for the hotel land lease
25 and then the yacht club building. So those aren't material.

1 It will still -- I mean, it's only a couple percent. So
2 that will still put us a little -- about 3 percent above.

3 **MR. BARNES:** Excuse me, please. When you say 55
4 percent collected, that's 55 percent of the biennial budget
5 that's been collected to this point?

6 **MR. KOOIKER:** That's right.

7 **MR. BARNES:** Okay. Thanks.

8 **MR. KOOIKER:** And I'm glad you point that out,
9 because "collected" doesn't necessarily mean that we have
10 the money in our bank account, but we've actually recognized
11 that revenue. Because we're on modified accruals. So I'll
12 recognize the revenue, you know, like the yacht club lease
13 essentially bill in our books. It's a four-year lease at
14 that point.

15 **MR. BARNES:** Okay.

16 **MR. KOOIKER:** So whereas, you know, normal private
17 business is to do accrual, they do full accrual. We're
18 modified accrual. So it's exciting, complicated.

19 **MR. BARNES:** It sounds exciting.

20 **MR. KOOIKER:** Yeah. Expenses, Operating Expenses.
21 We're about \$2.4 million or 46 percent. A budget, this is
22 exactly, you know, where I like to be, just a little bit
23 below 50 percent, the benchmark. You know, we put money in
24 the expense budget for Vista Field and the Shoreline, and as
25 you can tell, the Shoreline isn't -- it's been delayed,

1 nothing on our part, but on the Corps'. So we are below our
2 benchmark, probably for those reasons, because we plugged
3 in, I can't remember exactly, but it was a significant
4 amount of money. Because the Shoreline maintenance, people
5 don't realize what that costs. And the irrigation costs --
6 I mean, just the area where City water, that's, you know --
7 it gets expensive and taking care of it.

8 So that's it for operating. Any questions on that
9 report?

10 Okay. Non-operating Division. So the best way to
11 sum up non-operating things is operating is our day-to-day
12 operations, capital is our building buildings, and non-
13 operating is everything else. Our revenues are 35 percent
14 collected. But this is incredibly misleading, because our
15 revenues -- like when I request a draw from the bank, that's
16 going to be a non-operating revenue. So if I call the bank
17 and say, we want \$2 million, all of a sudden that \$6 million
18 is going to be \$8 million tomorrow, or whatever day. So
19 operating revenues, what I'm trying to say is don't take too
20 much -- the 35 percent doesn't necessarily mean as much as
21 you might think it would. We're not -- a lot of this is
22 based upon our own discretion, is what I'm trying to say.
23 And when I get that \$582,000 from the insurance company,
24 probably this week, that will show up as non-operating
25 revenue. The RCCF money is non-operating revenue.

1 What I've noticed, too, is the interest revenues
2 are higher than we expected. The yields, like I mentioned,
3 are 2.06 percent. That's something that we did not -- when
4 we budgeted, our interest income was slim to zero. So
5 that's good. I mean, we made more money on our money in the
6 bank than we expected, but that also increased our operating
7 revenues.

8 Expenses. We're at 42 percent. You know, we're a
9 little low on that. But we also have ribbon cutting
10 ceremonies coming up. And those are -- you know, as great
11 as they are, they do cost the Port money, which I think
12 they're a good expense. But I think we'll have increased
13 expenses for the remainder of the year from that.

14 And this is the budget that most people seem to
15 care the most about. You know, this is our capital budget.
16 This is our construction budget, otherwise known as. The
17 first column is the project, and I've kind of summarized
18 these. The budget amount, this is -- this amount includes
19 the rollovers from last budget cycle, and also, any
20 adjustments the Commission has made in the last year. I've
21 made those adjustments in here. The third column is the
22 actual expenses through the 2/11 check run. Just like Vista
23 Field, that doesn't include the \$311,000 paid today to Total
24 Site Services. And then the remaining is just the formula,
25 the budget minus actual.

1 Shoreline. We're at \$1.5 million. That's our
2 budget. That's a million that we, the Commission, had
3 transferred from the -- where did we -- yeah, that's right.
4 And then the \$500,000 would be the RCO grant. That's where
5 the budget number came from. We spent \$253,000. We have
6 \$1.2 million remaining. And you know, at this point, that's
7 probably about right. I think the commitment on the Port's
8 part, from the paperwork they've given us, is about a
9 million dollars at this time. So we do have a little bit of
10 wiggle room in there already. Hopefully, we don't need more
11 than that.

12 Second one is the Clover Island master plan. We
13 budgeted \$175,000. We spent about eight with Makers, with
14 the initial work they did. That leaves us at 167. And then
15 I think, for the Commission's consideration later on in the
16 agenda -- well, I guess that's next, probably. Right,
17 Larry? The latest proposal from Juliet Maker, she thought
18 it would be more like \$250,000, is what she thought would be
19 the estimate for work. So I've put a memo in there where we
20 could potentially get the extra \$75,000. But I haven't made
21 the adjustment in here because you guys haven't approved it.

22 Vista Field. As you can see, you know, out of
23 that almost \$3 million remaining -- and obviously, you've
24 taken out the \$300,000 payment today that we made -- we owe
25 Total Site Services, I believe, about \$1.5 million.

1 **MR. BARNES:** After the payment?

2 **MR. KOIKER:** Right, I believe, off the top of my
3 head. So there is potential. You know, when we bid this
4 project, you have to remember the Port bid this project
5 right after the 421, the wine village buildings, and that
6 really took us a lot of time. So we were very conservative
7 with our budget. We forecasted a higher contingency,
8 especially for the water feature. We were building this
9 water feature that nobody else in this community has built.

10 I mean, at one point, Larry was telling me that we
11 have subs come in from California for the water feature, or
12 there was that potential, because nobody here had the
13 expertise. So we were very conservative with our bidding,
14 just because we had gotten beat up on that. So there could
15 be a little surplus here, but you also have to remember,
16 there are things that are going to -- like I mentioned
17 earlier, beyond the total site contract. And then, you
18 know, there are things that could come up, like a gateway
19 type feature, for example, the hangar buildings. You know,
20 there could just be many other things that were tagged up
21 items.

22 The next one down, the Vista Field Traffic
23 Impacts, Owner Association, Town Planner. I was advocate
24 for the first one, the traffic impacts, just because the
25 City of Kennewick is going to make the Port -- help them

1 with modifying the intersections in and around Vista Field
2 and the feature. I thought it would be prudent to park
3 money there, just to kind of mitigate our risk. If they
4 come just wanting a million dollars next week, then, you
5 know, we want to build that in.

6 So I've grouped them altogether. Our budget is
7 \$335,000. We paid \$66,000. That's primarily -- well, it's
8 all for the Owners Association, about 66 grand we paid. So
9 that's like the use of Foster Garvey and Ben Floyd,
10 primarily. So we do have a balance in there, but I think,
11 you know, that's -- we won't have any surplus there.

12 The next one is kind of interesting. And like I
13 said, the Vista Field loan payment originally is 550, and \$550,000
14 I've dropped it to \$500,000 500, because the Commission moved \$50,000
15 with the tasting room budget, I believe. And I think we
16 might have an extra -- I think our total outlay this year
17 will be \$450,000. So we will have a surplus there. And I
18 have also printed out, if the Commission wants to see it --
19 or if anybody wants to see it, for that matter, because I
20 know this is really exciting -- but I have a new
21 amortization schedule for the bank based upon a draw
22 schedule the next three months. And that's where I get the
23 \$450,000 from. That includes principal and interest.

24 So if anybody wants to copy of that, I can pass it
25 down. Would you?

1 **MR. BARNES:** Would you?

2 **MR. KOOIKER:** Let me see if I can find it here.

3 **MS. BADER IGLIMA:** Do you have multiple copies?

4 **MR. KOOIKER:** I didn't know people were going to
5 be that interested. I just have one for Commissioner
6 Barnes.

7 **MR. BARNES:** Anybody else want one?

8 **MR. KOOIKER:** So Columbia Drive, our \$2.4 million
9 --

10 **MR. BARNES:** Didn't I see this last July?

11 **MR. KOOIKER:** It would have been different,
12 though, in July. Yeah.

13 **MR. BARNES:** Okay.

14 **MR. KOOIKER:** So because I -- I didn't know we
15 were going to sell South Ridge. I didn't know we were going
16 to sell, you know, the raceway. So I have the cash flowing
17 in the best I can, without taking unnecessary money from the
18 bank. As much as I like bankers, I don't like to pay them,
19 if I can.

20 Columbia Drive, we're at \$2.4 million budget line
21 item. We spent about \$2 million. So we've fully paid Ben.
22 So the tasting room is fully paid for. So there's a surplus
23 there, but there are things we have pending that are going
24 to come out of that. For example, I grouped together the
25 tasting rooms and the \$150,000 for the Duffy's Pond project.

1 So the \$150,000 is in the \$2.4 million, just to simplify
2 things. So that will have to come out of the \$400,000.

3 And then, also, too, I know Larry and Amber were
4 working on -- they ordered a bathroom for down there, a
5 public bathroom. I know we've ordered that. We haven't
6 paid for it. You know, it will still come out of there. And
7 then I know Amber has a couple of other -- signage. So I
8 think -- shade structure. Yeah. I mean, there's a list of
9 smaller type things that need to come out of that \$400,000.
10 So I wouldn't expect that we'd have a major surplus there.
11 If it is, it's going to be very minor.

12 And then the last one is Columbia Park Trail
13 improvements. And this just happened last Commission
14 meeting -- or two Commission meetings ago where the Port
15 agreed to allocate money in our capital budget from RCCF. So
16 you know, in lieu of RCCF, we put it in our budget. So I
17 put that number here. That's it for the capital budget.

18 The RCCF Fund. This one is not easy. There's a
19 lot of moving parts to the RCCF Fund. There's many factors.
20 As you can see, our balance at the end of November -- and
21 that's not a typo -- November was about \$2.2 million. That's
22 what we accrued, and then they reimbursed us \$497,000.
23 You've got to remember, that's only the Port's portion. So
24 they actually reimbursed us more than that, because our
25 Columbia Drive utility project was City money, half -- 550

\$550,000

\$550,000

1 to the City, 550 to the Port as well. So that doesn't
2 include the City's money. This is just our balance. And --
3 Go ahead.

4 **MR. BARNES:** I'm sorry. Then the sale of the old
5 Tri-City raceway property would mean that we have or were
6 scheduled to receive some of West Richland's RCCF funds.
7 That would be handled the same way?

8 **MR. KOOIKER:** That further complicates things,
9 yes. And you know, that's -- yeah. And I don't know how we
10 go about doing that. I know their balance right now is
11 about \$725,000 of what they haven't used, West Richland's
12 fund. When we access that, how we access that, you know,
13 needs to be up for discussion. I mean, that's part of the
14 RCCF plan that Tim and I have been talking about we need it
15 implement.

16 The other thing is we have half a million dollars
17 in there, as in with the City of Kennewick for the Willows
18 project. So we need to figure out what we're going to do
19 with that. So that's kind of encumbered on that \$1.7
20 million.

21 The other interesting dynamic is -- and nobody
22 thought about this, including myself, at the very beginning,
23 when RCCF was first started and everybody was saying
24 disbursement agreements, the way it's written is it caps
25 everybody at 550. And then Tim negotiated that the City

\$550,000

1 pays us 3 percent for administration of the project, which
2 is great. But you know, nobody, including the County and
3 the City, thought about, well, it caps at 550, so once they
4 paid us 550 of the City's money, they capped to me at 497.
5 That's \$53,000 that, you know, basically stayed in our fund,
6 stayed in our RCCF fund. So the State owed the Port 53
7 grand, but it's now sitting there at the County because I
8 can't request reimbursement for that because it's not
9 matching money. It's just our money.

10 So there's many, many things to consider with this
11 RCCF fund. And then also, I think one thing that we didn't
12 -- I mean, the sunset was 2023, but I know they had talked
13 about 2023 is when the revenue stops, but how many years do
14 you have to spend the money. These are all things that
15 should be part of that analysis. So that's something that
16 Tim will be working on, and I'll be part of that.

17 So the air policy fund, that is one the Commission
18 passed about three years ago. And I just kind of felt like
19 this was kind of something that was in the cloud that nobody
20 really knew what that number was, so I wanted to memorialize
21 what we had in this fund. You've got to remember, the Port
22 only has one technical fund. We don't have separate bank
23 accounts anymore. So for me, like the opportunity to fund
24 the art policy fund, you know, I keep track of that via
25 spreadsheets. So I wanted to memorialize that in the

1 presentation. That's what I think -- unless somebody else
2 corrects me -- is in our art fund or our future art project.
3 And this is how I came up with that.

4 So since we passed that resolution, I went through
5 every land sale of the Port -- every piece of land the Port
6 sold. And the only one where we technically collected, it
7 was from the City of West Richland. And I think the way the
8 policy is written is at the discretion of the Port
9 Commission, because this can be a negotiable item between
10 the buyer and the seller. So that's the only one that, to
11 my knowledge, would apply.

12 This is the opportunity fund. As you notice, this
13 is exactly the same as it was back in July. The Commission
14 hasn't utilized this fund any more than they had approved
15 prior to that. Parametrix, we contracted with them for
16 traffic calming on Columbia Drive.

17 Larry, do you want to give them a quick update in
18 this, where we're at?

19 I asked Larry to --

20 **MR. PETERSON:** The traffic calming project
21 reviewed the 397 intersection with Columbia Drive, possible
22 improvements to the side streets off of Columbia Drive.
23 Bruno Street has been drawn up and submitted to the City of
24 Kennewick and is awaiting the review on the traffic
25 engineer's desk for the last two or three months. That

1 project hasn't had any expenses accrued to it -- there, I
2 used one of the fancy words -- hasn't had any expenses
3 accrued to it in the last three months. It is waiting for
4 City of Kennewick traffic engineer review.

5 **MR. BARNES:** Thanks.

6 **MR. KOOIKER:** Thank you, Larry. So I'll just move
7 on here.

8 So this line, I kind of thought maybe just put a
9 couple of interesting items -- well, interesting to me --
10 that the Commission maybe doesn't realize or hasn't heard of
11 this. But investment interest, we received investment
12 interest on a monthly basis from the County. We are in the
13 County's investment pool. And the idea behind that -- and
14 luckily, I was -- before the Port, I was with the County
15 when we developed the investment pool. So I kind of have
16 knowledge of that. The idea is that when we pool money
17 together from multiple districts, you get better investments
18 with a higher rate of return, therefore giving the smaller
19 districts more return in terms of dollar amounts.

20 The yield on this was 2.06 percent, as of January.
21 And I'm thankful that we did this, because I was looking
22 today. The Washington State investment pool is at 1.67
23 percent. So we're actually receiving more interest than we
24 would be otherwise. And I have talked to many other finance
25 managers for the Ports in the State. We all work together.

1 And this one, you know, is debatable, because I have thought
2 about being our own bank, where basically the Port can -- I
3 can go out and get our own banking services, but the kicker
4 is we have to invest our own money. And so I probably need
5 to hire somebody to manage our investments and, you know,
6 have somebody on a full-time platform for that.

7 The advantages, I can directly have a bank, and I
8 can probably get better services from a bank if I contract
9 directly with, say, Key Bank or whatever. I can get more
10 services at the front counter for -- like, accepting credit
11 cards would be easier. The problem now is that we bank with
12 the County, and they bank with Key Bank. So there's three -
13 - so I guess I've analyzed this in full, and I'm really
14 about to the point where I want to tackle being my own
15 investment manager or being the bank. And I've heard mixed
16 reviews to the Ports. Some think it's great, and some don't
17 want to deal with it.

18 There's a lot of risk, too. You know, if you
19 manage your own investments, you have to find a custodian
20 that you trust, you know, as a safekeeping fund for the
21 money. There's just a lot more risk to the Port. So right
22 now, our investments are yielding higher than the State pool
23 in the County investment pool, which I think has been good
24 for us.

25 The second one I also -- leasehold tax. So many

1 of you probably know what this is. But this is something we
2 get from the County every other month. It's kind of weird,
3 because we collect leasehold tax, and we owe property tax,
4 12.84 percent. We send it to the State, and then two months
5 later, they send it back to the County and they
6 distribute it to all the special purpose governments based
7 upon a formula. And as you can imagine, the reason why they
8 do this, it seems kind of convoluted and bureaucratic. But
9 the State keeps most the money before they send it back. So
10 that's really how it works. I just want to point that out.

11 This is something we track that we report monthly,
12 when I'm starting to collect monthly report quarterly to the
13 State. So it's just kind of interesting tax people haven't
14 heard of.

15 **MR. BARNES:** And the leasehold excise tax, as I
16 understand it, that's a tax that the Port receives on all
17 lease payments for from every Port tenant?

18 **MR. KOOIKER:** That's right. Yeah.

19 **MR. BARNES:** Okay.

20 **MR. KOOIKER:** Okay. So I also mentioned -- or I
21 also want to bring up property taxes. So I mean, our actual
22 levy is off a little bit from our budget amount, but it's
23 not material. The reason for this is it could be different.
24 Actually, it is different now, since January has already
25 happened. But what happens is they have adjustments to the

1 tax rolls. You know, seniors apply for exemptions that go
2 back three years, or if a mobile home gets destroyed or
3 whatever -- a current use, that's when a farmer has been
4 paying the full tax rate, and somebody tells them that, hey,
5 you can get a reduced tax rate, and the County can go back
6 three years and refund them. So that adjusts our levy.

7 Every single month, we go through a process. We
8 get reports from the County, and we have to adjust our
9 ledger to be -- you know, based upon their adjustments. They
10 also have what's called an administrative refund levy, which
11 is levied. The intention is, is that if there's a large
12 refund, it would be paid out of this fund, because they
13 don't want to hurt the special purpose by reducing their
14 taxes on a one-time basis by a huge amount.

15 At the bottom there, you can see this chart, which
16 I couldn't figure this out, so Tana did it for me -- thanks,
17 Tana.

18 **MS. BADER IGLIMA:** Mm-hmm.

19 **MR. KOOIKER:** The 49 percent of the bond, that's
20 Kennewick, so people in the City of Kennewick. That's where
21 we get the bulk of our tax revenue from, almost half of it.
22 The 22 percent is Richland, and the 9 percent is West
23 Richland, and the 20 percent is Benton County. And then
24 Benton City is under 1 percent of the Port's tax revenue.
25 And this is based upon the '17 levy, just so you know. The

1 County does not update this every year. I've requested it
2 for '19, but I haven't received it yet.

3 Okay. So we're basically at the end. At this
4 point, I think I was going to ask the Commission, was this
5 helpful, guidance from the board. I think before I do that,
6 I might just -- I put together what could potentially be
7 like a quarterly budget update, a more frequent budget
8 update, but not as much detail. This is something that I've
9 gone through, and I think I could manage this and have --
10 manage it so it wouldn't take as much time. I mean, I could
11 present this on a quarterly basis without too much increased
12 staff time.

13 Tim and I have been talking a lot about this, so
14 I've prepared something. So this is what it could
15 potentially look like, just like before and all those times.
16 I'll give you this profit and loss statement every quarter,
17 plus the capital budget, and then just give you short
18 operating, non-operating, and capital. And I thought that's
19 something that, at a higher level, could be useful for the
20 board, you know.

21 So I guess now we'll go back and ask the
22 Commission if they have any questions or -- you know, I
23 guess for me, I just want some guidance of, is this
24 acceptable? Or where should we be going, or some direction
25 from the board would be helpful.

1 **MR. BARNES:** Well, if I may begin, I think this is
2 excellent. I mean, the amount of information here is
3 tremendous. It will give me something to look at. You
4 know, I kind of went through -- I like what you just -- I
5 didn't understand, in the packet, what was in -- I didn't
6 completely understand right away, and now it's pretty clear,
7 what you're suggesting as a more frequent update is
8 significantly paired down. That matches exactly what some
9 of my thoughts and comments that I had while you were making
10 this presentation.

11 I mean, I don't know that you need to be out
12 looking at what housing prices are doing or whether or not
13 the yield curve is inverted or, you know, that kind of
14 stuff. I'm more interested in the paired-down information
15 that you're proposing where it's just, here's the operating
16 budget, the non-operating, the capital funds, and here it
17 is. If we could get that on a more periodic basis, or a
18 more frequent basis, I'd be really happy.

19 It's clear to me that the finances of the Port of
20 Kennewick are in superb hands, just under excellent guidance
21 and stewardship. I'm just looking for a little more
22 frequent information so I have that, you know, that warm,
23 fuzzy feeling a little more frequently than every seven
24 months or every six months. That's all I'm saying.

25 I think this is excellent.

1 **MR. NOVAKOVICH:** Nick, I think you've done an
2 excellent job. I have a question, though. What's our
3 current levy rate?

4 **MR. KOOIKER:** Actually, because of '20, it's 28
5 cents per thousand. **MR. NOVAKOVICH:** 28?

6 **MR. KOOIKER:** 28 cents.

7 **MR. NOVAKOVICH:** And that's dropped how much in
8 the last 10 years?

9 **MR. KOOIKER:** You know, off the top of my head, I
10 can't remember. In the last couple of years, it's 33 cents.
11 I want to say it was at 39 cents, maybe.

12 **MR. NOVAKOVICH:** That's what I thought. Yeah.
13 Because I remember -- and then I'm looking at -- this is
14 just remarkable, what we've done. Because I'm looking at
15 the total assets here on your financial highlights sheet of
16 62 and a half million. I'm remembering assets, when I came
17 on this Commission, was only about \$18 million. So you've
18 done a remarkable job for the tax payers.

19 I do have a question, though. I know Commissioner
20 Barnes wants this information, but I don't know that the
21 Commission as a whole has ever had a vote or anything on
22 having you do this. So I don't know if preparing it for one
23 Commissioner is a smart move? I'm just questioning, because
24 I don't ever remember voting on having to do this forever.

25 The other thing is if this is done, and you do

1 present it and the Commission, you know, votes to have you
2 do this -- which I think would be appropriate, to give you
3 direction -- I think, then, at that case, that there's no
4 reason that a single commissioner needs to go to you and
5 talk about to get information other than what's given in
6 this meeting, so that one Commissioner doesn't have
7 information the other two don't have. These are just
8 questions I have.

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

10 **MR. MOAK:** Yes. I think this kind of information
11 is very helpful, like, annually. I mean, some of these --
12 like, the unemployment rate or variety of things, I think,
13 you know, traditionally, I think these are things that are
14 important to know, as they affect our Port. And so I think,
15 you know, even though sometimes, my eyes glaze over because
16 I don't understand the difference between cash accounting
17 and accrual accounting, and all these various things, like
18 some do. I do think it's important that we see some of
19 these annually.

20 When you get into the quarterly report, you know -
21 - and certainly, I don't require photographs. You know,
22 that isn't important to me. I mean, I guess I -- you know,
23 the page that's identified as financial highlights -- it's
24 not numbered -- is the one that I like. To me, that gives
25 me a better idea. And whether they're in writing or, you

1 know, in some of your slides -- you do have them in writing
2 -- you know, some of the notes that reflects, you know, what
3 is happening in some of these various accounts or whatever,
4 or, you know, if something says we're way under, well, we're
5 going to expend that in the next year, or we expect to stay
6 under, you know. And certainly, we do spike the capital
7 projects. But I mean, it sounds like, from what you're
8 recommending, that on a quarterly basis, that we're going to
9 see two or three or four slides. Is that correct?

10 **MR. KOOIKER:** That's correct. This is what I'd
11 recommend.

12 **MR. MOAK:** I mean, so that was a good one, and the
13 one that we had that said Financial Highlights. But -- and
14 so, you know, I think a reduced one quarterly I don't think
15 is out of range. I think knowing, you know -- and I think a
16 lot of it, to me, that was most helpful was your discussion
17 about what these numbers meant, not what the -- the numbers
18 are numbers. And as you have talked about in your financial
19 presentation, a lot of it aren't the real numbers, because
20 all the bills haven't come in, this or that or that and
21 whatever. So I mean, it gives us an idea. And I think your
22 comments related to what those really mean, what's in there,
23 has been more helpful to me than seeing any of the slides.

24 So that's my comments.

25 **MR. BARNES:** Again, getting back to Commissioner

1 Novakovich's comment about, you know, whether or not the
2 Commission has decided if this needs to be quarterly or
3 biannually or whatever, I would just like to point or call
4 the attention to our own rules of policy and procedure, and
5 the section of our rules and policy and procedure that have
6 to do with agenda planning, which says that, "Items may be
7 placed on either the business agenda or consent agenda. Any
8 title may be placed on the preliminary Commission meeting
9 agenda by any Commissioner or by the executive director."

10 And then we could get into, well, if an item is
11 requested that a Commissioner place this on the agenda, then
12 we could, I guess, get to the point of the meeting where
13 we're at approval of agenda, and that, by two-thirds voting,
14 could be removed from the agenda. But I don't know that we
15 need to go in circles like that.

16 I really think it would be important -- it's
17 important to me to have more frequent budget updates, more
18 frequent than every six months or seven months. I would
19 like to go to with once every two months, and have that
20 update be comprised of the financial highlight page that
21 Commissioner Moak mentioned, and then the capital projects
22 page, and then keep it fairly short like that. And then if
23 you have any comments or anything to add, anything to flag,
24 anything to -- you know, that might merit special attention
25 or special discussion, then there's an opportunity to

1 discuss that every two months.

2 And if it's not -- you know, I don't know how
3 difficult it is to produce this financial highlight page and
4 the capital projects page, but I would like to see that
5 every two months, if that would be, you know, not the full
6 blown thing where we're talking about everything you've
7 discussed, but just to have an opportunity to go over these
8 things, get it in a printed version, and then flag anything
9 or highlight anything that comes up in a two-month period
10 that would be worth Commission consideration or discussion.

11 **MR. KOOIKER:** Yeah, I mean, I guess that's a
12 policy decision by the board. You know, I think what I
13 don't want to do is underestimate -- I mean, I do have these
14 numbers at my fingertips, but putting them in a format where
15 you've got 20 people in the room and they become public
16 record, I go through every number four or five times. I
17 have Tana review the PowerPoint. Sometimes she uses
18 Rochelle, you know, as a subcontractor. I think there is a
19 cost to the Port. And if that's okay, then I think the
20 Commission just needs to know that. But you know, making
21 something ready for public consumption is different than me
22 sitting with Amber and going through our stuff. I'm just
23 saying, there is a major difference.

24 The last couple of weeks, this is what I've been
25 doing, is this. So I just think, you -- do I have this

1 report all the time? Yes. But before I come to a
2 Commission meeting, I will go through and make sure that
3 there's no formula missing or whatever. I just want to
4 bring that up, because --

5 **MR. BARNES:** Well, I think you've made that very
6 clear, that these are accrual or -- I think the term you
7 used was modified accrual?

8 **MR. KOOIKER:** That's right.

9 **MR. BARNES:** Modified accrued basis. And it says
10 right on the report, "Unaudited and In Draft Form." You
11 know, I really like this information. I'd just like --
12 every six months, to me, was not frequent enough. I think I
13 made that very clear. And I'd really appreciate having an
14 opportunity to see this something like every two months.

15 Tim, please?

16 **MR. ARNTZEN:** Yeah. I have spent quite a bit of
17 time talking with Nick. One of the things that we wanted to
18 propose -- and it was included in the memo that I typed up -
19 - was to go quarterly. So if you ask me, can we do it every
20 two months, how much additional work that will be, I'd have
21 to say I need to sit back down with Nick, because our
22 proposal was to give this information to you quarterly. That
23 was something that we thought we could arrive at without
24 pulling Nick off of too many other projects. Because there's
25 some big projects that he's on, and my concern is that if we

1 go to something more than quarterly, there is a finite
2 amount of time. And you know, come to you, when I talk
3 about the Vista Field team, we're probably going to have to
4 do some additional work in the finance department. I may
5 need some additional help there any way.

6 So my point is right now, Nick and I have agreed
7 that, yeah, we think that should the Commission ask for it
8 quarterly, that we could do that without really pulling him
9 off of too many other projects. I just don't know, at this
10 moment, if I can answer on the floor, what having him do
11 them every two months would do. So I would just point that
12 out.

Clerk's Note: Mr. Moak

13 ~~MR. BARNES:~~ And I would be satisfied with
14 quarterly. I mean, I think you offered quarterly. We
15 haven't had a chance to see, well, what is a quarterly
16 report going to be and what information is going to be
17 there. And I'd like to see it for a year, to see a
18 quarterly report. Then we can determine whether that's
19 sufficient. I think we should accept that and move an.

20 **MR. NOVAKOVICH:** I would agree with Commissioner
21 Moak on that one. The other question I have -- and Nick,
22 you pointed it out and you explained it here -- a lot of
23 these numbers, I'm just afraid, because it happens quite a
24 bit and we're seeing it quite a bit in the news and
25 everywhere else, that you turn these numbers out to the

1 public and they can take things out of context and
2 misrepresent them, if they don't understand the background,
3 they don't understand that some income isn't in here, or
4 some expenses aren't in here. It could create a mess in the
5 public.

6 I think I would agree with Commissioner Moak, is
7 quarterly -- maybe try quarterly. Personally, I don't think
8 that's even needed, if we go with quarterly. But somehow it
9 has to be extremely simple, that the public can understand
10 it. And you understand it, and you explain it to us. But
11 if they just pick up a piece of paper, or pick it up online
12 or get it in the newspaper and look at some numbers, we
13 could be answering a lot of questions forever, which is
14 going to take up more time.

15 I think something the Commission needs to realize
16 is we have limited resources of finance and staff, and how
17 do you want to apply those? Do you want to apply them to
18 Vista Field, or do you want to apply them to answering
19 questions from the public about financial figures. Do you
20 want to apply them to preparing financial reports that we
21 got along fine with without having them, except semi-
22 annually?

23 I think that's a real question that needs to be
24 answered. What's the highest and best use of the resources
25 we have.

1 **MR. MOAK:** I should hope more people would be
2 asking about Vista Field and Clover Island, or any of these
3 projects. I think they're signature projects, and I think
4 that I would hope that people would be asking.

5 **MR. NOVAKOVICH:** Well, I agree with that, the
6 projects. I'm worried about answering the numbers on the
7 financial reports.

8 **MR. MOAK:** Well, I haven't heard people asking
9 questions about the financial report. People want to see
10 Vista Field happen. I don't think they're looking at --

11 **MR. BARNES:** From my point of view, I mean, there
12 is a price of transparency. I mean, one of the things
13 that's most important to me at the Port of Kennewick is that
14 we be transparent. I mean, we let the public know what
15 we're doing. And this -- I mean, the risk of having people
16 misinterpret or not fully understand some numbers that are
17 labeled, Draft, Unaudited, I would accept that. That's part
18 of being transparent. That's part of providing information
19 on the public on the expenditure of tax payer funds on big
20 projects that are for our community.

21 So I will accept -- I will agree with the
22 quarterly report. Let's go from there. I'm thankful that
23 we're getting a more frequent report. Every six months, in
24 my view, was not enough. And again, I really appreciate the
25 time and effort that you put into this. I hope you didn't

1 take this as a personal -- you know, personal assault or
2 affront or anything. It's not that at all. I really enjoy
3 and appreciate having this information. It's reassuring to
4 see these numbers, to see where we are relative to our
5 budget.

6 You know, if you look, we're just past 50 percent
7 of the way through this 2019, 2020 capital projects number,
8 and the remaining balance there is a huge number. There's
9 no total on that, but -- so we're in great shape. I mean,
10 we're doing these big projects, but we're not on the edge of
11 the cliff on the edge of disaster. I mean, and that's
12 another message that the public, I think, would enjoy
13 seeing.

14 **MR. ARNTZEN:** Commissioner Barnes, thank you. I
15 am optimistic that we can get to a point where we have the
16 Commissioners happy with the amount of information we
17 provide. I liked the walk-through today. And I know this
18 was the six-month one. Your quarterlies will be a little
19 bit less. But I was just watching -- it's really funny when
20 you hear terms of cash, and then you hear accrual, modified
21 accrual, I appreciate the questions we got from the
22 Commission. The thing I like is all three Commissioners got
23 to hear the questions and hear the answers.

24 My staff got a really great walk-through as well,
25 and hopefully, the public had a chance to see this. So I'm

1 a huge fan of whatever Nick produces. I'd really like it to
2 see the light of day, because it is interesting. We just
3 need to figure out how much of it. And I like the fact that
4 all three Commissioners get it, because then as the manager,
5 I know when we conclude this meeting, if we have four or
6 five questions still out there, that we will go get answers
7 and bring back next meeting. Or you know, I really like the
8 fact that all three Commissioners get to be a part of the
9 process. So you know, once the gavel taps at the end of the
10 meeting, we know that we've provided the information.

11 So for me, this was a very helpful process. I
12 think we'll just continue to fine-tune it. And should we
13 get through it and say, hey, you know, there's a consensus
14 from the Commission that we want a little bit more
15 information, we can go in that direction. But let's try
16 quarterly. I appreciate the flexibility. We'll see how it
17 works. I'd like to get feedback from the Commission.

18 By I was kind of watching the process and thinking
19 that, in my opinion, this was working smoothly. So thank
20 you.

21 **MR. BARNES:** Thank you, Tim and Nick. Thank you
22 very much. Excellent. I mean, I'm just -- top rate. I
23 appreciate it. And I appreciate the comments of fellow
24 commissioners. I mean -- it does represent a little bit of
25 a change. You know, not to belabor this any further, but

1 you know, Tim, you've made a couple remarks, you've been
2 here 17 years and you've seen a lot of things at the Port of
3 Kennewick. Well, if you look at what -- and Commissioner
4 Novakovich just pointed out, what were the assets? What was
5 the balance of the assets 10 or 15 years ago? Substantially
6 less than what it is now. What were the projects going on
7 10 or 15 years ago? Substantially fewer, substantially
8 smaller than what we have going on now.

9 The Port of Kennewick has changed. We're
10 evolving. So thank you for this.

11 **MR. KOOIKER:** Well, and I appreciate the clear
12 direction from the board. I also say, like, if you look
13 back in history, when I first started working here, I mean,
14 we did do quarterly financial updates. The Commissioners
15 cried, Mercy. They were like, No, no, no, that's too much
16 for me to look at.

17 **MR. BARNES:** So that was Tammy, though. No.

18 **MR. KOOIKER:** Yeah, but what I'm trying to say is
19 we're trying to be dynamic with whatever the Commission
20 needs today. I mean, so I appreciate having direction
21 consistently that we can move forward with.

22 **MR. BARNES:** But thank you. I mean, to me, it's
23 very, very clear the Port of Kennewick has excellent
24 leadership and excellent management in this area. Thank
25 you.

1 Okay. Moving on to the next item on our agenda,
2 we are going to new business. Kennewick Waterfront Master
3 Plan Resolution, 2020-01. Larry?

4 **MR. PETERSON:** Yes, for your consideration today,
5 a general report and two resolutions have been prepared with
6 different scopes of work for a master planning effort
7 conducted by Makers Architecture Urban Design for the Clover
8 Island and Columbia Drive area, or known as the historic
9 Kennewick Waterfront District.

10 Our 2019, 2020 work plan identified \$175,000 for
11 master planning along the historic Kennewick Waterfront
12 District. Staff started discussions with Makers
13 architecture, the firm that had completed the 2005 Clover
14 Island Master Plan about updating that master plan and
15 talking about scope of a project and budget.

16 When we talked about the outreach that the Port of
17 Kennewick would like to see in this process and the need to
18 discuss issues such as parking, design, and other use
19 considerations, \$175,000 didn't go far enough to also
20 include many of the properties along the Columbia Drive
21 corridor. So there would either need to be a reduction in
22 the public outreach portion of the process or finding some
23 additional dollars.

24 Knowing the transparency that the Port of
25 Kennewick likes to maintain in the engagement with the

1 citizens, we asked Makers to provide an alternative scope
2 that would allow a two-day public -- open public charrette,
3 which is identified in the scope, and also include
4 considerations for the Kennewick Waterfront areas, the
5 Columbia Drive Willows, the Columbia Gardens, the Cable
6 Greens, and even the Washington Street corridor.

7 So there are two separate resolutions, one
8 focusing just on Clover Island for a cost of \$174,971.
9 There's a second resolution of \$248,000, which would be all
10 of the work on Clover Island plus the work on the near shore
11 area of the Columbia Drive Cable Greens, Columbia Gardens
12 and incorporation of the Washington Street corridor concept
13 the City of Kennewick is putting forward.

14 The mechanics would be, if you would -- there's an
15 option to choose one or two of the resolutions identified as
16 Clover Island or Historic Kennewick Waterfront. The firm
17 Makers served the Port well in the creation of the Master
18 Plan. And I look back on the implementation. The Port
19 undertook implementation of that Master Plan and of the
20 upland projects. 12 out of the 15 upland projects have been
21 completed to date. We had marching orders included in the
22 Master Plan, a very useful implementation schedule. Both
23 had time and approximate dollar amounts.

24 And then the in-water projects, nine of the 11 in-
25 water projects have been completed. So it was time to ask

1 the next question -- or the question of what's next on
2 Clover Island. And also, we heard from the Commission about
3 how to tie in the efforts that have occurred over the last
4 decade on the Columbia Drive corridor, from the pattern
5 language, from some of the design work that Arculus did, the
6 concepts that they created in 2011, some of the work that
7 Gary Black did with Integrated Structures Incorporated on
8 the visioning for the Columbia Gardens, and also to
9 incorporate in Columbia Basin College Culinary Institute,
10 initially located in the Willows, and now looking to have
11 migrated to the Cable Green site.

12 A lot of concepts have been developed for the
13 Columbia Gardens, but nothing cohesively pulled together. So
14 when working with Makers, we asked that that scope include
15 pulling together all of the previous activities, also
16 pulling in the traffic calming that was mentioned earlier,
17 and the connection to Downtown Kennewick through the City of
18 Kennewick's Washington Street corridor design concepts.

19 Almost done. I'd just let you know, this does
20 differ from Vista Field where we had a blank slate. Much of
21 -- we're approaching this, and the scope is written, the
22 concepts of Clover Island being the communities, waterfront,
23 recreation, hospitality. That is a concept that -- we
24 didn't treat this as having a blank slate, nor a blank slate
25 when it comes to Columbia Gardens or the Willows site. There

1 have been some planning and concepts, much background
2 information. So rather than starting from scratch, which
3 includes a significantly broader scope of review, we asked
4 Makers to put together an effort that would consolidate the
5 planning activities over the last decade, rather than
6 starting from scratch.

7 So in front of you are two different resolutions,
8 the mechanics would be involved -- if you elect to go
9 forward, to select one or the other resolutions. And I will
10 note, the budget identified \$175,000 for this effort. Since
11 we had a budget update today, I asked Nick if the Commission
12 wished to select the larger project or the larger scope of
13 \$248,000, where might those funds come from. He provided a
14 memo with some suggestions. That's not the only option, but
15 wanted to let the Commission know, there is some -- there
16 are some different columns from which those dollars could
17 come from. So that's been included. So there are two
18 resolutions, a scope of work attached for your
19 consideration.

20 **MR. BARNES:** Commission, comments or questions?
21 Commissioner Novakovich.

22 **MR. NOVAKOVICH:** With the additional \$75,000,
23 would that impede any other projects that we have
24 negatively?

25 **MR. KOOIKER:** As far as the budget goes, or as far

1 as time goes?

2 **MR. NOVAKOVICH:** Time implementation of the
3 project.

4 **MR. KOOIKER:** That's probably a more Larry
5 question, then.

6 **MR. PETERSON:** One thing I did want to point out,
7 I had a comparison and the contrast. The additional scope
8 of work would add four months to the overall project. So if
9 it was a Clover Island only based activity, it's an eight-
10 month master plan, as proposed by Markers Architecture and
11 Urban Design. If the additional near shore waterfront was
12 added, that would add four months to the project.

13 The dollars, again, one option for the funds Nick
14 identified was simply reallocating \$50,000 from the Vista
15 Field loan repayments, as we haven't even initiated the loan
16 yet. That doesn't defund a project. So it doesn't pull --
17 the additional dollars aren't being pulled from another
18 priority project you identified. If you were to select the
19 larger scope, that would add four months to the master plan
20 process, making it a year-long effort.

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

22 **MR. MOAK:** If we do select the larger project, are
23 we making that decision to take the money that you have
24 identified? Or is that a subsequent decision, either by
25 destination or by staff, where that comes from?

1 **MR. PETERSON:** I'm going to defer to either Tim or
2 Nick on that. I just want to let you know that there were
3 options for those dollars.

4 **MR. ARNTZEN:** Sure. Commissioner Moak, if I could
5 jump in. That is the source of funding that I would
6 recommend. I've talked with Nick about that. And with all
7 the moving pieces of the budget, we think that that is a
8 fairly safe source for this funding. So, you know, I
9 suppose the Commission could come in and say, well, we want
10 to pull some from here and here and here, but typically, I
11 view the Commission as flying at \$30,000 at the policy
12 legal. Typically, I think you say, we'd like A or B. And
13 then if it's B, I think you would rest assured the staff can
14 find \$75,000. I don't want to use the term "budget." To
15 us, it's real money. But that would be our proposal where
16 it would come from.

17 **MR. MOAK:** I mean -- well, it's couched as, well,
18 this is one idea. This is really the idea that you really
19 want, because it really doesn't take the money from other
20 projects that we're --

21 **MR. ARNTZEN:** Yeah, I think -- put it this way. We
22 didn't do an in-depth analysis of every place it could come
23 from. I think Nick spent some time with it in that he said,
24 Here's where I recommend it coming from. I walked through -
25 - I got a review of the budget prior to you getting it here

1 today, and I concluded, along with Nick, thta I think we're
2 safe taking from the two sources. But again, I mean, if the
3 Commission said, for one reason or another, we don't like it
4 coming from there, we could come back with maybe a couple of
5 other sources.

6 **MR. MOAK:** But you're not looking yourself to go
7 look for other sources. You feel this, right now, is the
8 best --

9 **MR. ARNTZEN:** That is correct. Yes.

10 **MR. MOAK:** Okay. Thank you.

11 **MR. BARNES:** So in other words, if Nick gives the
12 recommendation that he sees these two sources as the best,
13 then, I mean, I'm going to rely on what he says, after what
14 I've seen today.

15 **MR. ARNTZEN:** Sure. Thank you. And that's kind
16 of where we're at. I mean, I really don't know -- I guess
17 my thought would be that the Commissioner might say to me,
18 Mr. Manager, that's what we hired you for. I don't want to
19 spend my Saturday morning over, you know, the cup of coffee
20 trying to find \$10,000 here or \$10,000 there. I suppose the
21 Commission could do that if you wanted to. That's probably
22 not the realm that the Commission likes to deal with. I
23 think you're, like I say, 30,000 feet. You make the larger
24 decisions of do we want to spend the extra \$75,000 for that.

25 So that's how I would answer your question;

1 Commissioner Moak.

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

3 **MR. BARNES:** Do you have something else,
4 Commissioner Novakovich?

5 **MR. NOVAKOVICH:** That takes care of the finance
6 part of it. What about staff resources? Is that going to
7 impede our projects we have --

8 **MR. ARNTZEN:** Well, I appreciate that. And as
9 much as Larry wants to dive into this project and own it --
10 and I appreciate that. We've got a planner that really --
11 he spends a lot of time thinking of making sure that every
12 project we do is the best -- I'm going to be relying on
13 Makers to do the heavy lifting on this. And it's not that
14 they're an unknown commodity. They've been here before.
15 They know the neighborhood. Larry and I had a two and a
16 half hour conference call with Julie last Friday. And they
17 are very, very capable.

18 So I will tell you, as manager, I need Larry over
19 at Vista Field. I want to see dust on his shoes when he
20 comes in every morning, meaning he's been walking Vista
21 Field. So we will rely on Makers to do the left heavy
22 lifting. But as usual, I will promise you that every staff
23 member here will keep a second set of eyes on it. But I
24 don't envision this taking us from our objective of getting
25 Vista Field going.

1 **MR. NOVAKOVICH:** Okay. And then Tana's comments,
2 either last meeting or the meeting before, about the 1135
3 project, does Julie understand that that's ongoing and that
4 what she does may have some lasting effects on that project,
5 or that project may have some effects on what she proposes?

6 **MR. PETERSON:** Julie Bassick from Makers is aware
7 of the focus and the scope identified. This is a master
8 planning effort looking at upland activities, not looking at
9 the near shore or in-water activities. Because of the
10 concern about confusion or doubling efforts, replanning for
11 an area already being designed by the Corps of Engineers.

12 **MR. NOVAKOVICH:** Good. Thank you.

13 **MR. BARNES:** I have a question. In your
14 presentation, Larry, you know, you went over the scope of
15 work -- the two different scopes of work. One scenario
16 would require a budget modification. But then in your memo,
17 you also addressed the issue of the CEO's annual goals
18 related to this activity. Would you care to comment further
19 on that?

20 **MR. PETERSON:** Yes. I believe the identified goal
21 was completion of the Master Plan in 2020. And if the
22 Commission was to select the larger scope that runs into
23 2021, the resolution, as it's written, changes the
24 definition of success from completing the Master Plan to
25 completing the public outreach portion of the Master Plan.

1 That way, there's both an exception for the Commission on a
2 management method, but you're changing what you manage, as
3 opposed to completed the document to completing of the
4 public outreach process.

5 **MR. BARNES:** Okay. Well, I would note, you know,
6 my preference would be, if we're going to talk about CEO
7 goals and objectives -- which is the next item on our agenda
8 -- my preference would be that we address it under that
9 topic, as opposed to having it tag along here on this
10 resolution. Just a preference.

11 Any further Commission comments or questions?

12 Okay. Because it's anticipated that the Port of
13 Kennewick may take action on this resolution, it creates an
14 opportunity for public comment. If anyone would like to
15 make a public comment regarding this item, we'd ask that you
16 please move to the podium, please state your name and
17 address for the record, and please limit your comments to
18 three minutes. Would anyone care to make a public comment?

19 Okay. No public comment. Commission discussion?
20 Any further Commission discussion?

21 The Chair will entertain a motion.

22 **MR. MOAK:** Mr. Chair, I move approval of
23 Resolution 2020-01, authorizing the Port's Chief Executive
24 Officer to execute the contract with Makers Architecture and
25 Urban Design LLP for master planning consulting services

1 regarding the development for the Kennewick waterfront for
2 the sum not to exceed \$248,288. Further, all action by Port
3 officers and employees in furtherance is ratified and
4 approved, and the Chief Executive Officer is authorized to
5 amend the 2019, 2020 capital budget to reflect the \$75,000
6 project allocation, the Chief Executive Officer's annual
7 goals are amended to identify completion of the public
8 outreach process as a threshold for payment, and the Port
9 Chief Executive Officer is authorized to take all action
10 necessary in furtherance hereof.

11 **MR. NOVAKOVICH:** I second that motion.

12 **MR. BARNES:** Okay. It's been moved and seconded.
13 I won't repeat the entire motion. Commission discussion?
14 Commissioner Moak?

15 **MR. MOAK:** Yeah. There is one question that I had
16 related within the scope, and it deals with social media. It
17 says, "Per Port policies, no social media will be used for
18 this project." And I guess what is the Port policy that we
19 have against social media? I guess I don't believe I ever
20 remember that the board has taken a position opposing social
21 media. I couldn't find it in our policy manual.

22 **MR. PETERSON:** I will address that, and then I'll
23 pass it onto Tana. The scope does -- and that was one
24 identified, we had a discussion with Julie with Makers,
25 because they had some ideas about how they could use social

1 -- FaceBook and Twitter and all kinds of outreach. And we
2 indicated, because of concerns on record retention,
3 metadata, the Port of Kennewick is not on social media, and
4 if one of our contracted subconsultants was doing that work,
5 would there be a responsibility of retention of those
6 records and metadata.

7 Being cautious when it comes to public record
8 retention and, specifically, metadata, since we don't use
9 Twitter, Instagram, TikTok -- I don't know, I'm not a social
10 media guru -- since we're not using it as a Port, our
11 consultant also identified that they wouldn't be using that
12 because of the concern. The contract with them, is it not a
13 responsibility to produce that record as requested. And I
14 can defer to Tana or others that might want to augment what
15 I'm sharing.

16 **MS. BADER IGLIMA:** Larry covered that. We do not
17 have any social media presence. We have our website. And
18 in the past, when we did outreach with the charrettes for
19 Vista Field, we promoted the charrettes using our partner's
20 social media. But any record retention, record maintenance,
21 we used email to capture that. And those emails went
22 directly to Larry, and he was able to capture all that data
23 so that we would have that as a public record.

24 But yeah, we've been cautioned by our legal that
25 we have not entered into that foray as of yet.

1 **MR. MOAK:** Thank you for that answer, but it
2 doesn't answer my question. It says "per Port policy." Do
3 we have a policy that bans social media? I don't think we
4 do. I think staff has said we don't do it, but I don't know
5 that we have a policy. This says "per Port policy."

6 **MR. ARNTZEN:** Maybe that is an inaccurate
7 description produced by Makers. I think what the point was
8 that we would use our usual and customary practice.

9 **MR. MOAK:** I understand that. And I would accept
10 that. But is that appropriate to substitute that language?

11 **MR. ARNTZEN:** I would think so. Larry, does that
12 work for you?

13 **MR. PETERSON:** No concern with modifying that word
14 and saying "practices," as opposed to "policy."

15 **MR. MOAK:** Okay. Just for the record, I think we
16 should have a social media policy. I mean, a lot of
17 government jurisdictions do have social media policies that
18 have an active social media presence. And I think we should
19 on something like this. But I also realize that isn't
20 something you'd change in a day. I am concerned when it
21 says policy -- policies of this board up here, rather than
22 that board over there. And our practice certainly is not to
23 do social media.

24 Other than that, I think this is a good thing to
25 do. I've been, you know, certainly excited about this for

1 some time. And I think tying in Clover Island with the wine
2 village and all the other projects on Columbia Drive that we
3 have identified there, and the public outreach that's
4 identified with both private sector and public sector, and I
5 think, you know, we've seen the Port award today --
6 apparently the Port, specifically, you know, that talks
7 about importance of the private sector along Columbia Drive
8 and what is happening on Columbia Drive. I really think
9 that putting together this project really helps, hopefully,
10 pull together a lot of folks that are interested in this
11 whole area and have been interested for some time.

12 We're looking at where we're going with this, and
13 it will help cover our development for the next number of
14 years.

15 Mr. Chair, is it appropriate to seek to amend the
16 word "policy" to "procedure" at this time?

17 **MR. BARNES:** I think that would be consistent with
18 the discussion that we've had to this point.

19 **MR. MOAK:** Then I would move to substitute the
20 word "practice" for "policy" in the section dealing with
21 social media in the scope of work.

22 ~~**MR. NOVAKOVICH:**~~ Second.

Clerk's Note: Mr. Barnes

23 **MR. BARNES:** Okay. So we have a proposed
24 amendment on the floor. Let's deal with the proposed
25 amendment. It's been moved by Commissioner Moak and

1 seconded that in the Makers scope of work -- it appears to
2 be on page 3 under section 1B, in the last sentence, the
3 word "policies" will be changed to "practices" so that the
4 last sentence reads, "Per Port practices, no social media
5 will be used for this project."

6 **MR. NOVAKOVICH:** It's also on page 6.

7 **MR. BARNES:** It's also on page 6.

8 **MR. NOVAKOVICH:** Under Assumptions.

9 **MR. BARNES:** Under Assumptions. Same change on
10 page 6 under Assumptions.

11 **MR. BARNES:** Okay. It's in the middle. And that
12 sentence reads, currently -- well, the word "policies" will
13 be changed to "practices." So that sentence, under the
14 bullet point, will read, "Given the Port's practices, no
15 social media will be used related to this project." And if
16 the Commission's missed that in another spot in the scope of
17 work, we'll ask staff to please --

18 **MR. MOAK:** I think that is the only two that I
19 saw.

20 **MR. NOVAKOVICH:** Yeah.

21 **MR. BARNES:** Okay. All right. It's been moved
22 and seconded that the scope of work for the Makers contract
23 change the word "policies" to "practices" with respect to
24 social media references. Any further Commission discussion?

25 Okay. It's been moved and seconded that we change

1 the word "policies" to "practices" with respect to social
2 media references. All in favor of the amendment, please say
3 "Aye".

4 Any opposed? The amendment passes 3, 0.

5 If I may, I voiced earlier, added to this
6 resolution is language amending our CEO's goals and
7 objectives. And I appreciate that. But at the same time,
8 note that the very next item on our agenda is amendment of
9 the 2019, 2020 work plan and CEO's goals and objectives. So
10 my preference would be to address all changes and amendments
11 to the CEO's goals and objectives at the same time, under
12 the next agenda item. So I would move to amend the motion
13 by striking these words, "The Chief Executive Officer's
14 annual goals are amended to identify completion of the
15 public outreach process as the threshold for attainment."

16 Is there a second? Okay. That proposed amendment
17 dies for lack of a second. Any other discussion regarding
18 this item?

19 Okay. It's been moved and seconded that the Port
20 adopt resolution 2020-01 authorizing Port CEO to execute a
21 contract -- or the contract with Makers in the amount of
22 \$248,288, with further provisos that I won't repeat, if
23 that's all right. All in favor, please say "Aye".

24 Any opposed say "Nay".

25 The Ayes have it, 3, nothing. Thank you.

1 All right. Next item on our agenda, continuing
2 under New Business. Amendment of the 2019, 2020 work plan
3 and CEO's -- you know what? How about a recess. Let's
4 recess for five minutes. Let's shoot to reconvene at 3:43.

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

6 **MR. BARNES:** The Port of Kennewick Commission,
7 moving to the next item on our agenda, continuing under New
8 Business, we have amendment of the 2019, 2020 work plan and
9 CEO's goals and objectives, proposed resolution 2020-04.
10 Tim?

11 **MR. ARNTZEN:** Thank you. Commission, I'll try to
12 move through this quickly, because I think you've seen the
13 discussion related to the work plan a couple of times
14 already. And I think that we have the work plan and the
15 goals kind of dovetailing. I think the primary document is
16 the work plan, and in my opinion, as long as the work plan
17 and the goals are consistent with, you know, no anomalies, I
18 think we're good.

19 So what I'd like to do is walk through the
20 proposed amendments to the work plan. Again, I think the
21 discussion has been had a couple of times. I'll try to hit
22 the high points. If there's things that I've missed or
23 you'd like more discussion, please stop me as we go. Or at
24 the end, I could certainly discuss things that we've missed.

25 So what I've done is try to boil it down to, it

1 looks like, six items for the proposed amendments to the
2 work plan. I'm working off of the document entitled Exhibit
3 A, which would go to your resolution.

4 General. We've talked about producing an
5 executive summary to the work plan. And I don't think that
6 really requires a lot of discussion. But because we're part
7 way through -- you know, halfway through our '19-'20 work
8 plan, what we might propose is to fancy things up for this
9 next work plan we will be doing for '21-'22. And the
10 interesting point is we're going to start to bring the
11 Commission ideas and some potential budget numbers real
12 soon. So you're going to get a chance to work on your next
13 work plan that might be the fancy version.

14 So I guess I really don't see us making an
15 executive summary for this one that's only going to be for
16 the balance of this year. So that would be, certainly, at
17 the discretion of the Commission.

18 And I'll pause briefly to see if there's any
19 feedback on that.

20 **MR. BARNES:** Commission feedback?

21 **MR. ARNTZEN:** Okay. Thank you. And we did learn
22 from the Commission that there seemed to be interest in the
23 executive summary, but not making a magazine, if you will,
24 of the whole thing. So we have learned that from the
25 Commission. Thank you.

1 Waterfront Master Plan -- and this is one that we
2 just processed. We talked about it in detail. And I think,
3 really, the only thing that we might need to consider is
4 making sure that we have all of our paperwork consistent,
5 where the resolution that was just passed, the amendment to
6 the work plan, and the goal is modified. I think the
7 important thing is to provide the additional 120 days. And.
8 In my opinion, I really think you get a better product.

9 Again, I was privvy to the two and a half hour
10 phone call with Julie, and in my paperwork -- I circled it,
11 I don't want to go back there -- but it was something like
12 an open studio charrette. When she said that on the phone,
13 I asked her to repeat that, because I just got done telling
14 the Commission, hey, we're not going to do a charrette like
15 we did at Vista Field. Well, we're not. But I wanted to
16 her to talk about the open studio charrette, because that's
17 a really interesting concept.

18 So that's really what -- another of the major
19 features you get in the Master Plan. I was excited to hear
20 that, because I know all three Commissioners, and in my
21 opinion, particularly Commissioner Moak, likes that process.
22 And I do, too. So I think we can have some fun with that.
23 But again, I just want us to say, let's get the resolution
24 we just passed, our work plan, and our goals to align. So
25 that would be the main one for the Waterfront Master Plan,

1 in my opinion an acknowledge that we're going to have the
2 extra 120 days. I think it would be well used.

3 So pause briefly.

4 **MR. BARNES:** Commission comment?

5 **MR. ARNTZEN:** Thank you. Duffy's Pond. This is
6 another exciting one for me because Tana and Amber are
7 working with Emily from the City of Kennewick Corps of
8 Engineers. This has kind of had a renewed life, if you
9 will. I remember Commissioner Barnes was the one that was
10 reluctant to take it off of the original work plan and
11 goals. At that point, I didn't see any way forward. But
12 walking the pond with the right people, I think there's a
13 path forward. So I'm very excited about this one. I think
14 we're going to have some deliverables for the Port
15 Commission this summer. And I've talk to the winery owners
16 about it. I said, I think we can get that algae eliminated.
17 They're very excited.

18 So that's item number 3. We've kind of repackaged
19 the work plan, the corresponding goal to talk about what we
20 think is current information related to Duffy's Pond. And
21 last night, I went to the Kennewick Man and Woman of the
22 Year presentation. I had a chance to talk to Emily. Emily
23 Estes-Cross is with the City of Kennewick. Good friend of
24 ours. She's in charge of Parks and Recreation. And we had
25 kind of a chance to talk again about how that is critically

1 important for the City to help us with the pond, and she
2 pledged her support on that. So I feel really good about
3 goal number 3.

4 Vista Field Hangar Remodel. This is a big one.
5 I've been working with Nick and Larry and others on this,
6 Amber, I think this is one that's really potentially going
7 to shape the next -- I don't want to say next phase, but
8 your next deliverable at Vista Field. I think this can be a
9 big one. We have in the room David Robison, who's on
10 contract with us on this project. He's going to work up a
11 plan that we can bring back to the Commission to show you
12 what the options might be. And almost like the Makers
13 project, David isn't going to put pen to paper until he sits
14 down with the Commission and says, Let's just talk without
15 any documents in front of us. What do you envision those
16 places being? So you're going to get to have the first bite
17 of the apple, so to speak, on this. But I think it's going
18 to be a very big and important project.

19 And I want to mention the Rural County -- I'm
20 sorry, the Opportunity Zone Analysis. While that does
21 dovetail in with the hangar remodel project, we're going to
22 address it, I think just administratively, under the next
23 goal. So back up a second to goal number 4, Vista Field,
24 Hangar Remodel. I'm optimistic that that's going to be a
25 hallmark project that the community will see when that one

1 gets completed. So I want to stop here and see if the
2 Commission has questions or comments for me on that.

3 **MR. BARNES:** Commission questions or comments?

4 **MR. ARNTZEN:** Thank you. Rural County Capital
5 Fund Strategy. I kind of got a kick out of the slide that
6 Nick showed, because you look at it and you say, well, Nick,
7 you've done it. That slide tells you everything. And then
8 the question comes up about the race track funding. And
9 Nick did a great job discussing that, but there's also the
10 political level to that, because Benton County said, gee,
11 Port of Kennewick, we love you, you put in some really great
12 projects, but we're not going to give you carte blanche on
13 this one. What we want to see is an application coming in
14 showing us how you're going to use that particular money,
15 and if the application is a good one, like we know it will
16 be, then we're going to move the money into your category.

17 So there's a number of, you know, moving parts to
18 the Rural County Capital Fund analysis. I think once Nick
19 and I work through it for you, we can put it up on some
20 spreadsheets, I think it will be pretty clear to see. But
21 that are number of interesting components. The other one he
22 mentioned is City of Kennewick and Port of Kennewick. We
23 threw about a million dollars in the hat for putting in
24 infrastructure at the Willows. That was contingent upon a
25 federal EVA grant, which we didn't get, unfortunately. So

1 you know have -- and I shouldn't say it like this -- but
2 there's a million dollars out there, you know, in the clear
3 blue sky that we need to go bring back in and see where the
4 Commission would want to allocate that.

5 So there are a lot of moving parts to that. I
6 think once we get a chance to sift through and bring you
7 several options, hopefully, the information we bring back
8 will be useful, interesting, clear and succinct.

9 So I'll pause here at this one. And then also the
10 Opportunity Zone Analysis.

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

12 **MR. MOAK:** Yeah, I'm just also reminded of, the
13 Mayor of West Richland says, we were going to use their RCCF
14 money? Go use it someplace with somebody who's going to
15 double your money. You know, and so that -- you've got to
16 use it where you can leverage it. And we've been stuck with
17 the City of Kennewick, unable to leverage that quite well,
18 you know, and sort of understanding that not every
19 jurisdiction has been that generous in working on projects
20 that benefit both the community as well as the Port.

21 **MR. ARNTZEN:** Right. And part of the rules, if
22 you will, from Benton County is they want to see two
23 entities partner. So rather than just handing a check to
24 two entities to do separate projects, Benton County and
25 State law encourages people to partner up, because a lot of

1 times when you're doing a bigger project, there's just not
2 enough money in each jurisdiction's column. So Benton
3 County give you more points if you're partnering.

4 I've been -- I don't want to say summoned, but
5 I've been invited to the Kennewick Woman of the Year's
6 office tomorrow morning, our good friend, City Manager Marie
7 Mosley. She's got a couple ideas of how the Port can help
8 the City. So it is a two-way street. And this is going to
9 dovetail in, because part of her request might be for some
10 interesting ideas related to Rural County Funding. So the
11 process is moving along. Again, staff doesn't make
12 commitments. I'll be interested to hear what Marie says. We
13 can come back and talk about it. But I'm assuming that this
14 will probably dovetail in under the Rural County analysis.

15 So I'll pause again, see if we have comments or
16 questions.

17 **MR. BARNES:** Comments or questions?

18 **MR. ARNTZEN:** Okay. So that works through the, I
19 guess, the substance. I have just thrown in number 6. And
20 in fairness to the Commission, I don't think you've seen
21 this one before. But I believe that the work that we all --
22 Commission, staff, public -- have put into the work plan, it
23 really should be recognized as a keystone document that will
24 give staff very strong guidance from the Commission. So you
25 know, maybe there's a nice way that we can say that you

1 expect your staff to hone in on the work plan and to not
2 deviate from that. And if we get new bright ideas, those
3 new bright ideas might have to be secondary to the keystone
4 document of the amended work plan.

5 So thank you for your time. I've walked through
6 Exhibit A. You also have in your packet, Exhibit B. This
7 is Nick's, I guess his chart form of the memo that I've put
8 together for you. I believe the information is consistent.
9 I think this just shows kind of the way that people look at
10 the world. My world view is putting things in writing. I
11 think Nick's is putting them on charts and spreadsheets. So
12 hopefully, you'll find that Exhibits A and B are consistent
13 with themselves and that the whole package we've provided is
14 consistent with the agenda report and resolution.

15 Thank you, Commission.

16 **MR. BARNES:** Thank you, Tim. Commission questions
17 or comments?

18 **MR. NOVAKOVICH:** Just a comment. I like your
19 number 6. I think that this goes right along with what I've
20 said. It's a proper allocation of resources. And if we
21 have things on our plate that we're working on introducing,
22 other things that may take away from what we have and what
23 we've promised to the public is detrimental to the Port of
24 Kennewick. So I really appreciate you putting that one in
25 there.

1 **MR. BARNES:** Okay. It's anticipated the Port of
2 Kennewick Commission will take action. That creates an
3 opportunity for public comment. If you'd like to make a
4 public comment regarding these proposed changes to the 2019,
5 2020 work plan and 2019, 2020 CEO goals and objectives, we'd
6 ask that you please move to the podium, state your name and
7 address for the record.

8 There are no public comments. The Chair will
9 entertain a motion.

10 **MR. NOVAKOVICH:** Mr. President, I move approval of
11 resolution 2020-04 amending the 2019, 2020 work plan and
12 associated goals and objectives as set forth in resolutions
13 Exhibit A and Exhibit B, and that all actions by Port
14 officers and employees in furtherance thereof is ratified.

15 **MR. MOAK:** Second.

16 **MR. BARNES:** Okay. It's been moved and seconded
17 that we'll amend the 2019, 2020 work plan and associated CEO
18 Goals and Objectives. Commission discussion? Commissioner
19 Moak?

20 **MR. MOAK:** I just think that, you know, the work
21 plan is a living document. I think as things change, as we
22 look at things, I think it should be reflected in our work
23 plan as it is. Some of these are very good changes. I
24 think the work plan, moving forward on a number of different
25 areas that I think are very important to not only the

1 Commission, but I think the public. So I think it's
2 important to have that reflected in our work plan and move
3 forward on those.

4 I appreciate the discussion on this. Thank you.

5 **MR. BARNES:** Thank you. I agree with Commissioner
6 Moak's comments. Our work plan is a living document. We
7 don't have to look too far back in the rearview mirror to
8 see evidence of that. We had a work plan that had addressed
9 the Tri-City Raceway property, but I think that a
10 significant opportunity presented itself, an opportunity to
11 work with with a very good partner, even though I voted
12 against the sale price -- I voted against the sale because
13 of the price, in the end I think it was an excellent thing
14 to do. We made the changes and decided to do that in spite
15 of the fact that the work plan said, you know, do Y instead
16 of X.

17 But it is a living document. And I think that
18 also illustrates that the Port is aware of evolving change
19 in our community. And we are capable of making changes that
20 are in the best interests of the Port. And I think that
21 change that we made, that decision that we made with the
22 Tri-City Raceway was in the best interests of the Port and
23 the City of West Richland. So I support these changes.

24 Any other comment? Okay. It's been moved and
25 seconded that we approve resolution 2020-04 amending the

1 2019, 2020 work plan and associated goals and objectives as
2 set forth in the resolution, Exhibits A and B. All in
3 favor, please say "Aye".

4 Opposed say "Nay".

5 The Ayes have it, 3, 0. Thank you, Tim.

6 **MR. ARNTZEN:** Commission, thank you. And I do
7 greatly appreciate your comments related to, we tried to get
8 it right with the work plan, but there's always things that
9 come up. So thank you for that recognition and explaining
10 that to the public, because you know, we don't want to just
11 appear to be flying willy-nilly. There are some very deep
12 changes that caused us to have to review the work plan. So
13 thank you for this opportunity.

14 **MR. BARNES:** It's a living document, so thank you
15 for your work there.

16 Okay. Moving on to the next item on our agenda.
17 We're on to Reports, Comments, and Discussion items.
18 District Wide Project Timeline, Larry?

19 **MR. PETERSON:** Yes. At the last Commission
20 meeting, the timeline for Vista Field identifying 10, 12,
21 different tasks over the next year was presented to the
22 Commission. And then 10 minutes later, a timeline was
23 presented for Columbia Gardens identifying six or seven
24 tasks to be undertaken for 2020. What we didn't have time
25 at the last meeting was to share the entire district wide

1 list. So I'm asking Tana to put up on the screen the very
2 busy -- and this is not -- we've had a couple caveats. That
3 was not intended to be a user friendly graphic. It wasn't
4 intended to be un-user friendly, but it's function over
5 form. And the idea was to capture all of the major tasks
6 that we have in front of us.

7 **MR. ARNTZEN:** Commission, I want to interrupt for
8 a second. I apologize for all these charts you're going to
9 get from Larry. He loves this stuff.

10 **MR. PETERSON:** These charts are created to help
11 keep on task, as it's not just on my desk at this stage.
12 There are multiple -- between marketing, Amber, the real
13 estate, and maintenance side of activities, Tim, the CEO,
14 and the overview, and then when do we need to bring the
15 policy. I hand this back to the Commission.

16 So we can quickly scroll down this -- slowly, but
17 quickly. This is the Vista Field list that you would have
18 seen last meeting. And then the next section, still in
19 Vista Field, is the hangars. The next section is Columbia
20 Gardens. What you didn't see was some of the timelines for
21 the Kennewick waterfront, both the master plan and the work
22 with the Corps of Engineers for 1135, and then some of the
23 district wide tasks that are coming related to the work
24 plan, the budget, and then the comps get amended.

25 Could you zoom out so the entire document can be

1 seen on the screen. It will not be legible, but Tim, when
2 he first saw this, he was overwhelmed. This is the tasks
3 related to major capital projects that the Port of Kennewick
4 is undertaking in the year 2020. The end result, Vista
5 Field is ready to market, Columbia Garden is ready to
6 market, the Kennewick waterfront -- historic Kennewick
7 Waterfront District master planning process is well under
8 way, and the design work with the Corps of Engineers 1135
9 project is moving toward the bid stage. And the two-year
10 budget has been considered and approved along with the two-
11 year work plan.

12 That's awful busy. But I wanted, also, to keep
13 the Commission to see this. And this is in your packets, so
14 you can blow it up on the screen. But it's to help both
15 staff and the Commission to know what's coming, to help keep
16 us on track, so the Commission can have expectations of when
17 might decisions be needed from you and when might supporting
18 information be provided well in advance of those decisions
19 that are needed.

20 The next timeline is a two-year summary. A little
21 more than the user friendly, but when it was created, I
22 wanted to flag a couple of items for the Commission's
23 understanding. The number of activities reduced
24 significantly. Vista Field is now a total of five tasks,
25 and Columbia Gardens is three. This is also a two-year

1 timeline. But I wanted to call to attention the detailed
2 Vista Field timeline for 2020 identifies marketing
3 activities starting in August -- or excuse me, July, and
4 then working through August and September in receipt of
5 RFQs. What that really plays out to is review of the
6 requests for proposals that we have received, reviewing
7 those proposals in the latter part of 2020, design review
8 process, permitting, and eventually marching towards closing
9 in summer of 2021, and then foundations and private sector
10 goes vertical.

11 So what looks like -- I want no surprises -- the
12 timeline of the 2020 saying we'll be out for RFPs later this
13 summer realistically means the private sector is not going
14 vertical until close to a year later because of the due
15 diligence period in investing several million dollars in the
16 building. The private sector is going to want several
17 months to review that. There's a permitting process with
18 the City. So wanting to flag that. So this is a two-year
19 look with the major projects. And there are, obviously,
20 caveats with this. This is dependent upon staying in
21 sequence. Some of these are best case scenario.

22 And the third note down at the bottom, it presumes
23 the Commission gives direction to proceed with the
24 remodeling of the hangars. If that doesn't occur, then that
25 task is significantly altered. So that's a decision from a

1 major policy. It was a little bit of a lead. If the
2 Commission was to say, remodel those hangars when might
3 construction start on those buildings. So that is included
4 in the packet I wanted to share.

5 Tim said he was overwhelmed and wanted to see the
6 entire task. I used my analogy of, you can talk about
7 remodel the house, or you can talk about study for your
8 masters program or learn a foreign language. This is all of
9 those on one list, and potentially, one might be
10 overwhelmed. But if you break it down -- get Commissioner
11 Barnes to break it down into bite-sized pieces. And that's
12 the intent here, to stay on task. These are big projects.
13 We can take them on if we manage them in bite-sized pieces.

14 **MR. BARNES:** Thank you, Larry. I think
15 Commissioner Novakovich loves this logistic stuff, if I
16 recall correctly. Do you want to begin with comments or
17 questions of Larry?

18 **MR. NOVAKOVICH:** I do. Well, I'd probably have to
19 side with Tim on this. It's probably a bit overwhelming.
20 But thank you for presenting it, because it's going to be
21 some fodder for a whole bunch of study. So good job, Larry.
22 It really lays things out about what has to happen and what
23 our responsibilities are and when. So that helps us plan,
24 too.

25 **MR. BARNES:** Yeah, I'd like to say, I like this.

1 Once I spend some time -- you almost need a magnifying
2 glass, some of the print is so small. But that's okay. I'm
3 getting to that age where I have one laying around. And you
4 start looking at this, a single X and convening with a
5 double X, and the color throughout on the time scale. So
6 you know, you can look -- if you want to look at Vista
7 Field, you can look out at Vista Field and see, well, what
8 are some of the things, how does that timing look. Or if
9 you want to look in a particular month, you can look all the
10 way down and see what might be coming up in a particular
11 month. So I like this. I like this.

12 It's something to look at. And I think this is a
13 living document as well, because I think we'll encounter
14 things that we don't even know about yet that will come up
15 in the re-development of Vista Field. So this will probably
16 become a living document. There will be changes that can be
17 made as needed or as required. And again, I think we're in
18 excellent capable competent hands here, someone that's
19 really into this. So thank you, Larry.

20 Commissioner Moak?

21 **MR. MOAK:** Yeah, I tell you that you have more
22 charts than Nick, you know. But you know, it certainly
23 shows, you know, I mean, the number of moving pieces. And
24 the fact is, Vista Field isn't just Larry. It isn't just
25 any one person. For any of these projects, there's a

1 multiplicity of staff and contractors trying to work
2 together, and yet, all have decisions that need to be done
3 at various times and various places and different things
4 that come before this board. Yeah, I mean, it can be
5 overwhelming to look at, but it also, you know, can give
6 some idea as to the inner connectivity of projects and
7 people and the importance, I think, of what we do.

8 So it's hard getting all this put together and
9 understanding of it. But I think when you -- I think it's a
10 way of, really, a better understanding of what all we've got
11 in front of us and why it's important to keep to the task at
12 hand.

13 Thank you very much.

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

15 Thanks, Larry, on to the next one. I see you're
16 on the agenda for the next three or four. So now we're on
17 to Vista Field?

18 **MR. PETERSON:** And now I'm marching down because
19 there was an X on the previous chart in a variety of
20 different columns. I'm going to quickly touch on many of
21 those items. If we create a timeline and identify when
22 we're going to be coming back to the Commission with
23 information -- she's jumping the gun on the graphics. I
24 can't compete with them now.

25 The timeline identified six different -- five or

1 six different items to talk to with the Commission, not a
2 decision at this point, but simply update or share
3 additional information. At this point, these are brief
4 updates.

5 First off, the project team that was identified on
6 the list to bring back to the Commission, we're working with
7 the various subconsultants that have been identified on that
8 Vista Field team, refining some of the scopes. And the key
9 word I want to come away with is this is scalable. Likely,
10 we're going to be using a lot of the assistance from the
11 design folks at DPZ gentlemen when we work through questions
12 in front of the Commission on youth and building exterior
13 and design and such. And then they will scale off once
14 those policy decisions are made and move into a marketing
15 phase. So kind of an ebb and flow.

16 Their work, the need will recede a little bit, and
17 then pick back up when those requests or proposals are
18 actually received. So there's going to be some ebb and flow
19 with the overall team. And that's been what we're trying to
20 define with the scope and get an idea of what that might
21 mean over a calendar year to come up with some expectation
22 of time and dollars.

23 Skipping to the Property Owners Association, that
24 was the next one to quickly touch on. We're at about the 85
25 percent stage. The document's written. The mechanics are

1 there. We're working with Ben Floyd of White Bluffs
2 Consulting, and Doris Goldstein to plug in some lots, plug
3 in some front footages, basically run a model a couple of
4 times to make sure or understand what the pricing would be.
5 So it's one of those, know your product and know your
6 customer.

7 Rather than just a 10-page document that, here's
8 how the Property Owners Association functions and can be
9 maintained, let's run it through so we know what a
10 individual owner on a \$4,000 square foot lot with a single-
11 family house would be expected to pay on an annual basis.
12 Let's have an understanding of what a property owner that
13 has 16 or 24 apartments would be expected to pay under this.
14 And we can ask the question, is there a bust in the numbers?
15 Does this make sense to help from the marketing side. It
16 will also help identify if there's an error in the equation
17 or the thinking.

18 One of the things on the Property Owners
19 Association, you have to start with an initial budget, the
20 way the mechanics are written. It can be adjusted to
21 actual, as we work through time. So if we're wrong to begin
22 with, we're not locked into undercollecting and having to
23 pull out of the Port's pocket for decades to come. But we
24 don't want to shock the buyers in Vista Field with the first
25 year being a \$10 annual payment for homeowners dues and say,

1 oh, we were wrong, it's really \$200 a year. If we started
2 out saying \$125, they can build that into their overall
3 finances. No one likes to be surprised financially. So
4 we're going to test the Property Owners Association.

5 That's not a -- we can bring in results, but at
6 this point, really policy questions. It's just a, let's run
7 some of the mechanics that -- the mechanism was created
8 mostly by Doris Goldstein. I believe Liz's college
9 roommate. So we have an attorney who understands the new
10 organism fairly well that has subcrafted this, and tweek it
11 to Vista Field. It's been used in the California and
12 Florida model, but we want to make sure it works for us.

13 Real Estate Commission Policy. The last time this
14 was adjusted was 2006. At the time, we had a significantly
15 different portfolio. We have land extensive industrial
16 properties, mostly in the rural areas. And the Commission
17 policy was established to try to entice the private sector
18 to look and show our properties. Because of the portfolio
19 change we have and the desirability of our properties -- and
20 I believe much of the desirability is not just location, but
21 it's also the entitlements that you've worked to put in
22 place, the zoning regulations and the development agreement.
23 It's time to revisit that. It may still be deemed
24 appropriate, but it's time to revisit that.

25 Also, we can pull together in one cohesive place,

1 the art policy, which is sitting separate. That can be
2 folded in. Here's what a realtor can expect for
3 compensation; here's what a buyer could expect to pay, and
4 is that added to or -- is that added to the agreed-upon
5 price? Or is that proceeds taken from the agreed-upon
6 price? We can pull our real estate policies into one
7 document. That's in a working draft format, and that's
8 mostly in the camp with Amber and Nick. Nick's been kind of
9 busy the last couple of weeks putting together the budget
10 update. But that's starting again.

11 Marketing, identified in the overall timelines to
12 look to go out for an RFP later this summer. That involves
13 a lot of marketing effort beforehand. You don't just put an
14 ad in the newspaper. There's a lot of material that needs
15 to be compiled. There's also a question, what are we doing
16 in the interim. And right now, the answer is, we are taking
17 people's contact information, we're directing them to the
18 website for the sake of consistency, and we will be able to
19 reach back out to them when we're ready for the RFP. We're
20 avoiding showing the property to any one individual. It's
21 that concern of did someone get their nose under the tent
22 before the other. We're trying to remain consistent.

23 So the efforts are, capture their name and contact
24 information, and direct them to our website, which has quite
25 a few documents, both on the planning documents, the updated

1 construction documents, not only to keep them engaged, but
2 also build some excitement as the new look of our website
3 and the documents that exist there, the graphics, the
4 renderings, provide some information that they want to --
5 the prospective buyer wants to dig a little deeper out
6 online as the collaborative design process, the development
7 agreement. They can see the details and mechanics.

8 Hangar Reuse. As recently touched on, in the
9 previous item with the goals and objectives, we have engaged
10 Strategic Construction Management or David Robison to review
11 and start pulling together the concepts of use. And this is
12 focused on what could go into the building, considering the
13 constraints that the metal framed buildings have, what might
14 the cost implications be of those uses, what might the
15 interest from the markets that he's taken the pulse of some
16 of the real estate professionals in the community. Some of
17 the contractors get an idea of general construction costs.

18 There's also -- the first stop I believe he made
19 was with Amber, the Port's real estate professionals, to say
20 who's been calling and knocking on the door the last two
21 years? What interest level have you had to this date? So
22 David is pulling together many different pieces of that
23 puzzle so we can get an idea. What might the hangars cost
24 if they were a certain type of use, and what might be the
25 interest level for that use? So we can bring that back. We

1 can tell you, if they were all converted into restaurants,
2 is there demand for six individual restaurant spaces out
3 there? What would the budget cost be for that? What would
4 the parking implications be for that? Trying to pull some
5 of those together to give the Commission an idea before
6 being asked to move considerably forward on a project to
7 spend X millions of dollars to create -- how much money to
8 create what, and if we build it, will they come and who will
9 they be.

10 A site Reference Maps. You can pull those up.
11 That was asked at the last Commission meeting. And I can --
12 you might see these on a fairly regular basis, not this map
13 so much, as this is the larger area identifying the streets,
14 Crosswind Boulevard and Grandridge, pulling to the site,
15 along with Vista Field Boulevard, the street that was known
16 in the plans as Espinola Way, but now identified as Azure --
17 That was not a slip; that was an intentional mention of the
18 name -- and than the new little name of Constellation Way.
19 This is to give the Commission a general idea of how we tie
20 in the overall network.

21 The next map is site specific. The second page
22 would be -- this second drawing shows that Phase 1A
23 infrastructure improvement areas, the yellow identifying
24 approximate locations of lots or properties that could be
25 made available to others, and the light purple, light blue

1 shading for the hangars in the general area in and around
2 the hangars that if the Port was to proceed with remodeling
3 the buildings, that that general area would need to be
4 retained under Port ownership to assure some parking is
5 available.

6 Now, the large green block in the middle of the
7 project, that would be a future site for Daybreak Commons. I
8 wanted to call it Central Park. I lost. Daybreak Commons
9 is the name for that future park. So that is not a salable
10 chunk. That is actually a piece that we need significant
11 investment. We'll be asking the private sector to locate in
12 and around that central park, and the private sector will
13 say, when is that central park coming, what will it be. If
14 you want me to build around this amenity, I need the
15 amenity.

16 So we've given you some general idea of what's
17 available. The next time that we see this map, it might
18 have some block sizes or some acreage to give you what's in
19 play. But roughly, of the 20 acres gross that we have, we
20 have about 14 -- 13, 14 acres of net land. Some of that
21 will be needed for common or joint use parking area. We can
22 start breaking this down. You should expect to see this map
23 over and over with different levels of detail from a
24 reference standpoint. But there are the names of Azure and
25 Constellation Way and road names that are to be established

1 here shortly.

2 It was to be the last one, but it will be the
3 second to the last one. Crosswind Boulevard implementation.
4 The City created that name and added it to their quiver back
5 in November of '18, and they established February 21st for
6 the day when that name would become official. It is
7 official on all of the 911 information networks that, you
8 call for an address, they know where Crosswind Boulevard is.
9 No one told the City sign shop that they needed to make new
10 signs, so it still said Grandridge Boulevard, and they're
11 frantically cranking out those signs, and they will be
12 installed later this week, as the sign must match what the
13 911 folks are looking for.

14 I'm not sure how long it's going to take your
15 handheld device to start registering that as Crosswind
16 Boulevard, as that might be a three-month to nine-month
17 cycle for that overall update. But soon, even your handheld
18 device will be looking for Crosswind Boulevard and will take
19 you to the right location.

20 Those are the ones that are identified on a check
21 next to Vista Field to at least touch on today with the maps
22 and the Crosswind implementation, not being on the list. I
23 just wanted to share.

24 We had one other item that came up today. It'
25 definitely related to Vista Field. It's a policy question.

1 It's a land use question. We've asked or hinted that we
2 will be talking with the Art Center Task Force about the
3 two-acre site -- two to two and a half acre site that's been
4 reserved through an Memorandum of Understanding back in
5 March of 2017, what the status is, are they ready to move
6 forward. That agreement expired in March of 2019, but we're
7 not done with the infrastructure yet, so we asked those
8 folks, what is their status.

9 We have contracted with Strategic Construction
10 Management to reach out to the art center folks and seek an
11 update, what's their status. We have David Robison here to
12 give you an update on what he's found. We've also received
13 a letter from them. We received it today. It's dated
14 February 20th, but we received that letter today from the
15 Art Center Task Force, giving us their status.

16 **MR. ARNTZEN:** Commissioner Barnes, if I could, I
17 got a briefing from David yesterday, along with Larry. And
18 our preferred course of action was to have a chance to
19 noodle on this a little bit more and bring this issue to you
20 two weeks from now. But we just received this letter from
21 the Art Center Task Force, and I think that kind of changes
22 our view of this. One of the things I wanted to avoid was
23 to have a letter dated February 20th. So it's important for
24 the Art Center Task Force to get a letter out. Five days
25 have already gone by from the date of the letter to when we

1 received it. So I wanted to be cognizant of the information
2 that the task force wanted to share with us.

3 So it's a little bit of a rush to put it on the
4 agenda. Like I said, I think we might have had a better
5 chance to prepare, but things are fast moving. So I wanted
6 to get this in front of you today. So the presentation that
7 you're going to hear might be a little bit unrehearsed, so
8 to speak. I mean, I'm on the phone with David right around
9 lunch hour, asking if he can get his nice clothes on and
10 come on down and talk with the Commission. We were thinking
11 that we could do this two weeks from now.

12 So I'm not sure we get to a decision point with
13 this, but I want David to have unfettered access to the
14 Commission and the public to kind of describe, in his own
15 words, where he thinks we're at. And then maybe we could
16 ask the Commission if you think you're at a decision point,
17 or if we would take a little bit more time with this. So
18 again, kind of a fun thing, because we can react quickly to
19 something that came in today. So you'll get kind of the
20 unvarnished review of this matter.

21 **MR. BARNES:** Okay. And just for the record, on
22 our agenda, we're still under Vista Field, and this would be
23 the task status update? Is that --

24 **MR. PETERSON:** That is correct.

25 **MR. BARNES:** Okay. Welcome, Mr. Robison. It's

1 always great to see you. Thanks for being here.

2 **MR. ROBISON:** Thank you very much. It's always
3 good to see you, Commissioners. And of course, I appreciate
4 the opportunity.

5 As Tim alluded to, you know, we only got this
6 letter today. But we've been meeting with the task force.
7 Whether this letter was generated because of our meeting
8 with the tasks force or generated in advance, knowing this
9 meeting was coming forth, I really don't know. But the
10 letter is, in fact, appropriate, quite frankly.

11 So I'm going to talk a little bit about what our
12 role and goal was. To start with, we quickly put this slide
13 slow together for you to give a lot of history associated
14 with this. So we're going to talk about where we've been,
15 where we are, and of course, from there, some
16 recommendations for where to go.

17 So a little bit of history. In 2014, charrette
18 concept relocation of the corporate hangar, kind of the
19 bonus to the site, and the FBO on buildings for BAC. August
20 2015, an off-site roadway extension for down hundred
21 scissors. You know, kind of history there. It was 2017,
22 the Art Task Force came consultants. LMN released the Art
23 Walk concept for the building recess from the street.

24 End of March 2018, you can see revised at central
25 area to accommodate the Art Center Task Force. And so just

1 kind of a little bit -- that was about the first time they
2 really started committing to it. A letter of intent was
3 executed March 28th, 2017. And that letter of intent
4 acknowledged that there would be a closing on the properties
5 by March 28th, 2019. The Art Center Task Force must show 75
6 percent funding, secured or committed, and that they
7 complete reports for both feasibility of purchase and use.
8 And of course, that letter of intent really has expired as
9 of March 31st, 2019.

10 I want to talk a little bit about that timeline
11 that you're looking at there. Part of the overall plan or
12 associated work with Vista Field, Commissioners noted long
13 ago that you would build this from your resources, that this
14 wasn't going to be a tax or a levy or a bond associated with
15 developing this particular property. And so the letter of
16 intent essentially said they would get their monies and
17 funding to provide the abilities to build this.

18 Now, what are the statuses associated with what
19 the Art Center Task Force is doing today? Well, they have
20 since responded to an RFQ for the old City of Richland City
21 Hall site. The City of Richland's facts sheets noted,
22 "Seeking mixed use for the site," and so they actually
23 reached out and said, hey, how about considering our
24 facilities on your properties, City of Richland.

25 They discussed a site near the reach for the

1 Richland Public Facilities District. And they are still in
2 conversations with them and have said that they essentially
3 would hope in the early stages of getting some sort of
4 letter or agreements in place with them.

5 They also have been considering the Three Rivers
6 Campus and didn't elaborate much on that. They did indicate
7 they still have significant support, mid Columbia Symphony,
8 Valley Master Singers, and others interested in moving the
9 project forward. But it was clearly stated to me that they
10 do not want to close the doors on Vista Field, but unlikely
11 to revisit in the foreseeable future.

12 Funding Status. ACTF goal is to work with any
13 site if funding is available, anticipate tax or bonding
14 issue by a municipality in order to complete the project as
15 envisioned. Now, if you read the letter that they currently
16 have sent to you, they allude to some other things
17 associated with the property. About the fourth or fifth
18 paragraph down, they essentially talk about the facts that,
19 thus far, they do not have the money, nor do they have the
20 abilities to raise the money unless the municipality steps
21 up with a tax initiative.

22 So what are the recommended next steps? You are
23 embarking on the development of Vista Field, and now, really
24 soon, in the next year, as Larry pointed out, sales of this
25 property and moving forward with investors for people who

1 want to develop this property. And I don't see that the
2 ACTF or its efforts are coming back to Vista Field, unless
3 the Port or Commissioners decide that they want to assist
4 them by putting a municipality or bond in place or raise
5 taxes.

6 So what are our recommendations? Based on the
7 letter you received today and my read of that letter, my
8 recommendation would be, essentially, that you would thank
9 them for their efforts, appreciate the fact that they've
10 done their best and essentially put closing to the loop
11 associated with the relationship and move forward. Either
12 you're not willing to do a tax or are willing to do a tax
13 for them in that letter, but release the property to the
14 Port staff to market to other developers. And that is our
15 recommendation or our opinion, based on what we've learned.

16 This was very quickly put together today, as Tim
17 alluded to. The letter, you know, pretty much talks about
18 some other things related to the property, which I'll let
19 Larry jump in a little bit, if he'd care to. But I will
20 simply say this about their take on that. In the early
21 stages of this project, you can modify those puzzle pieces
22 anyway you like to fit this property. It's still viable, if
23 they have the resources and the Commission decided to do so.

24 Any questions? That was very quickly presented to
25 you.

1 **MR. BARNES:** Questions of David?

2 **MR. NOVAKOVICH:** Just a question. This letter was
3 dated February 20th. Was this letter dated before or after
4 you talked to them?

5 **MR. ROBISON:** This letter is dated after I talked
6 to them.

7 **MR. NOVAKOVICH:** After you talked to them.

8 **MR. ROBISON:** Or excuse me, before. It's February
9 20th is what they dated it. But I met with them -- I'd have
10 to look at my calendar, but I met with them about 10 days
11 ago.

12 **MR. NOVAKOVICH:** Okay.

13 **MR. ROBISON:** So it might have been just a day or
14 two after I met with them.

15 **MR. BARNES:** Other questions? Comments?

16 Thank you.

17 **MR. ROBISON:** Larry, do you want to address
18 anything on the property?

19 **MR. PETERSON:** Could you put up the other
20 PowerPoint.

21 **MR. ROBISON:** Thank you. And I'm certainly going
22 to say here if you have other questions.

23 **MR. PETERSON:** The letter really touched on two
24 items. First, the Vista Field site is no longer viable
25 because you moved the roads around on us. And secondly, it

1 says it really only works if we can find an entity that will
2 bring \$20 million of public funds to the table. That's a
3 policy question on the funding and the deviation from the
4 2014 public process where we heard about funded private
5 sector and no new taxes for Vista Field.

6 The one that I'd like to address is site specific,
7 because that falls into my camp and the staff's camp. And
8 to let the Commission hear from the staff's perspective, the
9 deal that you cut with the art center folks was we would
10 reserve them a prime spot across from the future park that
11 would meet their needs, approximately two to two and a
12 quarter acres. That occurred.

13 What the letter identified very quickly was the
14 site that -- this was the original layout, and this was the
15 configuration at that time that had all kinds of parking to
16 the south and buildings set back quite a ways so we could
17 have what was called liner buildings, as we were concerned
18 about what the facade of the building might be. It might be
19 a blank wall, so the idea of pushing the building back to
20 somewhat hide it. And then the letter indicated taking that
21 exact same rendering and showing, here's your current
22 alignment. You cut off all my parking in the back; you even
23 cut off a portion of the building. That's not accurate.
24 That's not an accurate reflection.

25 What happened -- this is the site identified, in

1 fact, on DPZ's generated rendering that created this. The
2 staff went and met with the DPZ folks. Liz then sent in
3 Michael Morris to refine this central area. And the concern
4 of housing initially adjacent UPS, the variation was to move
5 the parking to south of this facility down along the fence
6 line, so it's about 175 feet. There are public passageways
7 through the buildings. This was thought that this could be
8 employee or performer parking, where the customer or
9 visitors still have parking around the facilities. So it
10 was effectively just moving the parking to the south, and a
11 slight variation, moving the building to the north to allow
12 the exact footprint that the art center folks had been
13 talking about for years.

14 We met with them. And here's kind of a graphic --
15 this was the concept of, move the parking down along by UPS
16 and slide the building to the north. This was following the
17 meeting in New Orleans with the DPZ folks in May, the
18 renderings that were shared with the entire public on April
19 19th, 2018, before the commencement of the construction
20 documents was directed.

21 Then in the summer of '18, from July through
22 November, a series of meetings were held with the Art Center
23 Task Force folks, myself, some of our design professionals
24 and the LMN Architecture team, the Art Center Task Force
25 consulting team, to revise a layout. This was actually

1 crafted by Port staff, the idea of moving that exact
2 footprint to the north, and even received a response from --
3 "The Art Center Task Force facilities committee met last
4 night and very much liked your idea of reducing the size and
5 extent of the liner buildings and moving this forward."

6 This, as of April -- excuse me, as of November of
7 2018, we thought we had a site that was accepted -- more
8 than thought, we believe we had a site that was acceptable
9 and a layout that was acceptable to the Art Center Task
10 Force folks. We continued and proceeded with designing the
11 roads and the alleys to match this, still reserving the site
12 and having both parking onsite and south by UPS. So we
13 believed we were acting in good faith, that the site that we
14 were working towards creating still met the needs of the Art
15 Center. So I was stunned and actually hurt to see that we
16 didn't deliver on the site that we had committed or promised
17 to.

18 **MR. BARNES:** Yeah, Larry, I hear everything you're
19 saying. I think everything you say is well taken. And I
20 think it's understood. If the parking around this facility
21 was what was holding up the development or the -- you know,
22 the progress of the development of this facility, if it was
23 a minor parking layout, I have every confidence that we
24 could resolve something like that in fairly short order. I
25 think the primary message that I'm receiving here that says

1 that they concluded that there is insufficient private
2 funding capacity in the Tri-Cities to support a project of
3 this size, and they need supplemental funding of \$20 million
4 from a public entity.

5 If they had the funding, if they had the
6 resources, if they had the ability to build this, I have
7 every confidence that our staff could work with them on a
8 parking issue and resolve that. I just don't believe that a
9 parking issue -- at least from where I sit -- I don't see
10 that that's a major issue.

11 **MR. ROBISON:** Thank you, Commissioner. You hit
12 the nail on the head. And that is why we tried to put this
13 together so quickly today, because the letter, in a sense,
14 is incorrect in its statement. And we thought it was
15 important that we address this and not let it sit for
16 another week or two and try to organize something with more
17 continuity. So Larry has his slides; I have my slides.
18 Bottom line is, we wanted to make sure you got this
19 information the very moment we had it. So I apologize that
20 it isn't more polished.

21 But the fact of the matter is, the bottom line,
22 they don't have the money. We need to put this property out
23 there and let staff get this property back out on the market
24 and get it ready and prepared, as they're putting all the
25 other properties together.

1 **MR. BARNES:** Yeah. Well, I mean, this is fast
2 moving. The LOI has been expired now for --

3 **MR. ROBISON:** Two years come this March.

4 **MR. BARNES:** Yeah. So --

5 **MR. ROBISON:** One year. Excuse me.

6 **MR. BARNES:** Yeah, one year come this March. And
7 so I don't know that two weeks is a huge difference in this
8 time frame. You know, I can't speak for my other two
9 commissioners, but it's great to have this sort of fast
10 breaking news, to have it as soon as you have it. And I
11 really appreciate the effort that you and Larry went through
12 to pull some information together to give us a really
13 accurate picture of where we are.

14 Personally, I'd like to see this on the next
15 agenda, if we're going to take some formal action. We have
16 some time to think about it or whatever. I don't know that
17 it needs much time. But you know, enough time has
18 transpired since the expiration of the LOI, I don't know
19 that two weeks really matters. We're not ready to market
20 this property in two weeks in any event. But do my fellow
21 commissioners have any feelings about this?

22 **MR. NOVAKOVICH:** Yeah, let's do that, because -- I
23 would really like to see them locate there. I mean, I think
24 they tried. But there comes a point where you've got to
25 either fish or cut bait, and the fact that, you know,

Clerks Note: \$20,000,000

1 raising \$2 million, I don't think this Commission or this
2 board needs to take a look at raising taxes. I think we
3 declared quite loudly that we weren't going to do that to
4 develop Vista Field. If we were to do that just for one
5 entity, I think we'd really be criticized pretty heavily.

6 So yeah, I totally agree. Let's put this on the
7 agenda to take some formal action.

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

9 **MR. MOAK:** Yeah. I mean, we're not the regional
10 or the Kennewick Public Facility District. That's the
11 district that was created -- the districts that were created
12 to build major public facilities, regional public facilities
13 such as this. You know, I've supported a performing arts
14 center in Richland and Pasco and now in Kennewick. I'm was
15 to support a regional public arts district or public art
16 center somewhere, because I think this community needs it
17 and continues to need it, no matter where it is. And I will
18 personally be supportive of that. I was hoping it would be
19 at Vista Field. I think there were a lot of discussions
20 about the synergy of Vista Field and the art center that
21 would have been absolutely phenomenal. But we weren't going
22 to give them the \$20 million.

23 They're not able to raise it. And so, you know,
24 they do need a public entity who has the capacity to do that
25 and to convince the public that that's something that could

1 be done. And that hasn't happened. We can't wait, I don't
2 think -- I mean, this is a key piece to -- that's why we
3 wanted had art center there, because it was such a center
4 piece to Vista Field. And when we're going out and trying
5 to market these other properties and to know what is that
6 center piece going to be, and how is that going to effect
7 everything else -- so I mean, I think the sooner we move on
8 and -- I mean, the Art Center Task Force has worked very
9 hard over the last several years, I think, and you know, to
10 have a synergy that they could convince Kennewick or Pasco
11 or Richland or someone to help them.

12 But for our sake, we do need to move forward. And
13 I think, in two weeks, I think we need to give staff very
14 clear direction that way.

15 **MR. BARNES:** So agenda item for two weeks? Is
16 that all right, Tim?

17 **MR. ARNTZEN:** Absolutely. Now, I have a question
18 from our media department. If we are fielding comments from
19 the public about this, would we have the ability to discuss,
20 essentially, the information that was discussed in this
21 meeting, such as we believe that -- we take exception with
22 the clause in the letter that says that the parcel is too
23 small. Are we able to advance that as our viewpoint?

24 **MR. MOAK:** I mean, there never has been any -- I
25 mean, nobody's come and talked to this Commission and said,

1 Don't do what we did with this. I mean, there have been
2 plenty of opportunities since -- you know, that they could
3 have done that. So I mean, I think that if that's the case,
4 then I think we should be laying out the same case that we
5 have made, in my mind.

6 I wouldn't want to harp on -- I mean, you know, if
7 media comes in, they're going to talk about that, I'm sure.
8 But I mean, the fact is they don't have the \$20 million. And
9 we've got an important piece of property that we need to
10 market. I mean, if I thought that I could raise the \$20
11 million without that for them, I'd say, well, yeah, let's
12 reserve this for them. I don't think they're anywhere close
13 to getting a city or whatever for a public facilities zone.
14 I mean, I think that's the major reason why they're not
15 going to be there, and I would focus on that.

16 **MR. BARNES:** Commissioner Novakovich?

17 **MR. NOVAKOVICH:** Tim, I think the simple answer to
18 your question is yes. I think we need to defend our
19 position in that what they're claiming in this letter is not
20 accurate. I think that's what you were looking for.

21 **MR. ARNTZEN:** Right. And obviously, we went to be
22 very professional in our response. I'm not going to
23 instruct Tana to prepare a media report. But if we are
24 asked, I think what I'd like to do is refer it to Tana, who
25 is our public relations person, and we can talk about it in

1 a fairly accurate way.

2 I understand where the Commission is coming from.
3 We genuinely hoped this project would work. And who knows?
4 Sometimes when a deal doesn't come together today, maybe it
5 comes together tomorrow. So I think we maintain a friendly
6 relationship, because there's bound to be other things that
7 might happen. This may not be the end of the line for our
8 paths to cross.

9 **MR. MOAK:** I mean, it could be a Phase 7, or
10 whatever, could it not be, that, you know, on Kellogg Street
11 or whatever. Could that not be, if push came to shove at
12 some point?

13 **MR. ARNTZEN:** Well, I don't want to respond for
14 the planner, but for my vision, I think that if there's a
15 great idea -- and connect with respect to the parking. If
16 it's just about the parking, we can find you different
17 parking. I think if the issue is, hey, we have funding now,
18 I think this staff would jump on this and say, Okay, let's
19 see if we can find a piece of property, even if we have to
20 kind of move the curtain a little bit. We'll take the
21 Commission and say, Can we find you some property. I'm
22 telling you, this staff would look at that. We wouldn't
23 close the door. And I'd say, Hey, I really have a great
24 idea I'd like to take to the Commission.

25 **MR. BARNES:** That would be the attitude I'd want

1 the staff to take. Thank you.

2 **MR. MOAK:** I agree.

3 **MR. BARNES:** Thank you. Thank you, David. Thank
4 you, Larry.

Clerk's Note: David Robison

5 ~~**MR. PETERSON:**~~ Thank you very much for your time
6 today.

7 **MR. BARNES:** All right. Next item on our agenda,
8 moving on here, Columbia Gardens Urban Wine and Artisan
9 Village update. Amber?

10 **MS. HANCHETTE:** Yes, thank you, Commissioners. So
11 I would just like to give you an update on the tasting room
12 building that is under construction, finished construction,
13 actually, and let you know that both of the tenants are
14 working very, very hard to get open in the next couple of
15 weeks. Permitting is where they're at right now, with the
16 Liquor Control Board. We've just got a few little punch
17 list items still outstanding on the construction site. But
18 as far as the Liquor Control Board goes, they are really
19 working diligently on that, as well as their health
20 department requirements.

21 Then as far as what I have for you on the screen,
22 I would like to give Commissioners an update on our food
23 truck pilot program that we started last year. And I want
24 to just mention that I have no graph -- I have no charts, I
25 have no percentages. So -- sorry. I think you've had

1 enough of that today.

2 When we started our food truck pilot program, it
3 was almost a year ago. So we kicked off in the spring of
4 2019, and our first food truck to roll in was Swampy's
5 Barbeque. Ron was very excited and just chomping at the bit
6 to get in, and he brought with him a custom barbeque that he
7 also had made here by a local downtown weld company. So we
8 moved in that first food truck, and then we had two more
9 businesses that followed, the Chow Wagon, with the
10 Mediterranean food, and then Frost Me Sweet Mobile Desserts,
11 with their cupcake trailer. Both very, very excited to be
12 part of Columbia Gardens and the Food Truck Plaza.

13 And given that we had started our Food Truck
14 Plaza, we already had a dessert in that area of Columbia
15 Gardens. But we also had another dessert business that
16 really wanted to be part of the downtown Kennewick
17 waterfront. So as an experiment, we put Rollin' Ice Cream
18 on Clover Island over by the White House plaza. And go
19 figure, that ice cream at the top of the boat ramp in the
20 summertime was a huge hit. She did very well in that
21 location, loved that location. She promoted it like heck,
22 that she was on Clover Island at the lighthouse.

23 This is an example of a FaceBook post that she had
24 showing the lighthouse through the mother of reinvention.
25 So she just did a ton of marketing that her location was

1 down here. And people were down here all the time taking
2 advantage of her hours. Her hours were more in the evenings
3 and the weekends, because that's when families can come out
4 and enjoy ice cream and kind of wander around the island.

5 Some that turned out to be kind of fun, something
6 that we weren't anticipating. We weren't really set up,
7 from an infrastructure standpoint, to have her down there,
8 so we made sure she had some power and some picnic tables
9 that we picked up at Home Depot, and she had her own
10 umbrellas and some cute little plastic chairs, and she made
11 it work to the point where she wants to come back again this
12 summer and be on the island again.

13 So when I say there are no percentages, no charts,
14 no graphs, really, these are lessons learned and
15 observations that are very personal to me, because I was
16 working the program very hard for the last year. And so I
17 wanted to just kind of run through a few of these lessons
18 that I observed.

19 The mobile food businesses in our community have
20 to make money. That's their number one goal. You know,
21 they're small businesses. They're single operators. They
22 might have a family member working with them. They might
23 have some minimum wage folks working for them. Most of the
24 times they work that truck themselves because it's very
25 costly for labor otherwise. You know, it eats up their

1 profit.

2 So where are they able to make their money? Well,
3 they make money off of catering, take their truck to a
4 catering event. They're given a guaranteed fee. They know
5 how many people are going to be there, so they've got a
6 guaranteed income. That's one of their revenue streams.
7 Other would be public events, wherever there is a large
8 group of people. Usually they have to pay a fee to be
9 there. But that would be big things, like boat races and
10 the fair. But then we have seasonal events, Sunset at South
11 Ridge. We have Food Truck Friday. We have Live at 5:00 in
12 Richland. So there are a lot of different public events
13 where they know there's going to be a large concentration of
14 people spending money on food.

15 Another way they make money is on a set location.
16 There are folks in different stages of their business. If
17 you're a new business operator, maybe you need to go to
18 those public events. Maybe you need to move around a little
19 bit to get your name out there, get the word out, let people
20 know who you are, and get familiar with your food. There
21 are other operators who have been there, done that, or
22 they've got more than one mobile food business, and they
23 want a set location. For instance, Swampy's, he can operate
24 his catering out of his truck, but still leave his truck
25 there because he can take food elsewhere in other vehicles.

1 There are other set locations in the Tri-Cities.
2 North Richland has a big weekday food lunch crowd. So a lot
3 of those mobile businesses will go out to North Richland on
4 weekdays. Business parking lots, you see around town where
5 a food truck will be set up in a business parking lot, just
6 kind of a random location. A lot of times they don't charge
7 them to be there. We also see that seasonally, the city
8 parks, every city has a concession program. So food trucks
9 can do a lot of those city park areas where there are kids
10 playing in the park, doing the playgrounds.

11 They also can go to the wineries, sporting events,
12 and some of the seasonal bazaars. Wineries right now are
13 really looking for food trucks, because they don't
14 oftentimes have a restaurant.

15 Some of the other observations that I've found
16 during this first year of our pilot program, with the food
17 truck owners, is that on a set location -- set location
18 meaning, like, Columbia Gardens -- those businesses that
19 were the most successful, Columbia Gardens or White House
20 Plaza, those businesses were very active and extremely
21 aggressive on their social media presence. They were
22 posting every day. They have pictures. They have videos.
23 They tell you what their hours of operation are going to be,
24 whether it's that day or all week. They tell you what the
25 menu is, and then they always have a consistent message. My

1 message is, I am a barbeque guy, I am an ice cream truck,
2 you know, I'm not sharing memes of puppy pictures on my
3 FaceBook page. I'm giving you a consistent message.

4 Also, one of my observations is that their owners
5 are very excited. And they're engaged with their customer.
6 They appreciate their customer. They're out there talking.
7 They're outside of that food truck. They are just mixing
8 and mingling. And they become the personality.

9 Also, their menu is varied. They don't have a
10 single item. With ice cream, it is seasonal, but it's very
11 popular in the summertime. Rollin' has also added other
12 menu items. She sees the need to diversify her menu because
13 if she wants to be open year round, she needs do that. So
14 there's varied menus, as well as their operations are pretty
15 reliable. You can go on and you can find out that they're
16 not going to be closed for three months because they're, you
17 know, vacationing in Mexico or something.

18 The food quality is very high, and they have
19 something unique to offer. So those are some of the
20 observations that I made during this last year with those
21 really successful set locations, why people are coming to
22 see them and why they will drive across town to enjoy their
23 food.

24 And what's kind of interesting is they really
25 support each other. The ones who are very successful don't

1 look at that other food truck operator as competition. If
2 we're all doing well and we're all supporting each other,
3 we're all going to benefit from this. We're going to have a
4 great reputation.

5 Location. So whether our location is on Clover
6 Island -- which is a great location already. We've got the
7 boating traffic, we're got the lighthouse plaza, we've got
8 things do in the summer time. Fabulous location. Our
9 Columbia Gardens location. Downtown Kennewick, in general,
10 has a thriving weekday working population. You can go into
11 our Food Truck Plaza and see all kind of work trucks. I see
12 Twin City Metal work trucks, I see landscaping work trucks,
13 I see all kind of work trucks. There are people walking
14 across at the hawk from other businesses to come eat at the
15 Food Truck Plaza. So we have a thriving, daytime weekday
16 population for downtown.

17 Columbia Gardens, specific, and Port amenities are
18 very attractive to the food truck operators, because we have
19 a lot of the utility infrastructure that they need, the
20 water, sewer, garbage, and electricity we hae down there.
21 And everybody I've talked to, that really pulls them in.
22 That's very interesting to them.

23 One of our location challenges is that we just
24 need time to mature. We need our Food Truck Plaza to be
25 given some time to build our community recognition that it's

1 down here. And that's just going to take -- it's not going
2 to happen over night. So it's going to take a little bit of
3 time to build. It's going to get its own personlity, its
4 own character, and people are going to want to come down
5 here for those reasons. Plus, we've got more to offer. With
6 those constructions coming to completion, the tasting rooms
7 are going to be open here, our existing wineries are open,
8 and there's a lot of special events.

9 From just a management and operations of the food
10 truck is we started out a little stricter. We have -- we're
11 a government entity, so we have rules and regulations, and
12 we have policies we need to follow. So we're pretty strict.
13 Telling people what days we want you to be open, what hours
14 of operation, you can take so many days off in a year. But
15 there are just so many variables, so many variables. These
16 are small businesses.

17 For me to dictate to the ice cream person to be
18 open Monday through Friday, 11:00 to 2:00, when she does
19 better business at night, it seems unreasonable. So it
20 requires a little more flexibility. So that's something
21 that I'm moving toward, is more of a day rate for some of
22 these folks, as opposed to putting them into some kind of a
23 lease. Because they are looking at -- either they're very
24 mobile, or they're semi-mobile.

25 Operating a food truck program is very hands-on

1 and very labor intensive. I'm just going to throw that in
2 there. There's six to 10 businesses that you're still
3 managing. But we are focused on fostering small business.
4 And every time I talk to one of these food truck operators,
5 they're really worried about, Well, you know, are you going
6 to that I can make me do this, are you going to make me do
7 that? And my response is always to them, We want you to be
8 successful. So the Port is here to foster small business
9 and help you be successful. So we don't want you to go out
10 of business because you couldn't meet the expectations of
11 the time. We'll work with you.

12 So the next chapter, real quick, like I mentioned,
13 Rollin' Ice Cream would like to return to Lighthouse Plaza
14 this summer. The tasting rooms are going to be open. That's
15 going to drive more traffic. I've had great response so far
16 to new food truck operators that would like to come in for
17 2020, and we will take a little bit more flexible of an
18 approach. We've got several spaces. We can accommodate
19 people at different hours and different days. We're working
20 on the shade structure for the seating area with some
21 decorative lighting. We've got some permanent picnic tables
22 to install. And we will have another -- a public restroom
23 container down there. And then signage. Signage is going
24 to be huge. So we'll be really working on getting some
25 signage put down there.

1 The last thing I wanted to mention was events. The
2 Commission supported a vibrancy program. So kickstarting,
3 you know, you think about kickstarting something, getting
4 people recognizing what's going on. We need the energy, the
5 enthusiasm and getting the word out there. So the current
6 tenants, Bartholomew and Menorca, took advantage of our
7 vibrancy program to where you to could get a reimbursement
8 on some of your advertising.

9 So in 2019, we had probably -- there is an
10 application process. We had probably less than \$3,000 that
11 we allocated in reimbursements. We have already approved
12 over \$2,000 worth of reimbursements for this year, and we're
13 not even into March yet. So it's starting to get some
14 momentum. They understand the process, because there is,
15 there's an application and you have to do a few little
16 things. But they're already starting to do more events. So
17 those events will bring people in in as well.

18 Also, I wanted to mention that the Southeast
19 Washington Food Truck Association, which has led -- I think
20 the organized started founding member was Ron with Swampy's
21 -- they are putting on a food truck showcase in Columbia
22 Gardens on Saturday, March 21st. So you buy a ticket for
23 \$20 bucks and you get to go around to these different trucks
24 and food operators that he has already -- they're already
25 organizing among themselves. We are helping to promote it

1 through the vibrancy program. But this is something that's
2 being done independent of the Port, with the support of the
3 Port through the location. But it's actually very exciting.
4 It's something that's very independent, hoping it will draw
5 a lot of people down here, and then also give the food truck
6 operators more exposure to Columbia Gardens and what they
7 could possibly do down here as well.

8 So anyway, that was not as fast as I had expected
9 to be, but pretty close. So if if you have any questions,
10 I'm happy to answer them.

11 **MR. BARNES:** Amber, thank you very much. Your
12 enthusiasm is very clear about this, and something the Port
13 of Kennewick should be very proud of.

14 Questions or comments for Amber? Commissioner
15 Moak?

16 **MR. MOAK:** Yes. Thank you very much. I do
17 appreciate that. I know Swampy's is down there daily, I
18 think. Did the other -- I mean, are the rest of them, were
19 they seasonable and you hire them for -- or you have a
20 different process than for 2020? Or what is that process in
21 terms of how -- who's going to be down there?

22 **MS. HANCHETTE:** So we still have an application
23 process. And we've reached out to a number of food truck
24 operators, some that have approached the Port first, and
25 then some who were there last year. For instance, I've got

1 several food truck operators that would be brand new. Or
2 maybe they have a cart or a trailer, or they have even just
3 a table and a tent. We've got the area that we can do, you
4 know, tables and tents in moderation.

5 So Frost Me Sweet, they didn't see huge sales. But
6 you sell a \$3 cupcake, it takes a lot of cupcakes to cover
7 your cost. Their social media presence for their mobile
8 wasn't as strong as maybe some of their other stuff. But in
9 fact, I just got an email from Megan today. She was like,
10 Yeah, we're really interesting in coming back. I'll let you
11 know, once I hire my food truck person for the season, what
12 dates we would like to come back to Columbia Gardens. They
13 didn't leave and say, I'm never coming back. They left and
14 said, I think maybe the timing's a little off for us,
15 because when they have those tasting rooms, they really see
16 that traffic, and that's kind of more -- their sales will
17 come from that.

18 It's just going to be a variety. There's a
19 process. You need to fill out an application, and --

20 **MR. MOAK:** When does the season really begin?

21 **MS. HANCHETTE:** You know, for most of them, March.
22 That's what I'm finding. If they are seasonal -- I have an
23 Asian fusion. He wants to start in March. We have another
24 food vendor in the Tri-Cities that is getting another truck.
25 So they would like a set location. So it's going to be kind

1 of semi-permanent for them. But I don't want to give
2 somebody a permanent spot in case it doesn't work out for
3 us. So you know, we're working on a flexible basis right
4 now.

5 **MR. MOAK:** Thank you very much. I do appreciate
6 that.

7 **MR. BARNES:** Thank you. Questions or comments?
8 Amber, again, thank you very much. It's great work.

9 Okay. The next item on our agenda, we have Task
10 Status Update at Columbia Gardens. Larry?

11 **MR. PETERSON:** Due to the time and the fact that
12 none of the tasks I was going to give you an update on are
13 pressing, if acceptable, I'll share those with you in two
14 weeks.

15 **MR. MOAK:** That's fine with me.

16 **MR. BARNES:** All right. Thank you. Then Tana,
17 Phase 2, Ribbon Cutting Ceremony, please?

18 **MS. BADER IGLIMA:** I just wanted to let everybody
19 know that we have set a date and time for welcoming the two
20 new winery tenants to Columbia Gardens and really
21 celebrating with our partners who helped invest in that
22 Phase 2, the road, the utility, the landscaping, the art
23 work, the parking lots, all of the things that went into
24 Phase 2A and 2B, which is with the new building, which
25 everybody gets excited about, Oh, yeah, the wineries. But

1 there's a lot of back story and a lot of partners.

2 So we've set March 27th, which is a Friday, at
3 2:30 p.m. The wineries will be participating, and the event
4 will roll out much like it did when we celebrated the
5 Bartholomew and Menorca Winery. But this time we'll have
6 four wineries open celebrating two new tenants and the Food
7 Truck Plaza as well. So I have flyers out front, if anybody
8 from the public wants to grab them. We'll also be doing
9 some inserts in the chamber news letter and getting some
10 other messages out to encourage people to attend. So mark
11 your calendars.

12 **MR. BARNES:** Thank you very much. That's a date
13 to mark on the calendar and a date to look forward to.

14 **MS. BADER IGLIMA:** Yeah.

15 **MR. BARNES:** Thank you. Okay. Next item,
16 please. Posting Commission Meeting Audio Update. Bridgette?

17 **MS. SCOTT:** Okay. Another brief update for you.
18 Since I gave some information at the last meeting, I have
19 continued to research and work with our IT consultant in
20 checking out different software companies. In addition,
21 Commissioner Moak sent me an email that had a link to a
22 newspaper article about Grays Harbor County Commissioners
23 posting their audio online. So I did some research on that
24 today and discovered that it is actually one of the
25 companies that we're looking at using. So that was good to

1 see, too.

2 So on Friday, I will be meeting with our IT
3 consultant. We'll be doing demos, reviewing, and hopefully
4 selecting the software that we can start implementing.

5 **MR. BARNES:** Great. Good news. Thank you for all
6 your work in that area.

7 **MR. ARNTZEN:** Commissioner Barnes, if I could?

8 **MR. BARNES:** Yes.

9 **MR. ARNTZEN:** Do we think that the progress we've
10 made to this point in the method of us reporting back, is
11 that satisfactory up to this point for the Commission?

12 **MR. BARNES:** Yeah, I think so. I think we've had
13 an update on this each of the last two meetings.

14 **MR. ARNTZEN:** I just want to make sure that we're
15 progressing. I will share information as we get it with
16 you. And again, our goal, I think, is the same as your
17 goal. We'd like to get this project accomplished and
18 checked off our list. I just wanted to make sure that the
19 Commission is comfortable with the approach that we're
20 taking.

21 **MR. BARNES:** Thank you.

22 **MR. ARNTZEN:** Thank you.

23 **MR. BARNES:** Yes. Okay. The next item on our
24 agenda, we have a Congressman Newhouse update. Commissioner
25 Novakovich?

1 **MR. NOVAKOVICH:** Yeah, considering the time, I'll
2 just be real brief. I attended a meeting that Congressman
3 Newhouse had regarding Hanford and the issues and,
4 basically, what about Hanford after. Well, it turned into
5 more of a discussion about the dams and some really good
6 information that Franklin PUD and Benton PUD responded, and
7 just to let people know that right now, there's probably
8 less than a 5 percent chance of blackouts with the dams.
9 With the dams to be removed, there's probably a 25 percent
10 chance. The dams provide 70 percent of our electrical
11 power. Wind provides about 3 percent.

12 They also talked about the reconveyance and the
13 fact that there would be an article or an op-ed talking
14 about the reconveyance. I stressed the fact about the
15 tribes, and they said, yes, the tribes would be included.
16 And I pointed out the fact that when the presentation was
17 first done to us, we asked the question of the presenters on
18 the reconveyance, you know, have you talked to the tribes.
19 Their answer was yes. Very shortly thereafter, we had a
20 meeting in Pendleton with the tribes, and we asked them had
21 they heard about the reconveyance, and they said, no, they
22 hadn't heard about it. So I wanted to stress that that was
23 happening.

24 And then the other thing, I talked to Josh Lozano,
25 who's Congressman Newhouse's staff person of the 1135

1 project and the fact that we had the A&E funded and under
2 way, but the fact that the construction money had been
3 allocated elsewhere. And he said, oh, that's not good, and
4 he'd keep his eye on it. And they were going to request
5 that they receive all reports on it.

6 So overall, it was a pretty good meeting. It
7 didn't start out to be exactly what what they wanted, but it
8 was still a pretty good meeting attended by a lot of people.
9 And of course, our executive -- friendly executive director
10 from the Port of Benton pretty much dominated the meeting.

11 **MR. BARNES:** Thank you. Questions of Commissioner
12 Novakovich?

13 All right, the next item on our agenda,
14 Commissioner Meetings, formal and informal meetings with
15 groups or individuals. Commissioner Moak?

16 **MR. MOAK:** Yes. I attended the Kennewick Man and
17 Woman of the Year banquet last night, and also, a Benton
18 Franklin Walla Walla Good Roads and Transportation
19 Association meeting where we heard from representatives from
20 transit.

21 Thank you.

22 **MR. BARNES:** And I have no meetings to report.
23 Commissioner Novakovich?

24 **MR. NOVAKOVICH:** I had several meetings with the
25 Council of Government and our Port turning on bylaws for the

1 Council of Government. I attended the economic forum
2 luncheon at Three Rivers, and then had attended the
3 Kennewick Man and Woman of the Year banquet last night.

4 **MR. BARNES:** Okay. Thank you. Our next item on
5 the agenda, non-scheduled items. Let's start over with
6 Amber, please. Non-scheduled?

7 **MS. HANCHETTE:** I have nothing. Thank you.

8 **MR. BARNES:** Nick?

9 **MR. KOOIKER:** Nothing.

10 **MR. BARNES:** Larry?

11 **MR. PETERSON:** Nothing.

12 **MR. BARNES:** Luinda?

13 **MS. LUKE:** I have nothing this afternoon. Thank
14 you, Commissioners.

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

16 **MR. ARNTZEN:** Well, unfortunately, I do have one
17 that might take a few moments. Would you like me to get
18 into it now? Or do we work our way through and then come
19 back?

20 **MR. BARNES:** Let's do it now.

21 **MR. ARNTZEN:** Okay. I will start in with the
22 information that I have, which isn't a whole lot. I
23 received a phone call a few days ago from the executive
24 director of the CEO of the Port of Whitman County, Joe
25 Poire, and he asked me if I would present a resolution to

1 the Port Commission for signature related to saving the
2 dams. And I believe the resolution was going to go to our
3 governor.

4 I have known Joe for quite some time. He's a good
5 friend of mine. But it was almost presented like, bring
6 this up, get it signed, and get it back to me, and I said,
7 Well, wait a second. I said, I can't speak for the Port
8 Commission. And I actually found the Port Commission to
9 want to talk about issues and maybe discuss it. And I said,
10 I would not hazard to guess whether they would support it or
11 not, but I might point out to you that there would
12 likely be some discussion. And my good friend Joe said, Oh,
13 don't even want any discussion. I mean, this thing is
14 moving ahead. So more or less, let's just drop it.

15 Then I think our good friend, Commissioner
16 Kammerzall, it's my understanding that maybe he called
17 Commissioner Novakovich -- I don't know if he attempted to
18 contact others.

19 **MR. NOVAKOVICH:** Several times.

20 **MR. ARNTZEN:** But I believe it was yesterday, I'm
21 coming back from something, and there's a little old
22 fashioned phone note of, Commissioner Kammerzall called you
23 and he needs you to call him back. And I'm thinking to
24 myself, Well, wait a second, I don't call Commissioners. I
25 would go back with the executives. But as I'm reading the

1 note, I think it was Lisa that comes in, you know, skids up,
2 Commissioner Kammerzall's on line 1. He's really wanting to
3 talk to you. So I talked with him and I said, you know,
4 just a little bit, because I talked to Joe about it, and you
5 know, I typically report back to executives, not to
6 Commissioners. But he started out with, I don't see it on
7 your agenda. And I said, Right, it's not on the agenda.

8 So here we are. And I don't take a lot of
9 amusement from this, but it is just kind of an interesting
10 situation, because we get a lot of people involved on an
11 issue that I do think needs to go to the Commission. I
12 can't say, Sure, I'll write you a letter, or what have you.
13 So I wanted to have a chance to discuss this with you.

14 As I mentioned, and around the office, Tana
15 reminds me that things that we do that might pertain to
16 resource issues that are important to the tribe, pursuant to
17 our MOU that we have with the tribe, we probably need to run
18 these by the tribe. And Commissioner Kammerzall seemed to
19 know about that, and he said, Well, you have to go get
20 approval from the tribe. I said, No, we don't seek approval
21 from the tribe. But pursuant to our MOU, we do at least
22 call them. I said, At a minimum, it would be manager to
23 manager on the phone about this. I said, From there, it
24 doesn't prescribe the methodology.

25 One of the things that I've learned in dealing

1 with the tribes is you have to be very patient. A very
2 simple question sometimes takes you a significant length of
3 time to route through. One of the things, in my opinion,
4 that our culture doesn't understand about their culture, we
5 like to come in and say, I need an answer now. From my
6 experience, their culture doesn't exactly work that way. So
7 I'm not sure how we would handle this. But if somebody
8 says, I need an immediate answer from the tribes, I might
9 suggest the answer is no.

10 So I'll stop right now. And I do have a related
11 one on this. Somebody from the Franklin PUD wants us to
12 send a representative to a press conference, a joint press
13 conference on March 2nd.

14 So again, I think we've all been here before where
15 we get limited information put up in front of us, and we're
16 asked to -- I shouldn't say rubber stamp -- but we're asked
17 to agree to an issue that is portrayed as a community wide
18 project, you know, that the entire community supports. So
19 I've put the brakes on this.

20 And then with many things -- I do appreciate Tana
21 -- on many things that we do, I think the sensitivity to
22 place a phone call to the tribes is a very important thing
23 that I'm glad she reminds me not to forget. I haven't
24 called the tribes on this, or anything. But these types of
25 issues are the ones that I think the tribe has an

1 expectation that we will at least talk with them on.

2 So I'll pause for a moment.

3 **MR. BARNES:** Thank you. If I could comment on
4 this. I, too, received a phone call from Commissioner
5 Kammerzall asking if, you know, the Port of Kennewick might
6 be willing to place an item on the agenda immediately in
7 support of the dam's improvement. And I say, Well -- I
8 said, you need to talk to Tim about getting it on the
9 agenda. I didn't feel like I wanted to request it be on the
10 agenda.

11 And then I called him back after I received email
12 regarding the invitation from Franklin County and I saw the
13 conversations there. So then I called him back. I left a
14 message and I said, You know, anything like this would fall
15 under our MOU with the tribes, where we would need, at a
16 minimum, to collaborate, to communicate with them about
17 this. This could not be something, in my opinion, the way I
18 read the MOU, I don't think this would be something that
19 could come to the Commission, single meaning, rubber
20 stamped, unanimous approval, signature, and then back out
21 the door. I think that our relationship with the tribe is
22 much more important than that.

23 Any further comments on this issue? Commissioner
24 Moak?

25 **MR. MOAK:** Yeah. Well, I would just say, I mean,

1 I think we've been really -- I think that position that for
2 some time in that I think we drafted a policy or procedure -
3 - I mean, this is out of our wheelhouse, I think. And I
4 think that a lot of people, and I think Port of Whitman, you
5 know, because of the business they're in, they're much more
6 affected by what the dams and whatever is. You know, I
7 understand.

8 And Franklin PUD, I understand their position. I
9 think, you know, my feeling is that the Port should get
10 involved in things that the Port is directly involved in,
11 you know, it has a direct impact on us, but that we're not
12 going to be dragged into whether it's a good idea or not
13 and, you know, into things just because everybody else is. I
14 would prefer, not that because I'm in favor of taking down
15 the dams, I just don't think that we should be having to
16 sign every last thing that -- what the government does or
17 what anybody else does, it's not going to be affected by
18 whether the Port of Kennewick's signature is on a piece of
19 paper.

20 And so my feeling is it's not our business.

21 **MR. BARNES:** Tim?

22 **MR. ARNTZEN:** Thank you. I think that gives me
23 direction. And one of the other things I just wanted to say
24 -- and I know the hour's getting late -- but when we have an
25 agreement with the tribes, an agreement that very few other

1 entities have -- I think the City of Richland has one with
2 the Umatillas, and the City of Portland, Oregon has one. I
3 can tell you, from my discussions with the tribes, they hold
4 that document very sacred. It's a four or five page
5 document. And you've all been to public meetings where the
6 representative from the tribe will talk about Port of
7 Kennewick.

8 I can tell you that those four or five pages are
9 very meaningful to them. And this morning I was thinking
10 about it, saying, Oh, my gosh, those four or five pages
11 limit what we can do. But we knew that going into it. So
12 if we want to brag about the four or five pages that we got
13 that nobody else does, we also have to understand that it
14 requires some things -- again, my own editorial.

15 So I believe what I've heard from the Commission
16 is very consistent with the day that that document was
17 signed and our view of that document as a very important
18 document.

19 The other thing that I will tell you -- I didn't
20 want to go too far here -- but when you sign a document with
21 the tribes, they expect it to be honored.

22 **MR. BARNES:** Thank you. Okay. Continuing Non-
23 scheduled. Tana?

24 **MS. BADER IGLIMA:** Yes, I do. I have just a
25 couple real quick questions of the Commission. One of the

1 things that has come up is the opportunity for the
2 Commission to have new Commissioners' photos done. It's
3 been a while. And I have checked with our photographer, and
4 Mr. Bershears is available either prior to the March 10th or
5 prior to the March 24th Commission meeting, if the
6 Commission is available at that time. If that would work, I
7 can try and schedule. I wanted to find out if there was a
8 preference on that, if you want to do something sooner
9 rather than later, or if you know now whether those dates --
10 either of those dates would work for you. And it would take
11 maybe half an hour, 45 minutes per Commissioner.

12 **MR. MOAK:** Whenever you're going to get a shave.

13 **MR. BARNES:** Whenever I find my razor. I don't
14 know. I don't know that it's a priority. I guess if you
15 want to book the later date, then --

16 **MS. BADER IGLIMA:** So I will work with the
17 Commissioners to try and schedule something around March
18 24th, because I think all of you are typically in town for
19 Commission meetings. That makes it easier if I can just
20 book some appointments with Rich all at once prior to, but
21 not all Commissioners together. So it would be separate
22 Commissioners, different times, prior to the Commission
23 meeting.

24 Thank you. The only other thing I wanted to
25 remind everyone is that tomorrow is the Regional Chamber of

1 state of Ports luncheon. So Commissioner Barnes is going to
2 be our presenter. I hope everybody has a chance to attend.
3 Thank you.

4 **MR. BARNES:** Thank you. Bridgette?

5 **MS. SCOTT:** Nothing further, thank you.

6 **MR. BARNES:** Thank you. You don't want to remind
Clerk's Note: PDC →
7 me of the PEC deadline coming up?

8 **MS. SCOTT:** I thought I'd wait until the next
9 meeting.

10 **MR. BARNES:** All right. I know April 15th is
11 coming. But thank you for the reminders.

12 Lisa?

13 **MS. SCHUMACHER:** Nothing, thank you.

14 **MR. BARNES:** Commissioner Novakovich?

15 **MR. NOVAKOVICH:** Yeah, I have one thing from WPPA
16 legislative committee. The local revitalization financing,
17 House Bill 2804, is still considered necessary to implement
18 the budget. Therefore, it's technically still alive. That's
19 all I have.

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

21 **MR. MOAK:** I have none.

22 **MR. BARNES:** And I have nothing. That brings us
23 to our second and final opportunity for public comment.
24 Would anyone like to make a public comment?

25 There's no other business. I know we covered a

1 lot of territory today, and we ran late. But Nick, thank
2 you very much. Amber, thank you very much. Larry, Lucinda,
3 Tim, Tana, Bridgette, Lisa, long meeting, but we covered a
4 lot of territory. I think it was excellent.

5 This meeting is adjourned.

6 **(Whereupon, the meeting was adjourned.)**

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1 CERTIFICATE

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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 30th day of March, 2020.

15
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17 

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19 _____
20 Ileia C. Perry
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