



# PORT OF KENNEWICK

## REGULAR COMMISSION MEETING

MARCH 8, 2022 MINUTES

Commission Meeting recordings, with agenda items linked to corresponding audio, can be found on the Port's website at: <https://www.portofkennewick.org/commission-meetings-audio/>

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

### ANNOUNCEMENTS AND ROLL CALL

The following were present:

**Board Members:** Skip Novakovich, President (via telephone)  
Kenneth Hohenberg, 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)

### PLEDGE OF ALLEGIANCE

Lisa Schumacher led the Pledge of Allegiance.

### APPROVAL OF THE AGENDA

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

### PUBLIC COMMENT

Ziad Elshahili, Fortify Holdings. Mr. Elshahili stated Fortify Holdings sent a letter to the Port seeking assignment of the lease and extension, similar to the terms the Port reached with Cedars Restaurant. In return, Fortify Holdings has received a due diligence request from the Port's attorney. Fortify Holdings learned that this is a fairly new Port process that is very extensive. We are working to compile the information and it will take some time to work through. Fortify Holdings has requested to meet with Port staff or the Commission on numerous occasions and have been turned down by all parties. Fortify is looking for guidance or feedback from staff regarding the assignment and requested extension and hope to get something scheduled soon. The Port is requesting a site improvement plan, which outlines how much money will be invested in the building. After discussions with the Port attorney, we learned the current process was an assignment and not an extension. Mr. Elshahili stated it would be impossible to determine the length and money Fortify would invest until we know how long lease can be extended and under what terms. Fortify will continue down the path and gather the requested information and would

# PORT OF KENNEWICK

## REGULAR COMMISSION MEETING

MARCH 8, 2022 MINUTES

like to meet staff and/or the Commission about the process and understand the angle. Mr. Elshahili stated full disclosure, Fortify is planning on purchasing the building and keeping it as a hotel. Mr. Elshahili encouraged the Commission not to pass the proposed Resolution regarding apartments on the island because the Commission has the authority over the uses for the Clover Island Inn as outlined in the lease terms; however, the Resolution would shut the door on future development ideas and investments on the island. Mr. Elshahili stated Fortify is contemplating offering extended stay or long-term units, and a ban could have an impact on the viability of that and/or any changes in the lease terms, could close the door unnecessarily.

No further comments were made.

### CONSENT AGENDA

**A. Approval of Direct Deposit and E-Payments Dated March 2, 2022**

Direct Deposit and E-Payments totaling \$101,528.72

**B. Approval of Warrant Register Dated March 8, 2022**

Expense Fund Voucher Number 103581 through 103614 for a grand total of \$76,340.37

**C. Approval of Regular Commission Meeting Minutes February 22, 2022**

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

### NEW BUSINESS

**A. Port and City of Kennewick Memorandum of Understanding**

Mr. Arntzen and Marie Mosley, City Manager for the City of Kennewick have met with the Port Commission and the Kennewick City Council to highlight past Port and City projects and discuss the potential of entering into a Memorandum of Understanding (MOU) on a new joint project. Mr. Arntzen and Ms. Mosley would work on a draft MOU outlining potential projects for each elected body to review.

Ms. Mosley and Mr. Arntzen met with City Council on February 22, 2022 and provided background information and history of Vista Field and partnership. Ms. Mosley stated there are several new members on the City Council and she would like to present additional history about the stakeholder input, and the process that led to the City Council adopting the Vista Field Master Plan as well as the development agreement. Ms. Mosley and Mr. Arntzen would like to come up with a priority partnership project that spurs economic development and private development. The Council is very interested in seeing Vista Field move forward and the next step for Ms. Mosley and Mr. Arntzen is to help the Council understand the process and history, such as previous Interlocal Agreements and then help prioritize some of the potential projects to spur private development. Ms. Mosley thanked the Commission for the past partnership and the City is looking forward to a future partnership and the potential utilization of Rural County Capital Funding (RCCF) together, to leverage those dollars in our community.

Mr. Arntzen stated drafting the MOU will be a process and will need to be synthesized with the current Work Plan and current Commission goals and objectives. Mr. Arntzen inquired if the Commission moves forward, do the Work Plan and/or goals and objectives need to be modified

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 8, 2022 MINUTES

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to incorporate the MOU.

Commissioner Novakovich summarized Mr. Arntzen's comments and stated the Commission needs to look at the following:

- How does the MOU fit into the current Work Plan;
- Should this be considered a goal and objective of the CEO.

Commissioner Hohenberg thanked Mr. Arntzen and Ms. Mosley for the presentation and believes we have several projects that the Port could adapt, which would fit within the current Work Plan and be mutually beneficial to City as well.

Commissioner Moak stated until he sees the proposed projects, he would not be able to decide if it was a higher priority than what is outlined in the Work Plan. Commissioner Moak would like Ms. Mosley and Mr. Arntzen to come up with ideas, cognizant of what the Council and Commission are interested in and see if the projects align.

Commissioner Novakovich inquired how much time will vetting a project and developing an MOU take, and will it take away from current projects in the Work Plan. Commissioner Novakovich reiterated that the Port has limited resources and working on the MOU that benefits the Port and City constituents may take time away from other projects.

Mr. Arntzen stated he is uncertain of how long the process of developing an MOU and vetting projects will take; however, he believes the process itself will take some time and resources away from other projects.

Commissioner Moak thought Ms. Mosley and Mr. Arntzen had some projects in mind when this was presented to the Commission. The Port has a few ideas, such as the Vista Field hangar project and inquired how many more projects do we need to add. Commissioner Moak did not envision spending a lot of time on this if the Commission and Council agreed on a project.

Further discussion commenced between Mr. Arntzen and the Commission regarding the MOU.

Ms. Mosley is happy to work with Mr. Arntzen to come up with some projects and knows the Council is very interested in projects that would help spur private development in Vista Field. Additionally, the Council is interested in an update from Mr. Arntzen or other staff to provide the background on Vista Field for the new members.

The Commission concluded that Mr. Arntzen and Ms. Mosley should move forward on the MOU and focus on a partnership project in Vista Field. If the MOU takes time away from other projects in the Work Plan, the Commission will reshuffle the priorities and reallocate resources and not penalize anyone for not meeting certain requirements.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 8, 2022 MINUTES

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## PRESENTATION

### A. *Mid-Biennial Review*

Mr. Kooiker presented the 2021-2022 mid-biennial budget review (*Exhibit A*).

Adam Fyall, the sustainable development manager for Benton County, briefed the Commission on the status of the RCCF program.

Commissioner Hohenberg thanked Mr. Kooiker for the great overview and appreciates the fact Mr. Kooiker and Mr. Arntzen are always cognizant of the Port's bottom line and manage the resources that are entrusted to them.

Commission Moak inquired when the Vista Field loan might be paid off.

Mr. Kooiker believes it could be the next biennial budget and would prepare an analysis for the Commission.

## REPORTS, COMMENTS AND DISCUSSION ITEMS

### A. *Kennewick Waterfront*

#### 1. *Clover Island Inn Proposal Update*

Mr. Arntzen gave a brief history of the Fortify Holdings proposal to purchase the Clover Island Inn and convert the property to micro-apartments. The Port contracted with attorney Taud Hume to complete the due diligence. Mr. Hume has previously assisted the Port with other projects on Clover Island. The Port received a letter from Fortify Holdings representatives, dated February 28, 2022 which indicated new plans to continue to operate as a hotel and not pursue the micro-apartment proposal. Fortify Holdings requested approval of the assignment of the lease from Clover Island Inn hotel group and an extension of the lease for an additional 40-year period. The Port has asked Mr. Hume to work with hotel group to formally start the lease assignment process and to follow up on the due diligence background process with Fortify Holdings.

Mr. Hume outlined the process of assigning the current lease and stated a letter was sent to Fortify Holdings on March 1, 2022 requesting certain due diligence information and he has communicated with their counsel regarding the assignment. Mr. Hume highlighted key provisions of the lease and stated the current lease term, which expires in 2035 is currently in a five-year option term which ends in 2025. Section 34 of the lease outlines the use for the property "to be conducted for business for a hotel and restaurant and for other such lawful activities related to its business activities so long as it is consistent with the Clover Island Master Plan." Section 12 regarding the assignment gives the Port discretion as to whom it assigns the lease to. The Port needs to assess and understand who Fortify Holdings is as an operator, for any extension, prior to assignment. We have not received any information from Fortify Holdings as of today, but once the information is provided, we will analyze the information. Mr. Hume believes Fortify Holdings will be requesting an extension on their closing; however, he relayed that the Port would need an additional 45-60 days to analyze the information once it is received.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 8, 2022 MINUTES

Commissioner Hohenberg appreciates the presentation and concurs with Mr. Hume's comment about what is prudent to do at this point and he is good with that.

Commissioner Moak stated the CEO of Fortify Holdings indicated that they were not able to meet in person with staff and Commission and inquired if that is at Mr. Hume's direction.

Mr. Arntzen stated Port procedure regarding real estate transactions are handled by Ms. Hanchette and he has asked Fortify Holdings to follow the process. Mr. Arntzen would like to avoid the same issue that the City of Richland ran into, where Fortify Holdings contacted several Richland City Council members and staff which it resulted in uncomfortable exchanges and records requests.

Commissioner Moak stated for the record, he has had no contact with Fortify Holdings, nor have they contacted him.

Commissioner Novakovich stated at the January 25, 2022 Commission Meeting, the Commission asked Fortify Holdings to come back today with a plan or concept about how they were going to alleviate the public's concerns and match the parameters given in the master plan for Clover Island. Commissioner Novakovich inquired if Mr. Arntzen, Mr. Hume, or Mr. Elshahili had any comments or questions.

Mr. Arntzen stated the team and Mr. Hume are working expeditiously as possible.

Mr. Elshahili stated Fortify Holdings is moving forward with the due diligence package and indicated our counsel has communicated with Mr. Hume. Fortify Holdings communicated via letter requesting the lease assignment and outlined some specifics about their plan to operate the hotel. Mr. Elshahili inquired if the Port received that communication.

Commissioner Novakovich believes the Port received that communication.

Mr. Hume reviewed an undated letter from Fortify Holdings, iterating that they had a desire to run the property as a hotel; however, that communication was not entirely clear. Fortify Holdings conveyed some possible plans for short term and long-term stays. There are several details to work through about whether they are operating as a hotel or this somehow falls back into a possible micro-apartment use.

## ***B. Vista Field***

### ***1. Progress and Website Update***

Mr. Peterson outlined the previous decisions made by the Commission and summarized the remaining tasks. Mr. Peterson continues to work with the consultant and the City on the legal lots of record and the binding site plan.

# PORT OF KENNEWICK

## REGULAR COMMISSION MEETING

MARCH 8, 2022 MINUTES

Ms. Hanchette stated the marketing strategy is a multi-faceted affair, which features Vista Field as a centrally located development in heart of Tri-Cities shopping and entertainment core with an Urban Mixed-Use zoning. Ms. Hanchette stated the Port is building a lifestyle brand for people who live in Vista Field, work in Vista Field, and for those who visit Vista Field for the open spaces and amenities. Ms. Hanchette outlined the current methods for marketing Vista Field.

Ms. Bader Inglima stated the Port developed branding for Vista Field and has been incorporating the brand into all the marketing materials. Additionally, the renderings by Chris Ritter are included to help paint the vision for the development. Ms. Bader Inglima is working on the website design for VistaField.com which will be a standalone website featuring the development, the amenities, and the new urbanism concept. The website will eventually transition to a lifestyle site that will be owned by the property owners association. The website will also feature builder information, available parcels, development progress, and all relevant documents such as the master plan, the pattern language, and covenants and restrictions.

### ***C. Approval of Chief Executive Officer's Completed Goals and Objectives***

Mr. Kooiker stated for Commission consideration, Resolution 2022-10 outlines four completed CEO goals and objectives:

- 2019/2020 Goal: Vista Field phase 1A construction completed;
- 2021/2022 Goal: Vista Field team implementation completed;
- 2021/2022 Goal: Columbia Gardens Wine and Artisan Village wayfinding signage report and children's playground partnership completed;
- 2021/2022 Goal: Governance Audit project completed.

## **PUBLIC COMMENT**

No comments were made.

***MOTION: Commissioner Moak moved to approve Resolution 2022-10, approving goal #1 of the CEO's 2019/20 Goals and Objectives and goals #3, #6, and #10 of the CEO's 2021/22 Goals and Objectives; Commissioner Hohenberg seconded. With no further discussion, motion carried unanimously. All in favor 3:0.***

### ***D. Miscellaneous Project Update***

Mr. Arntzen outlined projects that the Port team is working on for future Commission Meetings:

- Ms. Bader Inglima and Rochelle Olsen are working on a project update;
- Dr. Patrick Jones of Eastern Washington University will be providing a COVID economic impact analysis;
- Ann Allen, Port Human Resources consultant continues to update the COVID return to work policy;
- Ms. Scott will present the new contract routing process with Laserfiche;
- Mr. Kooiker and Mr. Arntzen are working on a cost savings analysis.

# PORT OF KENNEWICK

## REGULAR COMMISSION MEETING

MARCH 8, 2022 MINUTES

Commissioner Hohenberg thanked staff and stated the Port has not missed a beat with the COVID restrictions over the past two years. Staff is very responsive and at the end of the day, Commissioners are not getting complaints and we are getting a lot of great work done.

Commissioner Novakovich echoes Commissioner Hohenberg's comments and stated Mr. Arntzen's report says a lot about what is going on behind the scenes. In relation to the MOU with the City and the Port, it is one more item to take care of. And as Commissioner Hohenberg stated, we don't want to hold staff or anyone accountable if something manages to fall behind because the Commission had added extra projects, for the record.

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

Commissioners reported on their respective committee meetings.

***F. Non-Scheduled Items***

Ms. Bader Inglima reported the Tri-City Regional Chamber of Commerce held their annual State of the Ports luncheon in February. The luncheon was well attended, and the Port provided a handout and PS Media put together a video presentation, which is available on the Port's YouTube page and website.

Mr. Arntzen recently met with James Thompson, Executive Director of the Washington Public Ports Association for a tour of Vista Field and invited him to a future meeting to talk about the WPPA.

Mr. Arntzen congratulated Chief Hohenberg on his retirement from the Kennewick Police Department.

Commissioner Hohenberg thanked everyone that has been so kind and gracious and stated he was lucky to have a great career with City of Kennewick. Commissioner Hohenberg is excited about this transition and that he can continue to serve the citizens throughout the Port district and work with Port staff and Commission.

## PUBLIC COMMENTS

No comments were made.

Commissioner Novakovich anticipates the Executive Session will last approximately 30 minutes, Potential Litigation, per RCW 43.30.110(1)(i) with no action expected. Commissioner Novakovich asked the public to notify Port staff if they will return after the executive session so staff can advise if the session concludes early.

## RECESS FOR EXECUTIVE SESSION

*Commissioner Novakovich recessed the Regular Commission Meeting at 3:52 p.m. for a 30-minute Executive Session. The Regular Meeting will reconvene, or the public will receive an update at 4:20 p.m.*

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MARCH 8, 2022 MINUTES

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## EXECUTIVE SESSION

### *A. Potential Litigation per RCW 43.30.110(1)(i)*

*At the direction of the Commission President, Ms. Schumacher extended the Executive Session for 10 minutes at 4:20 p.m.*

*Commissioner Novakovich adjourned the Executive Session at 4:27 p.m. with no action.*

*Commissioner Novakovich reconvened the Regular Commission Meeting at 4:27 p.m.*

## COMMISSION COMMENTS

No comments were made.

## ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:28 p.m.

### **APPROVED:**

### PORT of KENNEWICK

### BOARD of COMMISSIONERS

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*Skip Novakovich*

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*Skip Novakovich, President*

DocuSigned by:

*Kenneth Hohenberg*

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*Kenneth Hohenberg, Vice President*

DocuSigned by:

**Thomas Moak**

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*Thomas Moak, Secretary*



***PORT OF KENNEWICK***

***Resolution No. 2022-10***

***A RESOLUTION OF THE PORT OF KENNEWICK  
BOARD OF COMMISSIONERS FORMALIZING COMPLETION OF  
GOAL #1 OF CEO'S 2019/20 GOALS AND OBJECTIVES and  
GOALS #3, 6 & 10 OF CEO'S 2021/22 GOALS AND OBJECTIVES***

**WHEREAS**, the Commission approved goals and objectives for the Port CEO, attached as Exhibit "A" and last modified on March 9, 2021; and

**WHEREAS**, the Commission approved Resolution 2021-27 accepting Vista Field phase 1A construction on December 14, 2021, thus completing Goal #1 of the CEO's 2019/20 Goals and Objectives; and

**WHEREAS**, the CEO presented the Vista Field team approach on February 22, 2022, thus completing Goal #3 of the CEO's 2021/22 Goals and Objectives; and

**WHEREAS**, the CEO presented the playground partnership on December 14, 2021; and the Columbia Gardens wayfinding on February 8, 2022, thus completing Goal #6 of the CEO's 2021/22 Goals and Objectives; and


**WHEREAS**, the Commission approved Resolution 2022-01 rejecting completion of the governance audit, thus completing Goal #10 of the CEO's 2021/22 Goals and Objectives; and

**WHEREAS**, the Commission desires to formally accept as complete Goal #1 of the CEO's 2019/20 Goals and Objectives, and Goals #3, 6 and 10 of the CEO's 2021/22 Goals and Objectives related to these items.

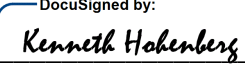
**NOW, THEREFORE, BE IT HEREBY RESOLVED** the Board of Commissioners of the Port of Kennewick hereby accepts as complete Goal #1 of the CEO's 2019/20 Goals and Objectives, and Goals #3, 6 and 10 of the CEO's 2021/22 Goals and Objectives.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick this 8th day of March, 2022.

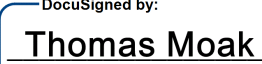
***PORT of KENNEWICK  
BOARD of COMMISSIONERS***

By:   
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SKIP NOVAKOVICH, *President*

By:   
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KENNETH HOHENBERG, *Vice President*

By:   
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THOMAS MOAK, *Secretary*

Exhibit "A"

<i>EXHIBIT A</i>		CEO 2021/22 Goals & Objectives (including update on 2019/20 ongoing goals)			
<i>DATE:</i>		March 8, 2022			
<i>GOAL &amp; OBJECTIVE</i>		TACTICAL STEPS	ACTION	STATUS (checkmark = Completed)	COMMENTS
<i>2019/2020 Goals and Objectives Carryover</i>					
Vista Field	2019/20 GOAL	Completion of Phase 1A construction.	Considered complete when presented to Commission for substantial completion	100% Complete	Projected accepted by Commission on 12/14/21 via resolution 2021-27.
	1				
Vista Field	2019/20 GOAL	Sell one parcel or obtain one ground lease (does not include Arts Center Task Force).	Considered complete when presented to Commission.	25% complete	Unattainable until the Port has recorded lots to sell. This is scheduled for summer 2022.
	2				
<i>2021/2022 Goals and Objectives</i>					
Port Administration	2021/22 GOAL	Prepare "Back to Work" plan for Port staff in relation to the COVID-19 pandemic.	Considered complete when presented to Commission.	75% Complete	Working with Ann Allen to finalize back to work plan. Anticipate presenting to Commission in summer 2022.
	1				
Vista Field	2021/22 GOAL	Develop a Vista Hangar analysis to include lean renovation options (with RCCF partnership funds) and viability/potential for selling on a ground lease.	Considered complete when presented to Commission.	50% Complete	In progress. Anticipate presenting to Commission in summer 2022.
	2				
Vista Field	2021/22 GOAL	Implement the Vista Field "Team Approach", including cost estimates and proposed plan forward for the Port.	Considered complete when presented to Commission.	100% Complete	Presented to Commission on 2/22/22.
	3				
Kennewick Waterfront	2021/22 GOAL	Implement the identified Duffy's Pond tenant-improvements and algae mitigation plan.	Considered complete when presented to Commission.	40% Complete	Standing bar installed on tasting room patios. Food truck plaza fencing was bid (pulled project due to escalating material costs whereby bidders wouldn't hold pricing with material cost tripling). City permits finalized for restroom. Working with Palencia regarding design of demonstration vineyard. All algae mitigation prep work required by Port is complete. Chemical application is dependent upon City schedule.
	5				
Kennewick Waterfront	2021/22 GOAL	Prepare a report discussing the likelihood, feasibility of, and costs for Columbia Gardens Wine & Artisan Village wayfinding signage and the children's playground partnership project on the historic waterfront.	Considered complete when presented to Commission.	100% Complete	The CEO presented the playground partnership on December 14, 2021; and the Columbia Gardens wayfinding on February 8, 2022.
	6				
Districtwide	2021/22 GOAL	Prepare a report which evaluates maintenance facility needs and possible alternatives.	Considered complete when presented to Commission.	10% Complete	Contracted with Energy Northwest to provide project management services. Port team is hoping for summer 2022 presentation to Commission.
	7				
Districtwide	2021/22 GOAL	Prepare a COVID-19 economic-impact outlook analysis, which obtains professional data, advice, and other indicators regarding potential economic and business impacts to the Port.	Considered complete when presented to Commission.	90% Completion	By consensus Commission approved this as a goal on 9/8/2020. Presentation scheduled for March 22nd Commission meeting.
	8				

Exhibit "A"

GOAL & OBJECTIVE		TACTICAL STEPS	ACTION	STATUS (checkmark = Completed)	COMMENTS
Districtwide	2021/22 GOAL	Complete Laserfiche training and implementation of procedures related to documentation, filing, paperless review, digital signature, and internal document workflow processing.	Considered complete when presented to Commission.	90% Complete	Port team has been trained for processing and paying invoices with Laserfiche. Records management programming has been completed. Paperless review process established. Digital signature process is completed using DocuSign. Contract routing procedures nearly complete, and plan on presenting at March 22nd Commission meeting
	9				
Port Adminstration	2021/22 GOAL	Complete Governance Audit as a top priority project as directed by the Commission on 2/9/2021	Considered complete when presented to Commission.	100% Complete	RFP prepared and issued in the fall of 2021, managed by independent consultant Jim Darling. However, commission rejected single proposal and decided not to award contract. Resolution 2022-01 dated 1/11/2022.
	10				



**Port of Kennewick**

# **Mid-Biennial Budget Update 2021/22**

## **Managing Resources & Accountability**

by Nick Kooiker, CFO/Auditor







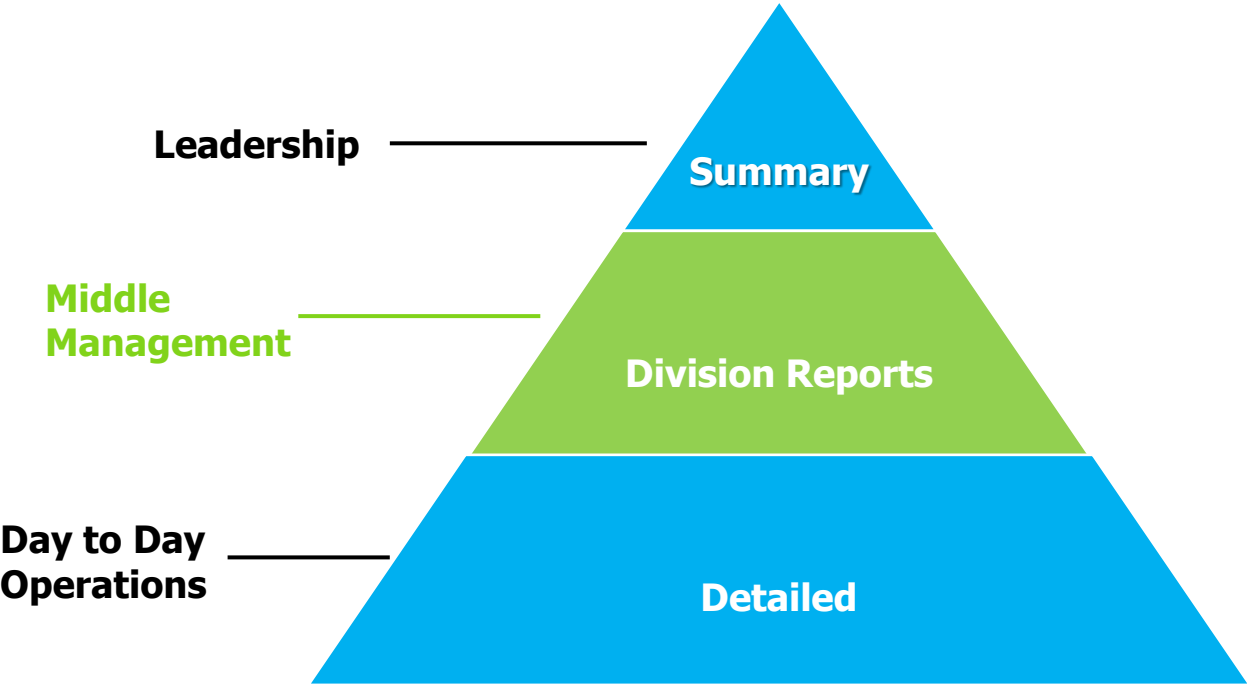
# GFOA

(Government Finance Officers Association)

## Reporting Pyramid

EXHIBIT A

### Reporting Pyramid



- **Support intergovernmental cooperation by partnering with entities which demonstrate support.**
- **Accurately forecasting funding sources.**
- **Promoting fiscal responsibility amongst departments**
- **Acknowledging the Port's limited staff and financial resources.**



# Budget Philosophy

Resolution 2018-27



- **Final figures will change for 2021, because the Port uses accrual accounting. We are still accruing expenses back to 2021.**
- **These numbers are in draft form; they will be finalized in the Port's annual financial report and audited by Clifton Larson Allen.**



# Budget Disclosures

# Considerations



## Fund Balance

As of 12/31/21 at  
\$13,439,583



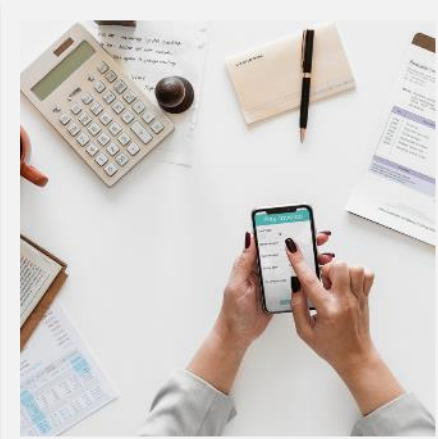
## RCCF

Need to identify RCCF  
project



## \$5M Bond

Loan balance is ~\$4.3M  
Current rate is 2.85%  
Rate increases to 3.45%  
in December 2023



## Budget Cycle

50% through budget  
cycle





# Operating Division

Revenue & Expenses

EXHIBIT A



**Revenues:**  
**\$1,374,694**

56% collected



**Expenses:**  
**\$2,763,643**

39% expended

**Vista Field  
Maintenance Costs**

**1135 Shoreline  
Maintenance**



# Non-Operating Division

Revenue & Expenses

EXHIBIT A



**Revenues:**  
**\$5,762,448**

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**40% collected**

**Highly dependent  
upon OPM:  
(RCCF, financing)**

**Verbena Land Sale**

**QTR 1/2022 will  
show entire  
2022 tax levy**



**Expenses:**  
**\$1,348,166**

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**35% expended**

**VF Interest  
Expense**

**Staff costs for  
Verbena Auction**



## Capital Projects

### 2021/2022

EXHIBIT A

Item	Budget	Expended	Remaining
Vista Field Loan Repayment	\$900,000	\$449,080	\$450,920
TBD Vista Field RCCF Project	\$3,785,000*	\$272,512	\$3,512,488
Vista Field Fire Station (City of Kennewick)	\$125,000	pending	\$125,000
Vista Field Well	\$250,000	\$0	\$250,000
Vista Field "Team"	\$150,000	\$0	\$150,000
Vista Field Traffic Impact Fund / Central Park	\$100,000	\$0	\$100,000
VF Owners' Association Fund	\$200,000	\$20,475	\$179,525
VFDF A & B Exterior Improvements	\$600,000	\$0	\$600,000





# Capital Projects

## 2021/2022

EXHIBIT A

Item	Budget	Expended	Remaining
Shoreline Construction	\$2,250,000	\$1,666,386	\$583,614
Clover Island Master Plan	\$50,000	\$121,134	(\$71,134)
Columbia Drive & Duffy's Pond	\$450,000	\$45,927	\$404,073
City of Kennewick/ Wash. Street	\$500,000	pending	\$500,000
City of Richland /Island View Infrastructure	\$800,000	pending	\$800,000
City of Richland Center Parkway	\$400,000	\$0	\$400,000
Opportunity Fund	\$300,000	\$15,000	\$285,000
Port Buildings (Asset Replacement Program)	\$500,000	\$105,895	\$394,105
Miscellaneous Capital	\$100,000	\$9,497	\$90,503





## Benton County Rural County Capital Funds

Accumulated as of 12/31/21	Funds Reimbursed to Port	Available Balance
\$ 3,370,606	\$ 497,001	\$ 2,873,605

## RCCF Balance

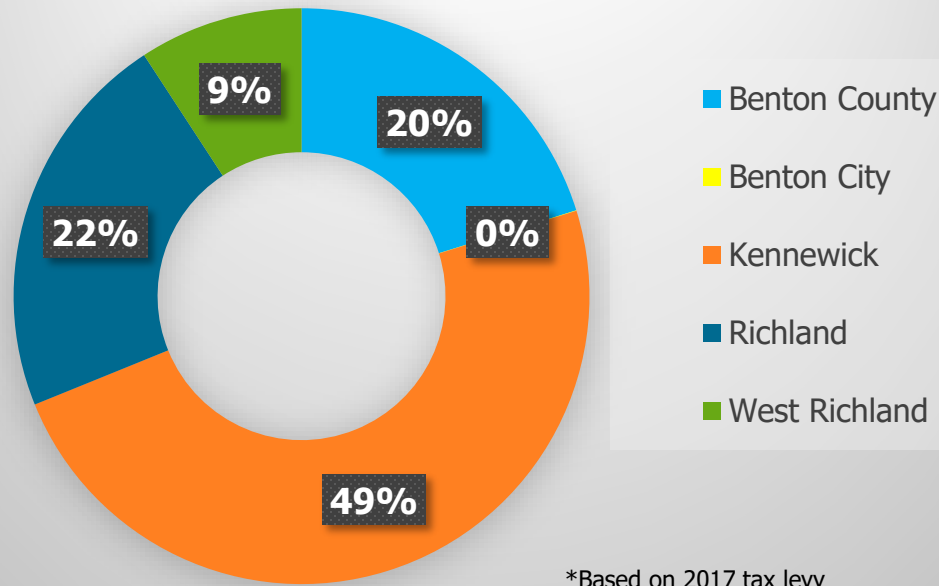
- Plugged estimated figure of \$3.785M into 21/22 budget. New forecast would be about \$3.6M
- Need to identify project very soon
- Previous uses of RCCF funds have been partner projects



# Opportunity Fund

2021/2022 Budget:		\$ 300,000.00	\$ 300,000.00
Project	Vendor	Encumbrance	Actual Expense
Traffic Calming (Columbia Drive)	Parametrix	\$ 15,000.00	4,587
	TOTAL	\$ 15,000.00	4,587
	Remaining Budget	\$ 285,000.00	295,413

## Tax by Jurisdiction\*



## Property Tax Collections

EXHIBIT A

- Budgeted \$4,344,942 in 2021.
- Actual levy collected was \$4,547,829
- The difference is primarily due to adjustments to the tax rolls (e.g. senior exemptions, current use, destroyed property).
- Tax levy is reconciled monthly as part of monthly close out process.
- Initial levy for 2022 is \$4,685,767 at \$.262 per thousand



# Thank You

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## PORT OF KENNEWICK

## Financial Highlights

## UNAUDITED &amp; IN DRAFT FORM - ACCRUAL BASIS OF ACCOUNTING

Jan 1, 2021 through December 31, 2021

Financial Highlight Summary				
* Benchmarks	50%	Revenues	50%	Expenses
* Ending Cash/Investments	\$	13,439,583		
* Cash Restricted by Commission	\$	2,500,000		
* Accounts, Notes, & Taxes Receivable	\$	37,054		
* Total Assets	\$	70,192,076		
* Total Liabilities (not including OPEB or Pension)	\$	1,228,536		

DESCRIPTION	2021 & 2022 BUDGET	2021 ACTUAL	2022 ACTUAL	2021/2022 Actual Total	UNDER BUDGET (OVER)	% Reached To Date
<b>OPERATING REVENUES</b>						
Marine Division	\$ 574,975	\$ 366,598	\$ -	\$ 366,598	208,377	64%
Property Management Division	\$ 1,873,868	\$ 1,008,096	\$ -	\$ 1,008,096	865,772	54%
<b>Total Operating Revenues</b>	<b>\$ 2,448,843</b>	<b>\$ 1,374,694</b>	<b>\$ -</b>	<b>\$ 1,374,694</b>	<b>1,074,149</b>	<b>56%</b>
<b>OPERATING EXPENSES</b>						
Marine Division	\$ 695,747	\$ 244,116	\$ -	\$ 244,116	451,631	35%
Property Management Division	\$ 3,156,972	\$ 1,288,912	\$ -	\$ 1,288,912	1,868,060	41%
Corporate Division	\$ 3,215,296	\$ 1,230,615	\$ -	\$ 1,230,615	1,984,681	38%
<b>Total Operating Expenses</b>	<b>\$ 7,068,015</b>	<b>\$ 2,763,643</b>	<b>\$ -</b>	<b>\$ 2,763,643</b>	<b>4,304,372</b>	<b>39%</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>\$ (4,619,172)</b>	<b>\$ (1,388,949)</b>	<b>\$ -</b>	<b>\$ (1,388,949)</b>		
<b>NON-OPERATING REVENUES</b>						
Real Estate Division - Gain (Loss) on Sale of Assets	\$ 500,000	\$ 729,824	\$ -	\$ 729,824	(229,824)	146%
Economic Development & Planning Division Grants, Loan & Insurance Proceeds	\$ 5,220,000	\$ 383,014	\$ -	\$ 383,014	4,836,986	7%
Ad Valorem Tax	\$ 8,826,724	\$ 4,547,829	\$ -	\$ 4,547,829	4,278,895	52%
Other Non-Operating Revenues	\$ -	\$ -	\$ -	\$ -	0	
Interest Income	\$ -	\$ 101,781	\$ -	\$ 101,781	(101,781)	-
<b>Total Non-Operating Revenues</b>	<b>\$ 14,546,724</b>	<b>\$ 5,762,448</b>	<b>\$ -</b>	<b>\$ 5,762,448</b>	<b>8,784,276</b>	<b>40%</b>
<b>NON-OPERATING EXPENSES</b>						
Real Estate Division	\$ 59,945	\$ 75,359	\$ -	\$ 75,359	(15,414)	126%
Economic Development & Planning Division	\$ 498,525	\$ 371,676	\$ -	\$ 371,676	126,849	75%
Public, Governmental Relations, and Other Non-Operating Cost	\$ 3,303,837	\$ 897,011	\$ -	\$ 897,011	2,406,826	27%
Vista Field Ongoing Closure & Decommissioning Cost	\$ -	\$ 4,119	\$ -	\$ 4,119	(4,119)	#DIV/0!
<b>Total Non-Operating Expenses</b>	<b>\$ 3,862,307</b>	<b>\$ 1,348,166</b>	<b>\$ -</b>	<b>\$ 1,348,166</b>	<b>2,514,141</b>	<b>35%</b>
<b>Operating &amp; Non-Operating Revenues Over Expenses (Under Expenses)</b>	<b>\$ 6,065,245</b>	<b>\$ 3,025,334</b>	<b>\$ -</b>	<b>\$ 3,025,334</b>		
<b>CAPITAL EXPENDITURES</b>	<b>\$ 12,663,955</b>	<b>\$ 2,547,783</b>	<b>\$ -</b>	<b>\$ 2,547,783</b>	<b>10,116,172</b>	<b>20%</b>