



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

AUGUST 12, 2014 MINUTES

CALL TO ORDER

Commission President Don Barnes called the 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: Don Barnes, President
Skip Novakovich, Vice-President
Thomas Moak, Secretary

Staff Members: Tim Arntzen, Executive Director
Tana Bader Inglema, Director of Governmental Relations & Marketing
Tammy Fine, Director of Finance/Auditor
Amber Hanchette, Director of Real Estate & Operations
Larry Peterson, Director of Planning & Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Michael Mehaffy led the Pledge of Allegiance.

PUBLIC COMMENT

Ed Frost, 609 West Albany Avenue, Kennewick. Mr. Frost relayed that he visited Boise, Idaho and stated that the key to their downtown area was the wide sidewalks and building setbacks, which allows for an outside dining experience. Mr. Frost suggested the Commission may want to consider having wide sidewalks and setbacks for the new buildings on Columbia Drive.

Steve Mallory, 5822 West Yellowstone Avenue, Kennewick. Mr. Mallory stated the Alliance for a Livable and Sustainable Community (ALSC) hosted a community forum four years ago at the Convention Center, where the Columbia Drive proposal was presented. The ALSC will be hosting another forum, "Tri-Cities 20/20: Looking Beyond Tomorrow," on October 23, 2014 and asked the Commission to consider a contribution of \$500 to go towards the function. Guest speakers will include Don Schjeldahl and Dave Andersen. Mr. Mallory extended an invitation to the Commission to attend the event.

Mr. Moak responded to Mr. Frost's comment and indicated that the Port should look at opportunities for wider sidewalks and further building setbacks. Wider sidewalks help create a living community and Mr. Moak hopes the initial work on Columbia Drive and other port projects will have a wider pedestrian foot print and allow for outdoor eating areas.

Mr. Peterson indicated the new buildings being constructed will sit back from the road and be used as a sound barrier to Columbia Drive. The City of Kennewick is creating a landscape and sidewalk area on Columbia Drive which will include an eight foot wide sidewalk meandering through the newly landscaped area and will be thirty-six feet wide total. The goal is that Columbia Drive will be the access point to Columbia



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Gardens and Duffy's Pond will have the outdoor seating opportunities.

CONSENT AGENDA

The consent agenda consisted of the following:

- A. Approval of Direct Deposit and Warrants Dated August 4, 2014**
Direct Deposit totaling \$54,239.51 and Expense Fund Voucher Numbers 35935 and 35936 totaling \$1,368.85; for a grand total of \$55,608.36
- B. Approval of Warrant Register Dated August 13, 2014**
Expense Fund Voucher Numbers 35937 through 36006 for a grand total of \$231,720.95
- C. Approval of Commission Meeting Minutes dated July 22, 2014**
- D. Authorizing The Port's Executive Director To Execute All Documents And Agreements On Behalf Of The Port To Complete The Land Sale Transaction With Kennewick Game Farm LLC; Resolution 2014-21**
- E. Approval of Changes to the Interlocal Agreement and By-laws of the (CIAW) Cities Insurance Association of Washington: Resolution 201-22**
- F. Approval for the Commission President to Sign Letters of Support for the Manhattan Project National Historic Park**

PUBLIC COMMENT

No comments were made.

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

PRESENTATIONS

A. Vista Field Redevelopment, Michael Mehaffy of Duany, Plater-Zyberk (DPZ)

Mr. Peterson introduced Mr. Mehaffy of Duany, Plater-Zyberk (DPZ). Mr. Mehaffy is currently working on the Vista Field master planning efforts.

Mr. Mehaffy stated DPZ is in the process of working through feasibility issues, technical requirements, and development strategies, models, partnerships, and proposals. Currently, DPZ is working with ECONorthwest for market analysis and Parametrix for civil engineering. Mr. Mehaffy explained it is important to define our partners, and develop the critical implementation of who, how, when, define plan and develop key planning documents.

The Port is the leader and master developer, and this development is beneficial for all surrounding areas, it will be "everyone's Vista Field." Mr. Mehaffy stated great projects require great partnerships; the City of Kennewick, Kennewick Irrigation District, Ben Franklin Transit, and Kennewick Public Facilities District. He further stated, great places require champions with vision, dedication and a willingness to take time to problem solve.

At the previous charrette, the stakeholders indicated a desire for parks, plazas and water features. These elements will need to be evaluated with regard to cost and feasibility, and a strategy for financing and phasing for these will need to be developed to address their specific requirements. Mr.



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Mehaffy commends the Port for taking the time to research projects and listen to the lessons learned, learn about the details of place making and what makes a successful development that thrives and what may be the downfalls.

The current tasks DPZ are addressing is as follows:

- Preparing for November 10-15, 2014 charrette
- Identify key “due diligence” issues
- Study precedents, opportunities and lessons
- Gather inputs, develop partnership models
- Develop draft strategy for implementation (to be refined and will evolve as time goes on)

The options for development by the Port range from selling the entire property to another development entity at one extreme, to acting solely as the development entity at the other extreme. Within this range, there are many alternative models, each of which presents a distinct set of issues and opportunities. The Port may also want to function as the “master developer” while other entities perform the sub-developer or builder roles. A variation is for the Port to have a strong partnership with an entity that would serve as a master developer, essentially for hire, under the Port’s direct control.

Mr. Mehaffy explained lean development, in which the Port would not take on a lot of debt, not get in over our heads, and find creative ways to bring in private sector capital. The Port is interested in a pay-as-you go approach, and/or leveraging its assets with private equity from sub-developers, builders or investors. Other jurisdictions may benefit more substantially from increased tax collections and may be willing to participate in strategic investments for infrastructure upgrades to leverage existing revenues. This in turn, will help the Port to leverage its own relatively modest revenues and staff management support. Vista Field is a large project and the Port not a big agency, and it will need partnerships to move forward with redevelopment.

There has been discussion of phasing, particularly in relation to the existing facilities. Development of a first phase adjoining the convention center, providing a first complete nucleus of the development, would set the stage for an orderly development of future phases. However, the first phase would require essential connectivity and visibility in order to offer viable retail sites beyond the limited traffic generated by occasional convention events. Future phases could be timed to respond to the growing market and to fill out the site, but providing a complete and attractive market-facing development at each stage.

Mr. Mehaffy stated there is a possibility that a major regional facility could locate within the development. With the discussion that a performing arts center or regional amenities could be done by other agencies, which would reduce the requirement of Port finances. This kind of development would be a positive asset if strategically aligned. A key challenge will be to identify potential private co-developers and other partner agencies that may function as co-developers. The goal is to involve people with expertise, involve dialogue, and reflect the aspirations and mission of the Port. Mr. Mehaffy explained we would like create an attractive, interesting and beautiful location, where people will want to come and spend time year after year.



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Port priorities would be a careful review of all available development and finance options and to create a strategic mapping process for the subset options it chooses to pursue. In part, this will be dependent on the outcome of the charrette process and public input, but it will be beneficial to begin these activities early as background research, to clarify the issues and opportunities.

Mr. Barnes believes it is important to have ongoing communication with the public and port constituents regarding Vista Field. Mr. Barnes stated it is hard for people to imagine the research and work that is involved in this type of development. He further stated it is important for our constituents to know that we are looking at multiple development and strategic scenarios, and to get end product we desire, we need to learn from the mistakes of others. The redevelopment will take a lot of staff time, financial support, and public involvement. Mr. Barnes hopes to nurture our current partnerships with the City and create new ones in the private sector. Mr. Barnes thanked Mr. Mehaffy for the excellent update.

Mr. Mehaffy explained there is a lot going on behind the scenes and we need to be very careful in our analysis and research. Senen Antonio, Director of Business Development for DPZ, will be in Kennewick next week to learn about the community. The Vista Vision Task Force meetings start August 18, 2014.

Mr. Novakovich thanked Mr. Mehaffy for his fantastic presentation. Mr. Novakovich likes the idea of the Port taking on the role of master developer and believes we have the location to create a quality project and we owe it to the community to build their vision. Mr. Novakovich explained that transparency and constant communication with the public is very crucial, and with limited staff and finances, it will take time to do it right.

Mr. Mehaffy stated the *Tri-City Herald* opinion editorial regarding Vista Field was correct, this type of opportunity for a blank canvas in the middle of the region does not happen often, and it needs to be done right.

Mr. Moak stated the planning and analysis are very important factors in terms of importance and moving forward; however, the research that is being conducted is the key to the success of this project and a model for upcoming projects. Mr. Moak expressed he would like the Port to take the same kind of route for future projects as it provides for a great framework going forward. With the upcoming charrette process, and the work of the Vista Vision Task Force, we may find we may not be able to afford everything on our wish list. However, with the help from our partners, we may be able to create an exciting development. Mr. Moak appreciated Mr. Mehaffy's comment regarding Vista Field being a community project, not just a Port project and believes the Vista Field redevelopment will benefit our entire community. Mr. Moak is pleased to have DPZ working with us and moving the project forward.

Mr. Arntzen indicated he read the DPZ report and believes this is a great beginning and we can continue to move forward. Mr. Arntzen indicated it will be a culmination of research, hard work, and public input, as this is everybody's Vista Field. As Mr. Moak pointed out, it is not just a Kennewick or a Port District project, but a community project. Mr. Arntzen hopes the community will understand the development will not happen overnight and believes the *Tri-City Herald* has



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done an excellent job of informing the public.

Mr. Mehaffy explained there are lessons we have encountered through our research and all developments have a learning process.

Mr. Peterson stated the memo is a good synopsis of what developments the Port has seen and what we have learned.

Mr. Moak asked for the presentation and memo to be placed on the Port website.

Mr. Barnes conveyed it is important to continue communicating with our partners and the community.

B. Comprehensive Scheme Update, Ben Floyd of Anchor QEA

Mr. Arntzen explained one of things we have discussed is the need to update the Port's Comprehensive Scheme. This document is legally required and it addresses how the Port approaches development. Mr. Arntzen feels it would be beneficial to update the Comp Scheme. He requested the Commission consider adding the Comp Scheme update to the 2015 Work Plan. Mr. Arntzen believes the Comp Scheme would be a major component of the Work Plan and asked the Board for their thoughts.

Mr. Peterson explained that the 2011 Comp Scheme was previously completed by Anchor QEA and the document explains where the Port wanted to go, regarding topics such as Finley land holdings, train tracks, and redevelopment projects. Although the Comp Scheme was amended in 2013 to allow for the Vista Field redevelopment, the document should be fine-tuned and identify business lines, redevelopment strategies, and Port activities. Mr. Peterson has spoken with Mr. Floyd, of Anchor QEA, regarding the update, and stated Anchor QEA would expand on the history of the Port, identify the evolution of the Port, and clearly define past and current projects. Mr. Peterson believes it is best to utilize Anchor QEA, the same firm who completed the 2011 Comp Scheme. Although the 2011 Comp Scheme is sufficient, it does not provide clear goals for the Port. By including the updated Comp Scheme in the 2015 Work Plan, the Port will have clearly defined goals and plans, and all documents will be located in one place.

Mr. Arntzen stated Port jurisdictional partners will help contribute to the Comp Scheme as well.

Mr. Floyd thanked the Commission for allowing him to speak today. Anchor QEA would like to expand the discussion of Port history and glean information from the past 100 years and summarize the history of the Port. Mr. Floyd stated their goal is to create a complete document, in which Ms. Bader Inglima can utilize the information for the Port's 100 year anniversary. Anchor QEA employs Barbara Bundy, Ph.D., an archeological professional, who would review Port documents and compile key milestones and chronology of the Port.

Anchor QEA would like to implement the following for the Comp Scheme:

1. Update Port properties: sold, bought and improved
2. Create a road map for large projects



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3. Add a financial plan to summarize the state of the Port's capital improvements
4. Update development plans and identify triggers for investments
5. Update graphics, which will help with the brand analysis of the Port
6. Revisit economic opportunities and properties.

To accomplish this, there will be an extensive outreach effort on Anchor QEA's part. There will be surveys, community input, media, workshops, and public meetings.

Mr. Novakovich agrees with Mr. Floyd's report and believes the Port made a good effort in 2011; however, the document should be a living document that changes as the Port changes.

Mr. Moak believes the 2011 Comp Scheme is a good introduction to the Port and indicated the Centennial will be a good trigger to send a unified message to public about who we are, what we do and where we are going. Mr. Moak indicated he likes the fact that the Comp Scheme would summarize the Port's history and would be considered a fundamental document to the region. What the Port has accomplished is very important to our community. As we look forward and present who we are going to be, as well as who we were, we can utilize the document to help educate the community. Mr. Moak stated a new Comp Scheme would be very helpful to our consultants, our partners and the community. Mr. Moak supports moving forward and updating the Comp Scheme and stated the Port is different than it was and that should be reflected.

Mr. Barnes agrees with Mr. Novakovich and Mr. Moak's comments. It is very important to maintain constant communication with our partners, the private sector, and the community. The Comp Scheme is the cornerstone document of the Port and it is important to update and accurately depict our intentions and actions of Port properties. Mr. Barnes thanked Mr. Floyd for a relevant and meaningful presentation and looks forward to working with Anchor QEA.

Mr. Arntzen thanked the Board for the consensus and will add the Comp Scheme to the draft 2015 Work Plan.

Mr. Arntzen will work with Ms. Fine regarding funding and believes the Comp Scheme is a priority for the 2015 Work Plan. Once the Comp Scheme is complete, we will have a reference for our partners and staff. Mr. Arntzen would like to start working on the Comp Scheme this year and complete it in 2015.

C. Government Finance Officers Association (GFOA) Budget Best Practices Guidelines

Ms. Fine stated the Port of Kennewick is always in motion monitoring, reviewing and improving all areas of Port operations in order to ensure that the Port is running as efficiently and effectively as possible. One of the areas being examined is the budgeting process. Vista Field and Columbia Drive are good examples of why we are discussing our budgeting practices. Our focus is no longer on short-term planning, but long-term planning.

Ms. Fine reported on the Government Finance Officers Association (GFOA) recommendation for best budget practices for the Port and offered her analysis related to a multi-year budgeting (biennium) versus annual budgeting, for the Commission's consideration.



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The GFOA recommends:

- Adopting a five-year capital improvement plan, ranking projects in order to better address Port priorities, its stakeholders, the community and taxpayers.
- Adoption of a debt issuance and management policy to outline when debt can/should be issued, for what purpose, matching the debt maturity with useful life of the asset, limitations, repayment, refunding, setting of debt to income ratios, and legal and statutory requirements.
- Consider switching to multi-year budgeting process, which will promote better long-range planning and implementation by allowing for emphasis on planning, review and evaluation in the off years and reduce the time, cost and effort involved in compiling, reviewing and approving annual budgets.

Ms. Fine indicated there are some potential downfalls to a multi-year budget:

- Conversions from annual to multi-year budgeting is initially time consuming.
- Forecasting may be less accurate for two years versus one, unless mid-term reviews are established.
- Multi-year budgeting can be difficult for agencies with volatile economic and financial factors, which does not pertain to the Port.

Mr. Fine stated, based on GFOA recommendations and staff review, it would be beneficial for the Port to implement the following:

- A six-year capital improvement plan
- Adopt a debt issuance and management policy
- Update Port Budget Goals and include Financial and Operational Philosophy
- Implement a prioritization plan
- Multi-Year budgeting

Ms. Fine indicated the Port budget goals and philosophies were last updated in 2012 and asked the Commission to consider updating the draft Port Budgeting, Financial and Operational Philosophy to reflect Port philosophy and portray what the Port is trying to accomplish. By updating this document, it will promote fiscal responsibility, focus on long term financial planning, and support intergovernmental cooperation.

Mr. Novakovich thanked Ms. Fine for all her hard work and research. Mr. Novakovich would like to see implementation of all Ms. Fine's recommendations. As the Port moves forward with big projects, in which we have limited staff and resources, having these plans and policies in place that tie everything together is crucial. Mr. Novakovich would like to implement it all, provided there is staff time to do this.

Mr. Moak reported that the City of Kennewick has operated with a two-year budget since the 1980's, with regular updates. The transition period may be an issue; however, there is a benefit to a two year budget and a six year capital plan. It helps staff, policy makers and our partners, if our projects are clearly prioritized and defined. Mr. Moak is very interested in issuance of debt under the right circumstances, and likes that Ms. Fine would analyze the factors of issuance of bonds. Mr. Moak agrees with Mr. Novakovich, that these recommendations should be implemented. It will be hard work for both staff and the Commission, but it is worth pursuing. Mr. Moak believes the Port should



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look at long range planning and thinking, and our policies and documents should tie together.

Mr. Barnes inquired if the Commission passed a six year capital improvement plan, if it would be revisited each year, or if it is revised every year, always looking six years ahead. Mr. Barnes believes it would be prudent to begin the two year budget cycle with the timing of the election. The two-year period should begin in an odd year, so a new commissioner would be in the mid-point of the budget cycle, and would benefit having a year in the cycle prior to participating in a new budget. Mr. Barnes would be in support of a two year budget, beginning in 2015. Mr. Barnes believes this would be another key document, and that all Port documents should work together. The Port is undertaking some very ambitious projects and it is very important to look at a long term range, so the Port does not get over extended. Once a project is launched, we want to make sure we have the resources to continue and complete the project.

Mr. Moak agrees with Mr. Barnes regarding beginning the biennium budget in an odd year.

Mr. Arntzen stated Ms. Fine put together nice presentation and believes the essentials have been covered. Mr. Arntzen confirmed that the Commission would like to move forward and will bring back proposals for implementing the major points, however, he would like to pull the biennium budget, so Ms. Fine can begin preparing the document to meet her deadline. Also, Mr. Peterson will need to create a two year Work Plan to coincide with the budget. Mr. Arntzen further stated, he would also like to bring back the Port Budget Goals and Financial and Operational Philosophy as soon as possible. This document is very important in how the Port conducts business and should be in place immediately.

Mr. Barnes reiterated the consensus of the Commission is to move to a two year budget, beginning in an odd year, with January 2015 being the preference.

Mr. Barnes called for a recess of the meeting at 3:42 p.m. for five minutes.

Mr. Barnes reconvened the meeting at 3:53 p.m.

REPORTS COMMENTS AND DISCUSSION ITEMS

A. Clover Island Security Update

Ms. Hanchette reported that Mr. Petrie of Washington Protection Services was called out for an emergency, and asked to bring back a report at a future meeting.

B. Ag Engineering and Development Company (see presentation)

Ms. Hanchette presented a facility assessment of Port owned property, 1515 East 7th Avenue, located in the Oak Street Industrial Park. The 2014 Work Plan budgeted \$50,000 for facility repairs to the building. The 27,500 square foot building was constructed in 1985 and since then, has only had one tenant, Ag Engineering, a manufacturer of trailers, haulers, tillers and other farm equipment.

Last year, the Port contracted with RC Engineering and Construction Management to do some facility assessments of Port properties and began with the Ag Engineering building. The building analysis was very thorough, and covered a variety of topics. RC Engineering included a one to three



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year timeline and estimates for repairs. There have been minimal improvements to the building and Ag Engineering has taken care of routine maintenance. The identified items addressed by RC Engineering will cost more than the phase one allocated amount of \$50,000 in the 2014 budget. The first item to be addressed is the exterior wall water damage for \$45,000, and the HVAC system is being addressed currently.

This report is an opportunity to share with the Commission the 2014 Work Plan and the first facility assessments. The next building to be assessed is the Vista Field Development Building B, which was built in 1998. Ms. Hanchette indicated the goal is to look at each building in the Port portfolio and create a timeline and budget appropriately for repairs. Ms. Hanchette stated the assessments are helpful to the maintenance and operations department to get ahead of replacement items versus something failing and needing an emergency repair.

Mr. Arntzen indicated that he has included the Ag Engineering Building and the items that need to be addressed in the draft 2015 Work Plan. Ag Engineering have been great tenants who employ many people and create a needed product.

Mr. Peterson stated that the Port has been remodeling buildings for the past few years and there are a few left to rehab: Ag Engineering, and Vista Field Development Building B. Once these are rehabbed, then general maintenance will be required on Port properties, from 2017 forward.

Mr. Moak inquired what the value of the building to the Port is and how does the building add to the Port's portfolio?

Mr. Barnes stated the Commission needs to address the questions of this specific property at the Comp Scheme level.

Mr. Arntzen stated the Ag Engineering building is a solid cash generator and this allows the Port to help fund positive economic projects, operations and amenities. Mr. Arntzen would like to update the Commission on his research regarding an incubator policy at a future meeting.

Mr. Moak indicated if there are issues with the property, the Port needs to fix the issues and problems as we owe it to our tenants to maintain property.

Mr. Arntzen believes there are a series of repairs that are over his delegation of authority and the amount budgeted in 2014 will not be enough for the repairs.

Ms. Fine estimated the repairs and A&E to be approximately \$260,000, which includes the \$50,000 already budgeted for 2014.

Mr. Moak believes we need to have a policy discussion before we move forward.

Mr. Barnes verified that phase 1 repairs for \$50,000 have not been completed. Mr. Barnes believes the Commission needs to review an itemized list of estimates, then determine how to proceed with the property. Mr. Barnes would like to see the cost of the estimates and then further discuss the property. Mr. Barnes stated that Ag Engineering has been an excellent, stable tenant.



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Mr. Arntzen extended an individual opportunity for the Commission to speak with Ms. Hanchette and Ms. Fine regarding the details of the property. Mr. Arntzen will bring back a cost benefit analysis and other vital information on the property the Board may want to consider. Mr. Arntzen stated repairs under the budgeted \$50,000 will get completed and he will bring back more information to Board, tentatively leaving on the 2015 work plan.

C. West Richland Racetrack Development Sequence

Mr. Peterson reported on the West Richland Racetrack Development Sequence and 2015-2016 budget suggestions. Mr. Peterson indicated there are a series of steps and activities that need to be completed for West Richland prior to any development moving forward:

- Finish current Master Plan
- KID Flood Clause
- Keene Road Access
- B.P.A. Approval
- SR-224 Intersection Plan
- Coordinate with adjacent property owners
- Increase effort regarding Red Mountain Interchange
- Collector Street Designation
- Pre-annexation issues
- Water Line Sizing
- West Richland Utility Extension
- Pursue Grant Funding

Some issues may be beyond our control, however, the memo lays out a sequence, within the two year budget, and 2015 Work Plan.

Mr. Novakovich indicated Mr. Peterson has done an excellent job compiling the list of necessities that need to be completed for the West Richland Racetrack development. Mr. Novakovich believes this is an excellent place to start and move forward, since neither entity has the money to do anything major at this time. Mr. Novakovich confirmed with Mr. Peterson that \$20,000 and 10% of staff time is a realistic expectation to accomplish these items over the next two years.

Mr. Barnes agrees with Mr. Novakovich's comments. West Richland is not unlike Vista Field, in that there is a lot of preliminary work that needs to be completed in terms of planning and challenges. Mr. Barnes likes the list and the Port can work with West Richland to address some of these items. Mr. Barnes would like Mr. Peterson move forward and continue the progress.

Mr. Moak stated the hard part of development is the planning and working with other entities schedules. A lot of these items are critical and will take people, time, and work. When we look at the triggers, such as the Red Mountain Interchange, we have no indication of when the project will go to the public or if it will even get passed. The Port is unable to develop the property if these issues Mr. Peterson brought forth do not get taken care of. These items will take a lot of work, but the bigger picture is creating a development that will benefit the region. Once the Port has completed these items, we will be in a better position to help create value for the region.



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Mr. Novakovich believes the use of consultants, as indicated in the memo by Mr. Peterson, is a very good idea. Mr. Novakovich stated the document should be included in the 2015-2016 Work Plan.

The Commission agrees by consensus to have Mr. Peterson complete the tasks and add it to the 2015-2016 Work Plan.

Mr. Arntzen added that he is very optimistic that the Benton County Commissioners will approve the West Richland Urban Growth Boundary Application (UGA). He explained that he and Mr. Connole are creating one last opportunity for dialogue between the city of West Richland and Future Wise.

Also, Mr. Arntzen reported that the Port Wine Consultant, Ken Robertson, was able to speak with a representative of the Aquilini Group, who purchased \$15,000,000 of land on Red Mountain. Mr. Arntzen stated that Mr. Robertson opened the door for Port discussions with the Aquilini Group. Mr. Arntzen has spoken to a representative and has received an invitation to visit with the Aquilini Group and discuss Red Mountain and the racetrack site. Mr. Arntzen is scheduling a fall meeting with the Aquilini and hopes to foster a positive relationship with the group, which owns restaurants, wineries and the Vancouver Canucks. Mr. Arntzen believes they would be excellent partners for the Port, West Richland, and the community.

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

Commissioners reported on their respective committee meetings.

The Commissioners attended the Washington Public Ports Association Commission Seminar and received training on the open public meetings act and open public records act.

E. Non-Scheduled Items

Ms. Scott stated a Joint Meeting with the City of Kennewick will be held on August 26, 2014 at 5:30 p.m. in the City Kennewick's Council Chambers.

Ms. Bader Inglima shared a photo of a group of Washington State Patrolmen in front of the Clover Island Lighthouse. She reported there was an informative article in the *Tri-City Herald* regarding the 1135 project and a positive Clover Island Editorial.

Mr. Arntzen reported that Mr. Robertson has acquired the Port's first letter of interest for the Columbia Gardens Wine Village from Claar Cellars, who currently have a tasting room in Zillah. Mr. Arntzen further reported that Peter Freeman, our Government Relations Consultant, has been working on the Red Mountain interchange, and the Port has requested Mr. Freeman to continue with his efforts on the interchange.

Mr. Arntzen stated he has been selected for jury duty for the week of August 25, 2014. He may be unable to attend the August 26, 2014 Commission Meeting.

PUBLIC COMMENT

No comments were made.



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COMMISSIONER COMMENTS

No comments were made.

Mr. Barnes anticipates the Executive Session will last approximately 30 minutes, for Real Estate, minimum price, per RCW 42.30.110(1)(c) with no action anticipated. Mr. Barnes asked the public to notify Port staff if they will return after the executive session.

Mr. Barnes recessed the Regular Commission Meeting at 4:47 p.m.

EXECUTIVE SESSION

(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)

A. Real Estate (minimum price), per RCW 42.30.110(1)(c)

Mr. Barnes convened the meeting into Executive Session at 4:51 p.m. for approximately 30 minutes.

Ms. Scott exited the chambers at 5:21 p.m. and extended the executive session 10 minutes.

Mr. Barnes adjourned the Executive Session at 5:31 p.m.

Mr. Barnes reconvened the meeting into General Session at 5:31 p.m.

Mr. Barnes noted there was a point of clarification that a second item needs to be added to the Executive Session.

MOTION: *Commissioner Barnes moved for approval to add a second item to the Executive Session: Real Estate, site selection, per RCW 42.30.110(1)(b) to the Agenda; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 5:32 p.m.



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APPROVED:

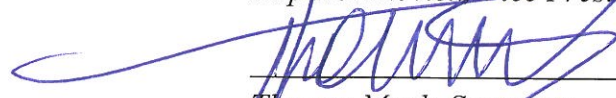
**PORT of KENNEWICK
BOARD of COMMISSIONERS**



Don Barnes, President



Skip Novakovich, Vice President



Thomas Moak, Secretary

PORT OF KENNEWICK
RESOLUTION 2014-21

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT
WITH KENNEWICK GAME FARM LLC**

WHEREAS, Kennewick Game Farm LLC (Purchaser), has offered to purchase 144 acres (15 separate parcels) in the area graphically depicted on Exhibits "A" and "B", in Finley, Washington from the Port of Kennewick (Seller) for the sum of \$562,000; 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.

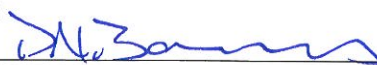
NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorized the land sale after the Executive Session held during the July 22, 2014 Regular Commission Meeting.

BE IT FURTHER RESOLVED that the Port's Executive Director is authorized to execute a Purchase and Sale Agreement with Kennewick Game Farm LLC in the sum of \$562,000 and is authorized 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 Port of Kennewick on the 12th day of August 2014.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

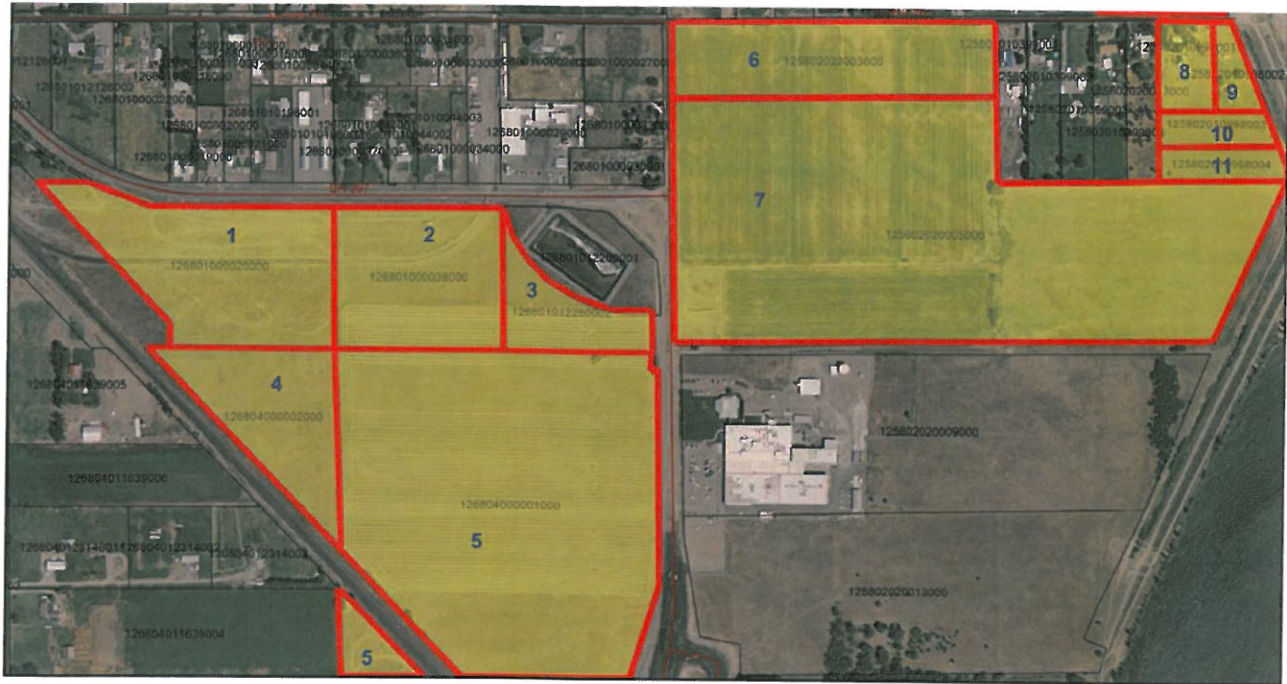
By: 
DON BARNES, *President*

By: 
SKIP NOVAKOVICH, *Vice President*

By: 
THOMAS MOAK, *Secretary*

FINLEY INDUSTRIAL PARK/ NORTH

PARCEL SUMMARY



	Parcel No.	Reference	Acres	Zoning
1	126801000026000	SR 397 / Chemical	7.00	Heavy Ind.
2	126801000038000	South of Long Branch Tavern	5.35	Heavy Ind.
3	126801012260002	Lot 2, SP 2260	3.42	Heavy Ind.
4	126804000002000	Vacant Land	6.00	Heavy Ind.
5	126804000001000	Vacant Land	37.36	Heavy Ind.
5.5	126804000009001	Vacant Land	3.37	Heavy Ind.
6	125802020003000	Vacant Land	9.82	Heavy Ind.
7	125802020005000	Vacant Land	43.51	Heavy Ind.
8	125802010998001	Lot 1, SP 998 – 236205 E. Lechelt	1.96	Heavy Ind.
9	125802010998002	Lot 2, SP 998 – 236709 E. Lechelt	1.00	Heavy Ind.
10	125802010998003	Lot 3, SP 998 – Vacant Land	1.50	Heavy Ind.
11	125802010998004	Lot 4, SP 998 – Vacant Land	1.50	Heavy Ind.
TOTAL PORT OWNED LAND – NORTH FINLEY			127.60	

Notes: Segment of Parcel ID#5 lying Southwest of BNSF Mainline is zoned Rural Lands 5
Parcel ID#5.5 is Not Shown however is located South/Southeast of Parcel ID#5

FINLEY INDUSTRIAL PARK/ SOUTH

PARCEL SUMMARY



	Parcel No.	Reference	Acres	Zoning
1	136802013129004	Lot 1, SP 3129 – 235203 Riek Road	6.55	Heavy Ind.
2	136802013129002	Lot 2, SP 3129 – 50205 Pier Road	3.90	Heavy Ind.
3	136802013129003	Lot 3, SP 3129 – 51305 Pier Road	8.87	Heavy Ind.
TOTAL PORT OWNED LAND –SOUTH FINLEY			19.32	

Port Owned Land Summary

Updated: 8/1/2014

Acreage as listed on Benton County Assessor website August 12, 2013

PORT OF KENNEWICK

Resolution No. 2014-22

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING CHANGES TO THE BY-LAWS AND INTERLOCAL AGREEMENT TO THE CITIES INSURANCE ASSOCIATION OF WASHINGTON (CIAW)

WHEREAS, The Port of Kennewick is a member of the Cities Insurance Association of Washington (CIAW); and

WHEREAS, The Cities Insurance Association of Washington (CIAW) is authorized under RCW 48.62 to develop and administer a program which provides an opportunity for members to jointly pool and self-insure their liability losses, and jointly purchase excess insurance, or reinsurance; as well as jointly utilize administrative and other services; and

WHEREAS, the CIAW wishes to change its fiscal year

WHEREAS, The Board of Directors at their regular meeting on June 9, 2014 voted to notify its Members, as well as the Washington State Department of Enterprise Services of a meeting on July 21st, 2014 to vote on said Amendment to the By-Laws and Interlocal Agreement to change the fiscal year.

WHEREAS, The Board of Directors at their regular meeting on July 21, 2014 conducted said vote and the Amendments to the By-Laws and Interlocal Agreement were approved by the membership.

NOW, THEREFORE; BE IT HEREBY RESOLVED, Article 14 of the By-Laws is amended to read as follows:

Article 14 Fiscal Year

The fiscal year of the corporation shall be from ~~September 1st through August 31st~~, to **December 1st through November 30th**, of the next calendar year, or as set by the Board of Directors.

1. Section 3.8.11 of the Interlocal Agreement is amended to read as follows:

3.8.11 The Board of Directors shall establish an annual budget for the Association. The Administrator shall submit a proposed budget for the following fiscal year 60 days prior to the end of each fiscal year to the Board of Directors. Fiscal years for the Association shall be from ~~September 1st through August 31st~~ **December 1st through November 30th**

of the next calendar year. The Board of Directors shall determine the estimated expenses and cost to be incurred by the Association for the next fiscal year and shall adopt a budget derived from the Administrator's proposed budget. The budget shall be in a form to provide the following information for the Association as a whole: (1) beginning and ending unreserved fund balance, (2) anticipated revenues in detail, and (3) appropriations in detail. The Board of Directors shall apportion that budget cost among the Members and Associates. All payments due the Association from Members or Associates upon the basis of each budgeted assessment shall be paid as invoiced for the fiscal year for which the assessment is made.

2. Section 3.13 withdrawal. A Member may withdraw only at the end of the Associations fiscal year (~~August 31st~~) (**November 30th**) and only after it has given the Association written notice prior to ~~September~~ **December 1** of the preceding calendar year of its decision to withdraw from this Agreement.

BE IT HEREBY FURTHER RESOLVED the Board of Commissioners of the Port of Kennewick hereby acknowledges the appropriate changes to the By-Laws and Interlocal Agreement to accomplish said change.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 12th day of August, 2014.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**


By:


DON BARNES, *President*

By:


SKIP NOVAKOVICH, *Vice President*

By:


THOMAS MOAK, *Secretary*