



PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

CALL TO ORDER

Commission President Thomas Commissioner Moak called the Regular Commission Meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

Board Members: Thomas Moak, President
Don Barnes, Vice-President
Skip Novakovich, Secretary

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

PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Mr. Arntzen stated Item VI.B. regarding the Three Year Building Lease with ESD112 will be addressed at a future meeting.

MOTION: Commissioner Novakovich moved to approve the Agenda with removal of Item VI.B., as presented; Commissioner Barnes 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 April 17, 2018***
Direct Deposit and E-Payments totaling \$55,180.24
- B. Approval of Warrant Registers Dated April 24, 2018***
Expense Fund Voucher Number 100038 through 100080 for a grand total of \$165,948.08
- C. Approval of Regular Commission Business Meeting Minutes April 10, 2018***

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

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

NEW BUSINESS

A. Award of Bid: Columbia Gardens Loop Road Project; Resolution 2018-05

Mr. Peterson stated the Port went out for bid on the Columbia Gardens Loop Roadway, parking lot, utilities, food truck area and plaza on April 1, 2018. The Port received five bids before the 2:00 p.m. April 19, 2018 deadline. Big D's Construction of Tri-Cities, Inc. base bid of \$673,218.60 was the lowest of the five bids received for this project and has been deemed as a responsive bid. Big D's Construction of Tri-Cities, Inc. provided a bid price of \$49,880.00 for alternative #1 for the six foot masonry wall, plus applicable sales tax. Mr. Peterson reported that Hall Engineering and Associates reviewed the Bid and concluded that it is a responsive bid.

Before the Commission is Resolution 2018-05, awarding the base bid to Big D's Construction of Tri-Cities, Inc. to construct Columbia Gardens Loop Road Way Project and alternative #1.

Commissioner Novakovich asked what the engineer's estimate was.

Mr. Peterson stated the engineer's estimate was \$880,000 and indicated that four bids were very close.

Commissioner Moak inquired what is the difference between the Schedule A tax and Schedule B tax.

Mr. Peterson stated there are items in the project which are exempt from sales tax, which include pavement, curbs, gutters, sidewalks, storm systems associated with roadways and illumination. Elements that are taxable include water lines, sewer lines and portions of the project that are not part of the loop roadway. By creating the two tax schedules, the Port saved \$30,000 on the project.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Barnes moved for approval of Resolution 2018-05, authorizing the Port's Chief Executive Officer to execute the contract with Big D's Construction of Tri-Cities, Inc. for construction of the Columbia Gardens Loop Roadway project on Columbia Drive including Alternative 1, for the sum of \$723,098.60, plus applicable tax; and further authorize the CEO to amend the 2017-2018 capital budget to reflect the actual cost of the project; Commissioner Novakovich seconded.*

Discussion:

Commissioner Barnes is impressed by how many competitive bidders responded to the project during this time of year. Commissioner Barnes commended Mr. Peterson and staff for their work on the project and stated over the past several years, the Port has demonstrated a level of dependability and reliability, which speaks highly of staff. Additionally, the bid came in under the engineer's estimate and within budget. The Port received financial support from our partners

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

from the Hanford Area Economic Investment Fund Advisory Committee (HAEIFAC Grant) and Benton County (Rural Capital County Funds - RCCF) which covers almost the entire cost of project.

Commissioner Moak appreciates that the project is able to move forward because of the RCCF and HAEIFAC Grant funding, because previously the Port anticipated Phase 2A would not be completed for a few years. To be able to start constructing Phase 2A, the Port is able to entice more wineries or artisans and food trucks to the development to create the atmosphere and economic impact that we had hoped for. Commissioner Moak is very pleased with our partnerships that allow the Port to move forward and support the wineries in Phase 1.

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

B. Three Year Building Lease with ESD112; Resolution 2018-06

This Item was pulled.

C. Oak Street Land Sale to Three Rivers Acquisitions LLC; Resolution 2018-07

Ms. Hanchette stated the Port received an offer from Three Rivers Acquisitions LLC. to purchase approximately 12.33 acres of Port-owned vacant land in the Oak Street Industrial Park. Three Rivers Acquisitions intends to develop the property into an industrial business park, with distribution, warehousing and light manufacturing. Ms. Hanchette stated the asking price was \$400,000 based on a 2017 appraisal, and Three Rivers Acquisitions has offered \$375,000 for the property. Three Rivers Acquisitions based the offer on the challenges of the property and felt the need to make further investments to prepare the property for development. Ms. Hanchette outlined the property's history and terms of the Purchase and Sale Agreement:

- Property has been in the Port's real estate portfolio since 1972 generating little to no revenue;
- The property is located at Oak Street and 7th Avenue with no improvements on the property;
- Property is located in a flood plain and near the City of Kennewick's sewer treatment plant;
- Property has been used over the years as a construction debris stockpile;
- Zoned Light Industrial.

Terms:

- Purchaser takes property in "As Is" condition
- Purchaser requests 12 month feasibility period
- 30 day close after feasibility expiration
- 5% earnest month deposit

Three Rivers Acquisitions LLC. intends to create an industrial business park for warehousing, manufacturing, logistics/delivery and construction-related trades and projects the annual business park sales in excess of \$15,000,000 at full build out with over 60 family wage jobs created. The principal owners have a background in construction, development, and finance.

Commissioner Barnes inquired if Three Rivers Acquisition is working with a Real Estate Broker and if the Port will be paying commission, according to Port policy.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

Ms. Hanchette indicated that Three Rivers Acquisitions LLC is using River Reality as their Broker and as part of the Port's commission structure and policy, the Port will be paying commission to that agency.

Commissioner Moak inquired what will happen if Three Rivers Acquisitions fails to close on the property within a year.

Ms. Hanchette stated if they choose to cancel the transaction during the feasibility period, the company will retain their earnest money and the property will go back on the market.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Novakovich moved approval of Resolution 2018-07 authorizing the Port's Chief Executive Officer to execute all necessary documentation associated with the land sale to Three Rivers Acquisitions and to take all other action necessary to close this transaction; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

OLD BUSINESS

A. Bruker AXS Handheld 60 Day Lease Extension; Resolution 2018-08

Ms. Luke reported that the Port has been negotiating the lease renewal with Bruker AXS Handheld since December 2017. Ms. Luke has been communicating with Bruker's legal counsel, who is back east, which has created some schedule challenges and believes the lease renewal will be completed before the end of the next extension.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Barnes moved approval of Resolution 2018-08 approving a 60-day lease extension with Bruker AXS Handheld to complete lease renewal negotiations, and authorize the CEO to execute an amendment to the Commercial Lease Agreement; Commissioner Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Land Sales Procedure

Mr. Arntzen stated several months ago, Musser Brothers Auctions made a presentation on utilizing auctions for property disposal; however, Commissioner Barnes was absent from that meeting. Mr. Arntzen stated Musser Brothers outlined the general concepts and processes of an auction and how an auction is an alternative to the typical sales process, which is instituted by staff or real estate professionals. Mr. Arntzen indicated that revenue from the land sale could be used for the Vista Field construction fund. As the Commission is aware, Parametrix is currently working on the construction documents for Vista Field Phase 1A and staff is putting together a finance plan that does not rely on the sale of the Southridge property. Mr. Arntzen stated the Port has several acres for sale in the Southridge area and inquired if the Commission had any comments regarding the auction process for Southridge.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

Commissioner Moak believes the existing process is not working and while staff is preparing a finance plan that does not include the sale of Southridge, the funds would assist in Phase 1B construction. Commissioner Moak stated it is critical to sell the Southridge property and if it cannot happen with traditional methods, then he is open to a different method, such as an auction. Musser Brothers presentation was compelling and they have a very good track record. Mr. Moak stated if there is a reason that the Port needs to sell the Southridge property quickly, an auction might be the right course of action.

Commissioner Novakovich asked if the Port can establish a reserve on property.

Mr. Arntzen believes the Port could establish a reserve on the property.

Commissioner Novakovich agrees with Commissioner Moak and stated if the Port needs the funds for projects, then he is in favor of an auction.

Mr. Arntzen stated there is a benchmark for the reserve, but some negotiating could be done, if there is a solid offer. The Port would pay all advertising costs and due to the size of property, the marketing could cost \$30,000 or more. Mr. Arntzen stated there has been activity in the past on property around Southridge, but believes it has slowed down.

Commissioner Moak stated Mr. Musser addressed a robust marketing effort is what makes Musser Brothers successful.

Commissioner Novakovich stated Mr. Musser also markets to prospective buyers who would be interested in the property.

Commissioner Barnes disclosed that he is a licensed broker and is familiar with the auction concept. Commissioner Barnes has reviewed the power point presentation; however, he believes the live presentation probably conveyed additional information. Commissioner Barnes stated one slide addressed date specific price discovery, which means the highest price for the property is discovered on the auction date. Commissioner Barnes stated if the Port is considering entering into an exclusive agreement with the auctioneer, why couldn't the Port consider listing the property with a broker, who would also market the property to specific buyers as well. Commissioner Barnes stated the main difference with a broker and an auctioneer is that the Port does not have to pay a marketing fee for a broker if the property does not sell; however, with an auctioneer, the Port pays regardless of the sale of the property. Additionally, policy states that the Port will not sell property to land speculators and how that would work with the auction process and would the buy-back option still be available. Commissioner Barnes believes a broker would be as motivated as an auctioneer to move the property, because a broker invests the marketing costs up front and is able to list in the Multiple Listing Service (MLS), which the Port cannot do.

Mr. Arntzen stated Commissioner Barnes raised valid concerns and indicated that there is a clause in the Port policy regarding land speculators. Mr. Arntzen has researched the topic and stated there is no state law that prohibits the Port from selling land to a speculator. The Port can stipulate in the terms of the auction agreement that anyone who participates in the auction must have a land

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

development plan or the Commission can waive the requirement for this particular property. Mr. Arntzen asked Ms. Hanchette to share the marketing details with the Commission.

Ms. Hanchette reported that the Southridge property is marketed on the Port website, and advertised in the Tri-Cities and Spokane *Journal of Business* publications, as well as direct mailings, and inserts in numerous publications. Ms. Hanchette has shared a broker's package with a number of local brokers, which outlines the Port's commission package. The Southridge property is listed on loopnet.com and is a premier listing; however, in order to put the listing on MLS, the property would need to be listed with a brokerage.

Commissioner Moak stated the Port has marketed the property to the brokerage community and has not seen any significant results. Commissioner Moak believes the Port needs to advance the activity on the property and is not sure if the Port were to hire a broker, the property would move quickly. Musser Brothers has been successful in their processes and received significantly higher prices than the normal process; however, Commissioner Moak understands some properties do not meet expectations. Commissioner Moak stated there is a lot of property available in the Southridge area and inquired if there has been movement on neighboring property.

Ms. Hanchette stated she has not run a comparable recently and believes a lot of properties have been listed over 700 days, which indicates a soft market.

Commissioner Barnes stated it is supply and demand and currently there is a lot of land available in that area and not much of a demand for it. Commissioner Barnes inquired if the Port could have a trial run on one parcel to see what the price discovery is, given all of the undeveloped land available.

Commissioner Novakovich indicated that Musser Brothers offered to come back and answer additional questions for Commissioner Barnes.

Commissioner Moak asked Commissioner Barnes if it would be of value to invite Musser Brothers back to answer questions.

Commissioner Barnes believes that it would be helpful, and inquired if there are other auctioneers in the area and if the Port would require a Request for Proposals (RFP).

Commissioner Moak stated Musser Brothers stated that they are only local property broker and most of the competition is from out of region auctioneers.

Mr. Arntzen will visit with Ms. Luke regarding the process and see if the Port is required to have a formal RFP and report back to the Commission. Mr. Arntzen inquired if the Commission has enough information or if they would prefer to speak to Musser Brothers again.

Commissioner Barnes indicated that he would listen to the Commission Meeting recording and meet with Musser Brothers one on one and ask additional questions.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

Commissioner Moak stated staff can address additional details and report back at a later meeting.

B. Vista Field Update

Mr. Peterson stated staff was directed to continue moving forward with Phase 1A of Vista Field at the Special Commission Meeting held April 19, 2018. Mr. Peterson indicated the civil plans will be delivered to the City of Kennewick Public Works for review by the end of May and the Port hopes to bid Vista Field Phase 1A by early fall of 2018.

Commissioner Moak stated it was a good meeting and was pleased with the level of community support. Commissioner Moak appreciated the answers provided by Mr. Arntzen and Mr. Peterson and their ability to answer very direct community questions. Commissioner Moak stated staff did a great job making people feel welcome and comfortable.

Mr. Arntzen stated the Special Meeting was essentially a planning meeting with directed questions to Mr. Peterson, who did a very good job answering the community's inquiries. Furthermore, the Commission did a great job answering questions regarding policy.

1. Pop Up Retail & Programming

Mr. Arntzen reported that Mr. Peterson will present information on an Owner's Association for Vista Field. The Owner's Association, similar to the Historic Downtown Kennewick Partnership, will address the revenue portion of the development and assess fees, which will fund programming and maintenance. Additionally, the Port will contract with a consultant or firm for the programming of activities and events. Mr. Arntzen stated staff continues working on the construction documents, bidding, and financing plan, and then will address the Owner's Association and programming portion. Mr. Arntzen stated the Owner's Association needs to be in place prior to selling property.

Commissioner Moak believes the people purchasing property will want to see the amenities and activities within Vista Field.

Mr. Arntzen has asked staff to be mindful of interim uses for the undeveloped property at Vista Field during this process.

C. West Richland Review of Directives Proposal (Exhibit 1)

Mr. Arntzen presented a memo regarding the West Richland Review of Directives Proposal (*Exhibit 1*) to the Commission. Mr. Arntzen believes there is a misconception of what the Port has accomplished in West Richland, such as, assisting the City with Futurewise to get property into the Urban Growth Boundary and removing all of the entitlements from the former Raceway property, which was completed last year. Mr. Arntzen stated the Port intends to communicate to the public their intention for the future of the former Raceway. In 2016, the Port Commission approved the Comprehensive Scheme, which included a long term work plan for Port properties, including the former Raceway. Additionally, the Port adopted the former Raceway Master Plan in 2017 and amended the Comprehensive Scheme in 2017 to include the Master Plan. The Port identified a 4-7 year time line for on-site development of the former Raceway. The time line allows for development on Red Mountain AVA and the I82 Interchange to be constructed, prior to the

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

Port developing the property. Another factor is money, the Comprehensive Plan and Budget states that funds will be set aside for infrastructure on the property and indicated a partnership with the City, to extend utilities to the property line. However, the City stated that they will not partner with the Port to extend the utilities to the boundary of the property. The City of Kennewick has partnered with the Port in developing Columbia Gardens and invested a substantial amount in Port property and Mr. Arntzen stated it would not be prudent for the Port to fund the extension of the utilities to the Racetrack. Mr. Arntzen asked if the Commission had comments or questions regarding the memo.

Commissioner Barnes stated the Port dedicated a lot of time on public meetings for the Comprehensive Scheme and Master Plan and he is comfortable with the directives outlined in the documents. Commissioner Barnes has not seen a significant change in the community that would necessitate the need to review the documents. Commissioner Barnes encouraged staff to continue moving forward per the Port's guiding documents that are currently in place.

Commissioner Novakovich agrees with Commissioner Barnes and stated that the Port should move forward with the guiding documents. Commissioner Novakovich recently met with Rich Buel, Mayor Pro Tem, to discuss Port activity in West Richland. Commissioner Novakovich believes the Port and City should have a joint meeting to discuss the former Raceway and previous Port investments in West Richland.

Commissioner Moak stated the Port met nearly two years ago to discuss the Comp Scheme and outlined a 4-7 year strategy for West Richland, which is now it is 2-5 years away. In the next biennium budget, the Port will continue to allocate funds for the former Raceway, in order to prepare for potential construction and development for the 2021-2022 Budget, if the Port stays on course. Commissioner Moak stated the Port will need to enter into an Interlocal Agreement with West Richland prior to any development taking place and believes the Port should not move forward with development until the City is willing to extend the utilities to the former Raceway. Commissioner Moak stated there are several factors that need to be in place prior to construction, such as a development and financing plan and the I82 Interchange. Commissioner Moak mulled if the Port should sell the property and utilize the proceeds elsewhere. Commissioner Moak asked what kind of resources the City will bring to the table to move the project forward and is curious what kind of development they want at the former Raceway.

Commissioner Novakovich confirmed that the Port is allocating funds for West Richland.

Mr. Arntzen stated for the 2017-2018 Budget, the Port allocated \$100,000 and staff will propose the same allocation for the 2019-2020 Budget; however, if the City has requests, the Port will pull from that allocation. Additionally, the City and Port would need to determine the potential cost split to extend the utilities to boundary.

Commissioner Moak stated the Commission needs to determine if the Port will commit RCCF funding to West Richland and if so, would the City partner with the Port and match the funding. Commissioner Moak stated the City of Kennewick has invested funds and is working in partnership with the Port on Columbia Gardens, Clover Island and Vista Field. The City of West Richland

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

needs to be given the opportunity to enter into a partnership with the Port and match potential funding.

Mr. Arntzen spoke to Brent Gerry, Mayor of West Richland on several occasions about an RCCF partnership and believes that the City does not have an interest in a partnership. Mr. Arntzen stated the Port needs to marshal assets for Columbia Gardens, the US Army Corps of Engineers 1135 Project, and Vista Field. Mr. Arntzen believes his discussion with the Mayor would center on marshaling assets for the Port's current projects and the Port will continue allocating funds for development of the former Raceway, and develop the property when the time is right. Mr. Arntzen stated he would like to focus on Vista Field during its infancy stages without having small issues vie for attention.

Commissioner Moak stated the Commission and staff have reiterated numerous times that the Port will not be developing the former Raceway for several years.

Commissioner Novakovich stated City Council needs to be aware of the Port's direction for West Richland and perhaps Mr. Arntzen should speak with the Mayor regarding a joint meeting.

Mr. Arntzen previously asked Mr. Gerry about a joint meeting and was told it was not appropriate at this time to have a meeting. Mr. Arntzen inquired how to proceed further regarding a joint meeting.

Commissioner Novakovich stated the invite needs to come from the City Council and directed Mr. Arntzen to not pursue a joint meeting.

D. Tri-Cities Hispanic Chamber of Commerce - Outstanding Latino Business of the Year award

Ms. Bader Inglima and Commissioner Novakovich attended the Tri-Cities Hispanic Chamber of Commerce "Night of Achievements" Banquet recently, where a number of businesses were honored. Jeff Escalera of Numerica announced the Outstanding Latino Business of the Year:

Just a little bit about this year's worthy recipient. This year's nominee has continually invested towards evolving our community. Not only has this nominee invested in our community but has created inclusion of our local communities. This past February, this nominee recognized the Confederated Tribes of the Umatilla Indian Reservation as a "2017 Friend of the Port".

For the past two years a special committee was formed for a Latino Heritage Mural to be displayed at the Columbia Gardens Wine and Artisan Village. This organization is funding this project with support from Columbia Center Rotary. The two murals will focus on the Latino Heritage in the Tri-Cities community. We can't wait to attend the unveiling of the Latino Heritage Mural.

This Business has helped the community in many ways and let me say they know how to throw a ribbon cutting.

Please help me congratulate Port of Kennewick, as this year's Business of the Year!

PORT OF KENNEWICK

REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

The Port was the recipient of the Chamber's Outstanding Latino Business of the Year award and Commissioner Novakovich accepted the award on behalf of the Port. The Port received a tremendous outpouring of appreciation for the Port and the Port's involvement with the Latino community. The chamber members expressed their excitement for the ribbon cutting celebration of the Latino mural project which will be held on May 23, 2018 at 2:00 p.m.

E. Cancellation of May 8, 2018 Commission Meeting

Ms. Scott reported that a number of Commission and staff will be traveling on May 8, 2018 to attend conferences. Commissioner Barnes and Commissioner Novakovich and staff will be attending the Washington Public Ports Association on Wednesday, May 9, 2018 in Vancouver, Washington. The conference begins at 8:00 a.m., and cancelling the May 8, 2018 meeting will allow Commissioners and staff time to travel. Furthermore, additional staff will be traveling to other conferences as well.

It is the Consensus of Commission to cancel the May 8, 2018 Regular Commission Meeting.

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

Commissioners reported on their respective committee meetings.

G. Non Scheduled Items

1. Commissioner Moak received several emails from the community regarding Vista Field:

- Have there been any discussions about setting aside some property for a dog park within Vista Field, similar to the one off Keene Road in Richland?
- Will the Port construct an on-site storage facility for boats and/or RV's?
- Will there be an outdoor venue for concerts?

Commissioner Moak stated when Vista Field closed the Commission made a commitment to the community that the Port would memorialize the history of Vista Field. Commissioner Moak would like to define what will be produced and where it will go, within the development.

2. Commissioner Novakovich was recently approached by Karen Miller, asking if the Port would participate in RiverFest 2018.

Commissioner Moak stated RiverFest promotes the benefits of the Columbia River Power System and highlights the four lower Snake River dams. RiverFest will be held on Saturday, September 8, 2018 at the east end of Columbia Park in Kennewick.

Ms. Bader Inglima stated the Port was approached by the Pasco Chamber of Commerce, who was trying to put together a committee to plan and fund RiverFest, the committee would include other local chambers, ports and PUD's. Ms. Bader Inglima spoke with Mr. Arntzen regarding RiverFest and the potential time commitment. Ms. Bader Inglima relayed that staff has been challenged by the Commission to stay the course with current Port projects, and with the limited staff resources, the Port declined to participate.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

Mr. Arntzen stated that Tri-Ports was approached as well and suggested that a small financial contribution from Tri-Ports would suffice. Mr. Arntzen stated Ms. Bader Inglima's response was appropriate and correct, based on the recent history of the Port.

3. Ms. Bader Inglima shared the Columbia Basin College (CBC) Foundation's marketing materials that will assist with fundraising for the Culinary School, which will be located in The Willows. CBC Foundation is fully committed and currently working on the funding feasibility analysis which outlines the fundraising structure. Additionally, CBC devoted space in the *Tri-City Herald Progress Edition* to the Culinary School and the partnership with the Port and the redevelopment of The Willows.
4. Mr. Peterson thanked Commissioner Barnes for his kind words regarding the bid for the Columbia Gardens Loop Road project; however, it was a team effort and every staff member assisted with this project bid.
5. Ms. Hanchette reported that the parking lots on Clover Island will receive a fresh seal coat and stripping over the next several weeks.

Ms. Hanchette stated a field trip to the Columbia Gardens Urban Wine and Artisan facility and wine tasting is planned by the Eastern Washington Chapter of the Academy of Certified Hazardous Materials Managers. The field trip will include a lecture by Chris Espinoza of the Kennewick Public Works, tasting visits to the Bartholomew Winery and Monarch Wines. The group will be touring the Wine Effluent Treatment Facility.

Ms. Bader Inglima stated the treatment facility provides an additional opportunity for tours for industry insiders, who want to see how the effluent works. Ms. Bader Inglima reported that Visit Tri-Cities coordinated a meeting with a few travel writers to stop by the Port and discuss the revitalization of the waterfront and Columbia Drive. Following that meeting the writers met with Bart Fawbush and Victor Palencia at Columbia Gardens. Furthermore, on Saturday, April 21, 2018, Visit Tri-Cities organized a group of travel writers' bus tour to visit Columbia Gardens and share the Port's message and visions for Phase 2 and 3 of the development. Ms. Bader Inglima reported that Mr. Palencia held his spring release event last weekend and was pleased with the turn out.

PUBLIC COMMENTS

Thomas Kastner, 8180 West 4th Avenue, Kennewick. Mr. Kastner inquired if the Port has developed specific guidelines for Vista Field, to create the feel and atmosphere that the Port is trying to achieve.

Mr. Arntzen stated the Port and Michael Mehaffy are working on the design standards for Vista Field. Additionally, the Commission approved a Collaborative Design Process, where a builder/developer will meet with staff and Mr. Mehaffy regarding their specific design plan for the development.

No further comments were made.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

ADJOURNMENT


With no further business to bring before the Board; the meeting was adjourned 4:14 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**



Thomas Moak, President



Don Barnes, Vice President



Skip Novakovich, Secretary

PORT OF KENNEWICK
Resolution No. 2018-05

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK
ACCEPTING AND AWARDING THE CONSTRUCTION CONTRACT FOR THE COLUMBIA
GARDENS LOOP ROADWAY PROJECT ON COLUMBIA DRIVE**

WHEREAS, a request for bids for the Columbia Gardens Loop Roadway Project was properly advertised with the approved plans and specifications being made available to prospective bidders; and

WHEREAS, construction bids have been received and staff and the project engineer have certified that the bids received are in compliance with the plans and specifications; and

WHEREAS, the staff and the project engineer have certified that the low bidder for the project is Big D's Construction of Tri-Cities, Inc. in the amount of \$673,218.60, plus applicable tax, for the base bid work which includes the installation Columbia Garden Way roadway and vehicle parking areas for 30+ vehicles on Columbia Drive, and that such bid is in compliance with the plans and specifications; and

WHEREAS, the staff and the project engineer have certified that the low bidder also provided a bid in the amount of \$49,880.00, plus applicable tax, for Bid Alternative #1 work which includes the construction of a 6' masonry wall adjacent northwest portion of site, and that such bid is in compliance with the plans and specifications; and

NOW THEREFORE, BE IT RESOLVED that the Port of Kennewick Commission does hereby accept the base bid of Big D's Construction of Tri-Cities, Inc. for the Columbia Gardens Loop Roadway project on Columbia Drive as the low bidder in the amount of \$673,218.60, and hereby awards the construction contract to said low bidder.

BE IT HEREBY FURTHER RESOLVED that the Port of Kennewick Commission does hereby accept the Bid Alternative #1 of Big D's Construction of Tri-Cities, Inc. for the construction of a 6' masonry wall adjacent northwest portion of site in the amount of \$49,880.00 plus applicable tax, and hereby increases the construction with said low bidder to include this work.

BE IT HEREBY FURTHER RESOLVED that the Chief Executive Officer is authorized to enter into a contract between the Port of Kennewick and Big D's Construction of Tri-Cities, Inc. for a contract total of \$723,098.60 plus applicable tax, and that the Chief Executive Officer is further authorized to proceed with all necessary procedures required to complete construction of the project.

BE IT HEREBY FURTHER RESOLVED, that the Chief Executive Officer is authorized to amend the 2017-18 capital budget to reflect the actual cost of the project.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 24th day of April 2018.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: _____

THOMAS MOAK, President

By: _____

DON BARNES, Vice President

By: _____

SKIP NOVAKOVICH, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2018-07

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF
KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH
THREE RIVERS ACQUISITIONS LLC***

WHEREAS, Three Rivers Acquisitions LLC (Purchaser), has offered to purchase approximately 12.33 acres of the area graphically depicted on “*Exhibit A*” at the Port of Kennewick’s Oak Street Industrial Park, in Kennewick, Washington from the Port of Kennewick (Seller) for \$375,000 or approximately \$30,414 per acre; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the Port’s best interest; and

WHEREAS, the Port Commission finds that said property is surplus to the Port’s needs and the proposed sale is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port’s Chief Executive Officer to execute a Purchase and Sale Agreement with Three Rivers Acquisitions LLC and hereby authorizes the Port’s Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port’s needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 24th day of April, 2018.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By:


THOMAS MOAK, President

By:


DON BARNES, Vice President

By:


SKIP NOVAKOVICH, Secretary

EXHIBIT "A"



PORT OF KENNEWICK

Resolution No. 2018-08

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING THE CHIEF EXECUTIVE OFFICER
TO EXECUTE AN AMENDMENT TO THE COMMERCIAL LEASE AGREEMENT WITH
BRUKER AXS HANDHELD INC.***

WHEREAS, the Port of Kennewick (Port) is authorized to enter into certain leases upon such terms as the Port Commission deems proper; and

WHEREAS, the current lease dated January 1, 2013 with Bruker AXS Handheld Inc. expires December 31, 2017; and

WHEREAS, the Commission approved Resolution 2017-33 granting a sixty day (60) lease extension expiring on March 1, 2018 and approved Resolution 2018-03 granting an additional sixty day (60) extension expiring April 30, 2018; and

WHEREAS, port staff requests Commission approval for an additional sixty day (60) lease extension expiring on June 30, 2018 to complete lease renewal negotiations with Bruker AXS Handheld Inc.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves a sixty day (60) lease extension and authorizes the Chief Executive Officer to execute an amendment to the Commercial Lease Agreement with Bruker AXS Handheld Inc.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 24th day of April 2018.

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

By: _____

THOMAS MOAK, *President*

By: _____

DON BARNES, *Vice President*

By: _____

SKIP NOVAKOVICH, *Secretary*

MEMORANDUM

Exhibit 1

To: Port Commission

From: Tim Arntzen, Executive Director

Date: 04/24/2018

Re: Review of West Richland Directives

Occasionally representatives from West Richland (Mayor, Council, staff) have asked what the port intends to do with the racetrack site. My response is that the Port of Kennewick's economic development efforts over the last decade, whether directed toward the racetrack site, or to other sites within the city, have been substantial. Therefore, in order to respond to the question related to the port's potential future contributions, the port has included an article in the upcoming spring port newsletter, which serves as a reminder of our future vision. In more detail, the port's future vision is stated in commission directives contained in the master plan and comp scheme (the "Guiding Documents"). They instruct me to:

1. Continue to solve "entitlement" issues at the racetrack site (i.e. UGA, inundation clause, utility right-of-way and others which prevent full and efficient site development); and
2. Remain focused on appropriate racetrack site development as guided by the master plan and the comprehensive scheme. This focus is essentially broken down into two components:
 - a. A longer-term development strategy (i.e. 4 - 7 years). This strategy would assume: (a) the construction (by the municipality) of municipal services to the site; and (b) the construction of backbone infrastructure, including utilities and streets on site (constructed by the port). Development of the site would be with an eye toward creating parcels ranging in size from five to 10 acres, which the port could sell for uses consistent with the master plan (i.e. light industrial and wine related). The establishment of the four to seven year time frame by the commission was with recognition of the complex and expensive task of developing a 90+ acre parcel. Additionally, the port commission realized that the development timeframe would be viewed in light of then-current economic and other conditions, including but not limited to, availability of budgeted port funding for on-site infrastructure and progress by the state toward construction of the Red Mountain Interchange. The commission also likely recognized the challenge of balancing racetrack development simultaneously with Vista Field development.
 - b. As noted in the master plan and comp scheme, a shorter-term development strategy (i.e. 1 - 4 years) could be pursued while conditions precedent to the longer term strategy are maturing. A shorter-term strategy was identified as "banking" budgeted funding over a multiple year period to partner with the city to finance construction of city utilities to the property line (1/3 port, 2/3 City).

In conclusion, the strategy related to West Richland should follow that identified in the "Guiding Documents". These strategies were good when formulated and are good guidance now as well. Staff should resist the urge to "renegotiate" development strategies. One possible deviation from the "Guiding Documents" could be an update of the uses contemplated in the master plan as time for possible on-site development nears.

I hope I accurately understand the directives related to West Richland. Please offer any comments or clarification you may have.