



PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 27, 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: 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 September 15, 2022***
Direct Deposit and E-Payments totaling \$69,907.41
- B. Approval of Warrant Register Dated September 27, 2022***
Expense Fund Voucher Number 104155 through 104184 for a grand total of \$160,858.24
- C. Approval of Regular Commission Meeting Minutes September 13, 2022***
- D. 2023-2024 Work Plan; Resolution 2022-26***
- E. Vista Field Collaborative Design Process Review; Resolution 2022-27***

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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.*

PRESENTATIONS

A. Horse Heaven Hills Wind Farm

Commissioner Novakovich introduced Margaret Hue.

Ms. Hue presented information on the proposed 24-mile wind farm on Horse Heaven Hills.

NEW BUSINESS

A. Greenbrier Lease

Ms. Hanchette stated Greenbrier Rail, a Port tenant located at the Twin Tracks industrial park, submitted a proposal to build a thermal membrane tent on their leased property. Ms. Hanchette presented the proposal and inquired if the Commission would like staff to move forward with Greenbrier Rail's request.

It is the Consensus of the Commission for staff to move forward with Greenbrier Rail's proposal to construct a tent structure at the Twin Tracks Industrial Park.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. CEO Evaluation Update

Mr. Kooiker and the CEO Evaluation Committee met this morning and anticipate bringing a draft for Commission approval in November, to meet the December 15th deadline.

B. 1135 Update

Ms. Bader Inglima stated TDX, the original contractor for the 1135 restoration project has begun staging on the island in preparation of additional work due to the erosion from the wet spring. Ms. Bader Inglima anticipates the work will be completed by the end of October and stated the Port plans to hold a celebration in the spring.

Commissioner Novakovich stated for the record, Ms. Bader Inglima has been working on this project since 2008 and thanked her for her perseverance.

C. Oak Street Purchase and Sale Agreement Update

Ms. Hanchette reported the Port received a letter of intent to purchase the property located at 1526 East 3rd Avenue.

D. Vista Field Update

Ms. Hanchette has been giving site tours of Vista Field to realtors, bankers, builders and community members. Ms. Hanchette and Mr. Peterson have been engaging in community outreach to educate the public on new urbanism and the mixed-use zoning.

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E. Kennewick Waterfront

1. Pipeworks LLC/Swampy's BBQ Request

Ms. Hanchette stated the Port received an easement request from Pipeworks LLC to place a grease trap on the driveway adjacent to the west side of parcel #5. Additionally, they have requested a share agreement for the waste disposal, due to space constraints on the parcel and indicated that the Port already has a waste disposal site for tenants. Ms. Hanchette stated staff recommends approving the waste disposal agreement and easement. The Port will draw up the documentation when construction begins.

It is the Consensus of the Commission for staff to move forward with Pipeworks LLC's requests for an easement and waste disposal agreement.

2. Columbia Gardens Wine & Artisan Village Update

Ms. Bader Inglima reported the Columbia Gardens Phase Two grand opening of the wine tasting building and food truck plaza was well attended and she estimated approximately 200 people attended the event.

3. Columbia Gardens Summer Saturdays Night Market

Ms. Hanchette introduced David Phongsa, the Port's Mobile Vendor Coordinator, who coordinated the Summer Saturday Night Market series.

Mr. Phongsa stated the last Columbia Gardens Summer Saturday Night Market of 2022 was a success and well attended with more food trucks. Additionally, the Historic Kennewick Partnership's South Columbia (SoCo) Creative Art's Festival ran earlier that day to showcase the 2023 banner project for artists to apply. Monarcha hosted a gallery reception to showcase the selected artists for the banner project and the public is able to vote for their favorite artist until Thursday.

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

Commissioners reported on their respective committee meetings.

G. Non-Scheduled Items

Mr. Peterson attended a webinar on the missing middle housing which discussed the housing issue. It was very interesting to see how east side communities are focusing the missing middle.

Ms. Hanchette reported the Container Bathroom project at Columbia Gardens went out for bid on September 23, 2022.

Ms. Lake continues to review the CEO's Delegation of Authority and upon completion and Mr. Arntzen's review, will present to the Commission at a future meeting for consideration.

Commissioner Hohenberg thanked staff for sharing information on Port projects and topics. It is exciting to hear about the projects that staff is working on to make the Port of Kennewick and the community a better place to live.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 27, 2022 MINUTES

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 3:12 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

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Thomas Moak

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Thomas Moak, Secretary

PORT OF KENNEWICK

Resolution No. 2022-26

***A RESOLUTION OF THE PORT OF KENNEWICK
BOARD OF COMMISSIONERS ADOPTING THE 2023-2024 WORK PLAN***

WHEREAS, the Port of Kennewick Commission received a presentation at its Regular Meeting on Tuesday, September 13, 2022, to discuss proposed plans and development policies to be undertaken and implemented in calendar years 2023-2024; and

WHEREAS, following this presentation the Commission discussion resulted in minor modifications to the Work Plan presented by staff; and

WHEREAS, the requested modifications have been incorporated into the document titled "Port of Kennewick 2023-2024 Work Plan".

NOW, THEREFORE, BE IT HEREBY RESOLVED the Board of Commissioners of the Port of Kennewick hereby adopts the 2023-2024 Work Plan as attached hereto and identified as "Exhibit A"; and further authorize the port Chief Executive Officer to take all actions necessary to implement this Work Plan.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 27th day of September, 2022.

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

By:

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Skip Novakovich

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SKIP NOVAKOVICH, President

By:

DocuSigned by:

Kenneth Hohenberg

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KENNETH HOHENBERG, Vice President

By:

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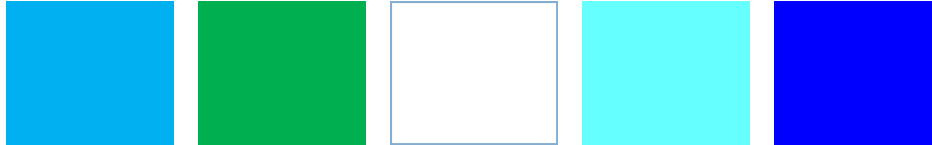
Thomas Moak

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THOMAS MOAK, Secretary

2023-2024 Work Plan

Resolution 2022-26



PORTofKENNEWICK
Open for Business!

2023-2024 WORK PLAN

Approved by Resolution 2022-26
September 27, 2022

350 Clover Island Drive, Suite 200
Kennewick, WA 99336

Tel: (509) 586-1186
Fax: (509) 582-7678

www.PortofKennewick.org

PROSPECTIVE VISION Page 2

CAPITAL EXPENDITURE SUMMARY Page 3

DISTRICT BOUNDARY MAP..... Page 4

PROPERTY PORTFOLIO

PRIORITY PROJECTS

 Vista Field Redevelopment Page 5

 Kennewick Historic Waterfront District (Clover Island & Columbia Drive) Page 7

OTHER PROJECTS/PROPERTIES

 Vista Field Industrial, Oak Street, Finley & Plymouth Island Page 9

ADDITIONAL WORK PLAN PROJECTS Page 10

PROSPECTIVE VISION

- **The Port is an economic development entity focused on redevelopment.**
- **The redevelopment role avoids duplicating private sector efforts while either or both invigorating areas of the district lagging in private sector investment and forging a economically sustainable development pattern.**
- **Acknowledge enormity of the Vista Field Redevelopment project and the significance of this effort to the entire Port district and larger Tri-City area.**
- **Follow direction established by 2016 Comprehensive Scheme of Development and Harbor Improvements as amended in 2017 and 2019**
- **Continue with Kennewick Waterfront District projects: Columbia Drive — Wine & Artisan Village and Clover Island Improvements**
- **Pursue projects with development partners demonstrating support (match funding, political support and enthusiasm)**
- Pursue fewer projects while selecting projects with the greatest benefit to the community
- Realize & support economic development opportunities with wine, culinary & tourism industry
- Continue to pursue grant funding opportunities
- Remain focused on containing operational expenses
- A strong focus must be placed on successfully running daily Port operations
- Remain solidly focused on the Port's core business and established priorities; not swayed by the oscillating influence of external entities

2023-2024 Work Plan**Resolution 2022-26****CAPITAL EXPENDITURE SUMMARY**

Dated: September 14, 2022

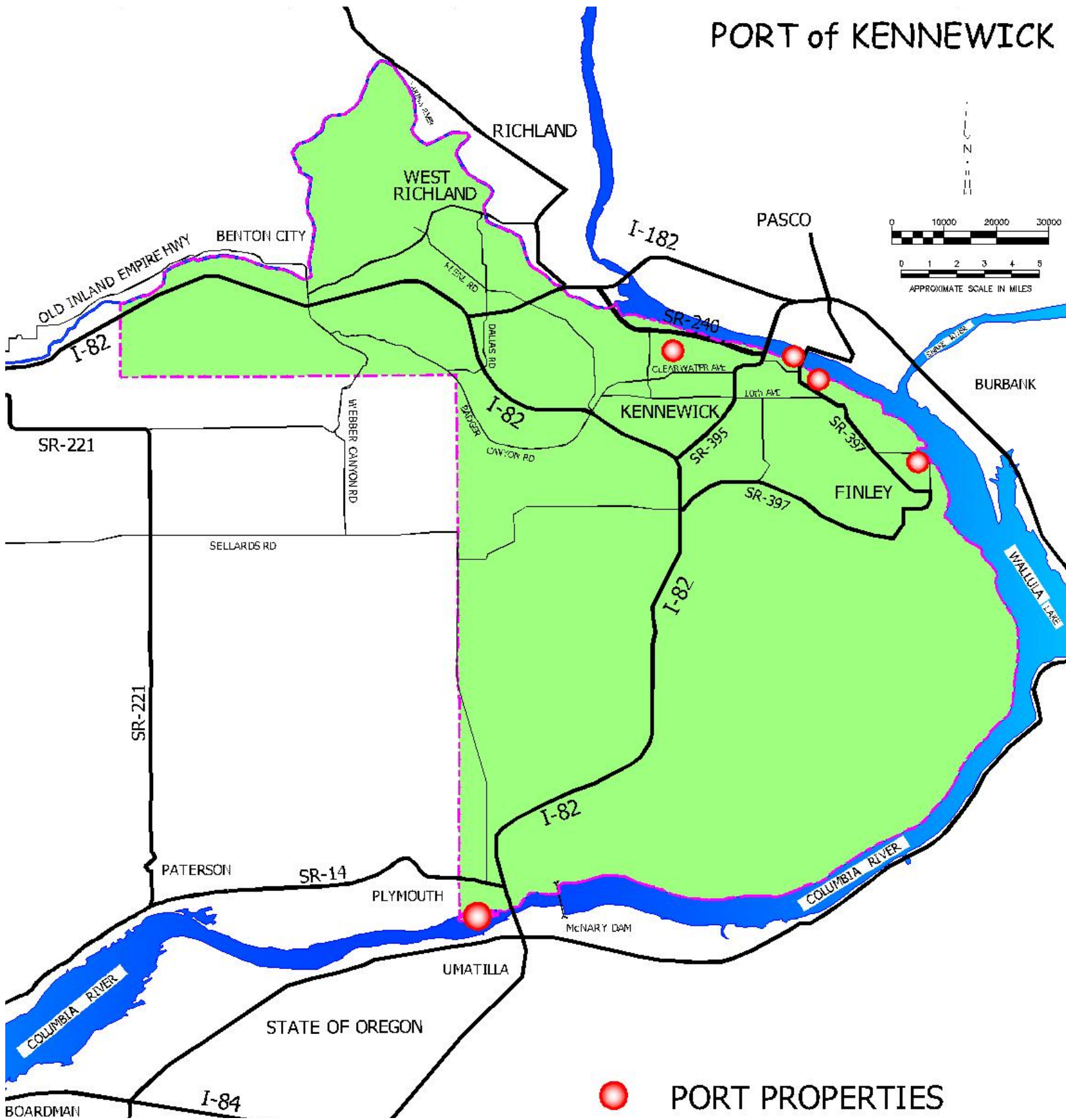
2023/2024 DRAFT CAPITAL BUDGET

<i>Vista Field</i>	<i>Hangar Reinvention</i>	\$ 3,300,000	RCCF
<i>Vista Field</i>	<i>Infrastructure next phase(s)</i>	\$ 1,325,000	RCCF
<i>Vista Field</i>	Team {Town Architect, Project Design }	\$ 350,000	
<i>Vista Field</i>	Joint-Use Parking Lot Construction	\$ 500,000	
<i>Vista Field</i>	Satellite Maintenance Facility	\$ 500,000	
Clover Island	1135 Shoreline Enhancements [Match]	\$ 500,000	
Clover Island	East Viewpoint/Stage Design & Construction	\$ 500,000	
Columbia Drive	Various Construction projects	\$ 450,000	
<i>TBD Location</i>	Art Project/Installation	\$ 100,000	
City of Richland	<i>TBD Mutually Agreed project</i>	\$ 300,000	
Vista Field [VFDF]	Site & Exterior Building Improvements	\$ 500,000	
District-wide	Asset Replacement	\$ 500,000	
District-wide	Opportunity Fund	\$ 125,000	
District-wide	Miscellaneous Small Capital Projects	\$ 100,000	
TOTAL		\$ 9,050,000	

2023-2024 Work Plan

Resolution 2022-26

PORT of KENNEWICK



2023-2024 Work Plan**Resolution 2022-26****VISTA FIELD REDEVELOPMENT**

- 103± Acres Combined
- Zoning/Utilities: UMU (Urban Mixed Use) with all Municipal Services

STRENGTHS

- Centrally located in the Tri-Cities, surrounded by vibrant commercial district (Columbia Center Mall) and adjacent to the Three Rivers Entertainment District (Toyota Center Coliseum, Three Rivers Convention Center and Tri-Cities Business & Visitor Center)
- Located within “Opportunity Zone” per 2017 Tax Cuts & Jobs Act

CHALLENGES

- ✱ Undertaking massive redevelopment effort while balancing district-wide objectives
- Limited financial resources
- Establishing a new land use and development paradigm in the community

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ **Reconstruct Corporate Hangars B & C based upon July 2022 Design Concepts (\$3,300,000 RCCF) ®**
- ☐ **Identify Mutual Beneficial Project with City of Kennewick and Complete Project (\$1,325,000 City of Kennewick RCCF) ®**
- ☐ **Vista Field Joint Use Parking Lots (Design & Construct) - \$500,000**
- ☐ **Vista Field Team (supporting marketing efforts) - \$350,000 ®**
- ☐ **Vista Field Satellite Maintenance Facility (Design & Construct) - \$500,000**
- **Market properties through RFP process & review proposals through the Collaborative Design Process ®**

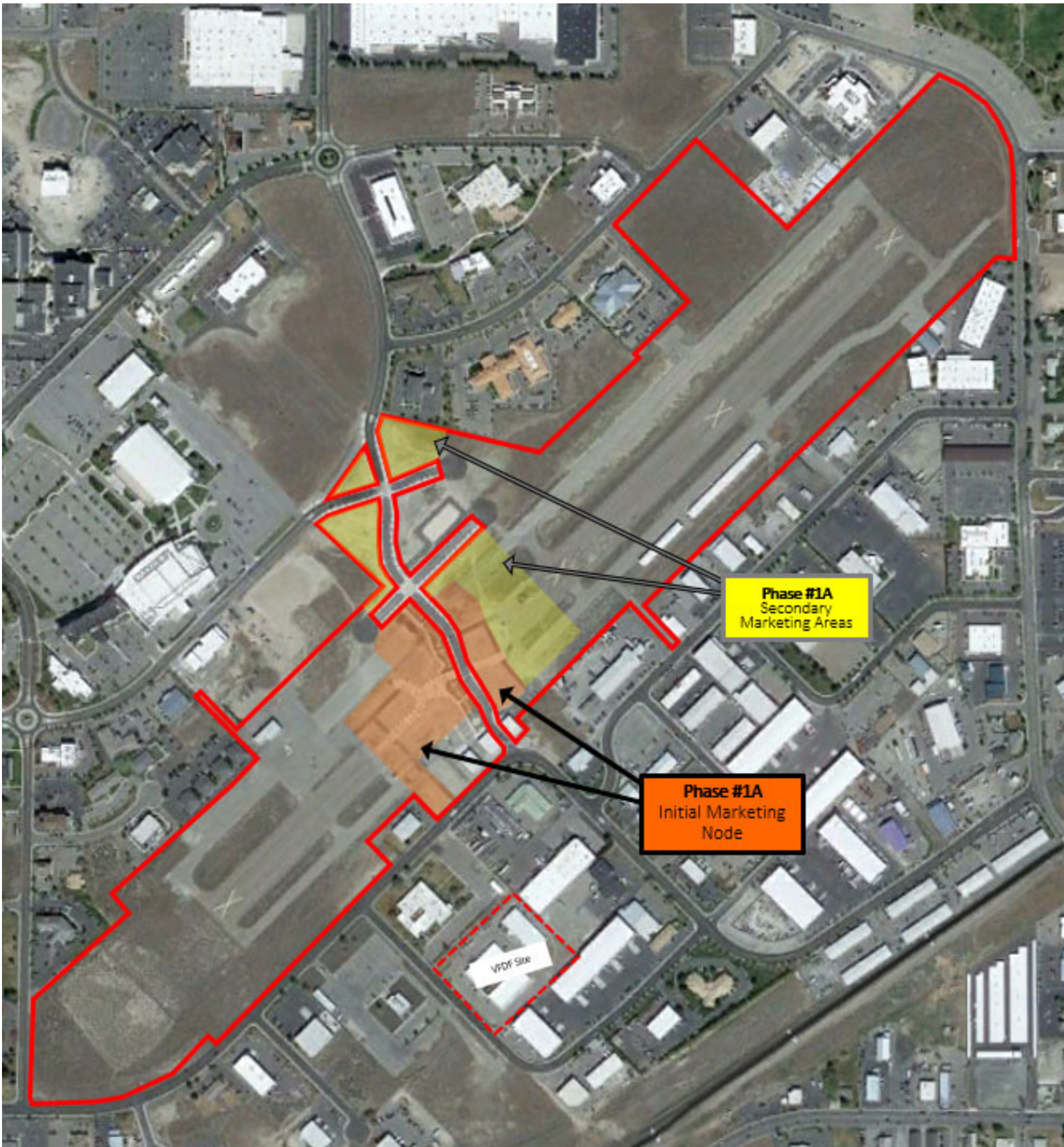
Remain true to the community’s vision remembering the initial steps, whether positive or negative, set the tone for the entire project.

Patience during the next two years coupled with selective decision making will yield positive results for decades.

Existing Contractual Obligation
Support Previously Expressed
 ® **Revenue Generation Potential**

2023-2024 Work Plan

Resolution 2022-26



2023-2024 Work Plan**Resolution 2022-26**

KENNEWICK HISTORIC WATERFRONT DISTRICT (Clover Island & Columbia Drive)

- Clover Island 16 Acres; Columbia Drive 15.26 acres
- Zoning:/Utilities Clover Island CM (Commercial Marina); Columbia Drive UMU (Urban

STRENGTHS

- Unique waterfront property with tourism opportunities - lighthouse, gateway, marine, public plazas, shoreline trails, public art amenities & food truck cluster with commercial & recreational opportunities
- Located within “Opportunity Zone” per 2017 Tax Cuts & Jobs Act

CHALLENGES

- ✱ Balancing focus on both Kennewick waterfront and Vista Field redevelopment priority projects
- Surrounded by blighted neighborhoods consisting of residential, low-income, commercial-general and light industrial business-use properties
- Inconsistent design development standards within the area

SUGGESTED WORK & PROPERTY MANAGEMENT PLAN**CLOVER ISLAND**

- ☐ **Shoreline Restoration design assistance & construction matching funds (USACE 1135 Program) - \$500,000 ®**
- ☐ **Clover Island East Stage (Design & Construction) - \$500,000 ®**
- **Hold Clover Island properties until USACE shoreline restoration project completion**

COLUMBIA DRIVE

- ☐ **Wayfinding signage, Food Truck Plaza & Building Patio enhancements, Demonstration Vineyard and Town Architect - \$450,000**
- **Market Columbia Gardens, Willows & Cable Greens parcels to the private sector development (sale or lease) ®**

Existing Contractual Obligation
Support Previously Expressed
 ® ***Revenue Generation Potential***

2023-2024 Work Plan

Resolution 2022-26



2023-2024 Work Plan

Resolution 2022-26

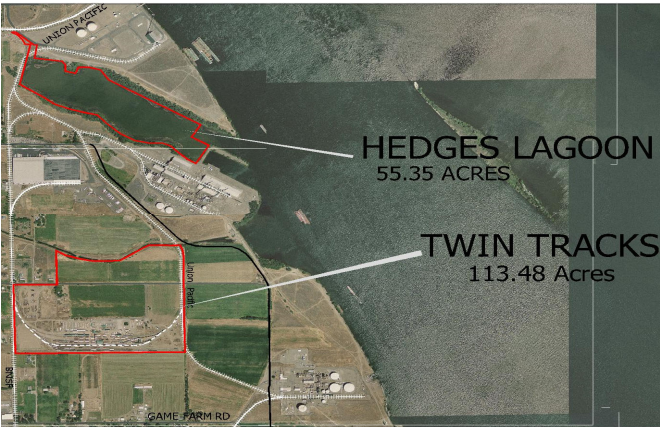
VISTA FIELD — VFDF



OAK STREET



FINLEY
(Twin Tracks & Hedges Lagoon)



PLYMOUTH ISLAND



SUGGESTED WORK & PROPERTY MANAGEMENT PLAN

- ☐ VFDF buildings A & B exterior and site improvements - \$500,000 ®
- Market available VFDF and Oak Street building space and Market vacant Oak Street parcels not identified for retention in Comprehensive Scheme ®
- Hold Hedges lagoon & Plymouth island s stewards of this land in recognition of the Port’s MOU with the CTUIR

Existing Contractual Obligation
Support Previously Expressed
® **Revenue Generation Potential**

DISTRICT-WIDE
WORK PLAN PROJECTS

SUGGESTED WORK PLAN

- ☐ Remain focused on the day-to-day efforts to operate a successful Port District
- ☐ Complete projects authorized in 2021-2022 Budget
- ☐ Pursue grant funding as appropriate ®
- ☐ Support City of Richland and Kennewick Center Parkway roadway extension efforts from Gage Boulevard to Tapteal Drive (2020 Interlocal Agreement committing \$400,000)
- ☐ Support City of Richland effort to via Interlocal Agreement - [\\$300,000](#)
- ☐ Port asset replacement program (building upkeep & annual maintenance) - \$500,000 ®
- ☐ Opportunity fund for yet to be identified small projects (either Port or outside agency) - \$125,000 ® [dependent upon project(s) selected]
- ☐ Miscellaneous capital - \$100,000
- ☐ Support Artwork Installation - \$100,000
- ☐ Pursue water rights transfer from City of West Richland to Benton County (Fairgrounds) and Port properties (Vista Field)
- ☐ Due to favorable terms given to the City of West Richland in the Tri-City Raceway land sale, involvement in West Richland will be limited to observations and non-financial support when consistent with Port’s sprawl avoidance philosophy
- ☐ Continue strengthening governmental relationships with CTUIR
- ☐ Continue strengthening governmental relationships with jurisdictional partners: City of Kennewick, City of Richland, City of West Richland, City of Benton City and Benton County

Existing Contractual Obligation

	<u>Existing Contractual Obligation</u> <u>Support Previously Expressed</u> ® Revenue Generation Potential
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PORT OF KENNEWICK

RESOLUTION 2022-27

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PORT OF KENNEWICK RESCINDING RESOLUTION 2016-23 AND APPROVING THE AMENDED GUIDELINES FOR VISTA FIELD DEVELOPMENT PROPOSALS

WHEREAS, the Board of Commissioners of the Port of Kennewick approved Resolution 2016-23 on September 27, 2016 amending the procedure by which the Port of Kennewick (Port) shall provide public notice of Vista Field development opportunities and the process by which the Port shall receive, evaluate and accept development proposals; and

WHEREAS, the collaborative design process within the Guidelines needs to be amended to simplify the process and attract investors; and

WHEREAS, the Commission shall continue to evaluate the effectiveness of this policy over time and reserves the right to expand, amend or rescind this policy as appropriate.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby rescinds Resolution 2016-23.

BE IT FURTHER RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby approves and adopts the amended Guidelines for Vista Field Development Proposals as attached in Exhibit A, and directs the Chief Executive Officer (CEO) to take all action necessary to implement these procedures.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 27th day of September, 2022.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

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

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

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By: **Thomas Moak**
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THOMAS MOAK, *Secretary*

PORT OF KENNEWICK
GUIDELINES FOR VISTA FIELD DEVELOPMENT PROPOSALS

These guidelines identify the procedure by which the Port of Kennewick (Port) shall receive, evaluate and accept development proposals.

I. NOTICE OF DEVELOPMENT OPPORTUNITIES

The Port will prepare project information including a description of development-ready site(s); and notify the public of site availability by various methods as appropriate, including making direct contact with potential builders.

II. RECEIPT OF DEVELOPMENT PROPOSALS

A builder wishing to develop available Vista Field property shall submit a Letter of Intent (LOI) describing the builder's experience and the proposed development concept for the site as described in the Proposal Submission Checklist (Attachment "A").

III. EVALUATION OF DEVELOPMENT PROPOSALS

LOIs will be reviewed by the Port CEO. If the LOI demonstrates that the builder possesses the relevant experience, that the development concept is likely to assist with the redevelopment of the property and that the price and terms are reasonable, then the CEO will arrange for the parties to participate in a preliminary collaborative design process described below.

- A. Preliminary Collaborative Design Process. The Port and builder (working through each party's design team) shall meet to refine the development concept described in the LOI. This meeting may be by telephone conference or other preliminary discussion. The preliminary collaborative design process shall consist of:
 - 1. Initial project development concept will be reviewed. The parties will endeavor to produce rough project sketches and assemble photographs and other illustrative materials.
 - 2. Upon successful completion of the initial meeting, a design meeting will be conducted whereby the parties will refine the development concept and the rough sketches in order for the builder to produce a schematic design mutually acceptable to the parties.
- B. Initial Evaluation by Port Commission. Upon successful completion of the preliminary collaborative design process, the CEO shall present all relevant project information to the Port Commission for evaluation. The Port Commission may take any action deemed appropriate with respect to proposal evaluation, including but not limited to requesting the parties to further refine the proposal through final design. In this case, the Port Commission shall grant the builder exclusive negotiating rights with respect to the proposal and site for a period of 90 days. During the exclusive negotiating period, the Port will not accept any other proposal for the site.

- C. Final Collaborative Design Process. Provided the parties enter into the final collaborative design process, the builder, at its expense, shall produce of a set of drawings acceptable to the Port including site and representative floor plans with elevations for the major elements of the project. Schematic drawings shall also include exterior sections reflecting proposed architectural design and building materials. Emphasis will be placed on exteriors and especially, elevations facing streets and public spaces. The plans shall include a conceptual site plan which should include a sample or conceptual planting plan for site vegetation. Additionally, the builder shall describe the proposed schedule of development. Any contingencies that may affect this timeline shall be identified by builder. The Port may request additional project information.
- D. Final Presentation to Port Commission. Upon successful completion of the final collaborative design process, the CEO shall report to the Port Commission related to the overall progress of the project, including a staff recommendation related to the project. The Port Commission shall either reject the development proposal or direct the CEO to negotiate a purchase and sale agreement (or ground lease) with the builder. If the parties are unable to execute a purchase and sale agreement within 60 days, the proposal shall expire, and each party shall be relieved of all further obligations related to the proposed development.

IV. POST PURCHASE AND SALE AGREEMENT MATTERS

- A. Project Refinement. Upon execution of a purchase and sale agreement, the builder shall apply to the City of Kennewick (City) for project review and permitting. Should the City require changes to the project which materially alters the project, the parties will then attempt to negotiate the changes required in order for the builder to receive City approval of its project. If the parties are unable to negotiate changes required in order for the builder to receive City approval within a 60 days, the development proposal shall expire, each party shall be relieved of all further obligations. Any earnest money deposited by the builder shall be refunded to the builder, less any applicable administrative fee.
- B. Construction Progress. The Port will monitor construction and provide periodic updates to the Port Commission.

V. MISCELLANEOUS MATTERS

- A. All discussions between the parties are to explore the builder's qualifications and the viability of a development proposal. A binding obligation shall only be created by a written agreement setting forth all material terms, signed by the parties; and approved by an affirmative vote by the Port Commission;
- B. The Port may arrange for further action including introducing the concept to the Port Commission or appropriate third parties in order to perform due diligence and the parties understand that complete confidentiality cannot be guaranteed;
- C. Each party shall be responsible for all costs it incurs with respect to this matter, including professional and attorney's fees and costs;
- D. The Port makes no representations with respect to the property and the builder agrees to exercise all due diligence it deems necessary;

- E. Development proposals may be subject to disclosure under the Washington State Public Records Act;
- F. The Port reserves the right to verify builder credentials and to request supplemental information; and
- G. The Port Commission may waive any of these requirements for builders where the total project value, including land price, is expected to be less than \$1,500,000.