



# PORT OF KENNEWICK REGULAR COMMISSION MEETING

MAY 23, 2017 MINUTES

## CALL TO ORDER

Commission President Skip Novakovich 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:** Skip Novakovich, President  
Thomas Moak, Vice-President  
Don Barnes, 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 & Development  
Lisa Schumacher, Special Projects Coordinator  
Bridgette Scott, Executive Assistant  
Lucinda Luke, Port Counsel

## PLEDGE OF ALLEGIANCE

Rick Reil led the Pledge of Allegiance.

## APPROVAL OF THE AGENDA

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

## PUBLIC COMMENT

No comments were made.

## CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated May 17, 2017**  
Direct Deposit and E-Payments totaling \$54,135.93
- B. Approval of Warrant Register Dated May 23, 2017**  
Expense Fund Voucher Number 39169 (PS Media) for a grand total of \$21,836.92
- C. Approval of Warrant Registers Dated May 23, 2017**  
Expense Fund Voucher Numbers 39140 through 39168 and 39170 through 39173 for a grand total of \$404,785.18
- D. Approval of Special Commission Business Meeting Minutes May 9, 2017**
- E. Approval of Emergency Removal of Underground Storage Tank; Resolution 2017-09**

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***F. Approval of Emergency Replacement of Heat Pump Compressor at 415 N. Quay Building B; Resolution 2017-10***

Mr. Novakovich stated Consent Agenda items are a number of items taken collectively in one motion to be approved or disapproved. He further stated the Commission has the option to remove items from the Consent Agenda and inquired if any items need to be removed.

Commissioner Novakovich would like remove Item B and have the item approved separately because on April 12, 2011, he disclosed that Esprit, the company he and his wife owns, has a contract with PS Media to produce the Port's newsletter. Esprit does not get paid directly from the Port; they get paid from PS Media. Item B is the payment to PS Media and in the interest of any kind of perception that there could be a conflict, he would like to recuse himself from any action on this item.

It is the consensus of the Commission to remove Item B from the Consent Agenda for separate approval.

***MOTION: Commissioner Barnes moved for approval of Item B; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 2:0, (Commissioners Moak and Barnes) 1 abstained (Commissioner Novakovich).***

***MOTION: Commissioner Moak moved for approval of the Consent Agenda, with the exception of Item B; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.***

### REPORTS, COMMENTS AND DISCUSSION ITEMS

***A. Clover Island Update***

Mr. Peterson reported that the construction on the Gathering Place and Northwest Viewing Point project is nearing completion; he anticipates the project will be completed by the end of June. The Gathering Place elements include the pedestrian sidewalk, the Tule pond, and the placement for the Heritage and the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) placards. Mr. Peterson stated the removal of the old Port office building and ranney collector needed to take place in advance of US Army Corps of Engineers (USACE) 1135 habitat restoration project.

Ms. Bader Inglima has been working with the USACE for eight years and the primary purpose of the 1135 project is to restore the degraded environment as a result of the McNary Dam construction. The USACE has determined there is substantial benefit to repair the environment for the fish and riparian species located around the Clover Island shoreline. The USACE continues to move forward and is working on the design phase and anticipated construction may begin winter of 2017.

Mr. Moak inquired if a dedication date for the Gathering Place has set.

Ms. Bader Inglima has been working with the CTUIR to determine a date for the dedication ceremony.

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Mr. Moak inquired if the parcels next to the Gathering Place will be ready for lease once the project is completed.

Mr. Peterson stated the investment in the public improvements enables the Port to have two parcels available for lease north of the Gathering Place. Mr. Peterson stated utilities were placed in 2005 and he believes the lots allow for construction of buildings similar to the West Marina Professional Building and Port office (approximately 10,000 square feet).

Ms. Bader Inglima reported that she recently made a presentation to TRIDEC's Economic Development Committee and shared there will be commercial and residential opportunities available as soon as the Gathering Place is complete. Furthermore, Ms. Bader Inglima and Ms. Hanchette will be attending the Benton Franklin Council of Governments Community Lenders Roundtable on June 2, 2017 and will be presenting information on the available parcels.

### ***B. Columbia Drive Update***

Mr. Peterson presented photographs of the Columbia Gardens Wine Village.

Mr. Moak noticed a large variance in elevation between the Duffy's Pond walking path and the outdoor tasting room wall and inquired if a patron would still be able to see the view from the deck.

Mr. Peterson stated the wall in the tasting area is 42 inches high, which is a requirement of the Washington State Liquor Control Board. The entire site is compliant with the American Disabilities Act (ADA) and the building exit and tasting area are level, to be ADA compliant. There are steps and an ADA access ramp from the trail that lead up to the deck and tasting room and building entrances.

Mr. Barnes stated the Port recently received Rural Capital County Funds (RCCF) from Benton County and inquired how Phase 2 of Columbia Gardens was progressing.

Mr. Peterson stated Hall Engineering has completed approximately 90% of the design work and now that the RCCF Agreement is in place, the Port can turn the plans into the City of Kennewick for review. Once the City has reviewed and approved the plans the Port can generate the final cost. After the final cost is determined for the infrastructure of the loop road and utilities, additional elements such as a plaza area, a pavilion adjacent to the food truck court, a gateway, and bus shelter may be added. Mr. Peterson stated Phase 2 can go out for bid after the completion of the three winery buildings and the City's installation of the wine effluent treatment tank.

### ***C. Vista Field Update***

Mr. Peterson stated it was recently determined that there would be changes in the energy code which may impact the remodeling of the three corporate hangars. In an effort to fast track the hangar project, staff met with local design firm, CKJT Architects, PLLC to discuss the details of the remodel project and implementation of the energy code compliance. It was discovered that the energy code regulations went into effect as of 2015 and there are no pending 2017 regulations that will create a significant cost increase to the project. Mr. Peterson stated the Port is confident in

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working with CKJT and the City of Kennewick Planning Department, and there are reasonable interpretations of the energy code that can be applied to the project.

Mr. Peterson reported the Vista Field Draft Design Plans are 30% complete and will be turned over to the City for their review, which outlines the roadway and utilities plans. The City anticipates including the Vista Field Master Plan as part of their Comprehensive Plan and is required to send the document to the Department of Commerce for a review, prior to any formal action. Once the Port receives the comments from the City, Port staff will edit and distribute the Draft Master Plan and place on the Port website.

Mr. Peterson stated Port and City staff recently met to discuss the schedule and the City anticipates the Urban Mixed Use (UMU) Zoning will go before the City Planning Commission this summer. Once the UMU zoning is approved, Port and City staff will continue working on the Master Plan, the sub-area plan of the City's overall Comprehensive Plan, the UMU zone change, the Port's Comprehensive Plan amendment and the Development Agreement.

Mr. Arntzen stated the process to create a development takes time and these documents are a culmination of three years' worth of work. Mr. Arntzen is very proud of the work that Port and City staff have completed and stated his priority is to present the Draft Master Plan to the Commission for approval and then forward to the City Council for their approval by the end of the year. The Port has been running a parallel path with the development documents, which includes the site and engineer plans, however, it cannot be implemented until the Master Plan is approved. Once the Master Plan is approved, 95% of the development issues have already been taken care of and he believes the community will have an extremely valuable property to market.

Mr. Novakovich stated the Port cannot begin building until all of the necessary documents are in place.

Mr. Arntzen stated the Port does not have the authorization to begin construction until the City approves the Draft Master Plan.

Mr. Novakovich commended Mr. Peterson and staff on their hard work and diligence.

Mr. Moak inquired now that the Port does not need to fast track the corporate hangar remodel project, if there are any implications regarding the overall cost or time.

Mr. Peterson stated if the energy codes were not in place, it would be logical to construct out of sequence to save money, however, since the energy codes are already in place, it is important to construct in sequence; infrastructure, roads, and utilities first.

Mr. Barnes reiterated the importance of patience, and the Port and City are still in the "get it right" phase and encouraged staff to stay the course. Mr. Barnes has heard many positive comments about the collaboration between City and Port staff, and believes the community will be rewarded for their patience.

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

Commissioners reported on their respective committee meetings.

### *E. Non Scheduled Items*

1. Mr. Novakovich attended a Public Relations/Communications meeting at the Washington Public Ports Association (WPPA) Spring Meeting and stated there is a real push to hire someone with a communications background at WPPA to assist in educating the public on port activities versus solely working on legislative matters.

Mr. Novakovich stated Walla Walla Commissioner Mike Fredrickson commented that Victor Palencia is moving from the Walla Walla wine incubator to another incubator building. Mr. Novakovich explained that Columbia Gardens is not an incubator and cleared up any misunderstanding.

2. Mr. Barnes attended a presentation given by Port of Vancouver, who is making improvements to increase the capacity for railcars from 55,000 per year to 400,000 per year. Mr. Barnes is interested in learning more about the rail capacity in our state and if the increase in capacity would impact our efforts on Columbia Drive.
3. Ms. Bader Inglima received an email from TRIDEC's business recruitment specialist, who is compiling a "white paper" with Areva, to support the attraction and recruitment of NuScale, a company that designs and markets small modular reactors. The "white paper" is a compilation of companies, public agencies, and unions in the area offering their support and relaying that the Tri-Cities is a nuclear friendly community. TRIDEC has requested a statement of support from the Ports of Kennewick, Pasco, and Benton; other entities have already responded to the request and provided their support. Ms. Bader Inglima will forward the request to the Commission and place the item on the June 13, 2017 Agenda for Commission consideration.

Mr. Novakovich asked Ms. Bader Inglima to include a staff report and recommendation regarding the letter in the agenda packet.

Ms. Bader Inglima reported the Port, City of Kennewick, Benton County and Columbia Basin College (CBC) received the Governor's Smart Communities Award - Smart Partnership Award for implementing the plans for Columbia Gardens and The Willows. Our partnership with the City, County and CBC on Columbia Drive demonstrates excellence, innovation and a creative approach to planning, funding and implementation of a project.

4. Ms. Luke thanked the Port for the opportunity to attend the WPPA Spring Conference, in particular, the Legal Committee Meeting.

### **PUBLIC COMMENTS**

Jeff Brown, Arts Center Task Force (ACTF) Board Member, reported the ACTF Planning Committee are meeting with LMN, the contracted architecture firm for ACTF. The Planning Committee has narrowed down a concept and is discussing it in greater.

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No further comments were made.

**COMMISSIONER COMMENTS**

No comments were made.

Mr. Novakovich anticipates the Executive Session will last approximately 30 minutes, Site Selection per RCW 42.30.110(1)(b), Real Estate Minimum Price per RCW 42.30.110(1)(c) and Potential Litigation, per RCW 42.31.110(1)(i) with no action anticipated. Mr. Novakovich asked the public to notify Port staff if they will return after the executive session.

Mr. Novakovich recessed the Regular Commission Meeting at 3:00 p.m. for approximately 10 minutes.

**EXECUTIVE SESSION**

- A. Real Estate, per RCW 42.30.110(1)(b) – Site Selection*
- B. Real Estate, per RCW 42.30.110(1)(c) – Minimum Price*
- C. Potential Litigation, per RCW 42.31.110(1)(i)*

Mr. Novakovich convened the meeting into Executive Session at 3:10 p.m. for approximately 30 minutes (3:40 p.m.).

Ms. Hanchette exited the meeting at 3:33 p.m. and extended Executive Session for 15 minutes (3:55 p.m.).

Mr. Novakovich adjourned the Executive Session at 3:49 p.m.


Mr. Novakovich reconvened the Regular Commission Meeting at 3:49 p.m.


**ADJOURNMENT**

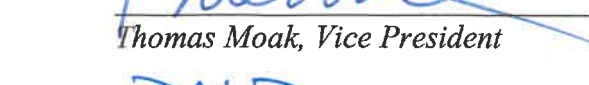
With no further business to bring before the Board; the meeting was adjourned 3:49 p.m.

***APPROVED:***

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
Skip Novakovich, President

  
Thomas Moak, Vice President

  
Don Barnes, Secretary

**PORT OF KENNEWICK**

**Resolution No. 2017-09**

**A RESOLUTION OF THE PORT OF KENNEWICK  
BOARD OF COMMISSIONERS DESIGNATING THE EMERGENCY REMOVAL  
AND DISPOSAL OF UNDERGROUND STORAGE TANK AT 211 E. COLUMBIA  
DRIVE KENNEWICK AS EXEMPT FROM PUBLIC WORKS COMPETITIVE  
BIDDING REQUIREMENTS**

**WHEREAS**, in accordance with RCW 39.04.280, the Port of Kennewick (Port) is authorized to designate certain public works contracts as emergencies and, therefore, exempt from competitive bidding requirements; and

**WHEREAS**, the Port of Kennewick contracted with Poland and Sons to remove the concrete slab at 211 E. Columbia Drive; and

**WHEREAS**, during the demolition of the concrete slab, an underground storage tank was discovered creating a potential hazard; and

**WHEREAS**, under his delegation of authority, the Chief Executive Officer authorized emergency removal of the underground storage tank and each Commissioner was notified individually.

**NOW, THEREFORE, BE IT RESOLVED** that the Port of Kennewick Board of Commissioners designates the removal of the underground storage tank as an emergency public works project within the guidelines of RCW 39.04.280, and therefore exempt from competitive bidding requirements.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 23<sup>rd</sup> day of May 2017.

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

  
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SKIP NOVAKOVICH, President

  
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THOMAS MOAK, Vice President

  
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DON BARNES, Secretary



**PORT OF KENNEWICK**

**Resolution No. 2017-10**

**A RESOLUTION OF THE PORT OF KENNEWICK  
BOARD OF COMMISSIONERS DESIGNATING THE EMERGENCY  
REPLACEMENT OF COMPRESSOR IN HEAT PUMP AT 415 N. QUAY  
BUILDING B, KENNEWICK AS EXEMPT FROM PUBLIC WORKS  
COMPETITIVE BIDDING REQUIREMENTS**

**WHEREAS**, in accordance with RCW 39.04.280, the Port of Kennewick (Port) is authorized to designate certain public works contracts as emergencies and, therefore, exempt from competitive bidding requirements; and

**WHEREAS**, the Port of Kennewick contracted with Bruce Inc. to replace a failed compressor in heat pump at 415 N. Quay in Building B, Kennewick; and

**WHEREAS**, the failure of a compressor in a heat pump serving an occupied tenant space caused the air conditioning system to become inoperable during a period of where outside temperatures are anticipated to be above ninety creating a hazard for people and property; and

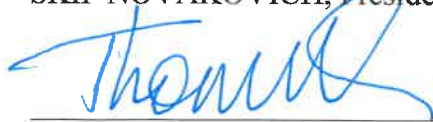
**WHEREAS**, under his delegation of authority, the Chief Executive Officer authorized emergency removal of the underground storage tank and each Commissioner was notified individually.

**NOW, THEREFORE, BE IT RESOLVED** that the Port of Kennewick Board of Commissioners designates the replacement of a heat pump compressor as an emergency public works project within the guidelines of RCW 39.04.280, and therefore exempt from competitive bidding requirements.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 23<sup>rd</sup> day of May 2017.

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

  
SKIP NOVAKOVICH, President

  
THOMAS MOAK, Vice President

  
DON BARNES, Secretary