

REVISED AGENDA

Port of Kennewick
Regular Commission Business Meeting
Port of Kennewick Commission Chambers
350 Clover Island Drive, Suite 200, Kennewick, Washington

Tuesday, June 12, 2018
2:00 p.m.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. APPROVAL OF AGENDA

IV. PUBLIC COMMENT *(Please state your name and address for the public record)*

V. CONSENT AGENDA

- A. Approval of Direct Deposit and ePayments Dated June 4, 2018
- B. Approval of Warrant Register Dated June 12, 2018
- C. Approval of Regular Commission Business Meeting Minutes May 22, 2018

VI. PRESENTATION

- A. CNU Conference Update (**COMMISSIONER MOAK**)

VII. REPORTS, COMMENTS AND DISCUSSION ITEMS

- A. Columbia Drive Update (**LARRY**)
 - 1. Mural Celebration (**TANA**)
 - 2. Tasting Room Selection Committee (**AMBER**)
- B. Vista Field (**LARRY/TIM**)
 - 1. Improvements (**TIM**)
 - 2. Vista Field Parametrix Contract Change Order: Resolution 2018-11 (**LARRY**)
 - 3. TIFF/Collaborative Design Process (**TIM / LARRY**)
- C. Visit Tri-Cities Letter
- D. Opportunity Fund (**TIM**)
- E. Commissioner Meetings (formal and informal meetings with groups or individuals)
- F. Non-Scheduled Items

VIII. PUBLIC COMMENT *(Please state your name and address for the public record)*

IX. EXECUTIVE SESSION

- A. Potential Litigation, per RCW 42.30.110(1)(i) *(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)*

X. ADJOURNMENT

PLEASE SILENCE CELL PHONES



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MAY 22, 2018 MINUTES

CALL TO ORDER

Commission President Thomas 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 Novakovich led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

Christie Holechek, 4314 Irvington Avenue, Jacksonville. Ms. Holechek, Director of Art in Public Places, City of Jacksonville, Florida, is accompanying Andrew Reid with the Latino Mural Art installation at Columbia Gardens. Ms. Holechek has been working with the Jacksonville public art program, the City of Jacksonville, and City Council to continue the conversation for downtown revitalization. The Art in Public Places program is a percent for art program that is county wide. Ms. Holechek is very humbled, as well as inspired by the Port and City of Kennewick and will confidently return to Jackson and present the city leadership with the numerous pictures she took. The Port and City are doing a great job revitalizing the area and you can see the pride in the workmanship that is displayed. Ms. Holechek stated she has learned a lot about Kennewick through the public art, display plaques, and regional industries.

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Don Britain, 6010 West Okanogan Way, Kennewick. Mr. Britain, Mayor of Kennewick, thanked the Commission for the partnership between the two entities and stated that it is rewarding to enter into partnership with an entity and see movement and see things accomplished, such as the current development at Columbia Gardens and the future development at Vista Field. These projects were able to come about because of the cooperation between Mr. Arntzen and Ms. Mosley and Port and City staff and the trust that the two entities share. Mr. Britain stated the Port and City began working together over four years ago when we signed the Interlocal Agreement (ILA) to develop Columbia Gardens and the partnership has grown tremendously.

Marie Mosley, 210 West 6th Avenue, Kennewick. Ms. Mosley, Kennewick City Manager, reiterated Mayor Britain's comments, and thanked the Commission for the work they have done and the leadership provided in allowing for the partnership we have today. Ms. Mosley stated the relationship between the Port and City is better than it has ever been and it has been an honor and privilege to work with Mr. Arntzen and his staff. Ms. Mosley and Mr. Arntzen meet on a monthly basis and both staff's work together very well and are able to produce amazing things in our community. Ms. Mosley contributes the success to the City Council and Port Commission in fostering the relationship, by entering into an ILA, one of the key items to our relationship. The Port and City have made an investment in the community and have been able to leverage those funds to obtain grants and work with other government agencies to establish partnerships, such as Benton County and the Rural Capital County Funds and Columbia Basin College. Ms. Mosley appreciates the Commission's leadership and how, one joint meeting several years ago, lead to the revitalization of Columbia Drive with the development of Columbia Gardens. Ms. Mosley is excited for the future of Columbia Gardens and Vista Field.

Commissioner Moak appreciates the kind words and stated the Commission takes our improved relationship with the City very seriously and wants to continue to work in partnership. There is a lot of excitement from the community and the Port about how we can move forward at Columbia Gardens, The Willows and Vista Field. The ILA is a model, in terms of working with others, and sets the bar high; and it has provided the opportunity to leverage funds with other government entities. Commissioner Moak thanked Mayor Britain and Ms. Mosley for their continued partnership.

No further comments were made.

CONSENT AGENDA - A

- A. *Approval of Direct Deposit and E-Payments Dated May 2, 2018***
Direct Deposit and E-Payments totaling \$55,180.24
- B. *Approval of Warrant Register Dated May 4, 2018***
Expense Fund Voucher Number 100081 for a grand total of \$19,079.73
- C. *Approval of Warrant Register Dated May 8, 2018***
Expense Fund Voucher Numbers 100082 through 100131 for a grand total of \$174,434.80
- D. *Approval of Direct Deposit and E-Payments Dated May 16, 2018***
Direct Deposit and E-Payments totaling \$53,382.38
- E. *Approval of Warrant Register Dated May 22, 2018***
Expense Fund Voucher Numbers 100132 through 100156 and 100158 through 100166 for a grand total of \$76,088.51
- F. *Approval of Special Commission Business Meeting Minutes April 19, 2018***
- G. *Approval of Regular Commission Business Meeting Minutes April 24, 2018***

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

CONSENT AGENDA - B

A. Approval of Warrant Register for PS Media Dated May 22, 2018

Expense Fund Voucher Number 100157 for a grand total of \$19,707.96

MOTION: *Commissioner Barnes moved for approval of the Consent Agenda B; Commissioner Moak seconded.*

Discussion:

Commissioner Novakovich stated he would like to recuse himself from any action on Consent Agenda - B, because on April 12, 2011, he disclosed that Esprit, the company he and his wife owns, has a contract with PS Media to print the Port's newsletter and other printed materials. Esprit does not get paid directly from the Port; they get paid from PS Media.

Consent Agenda - B is a 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.

With no further discussion, motion carried. All in favor 2:0, (Commissioners Moak and Barnes) 1 abstained (Commissioner Novakovich).

PRESENTATION

A. Columbia Gardens Latino Heritage Murals, Andrew Reid

Ms. Bader Inglima introduced Andrew Reid, artist of the Latino Heritage Mural (LHM) and Barb Carter, Port art liaison, who has shepherded the LHM project over the past two years.

Andrew Reid resides in Miami, Florida and his studio is in Little Haiti, where there is a flourishing art scene. Mr. Reid extended his thanks to the Commission, Mr. Arntzen, Ms. Bader Inglima and especially Ms. Carter, who helped him navigate the mural project. Mr. Reid appreciated Ms. Carter's assistance in the interviews and reaching people who are represented, in Pasco and other areas of the Tri-Cities. Mr. Reid stated the community opened up their homes and allowed him to ask personal questions about their heritage, and for that, he is grateful. Mr. Reid applied a clear coat for protection from the extreme weather and graffiti. Mr. Reid stated Miami is a successful art town and once a year, hosts Art Basil. The economic impact on Miami from Art Basil is enormous and Mr. Reid believes Columbia Gardens will be the future anchor for economic development within Kennewick. Mr. Reid is excited for the Celebration Event and believes there will be a good turnout, because this is a community project, honoring the Latino field workers. When Jon Lindeman approached Mr. Arntzen with the idea of a mural, a great concept evolved and that is the key to success. Mr. Reid expressed his gratitude to Ms. Cater and Mr. Lindeman and hope the LHM is a great success for economic development and thanked the Port for the opportunity.

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Ms. Bader Inglima stated Mr. Reid is very humble, and as an artist, he has been willing to work with community to reflect not his vision of their story, but to truly tell their story. Ms. Bader Inglima thanked Mr. Reid for his flexibility, his depiction of the story of the Latino community through his art, and the ability to create and infuse the murals with story of the local region. Ms. Bader Inglima stated Mr. Reid created the line art for the LHM and gave the Port permission to create a line art coloring page as a take-a-way for the Celebration Event. Ms. Bader Inglima thanked the LHM committee, who remained actively engaged during the entire process and had the idea to create a coloring page of the LHM.

Commissioner Barnes is looking forward to the Celebration Event and stated the LHM is spectacular.

Commissioner Novakovich stated Mr. Reid is an amazing artist and great person and hopes he has a chance to return to the area.

Commissioner Moak appreciated the work of everyone involved in the LHM and the way Mr. Reid listened to the people tell their stories and reflected it in the LHM.

Mr. Reid stated if the LHM had not been done properly, it would not be as impactful, therefore, it was very important to listen to the stories and listen to the LHM committee to get it right.

Commissioner Moak stated the Port tries to go above and beyond and do things the right way and hopes the Celebration Event is a great expression of that.

Mr. Arntzen thanked staff for all their work and stated the Coyote Crew assisted with the installation of the mural. Mr. Arntzen expressed his respect for Mr. Reid and Ms. Carter and stated the process has been long and some challenges occurred along the way. The Commission let the LHM Committee and Mr. Reid take the lead on the LHM, to create a uniquely community driven project.

Commissioner Moak stated the Commission is very pleased with the outcome and praised Mr. Reid, the LHM Committee, and Ms. Carter for their dedication to the LHM.

NEW BUSINESS

A. *Amendment to Ground Lease for DDM Investments LLC (Cedars); Resolution 2018-09*

Ms. Hanchette presented Resolution 2018-09, which is a ground lease amendment request from DDM Investments, who own Cedars. Cedars restaurant has been a Clover Island destination since 1974. Dave and Darci Mitcham of DDM Investments LLC purchased the restaurant and assumed a ground lease agreement with the Port of Kennewick effective January 2, 2006. For the benefit of current and future owners, DDM Investments LLC is requesting two additional ten year options for a potential fifty-five year ground lease. The current 15 year lease began in 2006-2021, with two optional ten year options.

A key benefit of the lease amendment to the Port of Kennewick is the continuation of vitality on Clover Island that Cedars restaurant has attracted over many years as a dining destination. The

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additional options provide increased revenue to Port operations and projects, along with clarification of dock usage and maintenance. The proposed amendment incorporates the Port's current late fee, interest, and NSF policies as standard lease language bringing continuity and cost savings to Port administration.

Mr. Kooiker stated the Port uses a blanket billing system for tenants, but were unable to utilize this procedure with Cedars because they were not on the standard lease. The ground lease amendment moves Cedars to the standard lease format, which will be a benefit for the Port.

Mr. Arntzen thanked staff for their efforts and stated Cedars is a flagship establishment on Clover Island and it is important for the Port to help keep them viable. Mr. Arntzen believes it will be a good transition and the amendment of the lease language is worth considering.

Commissioner Barnes confirmed that the lease began September 2005 and are currently in year 13 of the lease and the schedule of rents is for year 10-15.

Ms. Hanchette stated the lease was assigned from Ray Gillette on March 1, 2006 and they are currently in their 13th year.

Commissioner Barnes confirmed that DDM Investments leases four lots, 6, 7, 8, and 9, and inquired what the total acreage was.

Ms. Hanchette stated it is 1.14 acres/50,240 square feet.

Commissioner Barnes agrees with Mr. Arntzen's comment and believes the Mitcham's have done a good job with the restaurant. Commissioner Barnes support actions by the Port to make the property more attractive to a buyer and it is consistent with what the Port is trying to accomplish on Clover Island, and helps bring vibrancy to the Island.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2018-09, approving a ground lease amendment for two additional ten year options added to the end of the Port's current ground lease with DDM Investments; Commissioner Barnes seconded.*

Discussion:

Commissioner Moak would have liked to have seen additional external benefits to the Port, other than internal processes. Commissioner Moak is not concerned about 40 years from now, but is very interested in what happens on Clover Island over the next 5-10 years. Commissioner Moak inquired if DDM Investments has a purchaser for the building.

Ms. Hanchette does not believe DDM Investments has a purchaser at this time and they are awaiting the appraisal of value to determine a sales package.

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With no further discussion, motion carried. All in favor 2:1 (Commissioner Moak nay).

OLD BUSINESS

A. *Five Year Lease Renewal with Bruker AXS Handheld 60 Day Lease Extension; Resolution 2018-10*

Ms. Hanchette reported that the Port has been negotiating the lease renewal with Bruker AXS Handheld since December 2017. The Port of Kennewick leases approximately 21,000 sf of space to Bruker AXS Handheld Inc. in Vista Field Development Facility A at 415 N. Quay Street, Kennewick. Bruker has requested a five year lease agreement and removal of Article 23 from the standard lease language. It was important to Bruker that that clause be removed and Ms. Luke reviewed that section and felt it was reasonable to accommodate their request.

Bruker is a long-term port tenant with 38 employees in various professional positions: scientists, engineers, research and development, applications, assembly/production and administration. With more than 6,000 employees worldwide, Bruker Corporation is a publicly traded global manufacturer of high-end analytical instruments used within the academic and government, pharma/biotech, clinical diagnostic and industrial markets. The Kennewick Bruker office is one of six locations in the United States. Locally, Bruker is conducting research, development, design, assembly, shipping and service for a proprietary line of handheld, mobile and portable spectrometers. Vendors and Bruker employees come to Kennewick from all over the world for product training, often times visiting for a week at a time and contributing to the local economy by staying in area hotels, shopping and dining.

Commissioner Barnes stated the current rate is .51 cents a square foot and confirmed that the Port recently made a substantial investment to the building, approximately \$759,000, for deferred maintenance.

Ms. Hanchette stated the building went through a remodel and a large portion of deferred maintenance was addressed. Ms. Hanchette reported that all of the heating and cooling units and furnaces were replaced, and the addition of a fire alarm system. Some of the monies from the remodel will benefit other tenants, because the Port was able to create two additional spaces within the same building.

Commissioner Barnes inquired if the Port sought any outside help with the rent determination because the building is considered light industrial with office space.

Ms. Hanchette spoke with several 3rd party real estate agents, however, because it is light industrial with office space, with an open warehouse space, it is hard to determine a good rate. Ms. Hanchette stated there is no comparable rate but the Port does use a blended rate and does not adjust for office or warehouse space.

Commissioner Barnes asked if the Port has obligations for maintenance.

Ms. Hanchette stated the Port has maintenance obligations; however, with the new lease, routine expenses were shifted back Bruker. During the remodel, Bruker paid for all of the landscape

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renovations and added additional outside lighting to the buildings. Furthermore, Bruker pays for the landscaping to be maintained, which benefits all of the tenants,

Commissioner Moak inquired if removing clause 23 is valuable to the Port's tenants as a whole.

Ms. Hanchette stated clause 23 is also used in the Port's agricultural leases, where the property eventually becomes industrial.

Ms. Luke stated Bruker's length of lease is five years and stipulates a firm end date, as it relates to a termination. Ms. Luke stated the Port stood firm on all the terms, but felt we could negotiate away clause 23 on this particular lease. Clause 23 is an important piece for the Port lease, for purposes of planning and flexibility if circumstances arise, and if the tenant is not meeting expectations. Ms. Luke stated it is unusual for the Port to exercise, but it is important to maintain and is a fairly standard term.

Commissioner Moak asked how long the Port has been using the new, standard lease and if some Port tenants are still on the old lease format.

Ms. Hanchette stated the Port has been using the new lease agreement for about four years and there are only a few tenants on the old lease format. The Port has transitioned the majority of commercial tenants and all of the agriculture leases to the new lease format.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved approval of Resolution 2018-10 approving a five year lease with Bruker AXS Handheld; Commissioner Moak seconded.*

Discussion:

Commissioner Barnes was initially concerned about the rate; however, it is not unusual to see rates at 50 cents per square foot for basic warehouse space. Given the Port's recent investment of \$759,000 in upgrades Commissioner Barnes felt that the rate was low; however, the fact that the tenant remained in the building during the remodel, invested their own funds in upgrades, and adds very valuable high paying jobs to our community, visitors, customers, local economy he supports the lease. As stipulated in the lease term, at the end of five years, the rate is fair and equitable and in line with the market. Commissioner Barnes stated the legal description shows the number eight and believes it should be degrees.

Ms. Hanchette confirmed with Assessors website and the eight should be degrees.

Ms. Luke will work on cleaning up the legal description.

Commissioner Moak thanked staff for completing the lease amendment and as Commissioner Barnes mentioned, the deferred maintenance has been completed and the Port continues to stay on top of those issues. It is good to have Bruker in the community and as a tenant.

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Commissioner Barnes inquired if the Commission needs to restate the motion because of the discrepancy with the legal description,

Ms. Luke stated a notation in the discussion is sufficient.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field Update

1. Vista Field Policy Matters

Mr. Arntzen stated Mr. Peterson is currently working with Parametrix to complete the engineered drawings for Vista Field Phase 1A and incorporating community and Commission comments. Mr. Arntzen listed the following administration or policy matters that will need to be addressed by the Commission over the next several months:

- a. Street names;
- b. Vista Field Logo: Ms. Plater-Zyberk suggested branding of the airport, separate from the Port;
- c. Business Improvement District/Home Owners Association: mechanism to collect dues for programming and maintenance;
- d. Financing;
- e. Model sales strategy/marketing;
- f. Collaborative Design process; and
- g. Art policy.

Commissioner Moak stated all of the items are important and in order to move forward with the development, the Commission needs to come to conclusions.

Commissioner Novakovich inquired about installing fiber at Vista Field.

Mr. Arntzen recognized that fiber should be included on the list, especially since Port's now have the ability to build telecommunications infrastructure.

Commissioner Novakovich asked for an update regarding the fiber.

Mr. Arntzen stated staff spoke with the Port of Whitman, who installed fiber to the rural areas of the Port of Whitman. Mr. Peterson met with Benton PUD, and NoaNet (fiber provider) and Parametrix to discuss both the electrical and fiber system improvements at Vista Field. Vista Field would receive electrical and fiber from three locations. This would give Benton PUD and NoaNet the opportunity to pull the electrical and fiber to tie into the existing network. Mr. Arntzen stated the Port commissioned a study with Todd Coleman of Parametrix, who specializes in fiber and because Vista Field is not in a rural area, it would be prudent for Benton PUD and NoaNet to install fiber. The Port could discuss the addition of fiber with Benton PUD and see if there are ways to form a collaborative partnership. Mr. Arntzen believes the Port and Benton PUD could partner with a private wholesaler, such as Spectrum or CenturyLink to

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provide the service. However, the economic study indicate it would take the Port 21 years to break-even if the Port installed the fiber on its own.

Commissioner Moak inquired where is fiber on the list of importance.

Mr. Arntzen stated fiber should be at the top, because it makes the property more desirable; however, before staff initiates a conversation with Benton PUD, Mr. Arntzen would like to confirm if the Commission would like to partner with Benton PUD or for the Port to install fiber.

Commissioner Moak believes it is about the service to the properties not who the installs the fiber, especially if the Port can partner with Benton PUD and NoaNet.

Commissioner Novakovich confirmed that the Port could partner with Benton PUD and NoaNet for the installation and a wholesaler would provide the service.

Mr. Arntzen stated either the Port or Benton PUD would install conduit and then collaboratively decide who would be the wholesaler for the area. Mr. Arntzen can begin discussions with Benton PUD regarding a partnership which would be very beneficial for the community.

Commissioner Barnes stated this is a one-time endeavor and not the Port's expertise and it would be practical to explore a partnership with Benton PUD and NoaNet. Commissioner Barnes expressed his concern for subsidizing the project.

Mr. Arntzen believes wholesalers are providing the copper strand, however, fiber is an upgrade. If there is an opportunity for a government to install fiber, then there could be a competitive advantage for the development. Mr. Arntzen stated his preference is to partner with the installation rather than add a new business line for the Port.

Mr. Peterson stated they standard conduit is two inches and NoaNet uses three inch, which does not cost much more if it is installed when the ditch is open.

Commissioner Moak asked Mr. Arntzen to speak with Benton PUD and see if this is a direction the Port might take for Vista Field.

2. *Financing Strategy*

Mr. Kooiker presented the Key Banc Capital Markets draft calendar for the financing strategy for Vista Feld. Mr. Kooiker stated the Port contracted with three consulting firms; Key Banc Capital Market, who will arrange the loan agreement; Foster Pepper, who is the Bond Council; and Martin Nelson, the third party fiduciary. Based on the draft calendar, the Port will receive Requests for Proposals (RFP) for the loan on July 16, 2018 and thereafter select a bank as a lender.

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Commissioner Novakovich thanked Mr. Kooiker for his diligence and for explaining the process.

Mr. Kooiker explained that the Port is not getting a bond for Vista Field but a private placed bond (loan), Washington RCW states any public debt is a bond. The approximate issuance cost for the loan is \$50,000.

Commissioner Barnes confirmed that the Port would take out a \$5,000,000 private loan and the cost to the Port will be \$50,000.

Mr. Kooiker stated that is correct, but that amount does not include interest on the loan.

Commissioner Barnes inquired if the loan is tax exempt.

Mr. Kooiker stated the loan is tax exempt and if the Port had decided to remodel the hangars as part of Phase 1A, that would not be tax exempt. The infrastructure, plaza, and water feature are all non-taxable.

Mr. Arntzen stated Mr. Kooiker has researched the process and obtained expert advice for the process. Mr. Arntzen indicated the RFP will not garner an apple to apple comparison and stated the consultants will help staff determine the best proposals. Mr. Arntzen inquired if the Commission is comfortable with staff and the consultants proceeding forward for the RFP and if the Commission would like staff to bring the top proposals forward for review.

Commissioner Moak is comfortable moving forward with the process if there is a clear front runner; however, if there are a few proposals that are similar, then he would like staff to present the different benefits from each proposal.

Commissioner Barnes agrees with Commissioner Moak's suggestion.

Mr. Kooiker stated Key Banc explained a process where the Commission gives delegation to a committee to make the recommendation because it can be hours of review.

Mr. Arntzen confirmed that the Commission delegates to committee the ability to make a recommendation, whereby the final decision is made by the Commission. Mr. Arntzen inquired if the Commission is agreeable to the process.

Commissioner Novakovich stated he is fine with the process as long as there is justification about the recommendation.

Commissioner Moak agrees with Commissioner Novakovich and stated the consultant should be able to defend the recommendation.

Mr. Kooiker stated the Port will continue to move forward in an open and transparent process.

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Mr. Arntzen stated he would like to see the Commission remain in charge of the process and allow the committee to review the RFP's. Staff and the Committee will bring back a recommendation to the Commission and at that time the Commission can decide the next steps.

B. Clover Island Master Plan Update

Mr. Arntzen is enlisting the services of Makers Architecture & Urban Design, the original owners of Clover Island Master Plan, to meet with the Commission and public to create a scope of work for a potential refresh of the 2005 Master Plan. Julie Bassuk worked on the 2005 Master Plan and will be able to meet with the Port Commission in September. This works to the Port's advantage, because there is not currently funding for the Clover Island Master Plan update; however, it can be added to the 2019-2020 Budget.

Commissioner Moak inquired if Mr. Arntzen has spoken to the City of Kennewick about updating the Master Plan. Commissioner Moak believes updating the Clover Island Master Plan should tie into the City's revitalization plan for the greater Bridget to Bridge area.

Mr. Arntzen has spoken to Ms. Mosley regarding the Master Plan update and indicated that the City would like have some input in the Port's Master Plan process, but would like it to remain the Port's process. Mr. Arntzen believes if the Port were to include other areas, it would slow down the process. Mr. Arntzen will visit with Ms. Mosley about updating the Clover Island Master Plan and what the City foresees for the future of the area.

Commissioner Barnes is concerned the Port needs a comprehensive review of Clover Island, The Willows and Columbia Gardens. The relationship to each other is important and should be addressed. Commissioner Barnes understands it is a larger project, but does not believe there is value in updating the Master Plan if the other properties are not considered.

Mr. Arntzen will speak with Ms. Mosley about Clover Island and stated if the Port does decide to include The Willows and Columbia Garden in the Master Plan Update, the process may become larger than he originally anticipated.

C. Congress of New Urbanism Report

Commissioner Moak stated the Congress of New Urbanism (CNU) Conference was very informative and he appreciates the opportunities to travel to educational conferences such as CNU.

The Conference discussed items such as incremental development and building places, not just buildings. Commissioner Moak stated the Port should focus on creating an experience, programming space, and highlighted the importance of landscape and trees at Vista Field. Additionally, the topic of strengthening core areas of town and how much public entities spend on infrastructure was addressed. Commissioner Moak stated Elizabeth Plater-Zyberk of DPZ Partners discussed the recent Vista Field meeting with Mr. Arntzen and Mr. Peterson. Commissioner Moak reported that the 2019 CNU Conference will be held in Louisville, Kentucky.

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D. Washington Public Ports Association (WPPA) Conference Report

Mr. Arntzen and Commissioner Novakovich attended the Washington Public Ports Association (WPPA) Spring Conference earlier this month, where the Port was presented the Creative Partnership Award.

Ms. Bader Inglima stated the award is a recognition of the Port for the creative partnership that was undertaken at Columbia Gardens. The Port submitted an application, similar to the Governor's Award application, for partnership at Columbia Gardens. WPPA recognized the Commission's leadership and how they encouraged partnerships with the City of Kennewick, Benton County, Columbia Basin College, the Hanford Economic Investment Fund Advisory Committee, and all of the other entities/groups that were part of the Port's vision to redevelop and transform Columbia Drive.

Commissioner Novakovich stated it is rare for ports and cities to partner on projects and the attendees were impressed with our partnership. Together we are better and can make things happen.

Mr. Arntzen stated it was an honor to be recognized by the WPPA and stated Ms. Bader Inglima did an outstanding job on the application.

Ms. Bader Inglima will forward the application to the Commissioners.

Commissioner Moak stated Columbia Gardens is a great project and many entities stepped up to partner with the Port. Furthermore, the Port has garnered a reputation of building great projects and entities want to be a part of that.

Ms. Bader Inglima continues to leverage our partnerships and reported that she is working with Spectrum for the Latino Celebration Event; Spectrum is providing free WIFI for the live Spanish-language interpretation of the program.

E. Real Property Auction Plan

Mr. Arntzen stated staff and the Commission have been discussing the possibility of utilizing an auction firm for the Southridge property and using the proceeds for the next phase of Vista Field. Mr. Arntzen suggested if the Commission is considering using an auction firm for Southridge, several conditions should be in place, such as:

- The Port does not begin the process until the bids for Vista Field Phase 1 infrastructure are received;
- Use an Request for Proposal for services;
- Consider auctioning the property in spring of 2019; and
- Factor in the evolving conditions of hospital administration issues and that impact on the surrounding neighborhood.

Commissioner Moak is agreeable to Mr. Arntzen's conditions and stated the timing should be based on when Mr. Kooiker believes the Port needs the funds.

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Commissioner Barnes listened to the audio of Mr. Musser's presentation and stated many of the properties that were mentioned were unique and considered trophy lots. Commissioner Barnes expressed his concern about the up-front marketing fee and stated the Port could invite a top rate realtor to give a presentation about things the Port could do to achieve a sale at Southridge, which does not require an up-front investment.

Commissioner Novakovich believes that is a good idea, because if the Port waits until next spring to possibly auction the property, we can in the meantime invite a realtor to a Commission Meeting and look at implementing their suggestions and see if the property might sell without an auction.

Mr. Arntzen stated if the Port were to sell the property now, it would make things easier; however, he believes selling the property between now and September is unrealistic. Mr. Arntzen explained the Phase 1A does not include the sale of Southridge funds, but staff does not know how much Phase 1A will cost. The Commission can consider auctioning the property if the funds were needed by September.

Commissioner Moak believes if the hospital can conclude their administrative transaction by fall, the Port may want to wait on moving the property.

Mr. Arntzen confirmed that staff will continue on the same course and look at enhanced techniques to sell the property. The Port has a policy that states that the Port does not offer exclusives; however, this is something the Commission could amend if necessary.

Commissioner Novakovich inquired if there are any laws in place that say the Port cannot offer exclusives.

Ms. Luke stated it is a matter of policy and the Commission can amend their policies as needed.

Commissioner Novakovich likes Commissioner Barnes's idea of inviting a realtor to present possibilities about a strategy for the property.

Ms. Hanchette can reach out to local commercial agents and review the Port's current marketing efforts to see if there are additional strategies the Port can use.

Commissioner Barnes inquired what the initial investment with an auction house would cost.

Mr. Arntzen believes approximately \$30,000 for marketing.

Mr. Kooiker stated the Port pays a substantial amount on advertising and marketing on a reoccurring basis.

Ms. Hanchette stated the property is advertised on Loopnet, Zoomprospector (TRIDEC website) and is advertised monthly in the *Tri-City Journal of Business*. Ms. Hanchette has received some feedback and indicated there is already a lot of inventory in that neighborhood and not enough traffic for a big box store.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

DRAFT

Mr. Arntzen stated staff will continue on course and review marketing efforts and bring back a report in the fall.

Commissioner Barnes inquired if there is a non-exclusive agency listing for the MLS.

Ms. Hanchette believes there is; however, she believes MLS has restrictions and will confirm with Tri-Cities Association of Realtors.

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

Commissioners reported on their respective committee meetings.

G. Non Scheduled Items

1. Commissioner Novakovich reported on the WPPA Legislative Report, which addressed public works contracting, unit-price contracting, competitive bid process and telecom authority and tourism funding.

Recently the WPPA hired a communication and marketing professional who has a differing view from the Organization's mission and the PR committee. The committee believes the WPPA should promote the port districts and WPPA, whereas the new hire wants to create marketing methods for ports to market themselves.

2. Commissioner Moak received a phone call recently from a constituent regarding the Latino Heritage Mural, who inquired what the Port had done to recognize others in the community. Commissioner Moak relayed there have been several things done already pertaining to the heritage of others and suggested that they visit Clover Island and the Benton County Historical Museum.
3. Ms. Scott reported that Ali Madison from Ben Franklin Transit requested a letter of support from the Port for a grant that they are pursuing to replace two diesel buses with electric buses. Ms. Scott spoke with Ms. Bader Inglima, who will draft a letter of support, if the Commission so desires. The Commission agreed.

Recently the City of Kennewick gave a tour of the effluent treatment facility at the Wine Village to the Academy of Certified Hazardous Materials Mangers. The Academy sent a thank you letter to the City, with a copy to the Port stating:

"The Wine Village pre-treatment is a good example and model for addressing future discharges to the city treatment systems. And, that it is forward thinking and includes planning for future development and enhanced compliance."

4. Ms. Bader Inglima stated the Port has done letters for Ben Franklin Transit in the past in support of their grants for buses. She will prepare that letter as requested.

Ms. Bader Inglima appreciates Commissioner Moak's response to the inquiry about how the Port has supported other groups and sighted The Call of the River and The Gathering Place as examples.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 24, 2018 MINUTES

DRAFT

Ms. Bader Inglima reminded the public about the Latino Heritage Celebration Event tomorrow, May 23, 2018, at Columbia Gardens, with a social hour to begin at 2:00 p.m. and formal program following at 2:30 p.m.

5. Mr. Arntzen presented the JUB Engineering report for the City of Richland and Port of Benton rail proposal which studied the truck traffic on Highway 240.

Commissioner Moak believes Mr. Arntzen should speak to Brian Malley at Benton Franklin Council of Governments, who are the regional transportation specialists.

6. Mr. Peterson recently visited Suncadia Resort and reported that Suncadia cost approximately \$1,000,000,000. The private sector spent \$65,000,000 on permits and entitlements, about 6.5% of the overall project, whereas, Vista Field permits and entitlements may cost about 0.5%.
7. Mr. Kooiker reported that the Financial Reports have been filed and stated the Port has received 22 years of clean audits.
8. Ms. Hanchette shared photos of the new blade signs and entrance sign for Columbia Gardens.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated that the Port should consider using a local internet company as the wholesaler for Vista Field and suggested One World Telecommunications, who is a local company that is already on Port property.

No further comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:48 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Thomas Moak, President

Don Barnes, Vice President

Skip Novakovich, Secretary



AGENDA REPORT

TO: Port Commission

FROM: Larry Peterson, Director of Planning & Development

MEETING DATE: June 12, 2018

AGENDA ITEM: Resolution 2018-11; Parametrix Inc. Contract Amendment #2

I. REFERENCE(S): Resolution 2018-08 and Parametrix Inc. Amendment #2 Scope of Work

II. FISCAL IMPACT: \$54,400

III. DISCUSSION: On February 14, 2017 the Port contracted with Parametrix Inc. (Parametrix) to perform civil engineering design services for the Port's Vista Field Phase #1 roadways and utilities project. The effort to expedite the Vista Field Redevelopment project resulted in Parametrix initiating design work in advance of the Port Commission and City adoption of the Master Plan.

Following City adoption of the Master Plan in December 2017 the Port provided the 30% design drawings for informal City review and comment. The City found the general layout and design consistent with the approved Master Plan and discussions over the last few years; however, closer review of the proposed Deschutes 3-way intersection yielded concerns about the general layout. The design revisions requested by the City have only minor on-site impacts but involve significant revision to the intersection design, and thus costs would be incurred to incorporate the City's redesign requests.

Port staff met with the DPZ team (Elizabeth Plater-Zyberk, Senen Antonio, Michael Mehaffy & Laurence Qamar) and Sam Nielson of Parametrix to refine the final design details throughout the project. As a result of this "mini-charrette" the DPZ {Miami} team suggested several revisions to the working drawings in the Woonerf & Espanola Way areas as well as design revision to the vehicle stream crossing bridge and internal table-top intersections. These revision concepts were shared with the Commission in April 2018 and staff received general direction to incorporate DPZ's suggestions.

The proposed contract amendment would allow for redesign of areas and segments to incorporate both the DPZ team suggestions and the City's requirements.

IV. ACTION REQUESTED OF COMMISSION:

MOTION: I move approval of Resolution 2018-11 authorizing the Port's Chief Executive Officer to execute the contract amendment with Parametrix Inc. for civil engineering services for the design of roadways and utilities in the Port's Vista Field Phase #1 project, for a sum not to exceed \$54,400.

EXHIBIT A- SCOPE OF WORK

Port of Kennewick Vista Field Division 1 Final Design Revisions

PHASE 06 – DIVISION 1 REVISIONS TO FINAL CIVIL AND LANDSCAPE PLANS

Goals and Objectives

This phase of work is to provide time and budget to complete design changes to previously completed portions of the Division 1 plans as requested by the Port. The requested changes can be broken into two categories with the first being tweaks, changes, and rewrites primarily suggested by DPZ in the New Orleans charrette to enhance the overall quality of the project and fixed some lingering Port design concerns. The second category is city directed changes to the Deschutes intersection which differs from the original agreed upon and designed layout. See the attached site plan the location of the required changes.

Tasks

The following tasks will be completed as part of this phase:

1. Re-design the Deschutes intersection and connection to Division 1 including:
 - a. Revise layout to match city preferred option.
 - b. Revise demolition and TESC plans and extents.
 - c. Revise grading, plan, and profile sheets for new layout.
 - d. Revise storm drainage plans and report for new layout.
 - e. Revise illumination plans. It is assumed that most of the existing system will be maintained with only minor changes to reset existing city poles.
 - f. Revise landscape and irrigation plans. It is assumed that the existing trees along Deschutes south of the hangar must be removed and replaced due to construction of the proposed improvements.
 - g. Revise/add striping plans for intersection and midblock crossings.
 - h. Add two mid-block crossings including use of rapid flashing beacons.
2. Re-design of Woonerf block (extension of Espanola Way)
 - a. Revise layout to match DPZ revised layout from New Orleans charrette including coordination with the client and architect on finalizing the layout.

SCOPE OF WORK (continued)

- b. Revise demolition and TESC plans and extents.
 - c. Revise grading, plan, and profile sheets for new layout.
 - d. Revise storm drainage plans and report for new layout.
 - e. Revise sanitary sewer plan and profile sheets.
 - f. Revise water plan and profile sheets.
 - g. Revise landscape plans for south buffer and add parking lot landscaping.
 - h. Add electrical vehicle (EV) parking stalls and details. Port to provide details for the preferred EV charging stations.
 - i. Add garbage/recycling enclosure to plans. Port to provide details of layout, aesthetics, and structural wall design.
3. Revisions to Espanola Way west
- a. Coordination with client and architect concerning final layout.
 - b. Revise layout to match DPZ revised layout from New Orleans charrette and later layout modifications. This includes the hardscape coloring and scoring patterns to be provided by DPZ and included in the Parametrix permit and bid documents
 - c. Draft and add details of the vehicle stream crossing as provided by DPZ.
 - d. Change plans to delineate portions of Alleys D and E to be bid as a bid alternate. Also add details of the bid alternate to the bid documents.
 - e. Modify demolition, storm, grading, water, and illumination plans as needed for new layout. It is assumed this will only require minor changes (less than 8 hours).
 - f. Add/revise landscape and irrigation design.
 - g. Add sanitary sewer plan and profile sheets to include connections to a food truck pod.
4. Revise scoring pattern to sidewalks and raised intersections throughout the site as recommended by DPZ.

Task Understanding

The following assumptions are listed for this task:

- All assumptions from the original contract are held unless directly changed as outlined in the above tasks.

SCOPE OF WORK (continued)

Deliverables

Parametrix will provide the following deliverables under this task:

- Updated plans and specs

Phase 06 Time and Material Fee Proposal: \$54,400

Task 6 Breakdown

PROJECT: Phase 1 Final Design

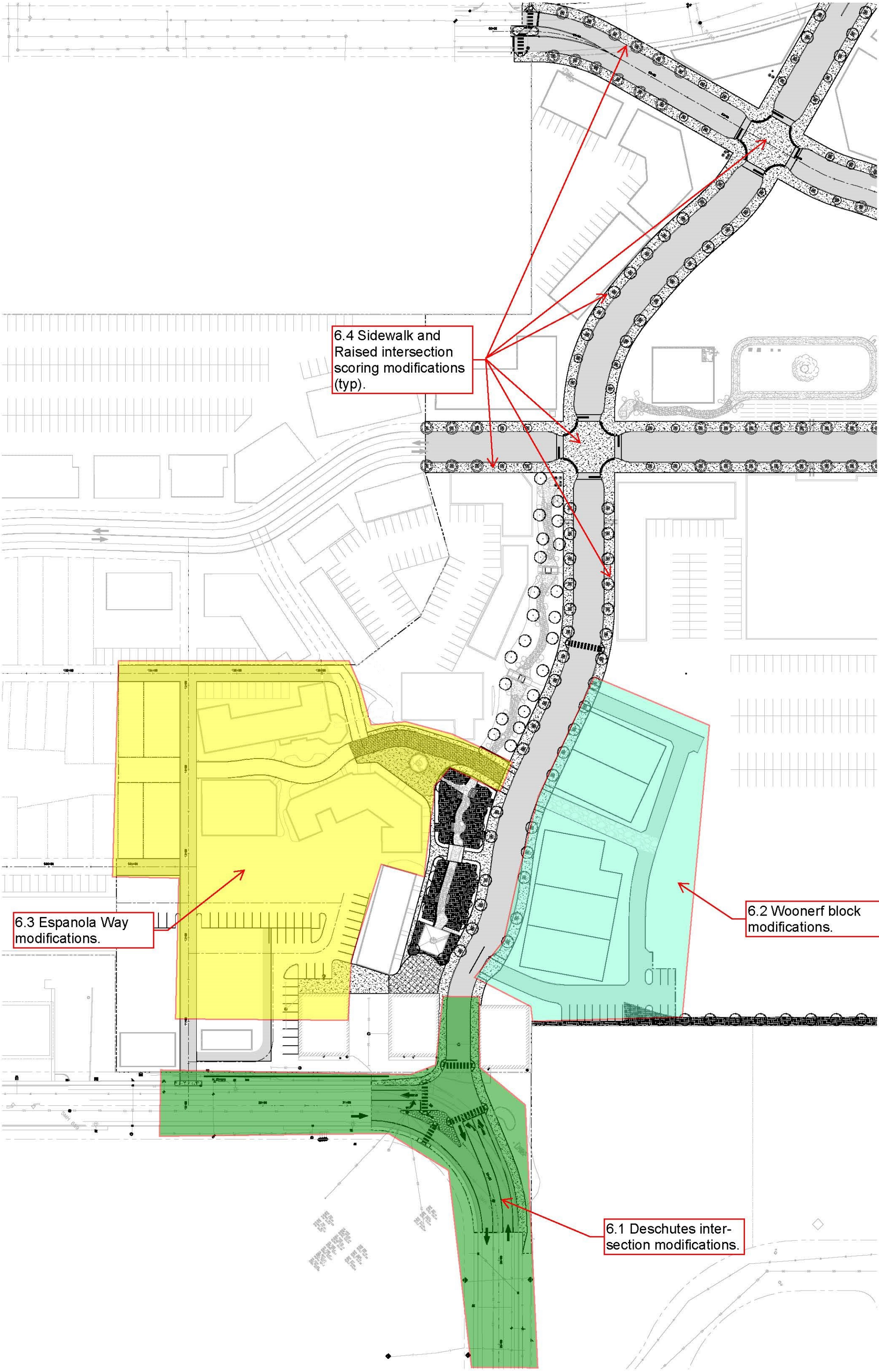
CLIENT: Port of Kennewick

PMX #		STAFF	Project Manager/ Engineer - Sam	Designer - Russell	CADD/ Eng. I	Landscape Arch - Darren	Engineer IV - Mark/Matt	Senior Consultant - QAQC	Expenses	Finance/ Word Proc					
Task Design Revisions															
Task # 6		BILL RATES	\$175.00	\$125.00	\$100.00	\$178.00	\$140.00	\$232.00	\$500.00	\$90.00			TOTAL HOURS	TOTAL COST	Subtotals
6.01	DESCHUTES INTERSECTION														
	Revise layout		4				24						28	\$4,060.00	
	Revise Demo		1				4						5	\$735.00	
	Revise grading, and P&P		2				16						18	\$2,590.00	
	Revise Storm plan and report		4				8						12	\$1,820.00	
	Revise Illumination		1				4						5	\$735.00	
	Revise landscape/irrigation plans		1		8	12							21	\$3,111.00	
	Revise striping plans		2				8						10	\$1,470.00	
	Add mid-block crossings w/ RRFB		2				24	2					28	\$4,174.00	\$18,695.00
6.02	WOONERF BLOCK														
	Revise layout		8	24									32	\$4,400.00	
	Revise Demo		2	4									6	\$850.00	
	Revise grading, and P&P		2	8									10	\$1,350.00	
	Revise Storm plan and report		16										16	\$2,800.00	
	Revise Sewer		2	12									14	\$1,850.00	
	Revise Water		2	12									14	\$1,850.00	
	Add/Revise landscape/irrigation		1		8	16							25	\$3,823.00	
	Add EV stalls		2	4									6	\$850.00	
	Add garbage enclosure		2	4									6	\$850.00	\$18,623.00
6.03	ESPANOLA WAY WEST SIDE														
	Coordination		12										12	\$2,100.00	
	Revise layout with scoring plans		2	24									26	\$3,350.00	
	Draft Bridge Details		2		24								26	\$2,750.00	
	Add bid alternate areas and callouts to plans		2		8								10	\$1,150.00	
	Modify affected plan sheets						8						8	\$1,120.00	
	Add/Revise Landscape/irrigation				8	16							24	\$3,648.00	
	Add sewer for food trucks		2	8									10	\$1,350.00	\$15,468.00
6.04	Revise Scoring patterns				16								16	\$1,600.00	
Labor Subtotal at Current Salary Rates			74	100	72	44	96	2					388	\$54,386.00	

Date:6/1/2018

File:Amend 2 Budget.xls

Sheet:Task 6



6.4 Sidewalk and Raised intersection scoring modifications (typ).

6.3 Espanola Way modifications.

6.2 Woonerf block modifications.

6.1 Deschutes intersection modifications.

PORT OF KENNEWICK
Resolution No. 2018-11

***A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS
APPROVING A CONTRACT AMENDMENT WITH PARAMETRIX INC. TO PERFORM
CIVIL ENGINEERING WORK FOR THE DESIGN OF THE ROADWAYS AND
UTILITIES IN THE PORT'S VISTA FIELD PHASE #1 PROJECT***

WHEREAS, on February 14, 2017 the Port contracted with Parametrix Inc. to perform civil engineering design services for the Port's Vista Field Phase #1 roadways and utilities project; and

WHEREAS, design changes requested by the City of Kennewick Public Works Department resulted in significant revisions to the Deschutes Street 3-way intersection; and

WHEREAS, design changes suggested by the DPZ Partners resulted in significant revisions and additional work to the residential Woonerf areas and Espanola Way Woonerf areas; and

WHEREAS, Parametrix has presented a proposal to perform these additional design services for the sum of \$54,400.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick does hereby approve the proposal by Parametrix Inc. to provide civil engineering services for the design of the roadways and utilities in the Port's Vista Field Phase #1 project, in an amount not to exceed \$54,400.

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 12th day of June 2018.

PORT of KENNEWICK
BOARD of COMMISSIONERS

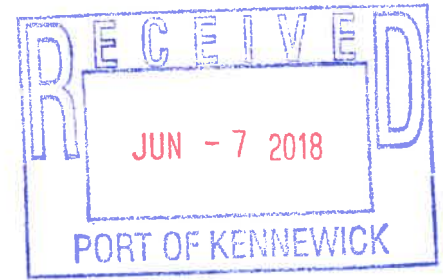
By: _____
THOMAS MOAK, President

By: _____
DON BARNES, Vice President

By: _____
SKIP NOVAKOVICH, Secretary



*Tri-Cities Business & Visitor Center
7130 West Grandridge Blvd.
Kennewick, WA 99336*



May 29, 2018

Mr. Tim Arntzen
Port of Kennewick
350 N. Clover Island Drive, # 200
Kennewick, WA 99336

Dear Mr. Arntzen:

On behalf of the Visit Tri-Cities (VTC), the Tri-City Development Council (TRIDEC), and the Tri-City Regional Chamber of Commerce (TCRCC), we express our appreciation to the Port of Kennewick and the Tri-Ports for the continued support of our organizations and sponsorship of the Visit Tri-Cities Conference Room.

Your investment allows us to cost effectively manage and operate the Tri-Cities Business & Visitor Center and our respective organizations. The Tri-Ports Conference Room provides a centralized business meeting location for Visit Tri-Cities' Boards and Committees, and customers including meeting professionals, tournament directors, travel writers and community partners.

The partnership with the Ports of Kennewick, Benton and Pasco helps promote economic development through visitor spending, new business recruitment and local business assistance. Enclosed is a copy of the signed agreement with the Tri-Cities Business & Visitor Center for sponsorship of the Visit Tri-Cities Conference Room.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Novakovich".

Michael Novakovich
President & CEO
VTC

A handwritten signature in black ink, appearing to read "Carl Adrian".

Carl Adrian
President & CEO
TRIDEC

A handwritten signature in black ink, appearing to read "Lori Mattson".

Lori Mattson
President & CEO
TCRCC