

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JULY 12, 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)
Carolyn Lake, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

Commissioner Novakovich 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

No comments were made.

CONSENT AGENDA

- A. ***Approval of Direct Deposit and E-Payments Dated July 1, 2022***
Direct Deposit and E-Payments totaling \$90,133.79
- B. ***Approval of Warrant Register Dated July 12, 2022***
Expense Fund Voucher Number 103950 through 103981 for a grand total of \$64,746.54
- C. ***Approval of Regular Commission Meeting Minutes June 28, 2022***
- D. ***CEO Goals Completed: COVID Economic Analysis & Laserfiche: Resolution 2022-18***

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

PRESENTATION

A. *Conceptual Work Plan/Draft Budget 2023-2024*

Mr. Arntzen briefly outlined the process of how the conceptual work plan and draft budget was developed by staff and encouraged the Commission to make comments during the presentation (*Exhibit A*).

Mr. Arntzen presented five projects for the Commission to consider curating, implementing, and operating:

- Vista Field Loan Repayments
- Vista Field
- Wine Village
- Clover Island
- Owner's Association for Vista Field and Columbia Gardens

Commissioner Hohenberg believes the Port should focus on our current projects for Vista Field and the Historic Kennewick Waterfront, which will create future opportunities throughout the district.

Commissioner Moak concurs with Commissioner Hohenberg and inquired what projects can be completed in this budget cycle.

Mr. Peterson gave a brief summary of the Port Mission Memo (*Exhibit B*), which touched on the history of Port projects and the transition to an economic development entity.

Mr. Kooiker indicated he would be presenting information on possible repayment of the Vista Field Loan at a future meeting.

Commissioner Moak believes auctioning off surplus land is a good idea, unless one could be a potential new development. Additionally, he would like to partner on projects that the Port would like to work on, not just help fund City projects.

Commissioner Novakovich believes we should be looking at properties for future development.

Commissioner Hohenberg would like to focus on projects already in our work plan. If there are opportunities that present themselves and makes sense to invest, it might be worth considering.

Mr. Arntzen outlined potential engineering projects for Vista Field and Clover Island:

- Vista Field Infrastructure, Phase II
- Vista Field Corporate Hangars Revitalization
- Clover Island Stage
- Port Maintenance Facility

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Commissioner Moak expressed his concern for parking on the island and who will manage the events if we pursue a stage.

The consensus of the Commission is to explore Vista Field Infrastructure Phase II and the Vista Field Corporate Hangars Revitalization.

Mr. Arntzen outlined the possible projects for funding and construction:

- Vista Field Joint-Use Parking Areas
- Vista Field Corporate Hangars Revitalization
- Vista Field Infrastructure, Phase II
- Clover Island Stage (pending USACE approval)

Mr. Arntzen believes the Port alone does not have sufficient funding to complete the hangar rebuild and phase II infrastructure and will most likely need to partner with the City of Kennewick and Benton County. Regarding the stage on Clover Island, the Port did not complete all of the work on the shoreline restoration on that end of the island, and it would be prudent to inquire with USACE if there is further shoreline work that needs to be completed.

Mr. Arntzen outlined possible future funding projects:

- West Richland: Development Buildings/Amenities
- Kennewick: South of Southridge: Industrial Park
- Vista Field Parking Structure

Commissioner Hohenberg would like to stay focused on our work plan and review other areas that make sense for the Port to invest in.

Commissioner Moak stated these projects are not the highest priority and believes they would not be part of this biennium, but we should start to discuss the Vista Field parking.

Mr. Arntzen outlined the proposed budget with the caveat that some items could utilize the Rural Capital County Funding (RCCF) application and the need for partnerships.

Commissioner Moak believes this was a great discussion and looks forward to hearing more about the Vista Field Hangars.

Commissioner Hohenberg believes once we have the numbers, we will be able to see what projects we can move forward with.

Mr. Kooiker outlined the schedule for the draft work plan and budget:

- September 13, 2022: Draft Work Plan Presentation
- September 27, 2022: Work Plan Approval
- October 25, 2022: Draft Budget Workshop
- November 8, 2022: Final Budget Adoption

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Mr. Kooiker is planning on providing the Commission with a budget update, an analysis of the Vista Field debt, and RCCF analysis in the future.

Mr. Peterson stated based on today's discussion, he has a good idea of what needs to be addressed on September 13, 2022.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *CTUIR Partnership Statement*

Commissioner Novakovich read a statement from the Confederated Tribes of the Umatilla Indian Reservation Executive Director, Kat Brigham (*Exhibit C*).

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

Commissioners reported on their respective committee meetings.

C. *Non-Scheduled Items*

Ms. Bader Inglima reported the 1135 shoreline restoration contractor was issued substantial completion by the USACE; however, because of the wet spring and unusually high-water levels has lead to some erosion along the lower bank. The USACE is working with their A&E designer and contractor to determine the best way to mitigate for that erosion and will likely add additional cobbles along the shoreline to cover the exposed geocell. Ms. Bader Inglima stated two educational panels, trash cans, and benches will be installed in early fall.

Ms. Bader Inglima reported that the summer newsletter has been mailed, emailed, and is available on our website as a digital flip book.

Ms. Bader Inglima stated Columbia Gardens hosted its second, Saturday Night Market and twice as many vendors showed up and there was a tremendous public turnout. David Phongsa, who organized the growing event, had vendors contacting him during the event about the August event. This event is bringing a great deal of positive attention to Kennewick's Historic Waterfront and Columbia Gardens. Also, the Port is working with Benton PUD to place artistic wraps on the utility boxes and those will be completed by our Phase II grand opening, which is on July 28th, at 2:00 p.m.

Mr. Peterson plans to present the Vista Field hangar reuse design/concept and landscaping elements for Commission consideration in the near future.

Mr. Peterson reported that JUB Engineering is working on the redistricting plan for approval this fall.

Ms. Hanchette reported the first land sale at Columbia Gardens closed on June 30, 2022 and has been recorded, and the CCR's have recorded as well.

PUBLIC COMMENTS

No comments were made.

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COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:18 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. 2022-18

***A RESOLUTION OF THE PORT OF KENNEWICK
BOARD OF COMMISSIONERS FORMALIZING COMPLETION OF
GOALS #8 & #9 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 8, 2022; and

WHEREAS, the Dr. Patrick Jones of Eastern Washington University presented the COVID Economic Analysis on March 22, 2022, thus completing Goal #8 of the CEO's 2021/22 Goals and Objectives; and

WHEREAS, the staff presented the final paperless contract routing procedures, digital signatures and records management process utilizing Laserfiche and DocuSign on April 12, 2022, thus completing Goal #9 of the CEO's 2021/22 Goals and Objectives; and

WHEREAS, the Commission desires to formally accept as complete Goals #8 and #9 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 Goals #8 and #9 of the CEO's 2021/22 Goals and Objectives.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 12th day of July 2022.

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

By: DocuSigned by:
Skip Novakovich
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SKIP NOVAKOVICH, *President*

By: DocuSigned by:
Kenneth Hohenberg
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KENNETH HOHENBERG, *Vice President*

By: DocuSigned by:
Thomas Moak
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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>		July 12, 2022			
<i>GOAL & OBJECTIVE</i>		<i>TACTICAL STEPS</i>	<i>ACTION</i>	<i>STATUS (checkmark = Completed)</i>	<i>COMMENTS</i>
2019/2020 Goals and Objectives Carryover					
Vista Field	<u>2019/20 GOAL</u>	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				
2021/2022 Goals and Objectives					
Port Administration	<u>2021/22 GOAL</u>	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	<u>2021/22 GOAL</u>	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				
Kennewick Waterfront	<u>2021/22 GOAL</u>	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				
Districtwide	<u>2021/22 GOAL</u>	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	<u>2021/22 GOAL</u>	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.	100% Complete	By consensus Commission approved this as a goal on 9/8/2020. Presentation scheduled for March 22nd Commission meeting. Completed 3/22/22
	8				
Districtwide	<u>2021/22 GOAL</u>	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.	100% 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. Completed 4/12/22
	9				



Conceptual Work Plan/Draft Budget 2023- 2024

Start of Process ~ flying at
40,000-feet



“Generally speaking, remain on the course charted years ago which focuses nearly all energy on the *Vista Field* and *Kennewick Waterfront redevelopment* projects. The next two years will be spent managing and maintaining those projects to assure they get off the ground.”

CONCEPTUAL WORK PLAN/BUDGET

Initial Thoughts:

- Recognize the amount and magnitude of ongoing work
- Prioritize exemplary finishes to projects in progress
- Recognize projects of district-wide benefit
- Be Transparent, Thoughtful & Judicious in new project selection
- Acknowledge success dependent upon forgoing some projects



Process for Evaluating Future Investment Opportunities

Overview

Consistent with the Port Mission and Goals described above, including the referenced resolution (No. 2014-31) describing Port objectives for budget and financing goals for future Port projects, the Port Commission adopts the following additional policy as part of the 2016 Comprehensive Scheme update. The Port intends to use this process to identify, evaluate, prioritize, and implement its most important future capital projects. The Port Commission recognizes the numerous opportunities regularly proposed for Port consideration must be balanced against available resources, including availability of staff and availability of financial resources. The main components of the Port's Capital Project Prioritization Policy are:

- *Project Identification – Projects will be identified through various sources, including:*
 - The adopted Comprehensive Scheme of Harbor Improvements
 - The adopted biennial budget and work plans
 - Discussions with jurisdictional partners and staff, and the public

- *Project Evaluation* – With the assistance of staff, the Port Commission will prioritize projects based on cost estimate evaluation, cost/benefit analysis, and public demand and other, less easily quantified factors, including jurisdiction priorities, emerging needs and opportunities, supplemental funding for projects partially funded, and public input received.

Organizational Considerations

Review will be conducted to evaluate if the project is consistent with the Port's mission and priorities established in the Comprehensive Scheme and associated documents adopted by reference. Additional considerations would also include:

- Does the project meet an identified need?
- Does the project support Port, community, and/or private-sector economic development objectives?
- Does the project serve multiple user groups?
- Does the project foster or enhance a public/private or public/public partnership?

Fiscal Considerations

Fiscal considerations will also be reviewed as part of determining whether the Port will invest in future opportunities:

- What are the costs of the project, including initial costs, maintenance costs, and lifecycle costs?
 - How were costs calculated and by whom (finance director, Certified Public Accountant, Certified Financial Planner, economic planner, or others)?
- Does the Port have the financial and organizational capacity to undertake and manage the project?
- Can the project leverage public or private resources with other partners and funds to maximize benefits?
- Does the project have a positive ROI?
- Would the project increase the tax base, increase revenues to the Port, contribute to the vitality of the community, and help attract regional and national tourism?

Social/Environmental/Legal Considerations

Social, environmental, and legal considerations will also be reviewed:

- Is the community involved and supportive of this project?
- If the project is not implemented, will a strategic opportunity be lost?
- Is the project appropriate for the proposed site's natural systems, topography, and/or neighboring land uses?
- Are there potential adverse impacts associated with the project?
- Does the project comply with all federal, state, or local government laws or regulations?

Project Design, Planning, and Readiness

Design, planning, and project readiness considerations will also be reviewed:

- Does the site or project require extraordinary or unique purchase cost, architectural/engineering, or other efforts or commitments of financial or staffing resources?
- Is the project ready (e.g., design completed and permits in hand)?
- Is there a reasonably foreseeable user for the project (i.e. "bird in hand")?

Project Evaluation

Initial project screening shall begin with staff providing a brief description of each project. The Port Commission shall then review, evaluate, and rank each project based on the above criteria. High-priority projects shall be incorporated into the draft work plan.

PROPOSED WORK PLAN/BUDGET The Five Pillars

I. CURATE, IMPLEMENT, OPERATE

- a) Vista Field Loan Repayments
- b) Vista Field
- c) Wine Village
- d) Clover Island
- e) Owner's Associations (Vista Field & Columbia Gardens)

PROPOSED WORK PLAN/BUDGET The Five Pillars

II. STREAMLINED SUPPORT & SHARPENING FOCUS

- a) Richland -- \$500,000 for Richland priority project (COR designs, permits, bids & builds)
- b) West Richland -- \$200,000 for West Richland priority project (COWR designs, permits, bids & builds)
- c) Auction ALL surplus land

PROPOSED WORK PLAN/BUDGET The Five Pillars

III. PREPERATION FOR NEXT PHASE IMPROVEMENTS (A/E work)

- a) Vista Field Infrastructure, Phase II
- b) Vista Field Corporate Hangars Revitalization
- c) Clover Island Stage
- d) Port Maintenance Facility

PROPOSED WORK PLAN/BUDGET The Five Pillars

IV. FUND AND CONSTRUCT

- a) Vista Field Joint-Use Parking Areas (contractual requirement of land sale)
- b) Vista Field Corporate Hangars Revitalization (Lean)
- c) Vista Field Landscaping (Deschutes Gateway & Daybreak Commons)
- d) Vista Field Infrastructure, Phase II (creating additional sellable lots)
- e) Clover Island Stage/Parking Lot

PROPOSED WORK PLAN/BUDGET The Five Pillars

V. CONDUCT FEASIBILITY (possible future funding)

- a) West Richland: Development Building/Amenities
- b) Kennewick: South of Southridge: Industrial Park
- c) Vista Field Parking Structure

CONCEPTUAL WORK PLAN/BUDGET

Proposed Budget:

- VF Hangars, Landscaping, Surface Parking RCCF \$4,000,000
- Vista Field Infrastructure, Phase II \$2,000,000 COK RCCF
- Port Maintenance Facility \$3,500,000
- Clover Island Stage/Parking Lot \$1,250,000
- Richland \$ 500,000
- West Richland \$ 200,000
- Owner' Association(s) Seed Funding \$ 800,000

Questions:

1. Will City of Kennewick fund Vista Field Infrastructure?
2. Can a stage be built without further east end shoreline work?

Memorandum

To: Tim Arntzen, COE
From: Larry Peterson, Director of Planning & Development
Date: July 8, 2022
Re: Port Mission directs Port Actions including Budget & Workplan

DELICATE BALANCE - DISCUSSING POLICY

Attempting to condense major philosophical questions which have enormous implications on the Port's budget and bi-annual work plan has proven challenging. Complicating this matter further is the delicate presentation of policy matters in a way which highlights implications of choices available and refreshing memories as to why certain activities were initiated without crossing the line into making policy decisions. Stating prior policy decisions and the rationale for those decisions together with listing possible considerations for future decisions hopefully provides the policy makers (Commission) with useful information when deciding which activities to pursue and fund.

The Port of Kennewick's overall goal has been improving the economy and enhancing the quality of life. These words are printed in the port's guiding documents and repeated and reprinted time and time again. So, what the Port pursues and possibly more important, foregoes, should align with whatever the accepted mission is at that point in time. The Port intends to act as a catalyst (agent initiating reaction) for the economy in areas of unmet demand. This involves delicately "threading the needle" between bringing new opportunities forwards while avoiding competing directly or indirectly with the private sector.

HISTORY - PRIOR PURSUITS

Prior decades saw the Port and citizens support pursuit and development of land extensive agricultural uses to support the 100,000 of acres opened to crops with the provisions of irrigation water from the Columbia Basin Project following WWII. The Port was a major player in the establishments of the chemical plants and cold storage facilities in the east Kennewick and Finley areas in the 1960's and 1970's. Then the focus shifted to provision on low-cost industrial space to manufacturing firms and companies perfecting new endeavors based upon technologies created at/for the HANFORD site. Those prior efforts were aligned with the demand ... and more important the support of the tax paying community.... those were the right efforts at that time.

Manufacturing jobs remain important to the local and regional economy and the port is not negating that importance. The port has acknowledged that "others" (sister ports, municipalities, private sector) are meeting those needs for industrial lands & manufacturing space. The Port has concluded that yet another warehouse, which the private can and is constructing does not provide an unmet opportunity for economic growth and in fact would simply serve to compete with the private sector and the efforts of other public entities within the region. The port has also observed that the trends and economic conditions which resulted in a near universal pursuit of those manufacturing jobs in prior decades have changed to the point where manufacturing is

migrating to locations with lower labor costs (right to work states, developing countries) and 'relaxed' environmental laws. *The Port has directly experienced former tenants vacating port development buildings and relocating their manufacturing operations (ie jobs & investment) to right to work states and developing nations.*

Manufacturing opportunities still exist although fewer in number and with far greater competition and expectations. The Port of Kennewick has sought the path with brings new opportunities to the community and local economy, not just to be one more shovel ready site to see on the prospects multiple state tour.

CHANGING FOCUS – INDUSTRIAL to REDEVELOPMENT

Port districts are one, if not the nimblest public agencies in the State of Washington and ports have the legal ability to guide, not just follow the economic trends. Enabling legislation has evolved allowing ports to pursue redevelopment roles in addition to the traditional land extensive industrial activities. These changes were in response to industries leaving the region with little to now expectation of return where a new or reclaimed use of those former industrial sites were needed. *(example: Port of Bellingham lost the timber export industry but retained the contaminated waterfront land and sought similar reuse however after decades turned to mixed use redevelopment as a viable economic generator for their community)*

The Port of Kennewick has primarily directed actions for the last 25 years towards redevelopment activities and quality of life enhancements. Beyond the decades long efforts to plan for an expanded Clover Island the port's first major infill redevelopment project was the Spaulding Business Park (SBP) in Richland's Island View (Wye) area. The SBP project involved acquiring multiple parcels into one larger site, installation of infrastructure and implementation of design standards beyond city regulations. The result within the SBP boundary is 30+ acres and 220,000+sf of buildings on the tax rolls and over 450 jobs. The real question about positive impacts contemplates to what degree did the SBP influence development and redevelopment efforts on the surrounding 150+ acre area.

Overlapping the SBP the port was also pursuing more traditional industrial activities such as the Dickerson Industrial Park (SR-395 frontage now known as Southridge) and warehouse building expansion at Oak Street. Imagine if the Southridge area had developed as industrial sites as envisioned as recently as the port's 2002 marketing materials rather than the medical (Trio Hospital) and retail area that it has become. Possibly intentionally or possibly without realizing the port was turning into a redevelopment entity while still retaining the ability the pursue industrial development which was comfortably familiar.

The mid 2000's into 2012 saw further movement towards redevelopment projects with the acquisition of properties along Columbia Drive once the port acknowledged expanding Clover Island by filling the Columbia River was unrealistic. Expansion of the island's waterfront influence was however possibly by the acquisition of the nearshore properties on Columbia Drive. During this period the port was courted by the Badger Mountain South developer, and to a lesser extent

the City of Richland, to pursue a wine oriented industrial type of development. After consideration the port redouble efforts to support prior investments in the Island View area which involved completing infrastructure improvements within the SBP and supporting the City's efforts to enhance roadways (Fowler) in the area.

During this period did the port only pursue redevelopment activities? No. Concurrently while the SBP and Southridge areas were being sold to the private sector the port swapped land with the private sector in West Richland to catalyze development of wine industries on an industrial scale. The port swapped 11 acres of Van Giesen frontage for 15 acres of improved industrial ground on Keene Road in an effort to capture some of the production demand generated by the adjacent Red Mountain AVA while helping to avoid loss of prime vineyard lands if those production facilities had been constructed within the AVA.

This effort involved a world renown wine maker (*Randall Graham*) stating his intention to corner the world's Riesling market from West Richland while standing amongst the sagebrush. A subsequent land lease with the port resulted in the construction of the Pacific Rim wine production facility followed a few years later by a doubling in size of the facility. This land swap also yielded the Black Heron Distillery and the Benton County Fire District #4 Station #430. Since that time further wine production facilities have located on Keene Road and yet the 11 acres fronting on Van Giesen, which the port previously owned, remains vacant. One conclusion being .. strategic efforts yield results.

Vista Field is far and away the port's most ambitious redevelopment project to date. Size alone dwarfs prior projects and when the new to market new urbanism development pattern is applied the sheer enormity of the effort comes into view. The Commission from the beginning of the EIS process in 2012, thru master planning in 2014 & 2015, design negotiations in 2016 & 2017 and design, bid and construction in 2018-2021 has continually stated Vista Field to be the port's #1 priority. Phase #1 infrastructure is complete, and land is now being marketed to the private sector to construct the buildings, all with the goal of creating the "place" the citizens envisioned back in 2014. The Vista Field redevelopment project is still in the infancy stage, and it seems apparent to many that significant attention and support will be necessary over the next several years for the potential of Vista Field to be realized.

FOCUS EVOLUTION - RATIONALE

So as the port has slowly evolved from traditional port industrial efforts in the 1990's to primarily being a redevelopment entity the Comprehensive Scheme of Development (Comp Scheme) was updated in 2016 to reflect this change of course and identity {2016 Comp Scheme references the word "redevelopment" 40+ times whereas "industrial" is mentioned less than 10 times}. So, the evolution from industrial to redevelopment focus occurred, but why might need to be addressed. Land holdings and building inventory of the port were considered along with the holdings of sister ports, municipalities, and the private sector to identify unmet needs or niches.

This seeking of an unmet demand is not because the port is afraid to compete head-to-head with other ports, cities or the private sector for certain users or tenant but rather the port tries to

avoid duplicating efforts of fellow government entities and takes great care to avoid competition with the private sector. Duplication of efforts with each port having a dock, rail spurs and warehouse serves only to dilute the value of each of those efforts and assets because the businesses simply seek the best site/deal within the region, not within the boundaries of a certain city or port district.

The Vista Field Airport is possibly the best regional example of duplication of efforts with taxpayer money. The aviation community had much love and support for the Vista Field Airport however upon analyzing the costs, benefits and opportunities through the EIS process it was difficult for even the aviation community to justify spending the amounts of taxpayer funds involved each year for the airport. It was a bold step by the port to ask the basic question “is this the best use of the public’s assets and taxes?”

Another consideration in this evolution are study and survey findings from organizations such as the Tri-City Regional Chamber and TRIDEC which identify the Tri-Cities scores high in 1st tier factors such as available land, energy rates, transportation networks and educated labor force and much lower on 2nd tier elements related to quality of life. The port’s projects for the last decade have been heavily focused on addressing this identified deficiency... quality of life.

Finally, over the last 5-7 years even the non-port projects which the port has provided funding are in-fill/redevelopment/new urbanism type projects. Columbia Park Trail improvements within Richland’s Island View checked all the boxes by including “road diet” revisions to reduce rather than expand vehicle travel lanes in an in-fill/redevelopment area and specifically enhancing the port’s prior SBP project. Projects such as Washington Street improvements or the committed Center Parkway involve transportation enhancements in in-fill locations which support land development of higher intensities. Whether Columbia Gardens, Vista Field or partner projects, of late the port has elected to only participate with in-fill/redevelopment projects and has foregone the decades prior pursuit of greenfield redevelopment.

REDEVELOPMENT -BENEFITS

Redevelopment efforts are undertaken not just to bring new life to a specific parcel but rather in a coordinated effort to reinvigorate a whole neighborhood. Island View in Richland and Bridge to Bridge are two examples of those neighborhoods. “Benefit beyond boundaries” is a phase used in the redevelopment game which is an abbreviate way to explain the intent is redevelopment on Parcel A catalyzes reinvestments by others on Parcels B & C which leads to further enhancement of Parcels D through Z. That is the intent of the Columbia Gardens, Willows and Cable Greens projects...to catalyze redevelopment of the Bridge-to-Bridge area.

Greenfield development to open more raw land for development is not simply a matter of using taxpayer dollars to compete with the private sector looking to do the same, but also competing with the private sector that has previously made investments in the community. In this way port involvement with greenfield development competes with the entire community. Efforts to enhance “what you’ve already got” rather than “forgetting about your current stuff cause one

must have that new thing” avoids abandonment of prior generation’s investments. The port’s redevelopment focus seeks to maximize the values of the community’s assets (existing roads & utilities have tremendous value) and the investments of current citizens and businesses, both which pay taxes, in many situations for decades.

Redevelopment provides that niche or narrow band of acceptable operation where the port can function as an economic catalyst without the perception of competing with the private sector. Columbia Gardens is an excellent example of this situation. Many times, the question has been posed of “why Columbia Gardens?” but never has the statement “how dare you compete with the private sector to purchase and redevelop that area” been uttered. Lacking statistics but utilizing recent memories one would see buildings across from Columbia Gardens being fixed up and new businesses opening; a complete trend reversal from just 8 years prior. Changing the value/investment trendline for a given area is the intent of the redevelopment efforts.

Those that crated the laws enabling the creation of port districts knew economic development seeds take years of tending to bear fruit. Vineyards and alfalfa are great examples of these extremes with vineyards taking 4-5 years to yield a profitable crop whereas alfalfa can be planted in the spring and cut four time during the season. The alfalfa has a near instant return where the vineyard takes longer but has a much greater overall return. Both crops are needed but most don’t have the patience or financial ability to wait for the vineyard. Port districts were created to foster those economic development activities which take longer to sprout than the private sector can wait and for those activities which do not meet the private sector ROI expectations yet which overtime yield enormous community benefits. These redevelopment efforts take years to bear fruit and are sometimes difficult to explain to those with a 2-4 year focus, which is one of the reasons Port Commissioner terms are 6 years. Port districts are well suited to “play the long game.”

POLICY QUESTIONS – DIRECTING FUTURE ACTIONS

Below is a listing of some of the policy questions when answered should help establish, explain and justify future project pursuits. Order may or may not logically flow as the numbering is more intended as a point of reference while discussing. {it is acknowledged there is some editorial comment contained within the questions}

1) Does the Commission concur with the redevelopment focus identified in the 2016 Comp Scheme?

1a) If so, does the redevelopment focus mean the Commission intends to only pursue project(s) meeting the in-fill/redevelopment criteria and thus avoid involvement in greenfield activities?

1b) If not which types of industrial activities should the port resume pursuing?

2) Is the Vista Field redevelopment project still the Commission's #1 priority?

2a) If so, does the Commission believe Vista Field requires additional attention (ie time & money) to realize the communities vision or does the Commission feel the project is sufficiently established to prosper without additional attention?

2b) If not what project/pursuit holds the new #1 position?

3) Is the Historic Waterfront District redevelopment project the Commission's #2 priority?

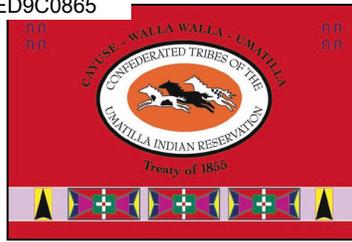
3a) If so, how do the project needs fit with other projects both of higher and lower priority?

3b) If not what priority, if any, does this project receive?

4) How important is avoiding competition with the private sector?

**Confederated Tribes *of the*
Umatilla Indian Reservation**

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Statement from Chair Kat Brigham on partnership with Port of Kennewick

On behalf of the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), I'd like to applaud the work, coordination, and consultation the Port of Kennewick has extended to the CTUIR. We appreciate the strong working relationship we have with the Port of Kennewick (Port) and we recognize and respect the work the Port has done in preserving, protecting, and promoting the cultural and economic interests of its constituents and the CTUIR. This is important to our people.

As you know, the Port is located within the ceded, aboriginal and usual and accustomed lands of the *Weyiiletpuu* (Cayuse people), *Imatalamláma* (Umatilla people), and *Walúulapam* (Walla Walla people) as recognized in our Treaty of 1855. Many tribal members from the CTUIR continue to work, reside, and exercise their reserved Treaty Rights in this area.

Next year, 2023, marks the 10th anniversary of our Memorandum of Understanding (MOU) and we have many small and large successes to be proud of including *Wiyákuktpa* (The Gathering Place) and the Clover Island shoreline restoration project. While the Vista Field development advances, we want to continue to look for ways we can partner and seek ways in which we can contribute to its success. Lastly, in supporting the Port's long-term goals we want to ensure the lands we hold of cultural significance are protected of its resources and its history in pursuit of a stronger future for us all.

We look forward to continuing to work closely with the Port of Kennewick.