



PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

Commission President Don Barnes called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

ANNOUNCEMENTS AND ROLL CALL

Commissioner Barnes thanked everyone for joining today. Everyone is participating remotely; so we appreciate your patience and understanding as we work our way through this.

If you are listening to this meeting remotely, we appreciate your participation. To keep the background noise down to a minimum, we ask that participants mute their phones. The agenda packet may be viewed on the Port website if you would like to follow along. When it is time for public comments, it may be difficult to determine who is speaking, so please be patient and respectful.

The following were present:

Board Members: Don Barnes, President (via telephone)
Skip Novakovich, Vice-President (via telephone)
Thomas Moak, Secretary (via telephone)

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

Commissioner Barnes asked Ms. Scott if anyone from the public is listening in today.

Ms. Scott stated there are a few members from the public joining us remotely.

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

Michael Alvarez, Richland City Council. Mr. Alvarez stated he is glad to be here today, as acting liaison for the Richland City Council.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

No further comments were made.

CONSENT AGENDA

- A. *Approval of Direct Deposit and E-Payments Dated April 30 and May 4, 2020*
Direct Deposit and E-Payments totaling \$133,716.66
- B. *Approval of Warrant Register Dated May 12, 2020*
Expense Fund Voucher Number 102081 through 102111 for a grand total of \$124,218.12
- C. *Approval of Regular Commission Meeting Minutes April 28, 2020*

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

EMERGENCY DELEGATION UPDATE

Mr. Arntzen stated that there is nothing to report under Emergency Delegation.

NEW BUSINESS

A. *Rural County Capital Funds (RCCF)*

Mr. Arntzen will briefly introduce the issue and then turn the floor over to our good friend, Adam Fyall and then potentially, if time allows at the end of his discussion, Mr. Arntzen would like to maybe wrap up with a statement or two. Mr. Arntzen thinks it would be quite appropriate for the Commission to ask Mr. Fyall and Mr. Arntzen questions or offer comments. Mr. Arntzen inquired if that format appears reasonable Commissioner Barnes?

Commissioner Barnes stated yes it does, thank you very much, please proceed.

Mr. Arntzen stated Mr. Fyall will do a good job, as he always does of walking us through a particular issue that arose, but Mr. Arntzen wanted to give a brief introduction. This issue is on the Agenda related to Rural County Capital Funds (RCCF). It is an issue that has made it to the State Auditor's Office. The initial inquiry by the State Auditor, related to the transaction between the Port of Kennewick and the City of West Richland for the Racetrack sale with the plan to transfer RCCF credits from the City of West Richland to the Port of Kennewick to pay a portion of the debt. That is how this issue started, and as Mr. Fyall will tell you, it morphed into at least one other area. We have been working with Mr. Fyall and with other partners that are potentially involved in this matter to try and determine the depth and breadth of it, if you will. Mr. Fyall has done a good job being point person on that and Mr. Arntzen thinks his discussion will give you many of the details. But again, like Mr. Arntzen said earlier, he would like to step in and have an opportunity to offer a comment, because this issue does truly touch the line of business of the Port of Kennewick and Benton County as well. But also, as well, Mr. Arntzen thinks one of the reasons why we are here today is it does involve the Port of Kennewick.

Mr. Fyall thanked Mr. Arntzen and stated good afternoon Commissioners. Mr. Fyall appreciates the opportunity to be here with you and the use of technology to allow us to meet during some interesting times that we are living through. Mr. Fyall does not have a rigid format and will try to not to be too longwinded. Mr. Fyall will give the Commission a little bit of background as to

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

what's been going on here recently and what point we have arrived at today. And then, he wanted to make himself available for the Commission or have any dialogue the Commissioners may want to have and answer any questions that he can. Mr. Fyall would hope that the Commission would agree that this RCCF, that is what we call it at the County, that's our budget item, more generally you could say across the state, it is often referred to as .09 funding. It is a sales and use tax rebate for certain rural counties, as met by a definition that was put in place 25 years ago. Those counties are able to take those funds and use them for specific types of economic development purposes. Mr. Fyall believes the Commission received a short, one-page background memo from him, and in there, he points out, that we began this project in the late 1990's after legislation was passed. Mr. Fyall believes it was passed in 1997. Originally it was .04, the amount was significantly smaller, and then the legislature lifted that to .08 and then eventually to .09. The County has been taking those funds ever since and we started to use the funds in 2000. As indicated in the memo, Mr. Fyall talks about this in three distinct phases. The first phase was a community investment phase, where we took those funds and had an application process and disbursement process. Benton County returned a few million dollars worth of funds back to community. We have used the same partners then that we do today. In addition to any projects the County itself might have, the County Commissioners always thought the best use of the funds was to take it back out to our partners in community: the cities and the ports. In that phase one, the County had at least one funding agreement and project with all seven of our partners, two port districts and five cities. Mr. Fyall did not include it in the memo, but actually the very first project the County did, the very first funding that went out under RCCF was a Port of Kennewick project. Beginning in 2002, the County entered into a different phase, so for about 15 years, the County kept all of the money in house and used it to service the bonds on the new Benton County Jail. That was something the cities were ultimately very happy to do, because had the County not used the .09 funds for that, they would have been sending the cities bills instead. The cities were happy to not be billed and to just forego money that they never had to begin with. That went up until a few years ago, when adequate funds had been set aside to retire the jail debt when the time comes. We came into Phase 3, this recent version, a more aggressive version of community reinvestment and a lot more funds on hand. Things have changed over the course of 20-25 years, there is more spending in the community, more sales and use tax to be levied and rebated and so the fund accumulates at a pretty good clip. Mr. Fyall does not know what impact COVID will have on it, but you could say, through the year 2019, an average month, and it changes throughout the year, but an average month would bring in approximately \$300,000-\$350,000 each month to the County. Those funds are apportioned in a County equation and allocated to the seven partners including the Port of Kennewick. As the Commission is aware, the Port of Kennewick in particular, and Mr. Fyall is not saying this because he is on the Port's meeting, he actually tells this to everybody, but Mr. Fyall thinks the Port of Kennewick has been the County's best partner in this. That is not to put anyone down, that is to lift the Port of Kennewick up. The two port districts in general have had great projects. A few of the projects that have come from the cities have been a little more difficult to work through, in terms of meeting the criteria. The fact of the matter is, the ports are in the economic development business, that is what ports do, and so the County has gotten great projects from the Port and it has been very much a pleasure to work with staff, most of whom Mr. Fyall has known for at least one, if not two decades. The County and Port staff work very well on projects that range from Vista Field to Columbia Drive to Clover Island and more into the future. That is the background,

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

the County has disbursed a few million dollars in phase 3 and we know everyone has projects coming and the County will be reviewing projects for this quarter next week. It surprised Mr. Fyall, and a surprise to everyone, when on February 27, 2020, the County received an email from the State Auditor's Office. It was from someone we weren't familiar with; it was not one of the local auditors, over time, you build specific relationships with folks that do certain types of audits and this was not someone we were familiar with. It was a simple email requesting a discussion of the project Mr. Arntzen referenced, the recent racetrack transaction between the Port and City of West Richland. Mr. Fyall pointed out that Benton County is not a party to the transaction, there is an implied agreement about the use of the future or existing RCCF's, but in fact, the County's RCCF's are not a part of that specific transaction, that is a two-party transaction between the Port and the City. We received this inquiry and the Auditor's Office told the County that they would like to talk about it. A week or so later, Mr. Fyall, the County Administrator, and Deputy County Administrator had a phone call with State Auditor's Office. Mr. Fyall gave the same background similar to the one he just gave to the Commission, maybe a little more detailed, and then we got into the meat. Again, to our surprise, really only a few questions were about that transaction at all and that really wasn't the focus they were interested that day, at least it did not come across that way. What they immediately went towards was a larger discussion about whether the use of .09 funds dispersed to port districts of any kind was even legal at all. That the County, specifically any county giving .09 funds to a port district, that was not, in their opinion, was contemplated in the statute. You can imagine after 25 years of counties all over the state doing this, that certainly caught our attention. The County was caught a little flat footed with that, but we pushed back and said this is the way we have been doing things for a long time, and this is the first time we have had a State Auditor's question about it, and by the way, we are pretty sure counties all over the state of Washington are doing this. We left it at, the State Auditors were going to do some more research, and I think on our end, we hoped that might make it go away, but we weren't sure what we were going to hear from that point. But sure enough, it wasn't more than a couple of weeks, that we received a follow up email requesting another phone conversation on the topic. In that, the Auditor's Office doubled down on the opinion that port districts shouldn't be in receipt of these funds. Between the first phone call and that email, Mr. Fyall reached out to Mr. Arntzen and Ms. Bader Inghima about this, and also, Mr. Hayden over at the Port of Pasco and Ms. Howard at the Port of Benton. Mr. Fyall wanted to give folks a heads up, that this kind of conversation was going on and asked that they not do anything about it, but wait and see how it plays out on the County's end. Mr. Fyall thought the ports should at least know about it and he included Mr. Hayden in that conversation because of the similar relationship the Port of Pasco has with Franklin County and we are all in the Tri-Cities. After that follow up email, the County put aside the follow up phone call for a while, mainly because of COVID, and we were all making adjustments to the "new normal." Finally, two weeks ago, we had that follow-up phone call with the State Auditor. While they didn't back off on the idea of or the suggestion of that this use of funds, disbursement of funds to port districts was illegal, now that really wasn't the focus anymore, and Mr. Fyall sensed in there, perhaps some tentativeness in that position, that maybe they were figuring out that they backed themselves into a little bit of a corner with that one. So now what they started to talk about was Benton County's application process and do the partners have projects adopted into their Master Plans and it started to get more into dotting I's and crossing T's type of stuff, so again it threw us for a loop. We were a little more forceful this time and Mr. Fyall also tried to make some

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

suggestions to these folks, and there were two of them on the line, and he stated they sounded a little young and maybe not as aware of what genie they might be letting out of the bottle. Mr. Fyall tried to suggest that they take a look at some things and maybe look at the broader issue. At this time, Mr. Fyall is trying to give them some off ramps to get out of this conversation, from their perspective, before it got out of hand. Mr. Fyall was trying to suggest port districts were becoming aware of this conversation and that he had spoken with a couple of state legislators about this conversation, counties were included and the Washington Public Ports Association (WPPA) was aware. And that maybe they didn't want all those parties banging their door down in Olympia, and maybe reevaluate and course correct a little bit. Mr. Fyall is not sure how much of that message got through, but where we left it is that he would give them a few examples of disbursement agreements that we have done, the policy and application and they could review those documents and get back to us at a later time. Since that, Mr. Fyall has not heard back from them, so we are going to wait to hear where to go after they have had a chance to review the materials. Mr. Fyall will close his comments here by saying, since then, he has been in contact with Port staff pretty regularly and he believes Mr. Arntzen, Ms. Bader Inglima, Mr. Kooiker and Mr. Peterson are all aware of things. Mr. Fyall has also had conversations with Mr. Thompson at WPPA, who told Mr. Fyall that he had his own meeting with some managerial level folks at the State Auditor's Office last week. Mr. Fyall has not followed up with Mr. Thompson since that time, but Mr. Thompson was very interested in this, as you can image, it affects a lot of his members. Mr. Fyall has been made aware of other counties around the state with similar arrangements with their port districts. It seems pretty common and pretty sensible that port districts would be the recipient of a lot of these funds, based on the types of work that ports do. Mr. Fyall doesn't know where the State Auditor's Office is going, and he has told folks to not go ballistic and keep this under our hat and let the State Auditor's Office work through it. And then, in stages, if the State Auditor's Office doesn't back off, then maybe we need to incrementally apply pressure. Mr. Fyall believes we are slowly trying to do that and reiterated that Mr. Thompson met with the State Auditor's Office last week. Hopefully, without going overboard on it, we can help the State Auditor's Office feel some heat, and that number one, we flat do not agree with their legal opinion, but that starting to mess with the program, that for a quarter of century has done a lot of great work across the state, border to border, from ocean to mountains, this is probably not something someone wants to mess around with. Especially since, as we found out in the last phone call, the way this whole thing got tipped off in the first place, was someone from the City of West Richland went to the online help desk at the State Auditor's Office with a question about the transaction, aforementioned, racetrack transaction. That is why the whole racetrack was brought into the equation. The State Auditor's Office got a help desk question and someone felt like they needed to do good on that and look into something and solve a problem that wasn't there. Mr. Fyall believes this person at the State Auditor's Office has gone down this road so far, they are going to feel the like they need do something, they are going to need to write some kind of memo to Benton County to do something, or correct something or improve something, so they are trying to figure out what that is, because they are probably figuring out that this is not illegal. Mr. Fyall believes they will find something in the County's application process that we can make better and the State Auditor's Office can kind of slap our hand and put this one in the file, having taken action on it. Mr. Fyall apologized for rambling on for several minutes, but he hopes he has given the Commission some background and he wanted the Port Commission to be aware the of situation, because increasingly, you may hear about it

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

from other places if this thing continues to have life. Mr. Fyall turned it back over to Mr. Arntzen or entertain any questions the Commission may have.

Mr. Arntzen stated Mr. Fyall did a thorough job addressing this matter and he will try not to repeat things that Mr. Fyall has said, unless he feels they need to be emphasized. First of all, Mr. Arntzen was on the initial committee that got together a couple years ago to talk to the County about whether to release RCCF to the partners would be appropriate. In that meeting, Mr. Arntzen acknowledged that this was County money, no ifs ands or buts, and if the ports and cities were lucky enough to share some of the funding, that we would consider this an honor, we would consider it a wonderful partnering opportunity from our good friends at Benton County. And that is exactly what happened, and Mr. Arntzen thinks this is important, because in his opinion, the County does not have to release this fund to the Port of Kennewick, the City of Kennewick or anybody. The County can keep it, he believes all they have to do is consult with their partners and then they can make investments. Mr. Arntzen stated it is important for us to realize that this is a tremendous partnering outreach by Benton County. Mr. Arntzen believes the Commissioners are well aware of that and that they have expressed their gratitude to the County. Mr. Arntzen stated the problem that has originated through no fault of Benton County, and they are having to go through a lot of work, they are having auditor's call them and create opportunities for rummaging through books, just a very unpleasant situation. Benton County will ultimately prevail because, Mr. Arntzen believes the statutes are clear that these funds can be used for the purposes to which Benton County has put them. Mr. Arntzen stated we have to recognize that this matter started with the Port of Kennewick and City of West Richland and it has caused a lot of grief for the County. Mr. Fyall has done an admirable job staying positive, and this is why Mr. Arntzen believes we will ultimately prevail, the concern he has is, like Mr. Fyall said, using his own words, the auditors are going to have to find something on Benton County, they are going to have to slap their hand. The County could very well say, this program has become as problematic as we thought it might be. Because there was a lot of discussion early on about should the County release these funds, and we really had to have some productive discussions with the County and promised them that we would make wise investments. Mr. Arntzen thinks on the part of Port of Kennewick, we have delivered, but he is concerned that even if there is no audit finding, the County Commission could say, this has created so much angst that maybe it's not a good idea; that is Mr. Arntzen's fear. Mr. Fyall has not given Mr. Arntzen any indication that that is likely to happen, but Benton County is getting called out on something that isn't of their making. We do believe we have the origin of this, that it was a series of inquiries from West Richland and Mr. Arntzen thinks there is a little more thought that needs to be put into that avenue as well. It is a serious matter for a city or a port or a county to call the State Auditor's Office and go through the formal process of the help desk. Mr. Arntzen thinks it is something people need to be very judicious about, for example, when you are doing your own taxes, do you directly call the IRS and tell them what you are doing and ask if it is ok. Mr. Arntzen stated there are a number of ways to seek out advice, and he is not sure going through the State Auditor's Office Help Desk was a wise thing to do. Because now we have 8-9 ports in the state, we have cities and counties that are having to answer for an issue not of their making. Mr. Arntzen stated this is very serious for Port of Kennewick, if it does go further, the Port could lose out on several million dollars that we were anticipating getting for the future for some very beneficial projects. Mr. Arntzen stated there is an outside chance that if it is determined that ports were not authorized

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

to receive money, we might have to pay back significant sums of money that the County provided us for the Wine Village, and we are also using some funding from Benton County via the City of Kennewick to complete the up-coming work on Clover Island. Mr. Arntzen stated this is really a big deal and will pause for questions.

Commissioner Barnes thanked Mr. Fyall and Mr. Arntzen for their comments and remarks.

Commissioner Novakovich thanked Mr. Fyall for his work on this and defending the ports and the projects that we have done together. Commissioner Novakovich inquired if the County Commissioners are aware of this and if they have been briefed and asked what their stance is. Mr. Arntzen brought this up and is concerned that the Commissioners may say continuing to give .09 money to the ports is not something we want to be involved with. Commissioner Novakovich asked if Mr. Fyall has any indication that this may be a problem down the road.

Mr. Fyall appreciates Mr. Arntzen's assessment, although Mr. Fyall can say that he has no such specific concern of anything like that at this time. Mr. Fyall stated the County Commissioners collectively stated these things happen and continue fighting our way through this. We believe in our process and how we have been doing things and the County's Prosecuting Attorney has reviewed this and disagrees with what we received from the State Auditor's Office. Additionally, the County believes we have a solid program from the policy to the process to the finish line. Mr. Fyall tried to explain that solidarity in force to the State Auditor's Office on that call, but he is not sure how much of that message got through. Just to get back to Commissioner Novakovich's point, no, there is no discussion, no concern, and as Mr. Fyall has told the State Auditor's Office on the phone and in the email, the County intends to continue with our process and we have a Port of Benton project that we will begin reviewing next week. The County is not putting the brakes on anything and we are going to keep going as we have, until someone tells us otherwise and someone needs to be someone who can tell us otherwise. Mr. Fyall believes we are pretty solid with the program and where we are at and the County Commissioners are very happy with the way things have unfolded over the last 3-4 years as we start to return significant funding back to big community projects.

Commissioner Novakovich thanked Mr. Fyall for that, that helps. Commissioner Novakovich stated he has just a comment that came about unintentionally, he thinks it may send a message, far and wide, that perhaps we need to be very cautious of what we say or what we ask of whom and how the consequences of our questions maybe on others or ourselves. Commissioner Novakovich thinks this sends a warning about what we say to people and what we ask and how we go about it. Perhaps, unintentionally, but maybe we need to research these things before we ask the question and who we ask them of. Just a comment on maybe this is sending us a warning on how we communicate with certain people or certain agencies in the future.

Commissioner Moak confirmed with Mr. Fyall that this program has been going on for 25 years and that he has been a part of the program for a good long period of time, is that not correct?

Mr. Fyall stated that is correct.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

Commissioner Moak inquired how long of those 25 years has he been running the program for the Commissioners.

Mr. Fyall stated he has been running it in the Phase 3, over the last few years from 2017, since we stopped using the funds for the jail debt. In what Mr. Fyall calls Phase 1, it was very early in his career, so he was on the margins and helped with a few things. His role was minimal in the 2000-2002 timeframe, but now, for lack of a better term, in Phase 3, he runs it.

Commissioner Moak stated, in fact, what Mr. Fyall has done is put together a good program for the County and for the Commissioners that tries to implement the legislation that was adopted, is that not correct.

Mr. Fyall stated that is very true and we read through the statutes and over the course of 25 years, we believe it is pretty clear what the legislature was trying to do. If you read the documents that MRSC has put out on this and other things that folks have written about .09, it is pretty clear the things folks are trying to do. Benton County is fairly strict about some things and Mr. Arntzen and Ms. Bader Inglima could tell you, we are pretty clear that our Commissioners are looking for tangible results that they can measure primarily through increased tax revenue, and jobs, either new or retained and of quality; it is real economic development. The types of programs that have come in the last 3-4 years reflect that. That is why you see things, like the Port's own project, and he cannot think of a better example than going in and doing infill of derelict sights, like the Columbia Gardens stretch was. Renovating that area and taking it to a first- class observation and putting in new businesses that help older, existing businesses in the corridor to upgrade their program. Mr. Fyall does not know how you come up with a better project than either Columbia Gardens or Vista Field. Mr. Fyall stated those are the kinds of things the Benton County Commissioners want to invest in and if that's not the legislative intent of the funds, he is not sure what is. Mr. Fyall believes his Commission is very happy with what we have done and he hopes the Port Commission is as well.

Commissioner Moak stated we certainly are and we appreciate the fact that you have worked with our staff and working on these projects and trying to help identify what your Board sees as valuable, in terms of economic development. And being able to translate that to our Board here at the Port, so that we ask for projects that have a good chance of succeeding because succeeding means they are going to create jobs, and they are going to create a better economic circumstance in Benton County. Commissioner Moak appreciates that and appreciates what the Board has done, and certainly his communications with them. Commissioner Moak stated the Benton County Commission sees what the role is and what they want to see out of this program and so the Port of Kennewick is pleased to be on the list related to that. Because the Port is trying to put together good projects that actually are good economic development projects. Commissioner Moak stated Mr. Fyall indicated that perhaps these folks you were meeting with at the Auditor's Office, who are not the top dogs, but they were sort of backing away from the idea of the legality of program, with respect to ports, is that correct or do you feel like they hadn't totally dismissed that.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

Mr. Fyall does not believe they have totally dismissed that; he wouldn't say that they surrendered that point. We came to that second phone call ready to have it out with them on that topic. Mr. Fyall asked the auditors to have either their council or some liaison to the State Attorney General's office at that call because he told them he was going to bring his attorney. The auditors didn't do that or have any council there, therefore, my council would not participate, he sat there and listened, but he wouldn't talk because he wanted to talk peer to peer on the legal issues. The auditors didn't surrender the point, but we didn't spend a lot of time on it. Mr. Fyall believes that they beat the auditors down a little bit on our opinion and showed them we had some spine for it. That is it, not so much surrendering on it, they wanted to transition, to talk about other things. Now, Mr. Fyall wonders if they will switch topics on each phone call. Mr. Fyall told the auditors that he would follow up with them, with a complete file of examples of our work and how we do things. We look forward to seeing what they say about that and we have not heard a response back yet. Mr. Fyall wanted to mention, in terms of the County Commission and County in general, we are committed enough to program, that we are joining the front lines of the folks across the state that are trying to get the .09 sales and use tax rebate extended beyond its sunset in 2024. And we are also trying to find a way to keep a county like Benton County in the program. Under the current definitions that were laid out in the late 1990's, technically, Benton County no longer qualifies as a rural County, we have exceeded the 100 per person per square mile standard that was set. We have never had an indication by the Department of Revenue or anyone else that we would be penalized for that or removed from program. We know that they are aware of it and we assumed that this could change any day and assumed they are going to let us hang in there until this sunset date, but we are trying to create a new sunset date. There are folks in the state, led largely by port districts and other associated development organizations like TRIDEC, that are trying to extend the horizon out to around 2040 for this program and redefine which counties are allowed to participate. It could even be a tiered level, in terms of a rebate number, but something like that and Benton County is all in for that. We are full speed ahead and will keep processing agreements for port districts and keep fighting for funds, because we do not think they are wasted funds. We are doing great projects from Prosser to Finley.

Commissioner Moak appreciates what Mr. Fyall is doing and certainly if there are ways the Port of Kennewick can assist in keeping these programs alive and keeping specifically Benton County's program going in the direction in which it has, certainly continue to reach out to the Port of Kennewick and Commissioner Moak thanked Mr. Fyall for his time today.

Commissioner Barnes offered his support for the program as well and thinks it has clearly been of mutual benefit between Benton County and the Port of Kennewick and the Port of Benton as well. Commissioner Barnes thinks this is something clearly mutually beneficial and in the best interest of our County and the economic development efforts within our County and is supportive of seeing this program continue. Commissioner Barnes would support a continuance of, or an extension of the sunset from 2024 out, if that can be made possible, that is something he would be very supportive of as well. One thing that Commissioner Barnes would like to point out, and he is sure everyone is aware of it, because this is filing week for elective offices statewide. Commissioner Barnes believes there may be some effort, according to some of the news articles he has read and seen, there may be an effort on the part of some individuals to make this a political issue. Commissioner Barnes thinks everyone knows that there are two of the Benton

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

County Commissioners up for reelection, Commissioners Beaver and Delvin. Commissioner Barnes asked if Mr. Fyall had any comments to make in that regard, as to how this may be a political issue given this is an election year. Commissioner Barnes asked if Mr. Fyall had any comments in that regard.

Mr. Fyall respectfully declined to comment on those topics and stated one never knows. Mr. Fyall would like to think that anyone in our community, whether they are in office or seeking it, would be supportive of a program like this. Mr. Fyall can't speak for other counties around the state, but he has never heard of anyone who is opposed to being able to take the sales and use tax and keep it at home and specifically target types of projects that improve community, tax base, and job opportunities. If someone wants to run against that, he would be interested in listening to their speech.

Commissioner Barnes stated it was not his intent to take Mr. Fyall into areas where it would be inappropriate to comment. In any event, Commissioner Barnes has no further comments but does support this program and it is clearly a program that benefits our constituents and our citizens. He thinks that together we can point to some very tangible results that have come out of this program from our partnership. Commissioner Barnes thanked Mr. Fyall for joining us today and all of his work at Benton County and especially with the RCCF work. The Port really appreciates it and we look forward to a continued partnership with these funds and continued successful projects for our constituents and our citizens. Thank you very much for joining us today.

Mr. Fyall thanked Commissioner Barnes and stated that he is always available for the Commission and staff on this topic and all the others we work on.

B. Approval to Sell and Convey Surplus Property

Mr. Kooiker stated as Ms. Hanchette reported at the last meeting, the Port maintenance shop was burglarized about a month ago. The maintenance team has gone through and itemized what power tools, etc. were missing and we filed a police report, notified the State Auditor's Office, which we are required to do, by statute, and filed an insurance claim. Those three things are taken care of and the next formality on our end is, by statute, the Commission has to declare the property as surplus. Which is why the Resolution is before the Commission today. Mr. Kooiker has itemized a list of the equipment that we need to surplus because we no longer have it. Mr. Kooiker inquired if the Commission has any questions and stated if the Commission has questions for Ms. Hanchette, she can answer those as well.

Commissioner Moak asked what happens if these items are recovered, does it then have to come back before Board to un-surplus these.

Mr. Kooiker stated that is a great question and he does not believe so. The likelihood of the items being recovered is probably pretty low, but Mr. Kooiker stated our insurance company is going to replace everything. The biggest item was obviously the Hotsy Pressure Washer; that is an \$8,000 pressure washer that our maintenance team uses a lot and they miss it not having it a week. As well as the trailer that it sat in, those were the two biggest items that the insurance

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

company is going to replace as well. If that were to get recovered, Mr. Kooiker is not sure how that would work. Mr. Kooiker would let the insurance company know, because they bought us a new one and they would most likely would say, the salvage value of the first one is so low don't worry about it, so we would have two of them. But as far as this coming back to the Board, Mr. Kooiker does not believe so.

Commissioner Moak inquired what makes Mr. Kooiker feel like these items will not be recovered at all.

Mr. Kooiker thinks, among many reasons, the first one is there have been a lot of burglaries from what he has read, around the Tri-Cities and other places with COVID. Mr. Kooiker thinks our loss, while the Port has filed a police report, and Ms. Hanchette and the maintenance team has gone through the process, he thinks the likelihood of getting the power tools is really low. Ms. Hanchette mentioned that the Hotsy has mechanism on them, that is someone goes into service the Hotsy at a certified Hotsy dealer anywhere, that vin number will show up as a stolen pressure washer, and then from there, that would be more likely than us recovering small power tools that have most likely been resold to people who do not know they were stolen.

PUBLIC COMMENT

No comments were made

MOTION: Commissioner Novakovich moved to approve Resolution 2020-09 authorizing the Port's CEO to surplus Port property as attached in "Exhibit A" and further ratifies and approves all action by port officers and employees in furtherance hereof; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field

1. Memorandum of Understanding with City of Kennewick re: Fire Station #3

Mr. Arntzen stated staff has the groundwork for an agreement between the Port and City of Kennewick and once we get a little further down the road with some of the terms hammered out, he would like to bring that back to the Port Commission for discussion and potential approval. Mr. Arntzen stated, at this point, while we do not have all the details, he believes he has enough of the overarching issues that he wanted to bring it to the Port Commission so that they are aware of this issue and get any feedback they may have. Should the issue be something that you are not interested in, then Mr. Arntzen would like to know that as well. Mr. Arntzen's assumption is, there will be some merits to this issue, probably enough so that the Commission might want to hear more about it as we get more of the details. Again, this is a policy matter, so Mr. Arntzen would like to have a chance to highlight some of the high points. It would be an agreement between the Port and the City, related to the construction of City Fire Station #3. That is, the station that will be located north of the FBO building on Grandridge, south of the Convention Center. It is in a very strategic location and is essentially located in one of the gateways to the Port's Vista Field redevelopment project. The City has done an admirable job of folding in design standards to the project to make it very consistent with the lengthy Master Planning process that the Port, the public, and the City held related

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

to Vista Field. With that being consistent, it would behoove everybody to have one of the first projects in Vista Field area be consistent with the Urban Mixed Use (UMU) planning and design standards. There are a few other planning matters that have arisen, one is the street to the west of the fire station needs to be upgraded with utilities, street trees, and paving. Pursuant to many standard development practices, the land owner on one side of it will bear the cost of developing that. Then you wait for the land owner on the other side to develop and pick up the cost. Mr. Arntzen believes it is more prudent for the Port, as the other land owner, to participate at the get go, so we can complete the street and make it look nice; do it all now rather than part of it now and wait a 1-3 years, when the Port develops on that portion or the edge of the Vista Field property. Mr. Arntzen has been talking with the City about the desirability of the Port paying to have our half of the street, with the utilities and street trees done now, so it can be a completed project. This is very appealing to the City, and Mr. Arntzen has had several conversations with Marie Mosley, City Manager related to that. Mr. Peterson has had a number of conversations with the Planning and Public Works Departments and the new Fire Chief is pretty excited about this. One other item of discussion, the City needs a utility easement into the property through some Port property. Mr. Arntzen feels that that would be something, being a good neighbor, the Port would grant to the City, to essentially complete the project. We would look at participating in the construction of a street at our own cost, we would provide the easement to the City at no cost. Then one of the other things that has just taken place recently, we have been able to sit down with the City and help them review their plan, which just went out to bid. Prior to going out to bid, staff was able to talk to the City about incorporating a few other smaller items that people might call details, such as grates for street trees and curb bulb outs on their streets to make them look identical to Vista Field streets. We were able to talk to the City about that and the City changed their plans at the eleventh hour to fold in some of those details. As we all know, Vista Field is a project where sometimes the details become very important elements. What we have really, is a potential agreement between the Port and the City, where we will help get the street paved and our half of the work done now, provide the City with an easement at no cost and that easement would not impact future development on our property. Additionally, the agreement on the part of the City to modify their plans to make them even more consistent with the Vista Field Master Planning document than they previously were. We will be hammering out the last details and Mr. Arntzen would like to work with legal counsel to get a document that is in final or near final form that we could bring back to the Port Commission for review and potential approval. Mr. Arntzen is not sure if that is something he can get to the Commission by the next meeting, as we are working with the City. If we do not get it by the next meeting, we would get it by the meeting after. Mr. Arntzen paused and asked Mr. Peterson if he has any details that were missed and then pause for questions or comments from the Port Commission.

Mr. Peterson stated the driveway which serves the FBO would be dedicated as future street, and the City of Kennewick Fire Department project would improve half of that street and the Port's other half of that street would also be included in this proposal. The easement that we are referring to does not encumber any additional other property. The Port would be dedicating, what looks to be the driveway to the FBO building, as a roadway that serves future phases at Vista Field and from day one, the new Kennewick Fire station. We have

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

worked hard with the City to have this new roadway match, from street lighting to street trees, the scoring pattern on the sidewalk, all of the details that make Vista Field unique. We have worked very hard to make those match and Mr. Peterson received assurance today from the engineer that the tweaks that the City has made to their plans, brings a street that matches Vista Field on to paper that they are out bidding. There will be an ask for a cost share on a roadway that now matches all of the recent improvements you have made at Vista Field. At phase 4, we would have had an obligation to build this road at 100% at our expense, and now we have an opportunity for someone to pay half that cost and do it in 2020 dollars rather than 2025 dollars. Right now, the bidding climate is very attractive, contractors are hungry and the price of oil is low, therefore road projects are coming in better. We have a cost sharing with our development partner and we are bidding at an opportune time, price wise.

Mr. Arntzen stated the numbers are yet to be determined, but he needs to say, in a sense, it is not an insignificant amount, not a few thousand dollars, but it is not a very large number. The reason why Mr. Arntzen is being vague is that we are still negotiating. Mr. Arntzen does not want to be the first one to say exactly how much the Port may contribute, he would like to have a little bit of leverage while negotiating with his good friend, Ms. Mosley. She is a tough negotiator. Mr. Arntzen believes it is a number that is doable, and he thinks it is a number that the City will look at and say thank you Port, that's a decent number. It is not over a six-figure number, more than \$10,000 but less than \$125,000. Mr. Arntzen apologized for being vague, but it's like buying a car, he doesn't want to tell the dealer how much we have in our pocket.

Commissioner Moak doesn't want to talk about specific dollar figures, but more of, where do we see those dollars are coming from or where is that allocated in this current budget to be able to pay that this year rather than several years down the road.

Mr. Arntzen stated that is a good point and he will take a stab at it and perhaps Mr. Kooiker could offer other thoughts on it. Mr. Arntzen believes there will be a few dollars left over in the Vista Field fund. Mr. Arntzen knows staff has done an excellent job on monitoring that funding and that would be one suggestion he would have. The second point, and perhaps more appropriate, the timing of this money, that the City would need, he is being advised, probably into next year. So, we could add a line item in the new budget and see it as new money. Mr. Arntzen does not want to scare the Commission, it is not a really huge number at all, by any stretch of the imagination. There would be some suggestions and Mr. Arntzen believes there are various sources for this funding because it is a somewhat modest number.

Commissioner Moak stated the fact is, this enhances Vista Field and it enhances the development that we are trying to accomplish there and the fire station can be seen as an enhancement to the whole project. Commissioner Moak is certainly supportive of working to try...he wants to be a good partner...it enhances our project as we start to go out... and look for investors in this next year. Thank you.

Mr. Arntzen stated what staff will do, when we come back to the Commission with the Memorandum of Understanding (MOU) or potentially an Interlocal Agreement (ILA), which

is very similar, when we come back to the Commission with that, what he might do is ask Mr. Kooiker to give us a couple of places where this money could come from. Mr. Arntzen thinks that is a good question that Commissioner Moak asked and we would maybe have a couple of suggestions for the Commission at that time. We think it is important for the Commission to say yes, they like the project, and the amount of money is a reasonable amount and the place that we would take money from is a reasonable place to take from. Mr. Arntzen will work with Mr. Kooiker on coming up with a couple of suggestions of where the money might come from. Mr. Arntzen stated one of the things staff will say, because of the timing of it, it might be something best served by putting a line item in your upcoming two-year budget.

Commissioner Barnes would like to add his support to this and he thinks it is very positive to be working with the City closely to integrate some of the design aspects or design elements that we are implementing at Vista Field Phase 1. And to have the City be willing to incorporate these elements into the design for the fire station is very positive. With this as an indication of the solid working relationship between the Port of Kennewick and the City of Kennewick, he is really looking forward to further developments as we progress at Vista Field. Commissioner Barnes looks forward to getting more detailed information that would be in either in an MOU or ILA. When that is available, Commissioner Barnes looks forward to getting that information. It sounds, at this point, like this is a very reasonable amount that is well within the means of the Port of Kennewick. Commissioner Barnes looks forward to receiving more information about this and thanked Mr. Arntzen and Mr. Kooiker and Mr. Peterson for the update and the status of this at this time. Commissioner Barnes stated having fire protection at Vista Field is very important and to have this fire station located strategically and having the design be compatible with what the Port envisions at Vista Field, he thinks it is an excellent start.

Commissioner Moak asked if this will be the first Tuscan style fire station?

Mr. Peterson stated this will not have a Tuscan look to it and he has to be careful to contradict his boss. The building is just outside of UMU area, the streets and all of those improvements with match and have an urban look to fire station, much more urban than Fire Station #5, which was constructed at 10th Avenue and Kellogg. The City has pushed the building right up to the roadway and used many of the elements that have been identified in the Vista Field UMU zoning district. They included a glass display for the City of Kennewick's first firetruck from 1909, so we will have something interesting as a showpiece on the corner. It is not a Tuscan theme fire station; it is an urban take on Fire Station #5 at 10th and Kellogg.

2. *Construction Update*

Mr. Peterson proposed to roll the items of construction update and task status update together. The construction process is wrapping up, Total Site Services is starting their site clean-up work and finishing the last bits of concrete. If you drive through the Grandridge and Crosswind Boulevard intersection known as the scissors, you will see the old cobra head lights have been removed. The street lighting, which is turned on in the whole project is now being utilized by traffic out in the scissors location, not augmented by the overhead cobra

lights. Also, today the street signs on the project went up of Crosswind Boulevard, Grandridge, and Vista Field Boulevard and some of that occurring on the interior streets. There is some minor work to occur on a refuse enclosure that would serve Hangar A, when that is remodeled. There is minor work continuing and they look to turn the water on the first week of June. It will take several days to clean out all of the silt that has blown into that stream and we don't want to overload the filtration system by simply washing it downstream. They are going to have to clean the stream before turning on the water feature on the first week of June.

3. *Task Status Update*

Mr. Peterson stated regarding the grocery list of questions which were shared with the Commission, that covered use, design, and some marketing questions, those have been proposed and shared with DPZ Miami and Portland teams. They are working on their initial review, and rather than staff driving or asking pointed questions or potentially leading questions, we shared the questions just as they were written and ask that they start to develop some responses, and some ideas to those. Then we will schedule a conference call for the later part of this month to get together and see where they are at. We propose to bring these questions back to the Commission in batches, not all twenty-five questions at the same time. Maybe one meeting in early June we will discuss one of the elements, whether that be use or design and we follow up. This is not proposed to be a one and done, but we can share with the Commission what Mr. Antonio and Ms. Plater-Zyberk have to say about the ideas, here is what Mr. Qamar and Mr. Mehaffy threw into the overall equation. Here is the initial question proposed in late April and here are the DPZ thoughts and the Commission can discuss and provide additional direction or possibly seek additional clarification or input and move on. It was an almost overwhelming list of questions that we look to bring back in, hopefully in manageable batches. Mr. Peterson believes that will be occurring the months of June through August, as we work towards the eventual marketing and provision of a Request for Proposal (RFP) to the private sector.

B. *Clover Island/Columbia Drive*

1. *1135 Update*

Ms. Bader Inglima gave a status report on our 1135 project, which is a habitat restoration and recreation project that will improve the north and east shore of Clover Island. The US Army Corps of Engineers' (USACE) A&E contractor has been working on the construction design and engineering documents. Last month, staff helped review their 30% design documents and the Corps still intend to go out to bid by September and to award a contract for construction to coincide with the in-water "salmon" work window between November 15, 2020 to April 1, 2021. Of course, the upland portion of construction for the Riverwalk, landscaping, and electrical would likely continue beyond that in-water timeframe. But the main message is that the project continues to move forward. Last month, Port staff spent a great deal of time working through the initial 30% design drawings and helping to truth-check the contractor's designs and assumptions. Ms. Bader Inglima stated the stay home, stay safe mandates from the coronavirus pandemic has put a twist on the traditional interaction with consultants. So instead of walking the island with them, the Corps shifted to holding conference calls and we are doing

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

a bunch of emails and sharing of files with the Corps staff out of Walla Walla and also their design consultants.

They are currently finalizing details regarding irrigation and material quantities, and our staff are working with the consultants to get their questions answered, and to provide on the ground details they don't have from Seattle or Portland. And the Walla Walla Corps office is fact-checking the consultant's hydrology modeling and the designs. The Corps are finalizing and will be sharing another engineer's estimate very soon, which will give us an idea if the project costs are still in the \$5,000,000 ballpark that was originally estimated at the very early, 10% design stage. We are still moving forward in spite of the pandemic, and are still hopeful that when the project is ready to award, the Corps will have the construction funds to begin our project later this year. We have been pushing hard to keep this project moving because we have both RCCF funds and state grant funds as our local match and we don't want to lose those matching funds due to project delays.

Ms. Bader Inglima gave to give lots of kudos to Mr. Peterson, Ms. Hanchette, and John Fetterolf, who is our A&E oversight contractor. These folks who have been "sweating the details" to make sure that a project managed by the USACE, and designed by off-site consultants, (where we are a partner, but not the lead entity) are working to ensure the project is a success and that we end up with a result that is well designed, and reflects positively on the Port.

Commissioner Novakovich stated it must a great relief to see this coming after twelve plus years of work on this, so thank you for all that. Commissioner Novakovich is curious if the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) have been involved in this at all and have they made any comments, pros, cons, anything?

Ms. Bader Inglima stated the federal government and the USACE are taking lead on it, so they have a formal consolation process that they go through with the CTUIR. We have been in contact with CUTIR, as you mentioned, for a dozen years, as we have been trying to work through this project. They were very aware of what we were hoping to do and they have provided letters of support and actually we had a representative from the CTUIR go with us and actually advocate for the State RCO Grant funds that we got as our local match from RCO. They have been involved from way back and the USACE have gone through their formal consultation on this project, as they are required by law. Yes, they have been involved and they have been supportive and Ms. Bader Inglima does not believe that will be an issue with our project proceeding. They have the money for the design and are moving forward, if the "stars align," we will be going out for bid this fall.

Commissioner Moak stated one thing we thought that this might be delayed another season or another year because of federal budgeting or whatever, is it your feeling now that we are sort of on schedule?

Ms. Bader Inglima stated she cannot read tea leaves and she does not have a crystal ball, so when she said if the "stars algin" that's really her keeping her fingers crossed. The USACE

moves into their next fiscal year, October 2020. They are hoping to have the construction documents ready to go out to bid. Again, the Corona Virus and the significant amount of money being spent at the federal level, towards those programs, Ms. Bader Inglima cannot predict how that, coupled with an election year, which sometimes impacts budget and funding for continued authorization, that the USACE does not have a new budget, but keeps working under continuing authority. Ms. Bader Inglima cannot give you an answer until we get a little bit closer to their fiscal year. The USACE indicated through the Walla Walla office that they are continuing to this push as project. Again, the other wrinkle is, we will have a new Commander at the Walla Walla office taking over in July. The Commander that has been there for two years has been a strong advocate for this program, and we will have to bring a new Commander up to speed fairly quickly. Again, if the “stars align,” the USACE will award a contract, they know how important it is to move forward because we do not want to jeopardize our local match money. Ms. Bader Inglima reiterated that she does not have a crystal ball so we are moving forward with pieces that we have and she does hope it translates into a project actually being awarded with construction dollars from the federal new budget in October.

2. *Kennewick Waterfront Master Plan Update*

Mr. Peterson stated the firm Makers architects and urban design are helping the Port with the Kennewick Waterfront Master Plan (KWM), which is an update of the Clover Island Master Plan from 2005. It is also a consolidation of numerous planning documents that have been put together on Port properties on the Columbia Drive area: The Willows, Columbia Gardens and Cable Greens. Along with stitching in the thoughts of a road diet on Columbia Drive, revisions to the intersection with SR397 and Columbia Drive and also some incorporation of the City’s plans for Washington Street improvements. We shared with Makers, the list of names and organizations that the Commission provided at the last meeting. At present Makers has 40 plus names of individuals and organizations they will be contacting directly, through their outreach. The remainder on that list will be provided notice on a broader scale, but the breadth, the sheer number of folks that ended up on that initial list, Makers felt it was important to focus on those that would provide some input and give a broad spectrum. They are looking to talk to 2-3 realtors, as opposed to 5-6 realtors that were identified. They are looking to touch multiple bases and the others will not be left out, but simply included, when there is a larger notification process. In talking with the City through this outreach process, they did want to remind us, and Mr. Peterson shared this with Makers, that the City’s Bridge to Bridge, River to Rail Plan was just adopted in 2017. The City politely reminded us that the Master Planning for the Bridge to Bridge area had just been completed and this would be an augmentation or compliment and refinement of the Port’s plans for last decade on Port owned properties, but it would not morph into a second sub-area plan, only three years on the heel of the recent Bridge to Bridge planning efforts.

One scope item that has come up that we look to add and involve, is the upland impact for in-water or over-water activity. This relates to the Clover Island Yacht Club and we are asking, when Makers is discussing with the Clover Island Yacht Club, to talk specifically about an item that has come up the last 2-3 years, which is the concept of bringing sewer to the docks in Yacht Club. As an organization, we understand from the Commodore of the Club that at present, it is not in support of that, but there are a few club members are asking questions of

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

the City, of what if the sewer is brought to the docks and what could we do with this. We are asking Makers to take that question on and ask what is the Club's position on bringing sewer to the docks. The reason it is an upland question, if there is sewer brought to the docks, does that allow them to then become live-aboards, which looks to be in conflict with what the USACE would allow. This would impact upland development, because much land would have to be dedicated to parking for these residences, as opposed to the current situation, where the Yacht Club functions for evenings and weekends for the club members and much of it is utilized for the second-floor business by day, Monday through Friday. Introducing live-aboards brings a significant impact to upland parking. So, although we are not talking about the specifics of the in-water activities, we are talking about what implication that might have to upland planning activities and what the Club's focus or official position might be. That will also involve a little bit of investigation about whether or not it is out of bounds at the federal level. That is one specific task we are asking Makers to seek input from the Yacht Club when they are discussing with that stakeholder. We have forty plus individuals and organizations, based upon what the Commission shared at the last meeting and the initial list of the tenants that we have on Clover Island and Columbia Drive to start the initial outreach. Makers is putting together the grocery list of questions that they will be asking, those stakeholders will share that with the Port, and then we will turn them loose. Mr. Peterson stated in many cases, we would like Makers to talk to the people directly without a Port representative in the room, so they can feel free to share some ideas and it will keep him from interjecting. We are moving forward on the Master Planning process for the Kennewick Waterfront District, as we are referring to it.

Ms. Hanchette stated Mr. Peterson addressed the Clover Island Yacht Club question that came up and he did an excellent job covering that and hit all of the high points. That was just the one item that we wanted to roll into the Kennewick Waterfront Master Planning process, so it is addressed. It has been a question that we have had over the last 8-10 years and Mr. Peterson did a great job covering it, so Ms. Hanchette has nothing further to add to that.

Mr. Arntzen stated he had the pleasure of being on phone with Mr. Peterson and Julie Bassuk and two of her co-workers from Makers which went on for over an hour and a half. Mr. Arntzen did a lot of listening and he feels it is a wonderful process and it will lead to a brilliant Master Plan. Mr. Peterson indicated that with the paradigm of not being able to meet face to face, it will be a unique Master Plan that will have some potential cutting-edge attributes, as far as the public outreach process. Without giving away all the details, Mr. Arntzen was very impressed to hear the direction it is going in, as far as public outreach. Ms. Bassuk was very modest, because Mr. Arntzen asked her if this was the first Master Plan that is going to use this level of public participation. Ms. Bassuk was reluctant to say yes, it's the first. Mr. Arntzen pressed Ms. Bassuk if they had done any others like this and she couldn't answer that as well. Mr. Arntzen stated if you can't think of anybody that was ahead of the Port, then we are the first. Mr. Arntzen is quite excited about the level of outreach and he knows that is something that not only Commissioner Moak, but the other two Commissioners here have always really appreciated, is getting the public outreach. The other thing Mr. Arntzen would like to say, he wants to make two points and then he will stop. The other thing is, he really wants to make sure the Commission is understanding and accepting and potentially happy with list of people

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

we will be contacting. In Mr. Arntzen's mind, it was a very exhaustive list that Mr. Peterson turned over to Makers. Makers was able to look at it and edit it and modify it a bit using their expertise. Mr. Arntzen believes Ms. Bassuk and Mr. Peterson have come up with a workable method of contacting people. But Mr. Arntzen does have to say it is not exactly what any one of the Commissioners wanted, probably not anything the three Commissioners collectively had wanted. Mr. Arntzen would like, before we sign off on this topic, to maybe give this a little more time, because as he told Mr. Peterson, if we really don't have the approval of the Commission on the list of people we will be contacting or the outreach methodology, whatever results we come back with probably aren't going to be the right results. Mr. Arntzen would like to maybe press that topic a bit more with the Commission, but before he does, because it would be easier for him to say it now, while Mr. Peterson indicated that we would make introductions with Yacht Club members to Makers, we don't want to sit in on those conversations with them. The other agreement that Ms. Bader Ingleima and/or Mr. Arntzen would make introduction for Makers to the CTUIR. Because as we all know, one of things is you don't call your local tribe out of the blue, it is usually an introduction process. Ms. Bassuk thought it would be appropriate for Ms. Bader Ingleima or Mr. Arntzen to make that introduction and that is completely plausible and something we would be happy to do. Mr. Arntzen asked for Commission comments and would like to really explore this and make sure the Commission is comfortable with the list or the folks that will become representative samples, or the outreach methodology that we are using. Mr. Arntzen wants to make sure that step by step, we are headed in the right direction.

Commissioner Moak appreciates the report and stated his biggest concern, and this is based upon his years with the City, that you try to do some planning and the people who live in the planning area don't know what's going on. So, his concern, at some point, and whether it is not necessarily individual interviews with Makers, but what is planned to make sure all the people in that section of the Columbia Drive area know what is going on, so that they have opportunities to input into the process. Commissioner Moak recognized certainly, that in terms of individual interviews, Makers only has so much time and so many people to do individual interviews and he wasn't sure if it was indicated at the last meeting exactly, how they were going to contact these people, is it via email, via phone or by some other method, knowing it wasn't going to be in person. From that standpoint, Commissioner Moak wanted to make sure that the people most affected, and some of these people may not even be in favor of whatever Makers comes up with or the Commission comes up with. But Commissioner Moak feels like it's the folks who are most likely to be opponents or sceptics, that they are not left out of the process or have opportunities to share. Commissioner Moak goes back to Vista Field and the work that was done by DPZ, in them talking to the special interest groups that they did, he thinks even though it didn't always come out the way they wanted...they did feel that DPZ was listening to and tried to incorporate where they could, some of the concerns that were expressed. And so, Commissioner Moak looks at that special interest, whether it is Yacht Club or the residents or the businesses along Columbia Drive and they can share, that all those folks have a chance at some point within the process to be heard. The other thing, if staff wants to comment that's fine, Mr. Peterson referenced the City's Bridge to Bridge Master Plan that was adopted in 2017, that's three years ago. Commissioner Moak does not recall much happening on that in the last three years or he hasn't seen anything as to how or what the City is trying to

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

do to implement anything in that plan. Commissioner Moak asked if staff can share a little bit of information on what they think that plan is and how that is going to help the Bridge to Bridge area and ultimately the Kennewick Waterfront.

Mr. Peterson stated the City of Kennewick adopted their Bridget to Bridge Plan in 2017 and then immediately undertook some Comprehensive Plan amendments and zone changes to establish the UMU zoning district for much of the properties on the north side of Columbia Drive; from the Overturf Auto Dealership near Highway 395 interchange, all the way east to State Route 397. The City has since then done some additional changes to that zoning, because the car dealers asked for UMU zoning. The City has started the slow movement for zoning changes that can be implemented over time. The City has established the entitlements and enabled the private sector to build, as identified per the Bridge to Bridge plan. That is typically the biggest hurdle, what will City Hall, what will the zoning allow or what does it prohibit. They have now changed zoning to now allow development as envisioned per the Bridge to Bridge Plan. Mr. Peterson stated that was not easy, because many of the uses, such as Kennewick Industrial Electric and some of the car dealers were made non-conforming uses and they had to explain that those uses could remain, but they also had the opportunity to be redeveloped under the UMU zoning. That is a huge step, but the City does not have they typical role of buying properties and consolidating them and putting them out to market. The City has established the entitlements that allow the Bridge to Bridge Plan to be implemented. That would be their biggest action that they took and they did that in late 2017 into 2018.

Commissioner Novakovich does not have any comments and is comfortable with process. Commissioner Novakovich agrees with Commissioner Moak, that it would be nice that if anyone who had any kind of interest at all could be contacted and have their voice heard. Commissioner Novakovich thinks considering the resources applied to this project, that is probably impractical at this point. Although Commissioner Novakovich is sure if someone came forward and wanted to have their voice heard, it would be accepted and he is comfortable with the process.

Commissioner Barnes stated with respect to Mr. Arntzen's concern about the Commission acceptance of the list of stakeholders or list of participants to provide input to Makers; he understood it as it was sort of a suggestion of names that could be added to the list. In these instances, Commissioner Barnes thinks it's a best efforts situation, you are trying to reach out to people that are interested and would like to provide input, that care about the finished product and what we are doing on Clover Island. Commissioner Barnes thinks the Port, at the end of this process, will be able to demonstrate that we have made a genuine effort to do that. Commissioner Barnes thinks we are working with a very well-regarded firm with Makers, and regarding Mr. Arntzen's concern, Commissioner Barnes does not believe Mr. Arntzen has too much to worry about at this point in time, at least from his chair. Commissioner Barnes reiterated that he does not see that he has too much of a concern here.

Mr. Arntzen greatly appreciates Commissioner Barnes's last comment and he thinks that is what he was trying to say. Probably not all three of the Commissioners are going to get everyone on their list of suggestions, and in a sense, it is impossible to reach everybody in the

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

area. We will make a very thorough outreach and Mr. Arntzen hopes this is one of those areas where the three Commissioners can say, it is okay, there has been a compromise here, we have done a very good job on the outreach, based upon the parameters of the project and the budget of the project. Mr. Arntzen thinks if we can strive to reach level of the statement that Commissioner Barnes just made, he thinks we will be successful. Mr. Arntzen stated we will always find that one person that will pop up and say they did not know about it and had ideas to share. We are going to do the best job that we can, and Mr. Arntzen thinks at the end of the process, we will have done a really good job with outreach. Mr. Arntzen stated it will be less than Vista Field, by design, we will not have a week-long charrette, but Ms. Bassuk at Makers has done some very good work in her twenty plus years and he thinks this will be one of the hallmark projects that Makers is proud of. But again, Mr. Arntzen wants to make sure that if we are not on first base and we feel comfortable about how we got here, he does not want to take a crack at the bat to get to second. If there are concerns, now is the time Mr. Arntzen would like us to stop and if there is more work needed from staff or more explanation of where we are at, he would like to do that. It isn't like we have all the time in the world to do this, but Mr. Arntzen thinks it's very important that we get this foundation under us. Mr. Arntzen commented, he knows that Mr. Peterson is very thorough and he knows that Ms. Bassuk is very thorough. Mr. Arntzen stated, just listening in on that hour and half plus conversation, a lot of the topic was spent on how do we get all of the names that have been submitted to us and massage that down into a process that will be workable and where everybody will feel that they had more than a reasonable chance of participating. Mr. Arntzen feels comfortable where we are at, but he did want to spend a few minutes with this, and thank you for the time, because he does think it is important that we are comfortable saying that this is a reasonably good, if not excellent process for beginning our outreach.

C. *U.S. Department of Commerce Economic Development Administration, CARES Act Funding*

Ms. Bader Inglima stated we added this item to the Agenda today because it was something that we got notice of late last week from the Benton Franklin Council of Governments. And with \$266,000,000 in play, it was something that Ms. Bader Inglima was initially quite hopeful that it might prove to be an opportunity to help our Port tenants and the many small businesses who have been hurt so badly by the coronavirus. Stephanie Seamans from the Council of Governments was very helpful and set up a conference call for Mr. Arntzen and Ms. Bader Inglima yesterday with Richard Berndt, the regional director of the Economic Development Administration. Mr. Berndt oversees the Economic Development Administration (EDA) grant programs for Washington and Arizona. Ms. Bader Inglima had visited with City of Kennewick about the potential for Vista Field or downtown Kennewick and invited Emily Estes-Cross to join us in that call.

We talked with Mr. Berndt about the various projects that we have in our work plan: Vista Field and our hangar remodel, Clover Island, and Columbia Drive. During that discussion, we learned that while this is a CARES grant designed to retain and revitalize businesses and economies impacted by Coronavirus, and that while they are prioritizing funding for areas designated as Opportunity Zones, the EDA is applying the same rules and parameters to distributing these funds as they use for their more traditional type of grants.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

We talked with them about another wine production/tasting room building at Columbia Gardens, which would have a “manufacturing/production” component. And while Mr. Berndt said the retail component (tasting room) wouldn’t be allowed unless it was only a small part of a production building. The EDA funding really depends upon middle-wages, higher skills, and strong evidence of significant jobs created. EDA had been criticized in the past for funding wine projects which are light on wages, so they are a bit leery on those anyway; and evidence of higher paid jobs is a deciding factor. However, their priority is for manufacturing or production which support a significant number of middle-wage to high-wage jobs. And they like to fund workforce training or construction/labor training. The EDA is not interested in funding retail or commercial or tourism projects. In fact, when the City asked about a project to support expansion of the Convention Center, they were told that because they want these grants to have an immediate impact, and there is some concern about people being willing to travel or travel patterns changing, the City would have to make a compelling case for if/and when tourism and meetings would “bounce back” and how that type of public facility would support significant middle-to-high-wage, higher-skill jobs. Additionally, they require grant recipients to track and tally wage and employment information and submit reports at 1, 3, 6, and 9 years—so you really can’t just fudge the numbers.

And while the EDA is no longer using the 1 job/\$30,000 funded formula that they had traditionally used, they will be prioritizing projects that create a significant number of jobs per dollar funded. Richard stated that for a \$1,000,000 grant likely would expect around 100 jobs and a \$5,000,000 grant would expect around 300 jobs long term (not including initial construction jobs). The EDA would also want to see how much private investment is involved as a component of deciding who gets funded. So, our projects, which create a smaller number of jobs and are more retail and commercially focused, seem to be a bit of square peg in a round hole.

The EDA is expecting the CARES Act funding to be very competitive and they cautioned that construction applications require a significant level of detail and needs to be ready to go with environmental narrative and engineering information completed. Mr. Berndt said the EDA wants to spread the money around, so he likely expects awards of around \$3,000,000. Mr. Berndt did say they had gone as high as \$10,000,000 in previous disaster fund grants, but those projects checked all the boxes and were really significant in terms of total jobs and wages, and private businesses investment.

In addition, the EDA is prioritizing applications with matching funds, although this time only requiring less than the traditional 50% match. We asked about the 0% match in the grant notice, and while Tribes are automatically eligible to submit 100% grants, other entities would have to make an exceeding compelling case for more than 80% funding from EDA, so they want to see local communities leveraging matching funds.

Mr. Arntzen stated Ms. Bader Inglema has done amazing job on this, which just came to us recently. Mr. Arntzen asked Ms. Bader Inglema to look into it and she provided a lot of research on this and he commended her on that. Mr. Arntzen stated Ms. Bader Inglema’s presentation that she just provided is spot-on and there was a lot of information provided and she summarized it very well for the Commission. One other point that Mr. Arntzen would like to emphasize is that while we

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

have looked at a couple projects here that we could throw into the mix, should the Commission direct us to do so, we picked a project for the wine village expansion and came up with a rough number of \$4,000,000. If that is something that the Port wanted to do, Mr. Arntzen believes our match at 20% would be \$800,000. Then the question is, where do we have \$800,000 parked that we could put in for our match. As we have learned, unless you are an Indian Tribe, you have to come up with the 20% match. Mr. Arntzen has talked this over with Mr. Kooiker and its not that we have readily \$800,000 that is unaccounted for, we do a pretty good job of accounting for our dollars here. It's not that we have \$800,000 to staple under our application and send it off, what we would likely find ourselves looking at is moving some funds that we have be holding, in the event that the Commission wanted to pursue, say the Vista Field Hangar project. That project, should the Commission pursue it, would likely need to leverage RCCF funding, and you have heard our partner at RCCF expressing their appreciation for the Port, and are ready for our next application. The Commission could leave the \$800,000 in the Hangar project, for example, and have a funding partner that would give you money because it is a really high scoring project or you could move the \$800,000 to the EDA project. Mr. Arntzen bluntly stated the Port doesn't really don't have much of a chance. He is not saying that is where match would have to come from, but that is one of the sources that we thought might be the most likely prospect. If the Commission wanted to do this EDA Cares Grant, one of the issues we would have to address is the where do we get the match, should we be successful. The other thing Mr. Arntzen tries to do during a meeting, is read between the lines and sometimes ask people, "what do you really think." Ms. Seamans from Council of Governments was just fabulous in her analysis of this. While her job is to encourage people to fill out the applications, Mr. Arntzen appreciates her bluntness, when she said that the Port had about a 15% chance, 85% no. Ms. Estes-Cross with the City of Kennewick, once we got her on the line independently, stated the couple of projects they thought the City would pursue, look like they are in that category. It is nice to have a second set of eyes on something, and in Mr. Arntzen's opinion, both Ms. Estes-Cross and Ms. Seamans have reiterated the spot that Ms. Bader Inglima and Mr. Arntzen are at, it sounds like it is an exciting program, but he does not know if the line of work we are in, tourism, hospitality, quality of life issues, and economic revitalization, that is really not just what this program is meant for unfortunately. For those people that rely on the Port, like Bartholomew Winery, Monarcha Wines, Clover Island Inn, Ice Harbor at the Marina, all this means is that we are all the more important to them, because the CARES Act is passing them over. We are all that the little guys have, and Mr. Arntzen appreciates the Port Commission saying our focus is on all of these things, community redevelopment, buying decrepit properties and building them back up and selling them to the private sector, that is very important and it is all the little guys have. The CARES Act is not meant for our line of work that we are in unfortunately, in Mr. Arntzen's opinion. Mr. Arntzen thanked the Commission for the opportunity.

Commissioner Novakovich is the President of the Ben Franklin Council of Governments, which is the designated economic district for Benton and Franklin County. Commissioner Novakovich stated on Friday, at our Board Meeting, we will pass two Resolutions that we will be accepting EDA funding, but Ms. Bader Inglima did a remarkable job and Mr. Arntzen also, of talking about the potential of the Port of Kennewick receiving funding for project. Commissioner Novakovich summarized a little bit of what he is reading from the executive summary that came from EDA about what they will fund:

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

workforce training facilities, business incubators and accelerators, multi-tenant manufacturing facilities, science and research parks. Provide funding for governments that support regional job creation and targeted cluster industries and expand those industries.

Our projects don't fit, and as Mr. Arntzen said, we may have a 15% chance, but do we want to take the time that will be involved in preparing something for a 15% chance and take that away from the projects we already have on our plate with what is going on. Commissioner Novakovich is thinking there is not a good chance there and he has had several conversations with Ms. Seamans about this, to see if there is any way we can convince EDA otherwise, but reading through their documents, we just don't fit the mold. Commissioner Novakovich appreciates the time Ms. Bader Inglima and Mr. Arntzen too to go through this. This came out to them last Friday, so they only had a few days to review this and they have done a remarkable job of coming to the conclusion that as Ms. Bader Inglima said, it's maybe a square peg going into a round hole, because it just doesn't fit.

Commissioner Barnes thinks the message is clear here, there are some programs that he thinks afford reasonable opportunities at the Port of Kennewick and based on the information we have received today, he thinks this program is clearly one that does not offer a reasonable opportunity for the Port of Kennewick. Commissioner Barnes thanked Mr. Arntzen and Ms. Bader Inglima for their remarks, and thanked Commissioner Novakovich for the work that he does at our local Council of Governments and for his input as well.

D. Communications with Public

Ms. Bader Inglima stated staff has had an opportunity since the last meeting to start working with some of our partners and thinking about what is the Port's role in helping raise awareness for Clover Island and Columbia Drive as we move back into the next phase or as businesses and tenants in those areas reopen. Commissioner Moak asked Ms. Bader Inglima to reach out the Historic Downtown Kennewick Partners (HDKP) and she has done that. Stephanie Button, Executive Director of HDKP, about the possibility of partnering on some of the advertising that they are doing to let people know that east Kennewick is open and what the businesses are doing. Ms. Bader Inglima appreciated the heads up from Commissioner Moak at the last meeting. We have also recently had an opportunity to partner as an advertising partner with the Kennewick Police Department (KPD) and their Foundation and Commissioner Barnes was able to participate in a video promoting the Foundation and the work that they are doing in the community, as we have often referenced in our Meeting. The KPD has been extremely helpful in helping transition the Clover Island and Columbia Drive neighborhood. Ms. Bader Inglima thinks that was an opportunity to help support the KPD Foundation and the work they continue to do.

Another thing that happened was the Association of Washington Cities (AWC), there most recent *Vision Magazine*, which is a newsletter that goes out to all of the AWC members, did a story featuring the Port and the City's partnership working to revitalize, what they were calling, Kennewick's Historic Waterfront, as well as Vista Field. Ms. Bader Inglima has a link that she created from our Port website, under the news section, to that story if anyone wanted to read it. So, the Port received some positive press on our continuing partnership with the City.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

Ms. Bader Inglima also worked with Makers and created an entire new page within our website devoted to our Waterfront Master Planning in the Kennewick Historic Waterfront District, so that as they have materials available for people to share, even if people don't want to be part of the public process or the conversations with Makers, we could still post information for Makers there and people can follow along. The material will be available even if they don't want to be actively involved, they can be passively involved, in reviewing that. Ms. Bader Inglima encouraged the audience to look through that. We have a link from the slider on the home page and links from all of the individual, internal pages to that sight, so that people can get information about that process.

Ms. Bader Inglima stated Barb Carter, our arts liaison, has been involved with a couple of Zoom meetings recently with the folks working on the Silas solar system installations that they are placing around the region. If you recall, these are same people that talked to the Port about wanting to do the Mars artwork installation at Vista Field. They are really pushing hard for the Port to identify the exact location at Vista Field and to identify when they will be able to begin the installation at Vista Field. Part of that reason, the people who are active in that organization have some down time on their hands right now and they are wanting to push full steam ahead with fundraising. They have compiled their projected budget, timeline, Request for Proposal (RFP) for artists and they want to move forward as quickly as possible with fundraising. They have also put together a short educational video that they want to start sharing with the community and they believe the Vista Field site, with our established record of quality public art installations, is where they want to be. Ms. Bader Inglima recalls that the Commission was receptive to that, but now we are in a new situation with the COVID pandemic, and she had cautioned, and she has conversed with Mr. Arntzen about this, that she has a fear, that if they begin to reach out to business owners and individuals right now seeking donations in support of an art installation at Vista Field. And in order to do so, they want the Port to identify the specific site and our financial support so that they could go out and leverage the Port's name and Vista Field in this fundraising. Ms. Bader Inglima stated it might appear a bit tone deaf in our community, that the fundraising effort for artwork, where people are now losing their jobs, businesses are closed, people are anxious, they are unemployed, there is fear about the future of the economy, that Silas is asking the community businesses right now for donations may not be the most timely. Yes, it would be that group that is asking for those donations, but the reference to the Port of Kennewick and the reference to Vista Field, Ms. Bader Inglima wanted to bring that forward, because it might appear tone deaf and might reflect poorly on the Port and our Commissioners. Ms. Bader Inglima would prefer to ask them to just be patient and wait on doing any full-blown fundraising for the Mars project until we can determine the potential impacts from COVID. And it would give staff time to look at budgets and timing and eventually, the Port Commission could give them a green light on the Mars installation at Vista Field. Ms. Bader Inglima appreciates the enthusiasm, but she wanted to bring the conversation forward because either way, the Commission may decide to go ahead and say "full speed ahead" but there are other things we are not doing right now, a number of our maintenance projects are on hold because we lost the Coyote Work Crew and some of our maintenance is being deferred, our ribbon cuttings, our newsletters, we are having to deal with some things a bit differently. Ms. Bader Inglima can stop and the Commission can give direction or she can move forward with her last item. As the communications person, Ms. Bader Inglima believes it might behoove the Port to wait and have Silas be patient until the community has moved through, at least into a new phase of the COVID pandemic.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

Mr. Arntzen stated very briefly, this is one of the benefits of having Ms. Bader Inglima with us. She looks ahead and tries to point things out for us, but stops short of telling us what we should do. This is one where Mr. Arntzen appreciates Ms. Bader Inglima offering a little bit of caution, but by no means are we saying this is what we have to do. Mr. Arntzen likes the fact that Ms. Bader Inglima is looking forward for us.

Commissioner Barnes stated a pause here seems to make sense for the very good reasons that Ms. Bader Inglima pointed out. One of the things Commissioner Barnes thinks we are all quite aware of, and it hasn't been mentioned in this regard, is that the Art Center Task Force site was part of phase 1 and those plans have changed. Commissioner Barnes thinks it would be fair and reasonable for the Port of Kennewick, for a number of reasons, to say to the folks who would like for the Port to provide a site for Mars, to say, thank you very much for this invitation, but with all due respect, we would like to take a little bit more time to consider this, given the pandemic, given that we have had a significant change in our plans with the Arts Center Task Force. And we are also revisiting the Vista Field Master Plan design with our world renowned experts too. That could be something that we may want to touch upon with them. Commissioner Barnes thinks Ms. Bader Inglima's advice is sound and he is in favor of hitting the pause button with this.

Commissioner Moak certainly respect those concerns and clearly, we are in very unusual time right now and we don't know what direction some of this is headed. Commissioner Moak is also aware that Mr. Peterson has said in the past, that will be coming back to the Commission at some point, of where is the development going to happen in phase 1. Commissioner Moak stated how are we, are we trying to cluster it close to the hangars, or how is that development... and where does Mars fit in within that whole sector of that plan. Commissioner Moak can see somewhat of a pause to answer some of those questions, but he would like to be able, at some point, provide the Silas Group some definitive answer and that it doesn't look like we are just dragging our feet on this. Commissioner Moak believes the Port is very interested in being a partner and certainly art projects are things we have done in a variety of parts in our domain. Commissioner Moak would like to be able to establish some sort of timeline of when we could get back to them on that plan, knowing that they are going to be the ones that have to go out and sell it. We are not the ones who are, just as it was with the Arts Center Task Force, we provide location, they have to go out and sell the product. And with the Arts Center, clearly, they were not able to sell the product in the way they thought they could. It would be up to the Silas Group, and it is a much smaller dollar figure that they are looking for than what the Arts Center Task Force was asking. They could be able to do that, and one thing we know is, it is a lot easier to sell a product when you know where it's going to go. Commissioner Moak would like to see the Port working on that plan, so we could at least identify where that site is going to be, but he does think somewhat of pause is in effect, especially since we are still in the phases of reopening.

Commissioner Novakovich agrees with pushing the pause button and believes it is a smart thing to do. Things are pretty uncertain right now and Commissioner Novakovich thinks we need to see where this whole economy comes back to and what we have to work with. Commissioner Novakovich tends to agree with pushing the pause button.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

Ms. Bader Inglima stated finally, two of our Commissioners have been contacted independently by a representative from the Kiwanis organization asking about a presentation about Port projects, plans, activities, and what all the Port is up to for a Kiwanis meeting in June. Ms. Bader Inglima is happy to craft a message for that and stated originally, the first conversation, she believes was a request from Commissioner Moak. Commissioner Moak asked that she add this to her report because he understands there is a protocol and practice that we have of asking the President, Vice President, then Secretary. Often times, if a Commissioner is asked specifically to present, we bring that back to the Commission for discussion. Initially, part of the question was if we were going to a GoToMeeting or Zoom, could we share a power point, and yes, we can certainly work up a power point. Ms. Bader Inglima believes the tone may be different than the celebratory rah rah speech that we typically give and maybe focus more on what we are doing to ensure that our community-driven projects are still moving forward and how we are working to meet the needs of our region's workforce and what we are doing to spur long-term economic viability through our development projects. Ms. Bader Inglima would likely not work with a Commissioner until right before the presentation happens, so that we could be very sensitive to the lost jobs and anxieties that our community is experiencing and take into consideration where we are at in the "phased reopening". Ms. Bader Inglima can certainly put together a meaningful power point, but the question for discussion with the Commission would be, who would give that presentation.

Commissioner Barnes stated for the benefit for Commissioner Novakovich and perhaps for Commissioner Moak as well, he received an email request yesterday, received it yesterday, he received it after his Kiwanis Club met through a virtual meeting. One of the participants was there from the TCI Kiwanis Club and she provided an email to him and said she reached out to Commissioner Moak asking for a presentation for the TCI Kiwanis meeting in June. And she made the same request to Commissioner Barnes and he forwarded that request to Ms. Bader Inglima. Commissioner Barnes would be happy to give the presentation as the President of the Commission, but if on the other hand, it was a personal, because I know you and like you request made of Commissioner Moak, then of course Commissioner Barnes would stand down if Commissioner Moak would like to make that presentation.

Commissioner Moak stated the person who reached out to him, he had not met her before and that she had seen him present somewhere and reached out to him. It sounds like she reached out to Commissioner Barnes also, and Commissioner Moak thinks it is important that the Port respond to her and he would enjoy doing it and sounds like Commissioner Barnes would also enjoy doing it and he is the President of the Port. So, it is appropriate, since we both have been reached out to, for Commissioner Barnes to go ahead and do that.

Commissioner Barnes would be happy to give that presentation to the TCI Kiwanis Club and would welcome the opportunity. Commissioner Barnes would be happy to respond to her email and work to select a date and then work with Ms. Bader Inglima. And Ms. Bader Inglima's remarks regarding sensitivity to our current pandemic times are spot on and he really appreciates those. The Port can make a presentation that is sensitive to current situation that we are in, but at same time, provide a meaningful update regarding what we are doing at Vista Field and other areas as well.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

Commissioner Moak stated maybe Commissioner Barnes could invite Floyd Ivy to be in the audience.

Commissioner Barnes stated thank you and he would welcome revisiting things with Floyd Ivy again. He thinks his office is very close to Vista Field, so he should be pleased....very good. Are there any other discussions regarding this Agenda topic?

E. Director Reports

Mr. Arntzen has been working on three projects that are getting closer to the point where he can present them to the Port Commission for updates. The first project is the Vista Field team, it has been quite some time since we talked about that. He has had a chance, working from home to collect his thoughts on that and get a little bit further along with the process. Mr. Arntzen needs a little bit more time to staff it and get some numbers and he would like to bring it back to the Port Commission soon. Mr. Arntzen cannot promise the next Meeting, but lets say within 45 days. The next project, Mr. Arntzen is working with staff and David Robison of Strategic Construction Management on is the Vista Field Hangar project. We were getting some numbers for what construction might cost and what types of uses we might put in there. Mr. Arntzen wanted to let the Commission know that Mr. Robison has produced a lot of raw data and Mr. Peterson has been involved with this and so has Ms. Hanchette and Mr. Kooiker. Mr. Arntzen stated staff will bring this back at possibly the 50% point, that will be another one we will bring to the Commission soon. Mr. Arntzen and Mr. Kooiker have been working on RCCF analysis and part of that will be a brief analysis of the opportunity zone. The last two topics do dovetail together, the Vista Field Hangar Project and the RCCF Analysis. Mr. Arntzen wanted to let the Commission know we hadn't forgotten about that and we will be moving those projects forward and hopefully the Commission can see them in draft form and we can get their comments, and finish them up and move forward.

Mr. Arntzen wanted to give a shout out to Ms. Scott. We all know how challenging it has been to do the remote meetings and he thinks we have gotten better over time. While Ms. Scott may look cool, calm, and collected under pressure, Mr. Arntzen knows it has been stressful. Mr. Arntzen wanted to give her a shout out and it seems like we are making a lot of progress there.

Finally, our good friend, Professor Gary Black has reached out to Mr. Arntzen. Mr. Black is the one that did the pattern language for the Port a number of years ago, with the Columbia Drive project and he was the mastermind on the winery projects. Mr. Black has another community in California that is interested in working towards a concept similar to ours and Mr. Black would like to have an outreach, so we could help supply information back to the California community, since he feels that our project here is a true pioneer. Mr. Arntzen told Mr. Black that he would be very happy to help him with that. Mr. Black also mentioned, on the side, that he would like to give Mr. Arntzen an update on his life at the University of California Berkley, as a well-respected professor. Mr. Arntzen can only imagine that that will be interesting to say the least. Mr. Arntzen wanted to let the Commission know we had an outreach from our good friend Professor Black.

Mr. Peterson stated Mr. Arntzen stole his thunder with Gary Black, as he also called Mr. Peterson. Mr. Peterson has shared 30-40 photos and videos of the Columbia Gardens project, from the initial construction point, to the completion of mural, to the recently completed tasting room building.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

Mr. Black was proud and excited to see that it was continuing on. Mr. Peterson even shared photos of 211 building on the day it was destroyed by the snow load. The Commission may recall, Mr. Black was helping us figure out how to reuse and redesign that building and keep those bow string trusses that were a unique element of the building. We shared some history with Mr. Black and he did, as Mr. Arntzen said, a community in California that is looking very closely at the pattern language process. They are looking to incorporate that and utilize Mr. Black's services and focus or develop a pattern language for their own community which would be modeled after our experience up here.

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

Commissioners reported on their respective committee meetings.

G. *Non-Scheduled Items*

Ms. Scott thanked Mr. Arntzen for the very nice compliment on the audio and shared that she is finally breathing easier. Ms. Scott is very glad it went well, thanks to everyone for your help and making it a success.

Commissioner Barnes would like to second Mr. Arntzen's remarks regarding all the work that Ms. Scott has done to improve the quality of our meetings. Commissioner Barnes knows Ms. Scott was very helpful in getting a headset to him and he really appreciates that.

Mr. Kooiker reported to the Commission that the Port filed our 2019 Financial Report with the State Auditor's Office. We filed the report about three weeks early and we have auditors who will audit us completely off site, so they will not come on site anymore and that will start the third week of June.

Commissioner Moak stated based upon Mr. Peterson's comments related to Mr. Black and that he had sent a lot of pictures or whatever to Mr. Black, where those in any kind of organized manner? To Commissioner Moak, it would seem like an interesting item for the Commission and the public to see those type of photos over time or whatever. The photos may have not been organized in such a manner, that would lend themselves to that and Commissioner Moak wonders, because it sounds like an interesting thing that others might be interested in seeing and revisiting.

Mr. Peterson stated the Port has nearly an unlimited supply of photos of our construction projects, from the Wine Village forward, an aerial perspective as well as a ground perspective that are sorted by date and could be provided to the public to show the evolution of the project, to the construction of the project from before groundbreaking to ribbon cutting standpoint. The particular items Mr. Peterson sent to Mr. Black might be interesting to some folks, it was also the details of the buildings, the wall sections as it was being constructed. We have, on the projects of the Wine Village, the Tasting Room, the Loop Roadway, Vista Field and all of our construction projects before the drone was implemented, we have ground shots for all of our projects from 2005 to present. If there was time and we had the resources, we have over 50,000 photos in our network that are sorted by project, given the resources, those could be stitched together to tell the visual story of what has happened over the last one year, five years, ten years, or particular project evolution.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 12, 2020 MINUTES

Ms. Bader Inglima added if the Commission wanted to or if anybody was interested, the Port website, has a redevelopment progress section both Columbia Drive and Vista Field. And under that, we have both videos that Mr. Peterson has been taking, as well as still photos, and have been documenting those photos in a dated sequence. This is where we started, the groundbreaking, and what transpired. So, there is, not every 50,000 photos that we have in our archives, but a selected number of photos and videos that show the transformation of both Columbia Drive and Vista Field already on the Port website, date and time stamped.

Commissioner Moak stated perhaps he ought to look more at the Port website.

Ms. Bader Inglima stated it is a pretty cool website and we are trying to keep it current.

Commissioner Novakovich stated it was probably something he should have announced at the last meeting, but he received an email from Ian Batchelor, who is Peter Batchelor's son, who said that Peter Batchelor passed away on Wednesday, April 15, 2020.

Ms. Bader Inglima offered her condolences. Commissioner Barnes offered his condolences at the Port.

Commissioner Novakovich communicated that to Ian Batchelor, from the Port and all of us, and the City of Kennewick and everyone who worked on the Bridge to Bridge initially. He was very appreciative of that.

PUBLIC COMMENTS

No comments were made.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:39 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

**PORT OF KENNEWICK
REGULAR COMMISSION MEETING**

MAY 12, 2020 MINUTES

*The May 12, 2020 Commission Meeting Minutes were Approved by the Port of Kennewick Commissioners on May 26, 2020 at the Regular Commission Business Meeting.