

AGENDA

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

Tuesday, December 11, 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 November 19, 2018
 - B. Approval of Warrant Register Dated November 27, 2018
 - C. Approval of Direct Deposit and ePayments Dated December 4, 2018
 - D. Approval of Warrant Register Dated December 11, 2018
 - E. Approval of Benton County Disbursement Agreement (Resolution 2018-25)
 - F. Approval to Revise CEO delegation of authority for Public Works bid limit & On-Call contracting (Resolution 2018-26)
 - G. Approval of Regular Commission Business Meeting Minutes November 13, 2018
- VI. NEW BUSINESS**
 - A. Budget, Financial & Operational Philosophy (Cash Reserve Policy); Rescind Resolution 2014-31 and approve Resolution 2018-27 (**NICK**)
 - B. Purchase & Sale Agreement with Benton County Fire Protection District No. 4; Resolution 2018-28 (**AMBER**)
- VII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Clover Island Update (**TANA**)
 - B. Columbia Drive Update (**LARRY**)
 - 1. Food Truck Plaza Committee Update (**AMBER**)
 - 2. CBC/POK/COK meeting update (**TIM**)
 - C. Vista Field (**LARRY/TIM**)
 - D. Governor's Arts and Heritage Awards (**LARRY/TANA**)
 - 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. ADJOURNMENT**

PLEASE SILENCE CELL PHONES



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

NOVEMBER 13, 2018 MINUTES

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 Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Commissioner Moak led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

Commissioner Novakovich requested to table Item 6B, the Confederated Tribes of the Umatilla Indian Reservation Presentation, as Ms. Conner is unable to attend the meeting today.

MOTION: *Commissioner Novakovich moved to approve the Agenda with the removal of 6B; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. *Approval of Direct Deposit and E-Payments Dated November 1, 2018***
Direct Deposit and E-Payments totaling \$75,546.05
- B. *Approval of Warrant Register a Dated November 13, 2018***
Expense Fund Voucher Numbers 100559 through 100614 for a grand total of \$189,999.36
- C. *Approval of Regular Commission Business Meeting Minutes October 23, 2018***

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

PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 23, 2018 MINUTES

DRAFT

PRESENTATIONS

A. *Ozone Presentation, Robin Priddy, Benton Clean Air Agency*

Robin Priddy of the Benton Clean Air Agency presented the effects of the Ozone in the Tri-Cities.

Commission discussion ensued regarding local ozone issues.

Mr. Arntzen inquired if the Benton Clean Air Agency is aware of the Port of Benton/City of Richland Loop Rail proposal.

Ms. Priddy stated that the Agency is unaware of the proposal and will look into it further.

Commissioner Moak thanked Ms. Priddy for the educational presentation.

B. *Don Sampson Warbonnet Ceremony*

Mr. Arntzen stated Don Sampson was recently elevated to Chief of the Confederated Tribes of the Umatilla Indian Reservation. Mr. Arntzen presented a video, which shows part of the Ceremony, where a tribal member reads the Port of Kennewick Resolution 2017-28 honoring Carl Sampson, Atway Chief of the Walla Walla. It was a very special Ceremony and Mr. Arntzen felt privileged to be invited.

NEW BUSINESS

A. *Carbitex Lease; Resolution 2018-23*

Ms. Hanchette stated Carbitex, LLC has been an Oak Street Industrial Park tenant since 2013 and manufactures carbon fiber fabric. Carbitex started out with 3,000 square feet of office and industrial space in development building C. Then graduated to 6,400 square feet of office and industrial space in development building B and quickly added an additional 4,990 square feet of space by the end of 2014. Carbitex is requesting an additional 5,000 square feet of office and warehouse space in development building B to facilitate their rapid business expansion including the addition of over \$1,000,000 of new equipment. The additional square footage brings the total lease space to 16,600 square feet (development building B) and the lease term is through December 2019. Ms. Hanchette presented Resolution 2018-23 for Commission consideration and stated Carbitex appreciates the opportunity to expand their business.

Commissioner Moak inquired if Carbitex has secured the funds for additional power.

Ms. Hanchette stated Carbitex has not had time to focus on that aspect, which is why they have requested a shorter lease term, in case they need to explore other options. Carbitex is not requesting any tenant improvements nor additional power in the new lease.

Commissioner Barnes confirmed that Carbitex is leasing all of development building B.

Ms. Hanchette stated Carbitex will be the only tenant in the three separate suites in development building B.

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PUBLIC COMMENTS

No comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2018-23, approving a lease with Carbitex for Oak Street Industrial Park development building B and authorizing the Chief Executive Officer to execute the contract; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *General Building Climate, David Robison, Strategic Construction Management*

Mr. Peterson stated as the Port prepares to go out for bid on Columbia Gardens Phase 2B and Vista Field Phase 1 it is important to discuss the bidding climate. David Robison of Strategic Construction Management is here today to talk about the bidding climate and local construction projects.

Mr. Robison stated Columbia Gardens Phase 2B and Vista Field Phase 1 have been engineered and designed by professionals and are ready to go out for bid. Mr. Robison stated unfortunately, there are no additional opportunities to reduce the costs to these projects; however, the good news is that contractors in the Tri-Cities are looking for new projects for 2019-2020. Because the Port projects are going out to bid early enough, Mr. Robison believes the Port should see good bids. Mr. Robison recommended that the Port stay the course, and suggested the Commission and staff discern what projects are priorities for the next 7 to 10 years.

Commissioner Moak inquired if Yakima or Spokane are experiencing the same cost increases.

Mr. Robison stated costs are escalating nationwide.

Commissioner Moak thanked Mr. Robison and appreciates his work throughout the process and assisting the Port to get the best possible bids for our projects.

Mr. Arntzen believes Columbia Gardens Phase 2B bids will come in higher than the budgeted amount, based on several recent community projects. Mr. Arntzen stated one possible scenario is that the tasting room will exceed the budget and the project will need additional funds to complete the project. Mr. Arntzen stated the Port has contingency funds allocated in the 2019-2020 budget, and those funds, including funds from other sources may be needed to complete the tasting room. Mr. Arntzen stated a contingent source of funding could include the Vista Field Phase 2 hanger remodels.

Mr. Kooiker stated the budget for the tasting room is \$1,500,000, which includes \$900,000 of insurance proceeds, \$200,000 from the City of Kennewick Interlocal Agreement and \$400,000 from Rural County Capital Funds proceeds. With the \$500,000 in contingency funds, the Port will have \$2,000,000 to complete the tasting room which covers all hard and soft costs. Mr. Kooiker stated other funding sources could include the \$1,000,000 for an ROI project, which has been conceptualized for the hangar remodels and about \$50,000 from the Vista Field loan savings.

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Commissioner Moak inquired if the tasting room project was out to bid yet.

Mr. Peterson anticipates that the bid will be available on December 17, 2018.

Commissioner Moak would like to see the final bid before additional funding options are contemplated.

Commissioner Barnes stated it is hard to imagine that a building the size of a house without any exotic design elements may cost \$800-\$1,000 per square foot. Commissioner Barnes asked Mr. Robison if he had any suggestions about reducing the cost.

Mr. Robison stated that every entity is in the same situation and indicated a redesign would not solve the problem, only delay it. The tasting room is a beautiful building that is not overly complicated and it is important to have a good contractor and find the funds to complete the project.

Commissioner Moak inquired what happens to the insurance funds if the Port does not build the tasting room.

Mr. Kooiker stated the Port would receive \$700,000 from insurance proceeds because we have expended \$150,000, as well as lose the City's \$200,000 contribution. Furthermore, there could be other potential implications that are not monetary.

Commissioner Novakovich stated the Port needs to move forward with the tasting room because we have already made commitments to the City and to two wineries.

Mr. Peterson stated the Port will go out to bid for the tasting room in December and bring back the results to the Commission in February. Mr. Peterson worked with Thomas Kastner of Meier Architecture on some modifications after the preliminary bid numbers came in and stated the building has standard elements and reducing the square footage would not result in a drastic reduction and a smaller footprint is less desirable.

Mr. Robison stated an additional review will only add time to the project. The best course of action is to get the bid documents out because contractors are trying to get projects on the books for the upcoming year.

Mr. Arntzen stated per the Commission's direction, staff will continue to move forward on Columbia Gardens Phase 2B bid process.

B. Columbia Drive Update

Mr. Peterson reported on the construction of Columbia Gardens Phase 2A.

C. Vista Field

Mr. Peterson stated the final revisions for Vista Field Phase 1 civil plans are ready for submission to the City of Kennewick. Mr. Peterson has been working with the Benton PUD on the locations of the easements and once those are established, other providers will follow.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

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DRAFT

D. White Bluffs Consulting; Resolution 2018-24

Mr. Arntzen stated last year the Port contracted with White Bluffs Consulting, to create an owners association for Vista Field. White Bluffs principal, Ben Floyd has been working with Steve DiJulio, Doris Goldstein, and DPZ Partners on the detailed document. The request for an additional \$25,000 is to create the framework for the maintenance of common areas, programming, and business/owners association for Vista Field. The owners association and related documents need to be in place prior to selling any property at Vista Field.

Mr. Kooiker stated because this is a personal service contract and the change order is more than 50% of the original amount, the amendment needs to be approved by the Commission.

PUBLIC COMMENTS

No comments were made.

MOTION: *Commissioner Barnes moved to approve Resolution 2018-24 authorizing contract amendment in the amount of \$25,000; Commissioner Novakovich seconded.*

Discussion:

Commissioner Moak stated it is imperative to set up the association the right way.

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

E. West Richland

Mr. Arntzen stated Brent Gerry Mayor of the City of West Richland recently reached out to discuss a concept for the Former Racetrack. Mayor Gerry was proposing that the City go out for bond for a public safety facility on 12 acres of land on the Former Racetrack and include the West Richland Police station and Benton Rural Fire District #4 station. Mr. Arntzen stated one potential issue of locating a public safety building on the property is that it would cost approximately \$1,000,000 to get utilities to the property. Mr. Arntzen stated Mayor Gerry did not offer solid details and there was no discussion of who would pay to get the utilities to the property. The Port previously discussed partnering with West Richland to get municipal services (utilities) to the property line; however, that never came to fruition.

The Commission approved a Master Plan in 2017 for the Former Racetrack and amended the Comprehensive Scheme to include the Master Plan. A public safety complex is not consistent with Port's Master Plan, Comp Scheme, or 2019-2020 Work Plan. The documents state to hold the Former Racetrack property until the timing is right. Mr. Arntzen inquired if the Commission had any questions regarding the tentative proposal.

Commissioner Novakovich stated the Joint Economic Development Committee met to discuss sharing costs on utility infrastructure for the Former Racetrack property and West Richland declined each time it was discussed. Commissioner Novakovich does not understand the Mayor's tentative proposal, because it would not increase the tax base for the City.

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It is Mr. Arntzen's understanding that the City has a piece of land from the Department of Natural Resources that is little or no cost that they could use for the public safety facility. Furthermore, the Comp Scheme states that the Port should hold the property for private sector development, which would increase the tax base for the City.

Commissioner Moak agrees with the comments; however, if there is an interest in a public safety facility, there may be an opportunity to put together an Interlocal Agreement with the City to establish timing, utilities, and development. Commissioner Moak believes it is a timing issue and the City would need to pass a bond first.

Mr. Arntzen stated Mayor Gerry did not discuss any specifics regarding the potential proposal. Mr. Arntzen stated the Port is currently working on Vista Field and Columbia Gardens and believes another project may dilute the efforts that are needed elsewhere.

Commissioner Moak does not think the Port should pursue the tentative proposal any farther.

Commissioner Barnes shared his concerns about the additional work required by staff to move this forward and mulled if the citizens of West Richland would pass another public safety bond.

Gregg Couch, 77609 North Yakima River Drive, West Richland. Mr. Couch, a Commissioner for Benton Rural Fire #4 stated the District was approached by the City informally, just as the Port was. Mr. Couch stated Fire District #4 has no intention of pursuing a joint public safety facility with the City. Fire District #4 has a limited time frame and budget to expend the public safety bond and the property is also too far west for the response time. Mr. Couch stated the City was annexed into District #4 and indicated that they are two separate entities.

F. Drummers and Dancers at The REACH, November 17, 2018

Mr. Arntzen received an email from Rosanna Sharpe, Executive Director of The REACH Museum, inviting the Commission and constituents to the drummers and dancers event on Saturday, November 17th from 11:00 a.m. and 1:00 p.m. The drummers and dancers represent the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and are led by Fred Hill Sr., who teaches the Tribal Drum and Dance History Class at the Nixyaawii Community School. The event is open to the public and the price of admission ranges from free-\$10.00.

G. Hanford Reach National Monument – Public Access

Mr. Arntzen received a request from TRIDEC, asking all jurisdictions to sign a form letter requesting that the Central National Wildlife Refuge Complex open up Hanford Reach National Monument - Rattlesnake Mountain. Mr. Arntzen informed TRIDEC of the Port's Memorandum of Understanding with CTUIR which states the Port will consult with the Tribes on major points of consideration. Mr. Arntzen will contact Eric Quaempts, Interim Director regarding TRIDEC's request; however, he does not know how long it will take for the Tribes to respond.

Commissioner Barnes inquired if the draft letter is from TRIDEC.

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Mr. Arntzen stated David Reeploeg, Vice President of Federal Programs for TRIDEC drafted the letter.

Commissioner Moak asked Commissioner Barnes if this request has come before TRIDEC's Executive Board.

Commissioner Barnes does not recall the letter being discussed at an Executive Board Meeting.

Commissioner Novakovich stated it is important continue to foster our relationship with the CTUIR and meet with them prior to signing any document regarding tribal lands.

Commissioner Barnes agreed and stated the Port needs to discuss the letter with the CTUIR.

Commissioner Moak stated this is a very sensitive issue for CTUIR and he does not have any interest in signing the letter.

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

Commissioners reported on their respective committee meetings.

I. Non-Scheduled Items

1. Commissioner Barnes recently attended the Kiwanis of Horse Heaven Hills luncheon and the program speaker was Renee Adams, the New Executive Director for the Arts Center Task Force. Ms. Adams gave an excellent presentation on the Vista Arts Center; however, it did not include the total project costs. Based on Mr. Robison's comments, Commissioner Barnes is concerned about the total cost of the project and the ability to raise \$35,000,000. Commissioner Barnes emphasized how much facility is needed and offered his support for the Vista Arts Center.
2. Commissioner Novakovich reported that Ms. Scott's son, Jared recently graduated from the Marine Corps basic training program and Ms. Yates daughter, Summer, completed her first year playing soccer for the University of Washington.
3. Ms. Bader Inglima is meeting with Rivershore Enhancement Council on November 15, 2018 and meeting the new US Army Corps of Engineers Walla Walla Commander.
4. Mr. Arntzen reported that the Columbia Basin Badger Club will be holding a community forum regarding the Columbia River Shoreline reconveyance. The event will be held Thursday, November 15, 2018 at 11:30 a.m. at the Shilo Inn in Richland. Don Sampson, former chairman of the CTUIR will be in attendance as part of a three panel discussion, along with Gary Peterson and Jim Wise.
5. Mr. Peterson shared that an employee for Big D's Construction, who has been working on Port projects for several years, asked about future Port projects. Mr. Peterson stated the Port's impact in the community is being noticed.

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PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick is a member of the Art Center Task Force (ACTF) Facilities Committee and is replacing Steve Wiley as the liaison between the ACTF and the Port. Mr. Burdick recalls that the Vista Arts Center would cost approximately \$550 per square foot 2 years ago and Mr. Robison's comments are unsettling.

COMMISSIONER COMMENTS

No comments were made.

Commissioner Moak anticipates the Executive Session will last approximately 15 minutes, Minimum Price per RCW 42.30.110(1)(c) with possible action anticipated. Commissioner Moak asked the public to notify Port staff if they will return after the executive session so staff can advise if the session concludes early.

Commissioner Moak recessed the Regular Commission Meeting at 4:10 p.m. for a 5 minute break.

EXECUTIVE SESSION

A. Minimum Price, per RCW 42.30.110(1)(c)

Commissioner Moak convened the meeting into Executive Session at 4:15 p.m. for approximately 15 minutes.

Commissioner Moak adjourned the Executive Session at 4:25 p.m.

Commissioner Moak reconvened Regular Commission Meeting at 4:25 p.m.

Mr. Arntzen stated the Port received a purchase proposal from Benton County Fire Protection District #4, for the 2 acre parcel behind Black Herron for construction of a new fire station. The Port met with representatives from District #4 in July and recently received an offer of \$10,000 for the parcels. Mr. Arntzen verified with Ms. Luke that the Port could sell the property for this price. Mr. Arntzen stated a fire station in this location would lower fire insurance rates for businesses and property owners. The Port has been able to help municipal partners and with respect to the price, the property has been sitting for several years with no serious leads. Mr. Arntzen believes this is a reasonable offer and the outcome will benefit the community of West Richland. Fire District #4 went out for a public safety bond in 2018 and the modest sum of the property will help with the increased cost of construction.

Mr. Peterson stated the assessed value of the property is approximately \$112,000 for both lots.

Ms. Luke stated the Port would draft an agreement that would meet the requirements of the State Auditor's Office, to justify the sale of land that is less than the assessed value.

Commissioner Barnes stated if a person is interested in the site, what price is quoted for the property.

Ms. Hanchette stated \$2.00 - \$4.00 per square foot.

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Commissioner Novakovich inquired if there has been any interest in property over the past four years.

Ms. Hanchette stated she has only received a handful of inquiries on the property, mostly industrial.

Commissioner Moak inquired if anyone has made an offer on the parcels.

Ms. Hanchette stated she has not received any firm offers for the parcels and that the property is not centrally located.

Commissioner Novakovich stated even if the Port sells the property at less than market value, it will add value to the community by having the fire station in the neighborhood and potentially lower insurance rates. Commissioner Novakovich is in favor of selling to Fire District #4.

Commissioner Moak stated being a partner to a public safety entity is good for the community, who voted in favor of a new tax for the Fire Station. Selling the parcels to District #4 shows West Richland that the Port is supportive of the City and we are doing things that people want. The Former Racetrack has great potential for economic development at some point but the 2 acre parcel will not create enough economic activity for the Port or anyone else who is trying to turn the area. Selling parcels that have minimal value and minimal interest, for minimal price is the right thing to do, because we are helping District #4 and the citizens of West Richland.

Commissioner Barnes inquired if Ms. Hanchette had spoken to Black Herron.

Ms. Hanchette stated the Fire Station discussed the possibility with the owner and he did not express any concern.

Commissioner Barnes stated this is an opportunity to provide a benefit to the citizens of West Richland.

It is Consensus of the Commission for staff to negotiate with Benton County Fire District #4 for the 2 acre parcel located off Keene Road.

PUBLIC COMMENTS

Gregg Couch, 77609 North Yakima River Drive, West Richland. Mr. Couch stated District #4 has 3 years to spend 85% of the funds and this property will address several issues and concerns. Over the next twenty years, West Richland is expected to grow exponentially and the location is ideal for the expected growth. Mr. Couch thanked the Commission and stated without the Port's assistance, Fire District #4 would continue with to face many issues.

Mr. Arntzen stated the consensus of the Commission is for staff to negotiate a PSA with Fire District #4. Mr. Arntzen appreciates Mr. Couch's comments and stated they are similar to that of Fire Chief Bill Whealan's comments.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:49 p.m.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

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DRAFT

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Thomas Moak, President

Don Barnes, Vice President

Skip Novakovich, Secretary

PORT OF KENNEWICK

RESOLUTION 2018-25

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING AN INTER-LOCAL AGREEMENT WITH BENTON COUNTY RELATED TO SECURING RURAL COUNTY CAPITAL FUNDS FOR PHASE 1A OF VISTA FIELD REDEVELOPMENT

WHEREAS, the Port is moving forward with Phase 1A infrastructure plans for Vista Field redevelopment, planning to bid in January 2019; and

WHEREAS, Benton County has determined they would like to partner on the Vista Field project, and realizes the benefit the project will have to the entire City, County, and surrounding regions; and

WHEREAS, Benton County would like to contribute \$500,000 of their allocation of rural county capital funds to support infrastructure improvements; and

WHEREAS, this collaboration serves the public interest by leveraging the port and county funds for the greatest economic benefit; and

WHEREAS, the attached disbursement agreement has been reviewed by Port legal counsel.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby adopts the attached Disbursement Agreement (Exhibit "A") between the Port of Kennewick and Benton County related to Rural County Capital Funds for phase 1A infrastructure at Vista Field, and authorizes the Port's Chief Executive Office to execute the agreement and instructs the CEO to take all action necessary to implement such agreement.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of December, 2018.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

By:

THOMAS MOAK, *President*

By:

DON BARNES, *Vice President*

By:

SKIP NOVAKOVICH, *Secretary*

DISBURSEMENT AGREEMENT FOR USE OF RURAL COUNTY CAPITAL FUNDS

This Agreement, among and between Benton County (hereinafter “County”), and the Port of Kennewick (hereinafter “Port”), shall be effective upon execution by both parties.

WHEREAS, the County has previously agreed to distribute certain funds received from the State of Washington that it has deposited in its Rural County Capital Fund (hereinafter “Fund”) after April 1, 2016 for the financing of certain “public facilities [projects] serving economic development purposes” as contemplated by State statute (RCW 82.14.370) and in conformance with County policy (Resolution 2017-103, adopted January 31, 2017); and,

WHEREAS, the County and the Port are authorized, including under Chapters 39.33 and 39.34 of the Revised Code of Washington, to contract with each other and other public agencies in order to effectively and efficiently operate, administer, and carry out their programs and public projects; and,

WHEREAS, the Port owns 103 acres at Vista Field, an underutilized area formerly used as an airfield that the Port desires to develop for economic development purposes; and,

WHEREAS, the Port has undertaken an extensive public process to gain input on the public’s desired use for the acreage, and has determined to develop the area into a walkable, bike-able, pedestrian friendly, and transit-oriented town center; and,

WHEREAS, Phase 1A of the “Vista Field Redevelopment” project includes nearly 20 acres and consists of constructing a water system, sewer system, and storm water drainage system for those 20 acres (“the Project”) among other improvements that will create opportunities for subsequent private sector development; and,

WHEREAS, full build-out of the 103-acre Vista Field site could lead to as many as 3,380 jobs, \$460 million in private sector investment, \$51 million in new infrastructure, and \$408 million in new buildings; and,

WHEREAS, the funds requested by the Port are critical in allowing commencement of the Project, and will foster sitewide vibrancy, leverage private sector development, and help transform the vacant, underutilized former airfield into an urban town center dotted with retail, commercial, residential, civic buildings, and public facilities that will foster tourism spending, attract young professionals, and provide balance to the regional economy; and,

WHEREAS, commercial redevelopment of Vista Field will positively impact sales, business & occupation, and property tax revenues for the local governments; and,

WHEREAS, the Port has requested \$500,000.00 for the Project from that portion of the Fund allocated by the County; to be used to reimburse the Port for Project expenses, with such funds being in addition to the contribution of other funds for the Project from other sources;

NOW THEREFORE, in consideration of the mutual covenants, conditions, and terms contained herein, the County and the Port mutually agree to the following:

1. Based on the Port's request for reimbursement from the Fund, the County agrees to reimburse the Port for up to Five Hundred Thousand Dollars (\$500,000.00) of qualified direct costs incurred by the Port for the Project *after* the execution of this Agreement; contingent upon: (i) such funds being less than the unspent amount of the Fund allocated to the Port; and (ii) that each reimbursement is consistent with the County's Rural County Capital Fund Disbursement Policy, dated January 31, 2017, which is incorporated herein by reference.
2. The Port represents that the use of revenues from the Fund for the Project is and will be consistent with RCW 82.14.370.
3. The Port agrees to use all funds allocated by this Agreement solely for the purpose of financing the Project and warrants that all expenditures by the Port for which it seeks reimbursement will comply with RCW 82.14.370.
4. The estimated Project schedule and a disbursement schedule are attached hereto as Exhibit A. The parties agree that funds will be disbursed only as reimbursement for actual, direct costs incurred by the Port in connection with the Project. The Port will keep the County informed of changes to the schedule as the Project progresses.
5. The Port shall invoice the County at the end of each calendar month for all Project costs incurred by the Port in the prior month that are eligible for and for which reimbursement is sought. All invoices shall be mailed to the County at the following address:

Benton County Commissioners Office
ATTN: Sustainable Development Manager
7122 West Okanogan Place
Kennewick, Washington 99336

6. All approved reimbursement payments will be made via check mailed directly to the Port at the following address:

Port of Kennewick
ATTN: Finance Director
350 Clover Island Drive Ste. 200
Kennewick, WA 99336

7. The Port shall not hold the County liable for any delay in disbursements, but the County agrees to use its best efforts to make appropriate disbursement payments to the City in a reasonably timely fashion.

8. The Port shall be responsible for establishing policies for implementing this Agreement, monitoring progress of the Project, and monitoring the fulfillment of the Parties' responsibilities under the Agreement. In addition to other responsibilities set forth in this Agreement, the Port is responsible for following applicable bid and prevailing wage law policies and procedures when awarding bids for the Project contemplated by this Agreement.
9. The Port agrees to provide the County with a monthly report along with each invoice outlining the status of the Project, including a spreadsheet detailing all costs being reimbursed by the County.
10. If Rural County Capital Funds are applied by the Port toward non-eligible expenditures, the County may cease all disbursements and the Port shall repay to the County all monies inappropriately expended.
11. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection by the parties during the term of this Agreement and for three years after its termination. This Agreement shall be filed by the Port with the Benton County Auditor.
12. It is not the intention that a separate legal entity be established with respect to the Project, nor is the joint acquisition, holding, or disposing of real or personal property anticipated.
13. The Port agrees to indemnify the County from and against any claims, actions, losses, costs, penalties, damages, attorneys' fees, and all other liabilities and costs of defense of any nature arising out of the County's agreement to disburse funds under this Agreement.
14. The Port shall not have the right to assign the rights under this Agreement nor to terminate its obligations hereunder without first securing the written consent of the County.
15. This Agreement shall terminate and the County's obligation to disburse funds under this Agreement shall cease at any time that any aspect of the Project falls thirty-six (36) months or more behind the schedule set forth in Exhibit A. In such case, the County's rights under this Agreement shall continue, but the County may use the funds previously allocated under this Agreement for any purpose allowable under state law. The County will make a good faith effort to notify the Port whenever it believes any aspect of the Project is thirty (30) months or more behind schedule and that the Agreement will terminate in six months' time thereafter under this provision; provided that maintaining the Project on schedule is the Port's responsibility and the Port shall have no recourse against the County if such notice is not provided.
16. This Agreement contains the entire, complete, and integrated statement of each and every term agreed-to by and between the Port and the County, and this Agreement supersedes any and all prior written and unwritten agreements and understandings pertaining to the Project.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date signed below.

BENTON COUNTY

Jerome Delvin, Commission Chairman

Date: _____

ATTEST:

Clerk to the Board

APPROVED AS TO FORM:



Chief Deputy Prosecuting Attorney

PORT OF KENNEWICK

Tim Arntzen, Chief Executive Officer

Date: _____

ATTEST:

Nick Kooiker, Chief Financial Officer & Auditor

APPROVED AS TO FORM:

Lucinda J. Luke, Port Counsel

EXHIBIT A

ESTIMATED PROJECT COMPLETION AND FUND DISBURSEMENT SCHEDULE FOR VISTA FIELD PHASE 1A CONSTRUCTION

Phase 1A is construction of a new roadway grid with all supporting utility infrastructure, including water delivery systems, sewerage systems, and a storm water relief drainage system. Benton County's participation will be in the form of contribution toward the costs of these three task areas as listed below in the table.

PHASE 1A CONSTRUCTION OF ROADS & UTILITIES TASKS	DISBURSEMENT					
	PROGRESS BILLING DATE					TASK TOTALS
	05/01/2019	06/01/2019	07/01/2019	08/01/2019	09/01/2019	
Construction of Storm Water Drainage System	\$50,000	\$50,000				\$100,000
Construction of Sewer System		\$50,000	\$50,000	\$100,000		\$200,000
Construction of Water System			\$50,000	\$50,000	\$100,000	\$200,000
Cumulative RCCF Contribution	\$50,000	\$100,000	\$100,000	\$150,000	\$100,000	\$500,000

PORT OF KENNEWICK

RESOLUTION 2018-26

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK ADOPTING THE CHIEF EXECUTIVE OFFICER'S DELEGATION OF AUTHORITY

WHEREAS, on December 8th, 2015 the Board of Commissioners approved the CEO's delegation of authority; and

WHEREAS, ESSB 6329 was passed in the 2018 legislative session, giving Port districts the direct authority to execute "On-Call" contracts; and

WHEREAS, ESSB 6329 also gave Port districts the ability to contract for small public works projects under \$40,000 without going through a formal small works bidding process; and

WHEREAS, both of these changes will save Port staff time and valuable taxpayer resources, so the Port Commission desires to change the CEO's Delegation of Authority approving these modifications; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves adopting the Chief Executive Officer Delegation of Authority, as identified in Attachment "A"; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board of Commissioners of the Port of Kennewick hereby rescinds Resolution 2015-29.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of December, 2018.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

By:


THOMAS MOAK, *President*

By:

DON BARNES, *Vice President*

By:

SKIP NOVAKOVICH, *Secretary*

	<p style="text-align: right;">ATTACHMENT A</p> <p style="text-align: center;">PORT OF KENNEWICK</p>	
	<p>CHIEF EXECUTIVE OFFICER DELEGATION OF AUTHORITY</p>	<p>COMMISSION POLICY NO.1</p>
	<p>Adopted by the Commission on December 8, 2015 Resolution 2015-29 Revised December 11, 2018. Resolution 2018-26</p>	<p>This policy removes and replaces all previous Port policies adopted which address the items identified within this policy. This policy cross references Port Commission Rules of Policy and Procedure and CEO's Procedures for Staff.</p>

PURPOSE AND AUTHORITY

The Port Commission establishes the Port of Kennewick's policy objectives and the rules governing its business transactions. The Commission retains an Executive Director, hereinafter referred to as "Chief Executive Officer" or "CEO" to conduct the Port's business consistent with the Commission's policies and rules. The Commission directs the CEO only by action of the Commission in its capacity as the Port's governing authority. For these purposes, unless the context indicates otherwise, the term "CEO" means the Port's "managing official" as the term is used from time to time in Title 53 RCW. The CEO is the chief executive officer, [along with his/her designee(s)], is appointed by the Port Commission to manage Port operations.

RCW 53.12.270 grants the Port Commission authority to delegate to the CEO "such administrative powers and duties of the Commission as it may deem proper for the efficient and proper management of Port District operations." Under these authorities and Resolution No. 2015-29 the Port Commission adopts this Policy delegating administrative powers and duties to the CEO of the Port and establishing guidelines and procedures to govern the CEO's responsibilities and exercising of delegated authority.

GENERAL DELEGATION OF AUTHORITY AND RESPONSIBILITY

Delegation of Authority

The CEO is responsible for the operation, maintenance, development, alteration, improvement, administration, and use of all Port real and personal property; all actions required for personnel administration; and all other actions essential to supporting the Port's mission. The CEO may take any action in the Port's best interests and within the Port's authorized budget necessary to resolve any matter related to the CEO's authority, including where not specifically addressed herein. Subject to the limitations in this Policy, other Port resolutions and policies, and applicable law, the CEO is responsible for:

- Operation, maintenance, administration, and use of Port facilities and other properties.
- Development of industrial districts.

- Implementation of construction work, alterations and improvements to Port facilities and other properties.
- Administration of all day-to-day Port operations.
- Execution of contracts and other documents related to Port operations that are authorized by this Policy or otherwise approved by the Commission.
- Applications for permits associated with Port facilities or projects.
- Applications for and acceptance of grants or other funds from federal, state, and local governments, consistent with actions described in this Policy.

Consultation with Commission

The CEO must regularly inform and consult with the Commission regarding the Port's significant business transactions. Unless otherwise permitted or ratified, the CEO must inform the Commission promptly following all significant actions authorized by this Policy.

Staff Delegations

The CEO may retain administrative staff to operate and manage the Port under the CEO's directives. Consistent with Port policies, the CEO may further delegate to appropriate Port staff any administrative authority or responsibility delegated to the CEO by the Port Commission to further efficient and proper Port administration.


2. Rules and Procedures

The CEO may adopt administrative rules, regulations, and procedures necessary to carry out this Policy and for the efficient and proper operation of the Port. The Commission provides CEO the Express Delegation of Authority and Limitations attached hereto and incorporated herein by reference, as follows:

EXPRESS DELEGATION OF AUTHORITY AND LIMITATIONS

Part 1.0	LEASE OF REAL AND PERSONAL PROPERTY
Part 2.0	REAL PROPERTY PURCHASES AND SALES
Part 3.0	CONTRACTS FOR PERFORMANCE OF WORK
Part 4.0	PERFORMANCE OF WORK BY PORT STAFF OVER \$40,000
Part 5.0	ACQUISITION OF MATERIALS, EQUIPMENT, AND SERVICES
Part 6.0	UNCOLLECTIBLE ACCOUNTS, SETTLEMENTS OF CLAIMS, AND LITIGATION

Part 7.0	CREDIT CARDS
Part 8.0	COMMERCIAL INSURANCE
Part 9.0	TREASURER AND PETTY CASH ACCOUNTS
Part 10.0	TRAVEL AND VEHICLE
Part 11.0	PORT HOLIDAYS, PAID TIME OFF, LEAVE, AND BENEFITS
Part 12.0	STANDARDS OF CONDUCT
Part 13.0	DRUG, ALCOHOL, AND VIOLENCE FREE WORKPLACE
Part 14.0	WHISTLEBLOWER ACT
Part 15.0	DISCIPLINE
Part 16.0	RECOGNITION, AWARDS, AND TEAM BUILDING POLICY
Part 17.0	WORKING MEALS
Part 18.0	PROMOTIONAL HOSTING
Part 19.0	FRAUD PREVENTION AND ETHICS
Part 20.0	PROGRAMS AND PROCEDURES
Part 21.0	MISCELLANEOUS
Part 22.0	AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT
Part 23.0	FIXED ASSETS
Part 24.0	RECORDS OFFICER
Part 25.0	PORT AUDITOR AND ATTORNEY
Part 26.0	BUDGET, FINANCIAL, AND OPERATIONAL PHILOSOPHY

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	LEASES OF REAL AND PERSONAL PROPERTY	Part 1.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 1.0

1.0 LEASES OF REAL AND PERSONAL PROPERTY

1.1 General Lease of Real and Personal Property Policy.

- 1.1.1** Except as otherwise provided herein, all real and personal property belonging to the Port (when available for leasing), must be leased under an appropriate written lease executed in accordance with RCW 53.08.080;
- 1.1.2** The amount of rental must be fair rent for the property based on CEO developed procedures of determining fair rent value;
- 1.1.3** The lease must state the use to which the property may be put by the tenant, which must be consistent with the Port's standards of use;
- 1.1.4** A legally sufficient standardized lease agreement will be used on all leases unless an alternative lease agreement is utilized that undergoes a legally sufficient review procedure;
- 1.1.5** Comply with and take necessary measures to ensure compliance or to protect the Port's legal position including but not limited to obtaining security for the performance of each lease and securing rental insurance or other insurance coverage required for leases (see RCW 53.08.085); and
- 1.1.6** The CEO must ensure that all terms are complied with and take all necessary measures to cause compliance or to otherwise protect the Port's rights under each lease, including without limitation by giving of all notices provided for in each lease.

1.2 Leases Executed by the Commission. The following leases will be submitted to the Commission for approval:

- 1.2.1** Leases in which the term of the lease, including any renewal options, exceeds five years; or

- 1.2.2 Leases in which the total monthly rental amount exceeds \$5,000 per month (excluding LET, utilities, and other ancillary items).
- 1.3 **Leases Executed by the CEO.** Except as provided above, the CEO authorized to approve all other leases.

2.0 COMMISSION ON LEASES OF REAL AND PERSONAL PROPERTY

- 2.1 **General Lease of Real and Personal Property Policy.** The Port of Kennewick desires to use all available resources to market Port real property to its maximum potential. Use of licensed real estate professionals/brokers may foster more economic development opportunities. When it is desirable to secure the services of a real estate professional or broker, the terms and conditions for the lease of Port property will be as follows:


- 2.2 **Lease of Real Property (Excluding Marina)**

- 2.2.1 **Licensed Real Estate/Broker.** All real estate professionals and brokers whom the Port conducts business with must be licensed in the State of Washington.
- 2.2.2 **Lease Approval.** Real Estate Professional/Broker does not have lease approval authority but can negotiate on the behalf of the Port in a non-binding manner. All final terms and conditions will be reviewed by the CEO for compliance with the laws, regulations, Port policies and procedures.
- 2.2.3 **Commission.** The rate of commission will not exceed five (5%) percent of the net lease payments for the first five years and two and a half (2.5%) percent of the net lease payments for the second five years. Net lease payments are gross lease payment less applicable fees such as concession fees, triple net, common area maintenance charges, leasehold taxes, leasehold improvements or amortization of improvements, and delinquent rent payments.
- 2.2.4 **Statement.** Real Estate Professional/Broker must supply the Port with a written statement of details on potential lead(s), date lead was obtained and introduced to Port staff, any potential financial interest Real Estate Professional/Broker may have with the lead, and a signed statement regarding conflicts of interests.
- 2.2.5 **Payment of Commission.**
 - 2.2.5.1 **Month-to-Month, Annual, and Multi-Year Leases:** If tenant has current payment status and still occupies the leased space, commission is calculated based on the following:

- A. One-half of the first twelve months of net lease payments will be paid after six months of the fully executed lease effective date.
- B. The remaining one-half of the first twelve months commission will be paid at the end of twelve months from the fully executed lease effective date.
- C. From then on, commission will be paid annually at the year end and based on the rents collected.
- D. If lessee terminates lease early, payment of commission will be paid through the lease termination date.

All commission payments are subject to the Port's check processing procedures.

2.2.5.2 Existing Tenants. Commission will not be paid on leases involving existing tenants for new leases, renewals, or options exercised.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	REAL OR PERSONAL PROPERTY PURCHASES AND SALES	Part 2.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 2.0

1. REAL OR PERSONAL PROPERTY PURCHASES AND SALES

The CEO may offer to purchase real property without prior Commission approval, provided that each offer expressly indicates that it is subject to Commission approval. When the Commission authorizes the acquisition of real property by purchase, the CEO must take all necessary steps, including without limitation by obtaining appraisals, to secure title to the property for the Port. *See RCW 53.08.010-.020.*

When the Commission authorizes the sale of real property, the CEO must take all necessary steps to complete the transaction, including without limitation by accepting deposits, opening escrow, and signing all necessary documents. *See RCW 53.08.090-.092.*

The CEO may approve and sign the following easements and covenants over Port property: (1) those easements and covenants that benefit the Port (e.g., utility easements); and (2) all other easements and covenants that do not exceed a term of two years and where the interest granted does not substantially interfere with the Port's use of the property or the property's fair market value. All other easements and covenants exceeding two years must be approved by the Port Commission.

- 1.1. Not for Speculation.** Port-owned real property will only be sold for identifiable, immediate development and not for speculative purposes. To serve this goal, most sales will include a repurchase option in favor of the Port in the event identified development does not occur in a timely manner.
- 1.2. Onerous Contingencies.** The Port discourages onerous contingencies (e.g. long-term options, first rights of refusal, etc.), and such contingencies will be accepted only in exceptional circumstances.
- 1.3. "As Is".** All Port property will be sold "AS IS" unless otherwise approved by Port Commission.
- 1.4. Offers.** No Port real property will be sold or reserved unless the Port has received a valid offer on a Port standardized purchase and sale agreement, and such

agreement is submitted and approved by the Port Commission in a public meeting. A legally sufficient review procedure shall be utilized if there are material exceptions to the Port standardized purchase and sale agreement. Until approval by the Port Commission, all property designated as “for sale” will remain for sale. The CEO is authorized to accept and make offers on real or personal property without prior Commission approval, provided that such offers clearly indicate the offer is subject to approval of the Commission or other similar language. The CEO will take all necessary steps, if applicable (e.g. securing appraisals, title searches, surveys, environmental reviews, deposits, escrow, or signing all necessary documents after Commission approval).

- 1.5. Determining Price.** The CEO will develop a procedure for and make a reasonable determination of fair market value for property designated as available for sale before the purchase and sale agreement is presented to the Commission for approval.

The Port Commission may choose to sell Port-owned properties for less than fair market value, on a case-by-case basis, if the Port deems the business decision is not be considered a gift of public funds by a reasonable auditor (e.g. State Auditor’s guidance on gifting of public funds was reviewed and the Port determined the land sale is not a gift of public funds due to aiding in a general Port purpose and goals).

- 1.6. Prior Inspection.** All prospects are encouraged to meet with the jurisdictional City or County staff to review the proposed site conditions (e.g. zoning, servicing, topography, grading, history of the property, existing neighbors, etc.) prior to submitting an offer to the Port.
- 1.7. Port Staff Assistance.** Port staff will offer reasonable assistance to prospective purchasers of Port “for sale” real property pursuant to this policy (e.g. providing property information and tours of “for sale” property). Staff assistance will not be deemed to reserve any parcel of real property for any party, nor will staff assistance be deemed a commitment in any way whatsoever with respect to any Port real property.
- 1.8. Submission of Offer to Purchase by Prospective Purchaser.** Offers to purchase Port property will be submitted by the prospective purchaser to Port staff in writing and dated. A valid offer must be signed upon submission and contain all information set forth below. Non-complying offers will be returned without processing:
- a. Identify the full legal name of the purchasing party and be executed by the purchasing party or its authorized representative;
 - b. Contain a check for earnest money in a sum of not less than 5% of the offer price (in no case less than \$5,000);

- c. Contain a separate non-refundable administrative processing fee of \$500 for all parcels where the proposed purchase price is less than \$500,000 and \$1,000 for all parcels where the proposed purchase price is \$500,000 or greater;
- d. Identify the party to use and occupy the property, if different from the offering party;
- e. Legally describe the property subject to the offer;
- f. Indicate the total offer price;
- g. Indicate any terms for payment of purchase price;
- h. Identify any proposed contingencies;
- i. Identify a proposed closing date;
- j. Detail the proposed use of the property and timing for any construction or development;
- k. Identify size and type of building to be erected, if applicable;
- l. Identify anticipated number of employees with approximate wage levels;
- m. Indicate whether or not any new positions will be created as a result of the real property purchase, and if so, indicate number of new employees with approximate wage levels;

Interested parties must submit offers using a Purchase and Sale Agreement in Port approved format as developed by the Port attorney, CEO, and CFO. If the interested party does not use the Port approved agreement, the interested party will pay the Port for all out of pocket cost associated with review. Staff will review the offer with the offeror to ensure that the offeror has submitted all the information as required. Port staff will present the offer to the Port CEO with a brief oral summary of the offer. The CEO may send the offer back to the offeror for additional information or may proceed to present the offer to the Port Commission as set forth in this policy.

1.9. Presentation of Offer to Port Commission. When the CEO determines that an offer complies with the requirements of this policy, the CEO will submit the offer to the Port Commission for its consideration in due course (usually within 30 days of the submission of the offer to staff). Additionally the CEO will make a written recommendation to the Commission (except in cases of unusual circumstances, in which cases the CEO's recommendation to the Commission may be oral). The CEO's recommendation will request that the Commission accept the offer, reject the offer, present a counter offer or table the offer. The CEO will not sign any proposed offer until approved by the Port Commission by formal resolution.

1.10. Action on the Offer by Port Commission. Offers will be evaluated by the Port Commission based upon the criteria set forth above. If there are competing offers, either of which may be acceptable if made separately, the Port Commission may select the offer it believes best serves the goals of the Port. The Port Commission may reject any or all offers. The Commission will respond to

the offer through the CEO, who will communicate the response to the prospective purchaser as soon as practicable. Any action on an offer will only be made by official action of the Port Commission at a Commission meeting.

1.10.1.1. Acceptance of Offers. Within 10 days of the Port's acceptance of an offer, the CEO will sign and accept the offer on behalf of the Port Commission. The executed agreement and deposited earnest money will be transmitted to the closing agent designated in the offer. The property subject to the offer will not be removed from the "for sale" list, but will be marked with a 'sale pending' designation.

1.10.1.2. Rejection of Offers. If the Port Commission rejects an offer, the offer will immediately be null and void and of no force and effect. Earnest money will be refunded less processing fee.

1.10.1.3. Tabling of Offers. The Port Commission may table an offer to be reviewed at a later date.

2. COMMISSION STRUCTURE FOR LICENSED BROKERS.

Commissions will only be paid to licensed real estate brokers. The broker must submit a signed bona fide offer plus a signed appointment from the potential purchaser authorizing the broker to negotiate for the potential purchaser in order to claim the commission. The broker authorization must include the name of the proposed purchaser and the date of their first contact with said purchaser. Unless the provision is strictly complied with, the Port will not pay any claimed commission.

2.1.1. After final approval of the sale by the Port Commission and after receipt of all funds due at closing, the Port of Kennewick will pay to the licensed real estate broker negotiating any such sale a commission based on the following schedule:


A. SALES OF UNIMPROVED REAL PROPERTY (Bare Land)

- | | |
|---------------------------------------|-------------------|
| 1. On the first \$500,000 of any sale | Seven (7) percent |
| 2. On the next \$500,000 of any sale | Five (5) percent |
| 3. On any amount over \$1,000,000 | Three (3) percent |

B. SALES OF IMPROVED REAL PROPERTY (With Structure)

- | | |
|---------------------------------------|-------------------|
| 1. On the first \$500,000 of any sale | Five (5) percent |
| 2. On the next \$500,000 of any sale | Five (5) percent |
| 3. On any amount over \$1,000,000 | Three (3) percent |

If payment is to be made in installments on any sale, the commission will be paid as each principal installment is received, in the percentage thereof of the principal balance applicable to the sale. The commission paid on any sale will only be on the basic price of the land sold excluding any Local Improvement District assessments, any taxes or liens against such sales, including excise tax.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	CONTRACTS FOR PERFORMANCE OF WORK	Part 3.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 3.0 and Part 6.0

1.0 CONTRACTS FOR PERFORMANCE OF WORK

The CEO may, without prior Commission approval, execute contracts for work where the total contract does not exceed \$200,000 a year and as so long as all laws, regulations, and Port approved budget are followed. On contracts over the \$200,000 the CEO may complete and sign all necessary documents after Commission approval.

The CEO will develop procedures to ensure compliance with laws, regulations, and this policy.

2.0 SMALL WORKS PROJECTS

- 2.1** The CEO may use the Small Works Roster process pursuant to RCW 39.04.155 for construction contracts up to \$300,000. Contracts over the above CEO's delegation of authority must be approved by the Commission.
- 2.2** The CEO may, without Commission approval, prepare plans and specifications; issue notices calling for bids; accept bids and contracts for work where the total contract price does not exceed \$300,000. The CEO must ensure the requirements of RCW 53.08.120 are met and that the work is within the project's authorized budget.
- 2.3** The Small Works Roster is a listing of all responsible contractors who have requested to be on the list, and are properly licensed or registered to perform such work in this state. The Port can use other governmental Small Works Rosters that are in compliance with the applicable laws and regulations.
- 2.4** The term "public work" will include all work, construction, alteration, repair, or improvement executed at the cost of the Port of Kennewick, or which is by law a lien or charge on any property therein.
- 2.5** A written determination of the bid award will be kept on file, made available for public inspection, and retained in accordance with records management laws.

- 2.6** Pursuant to RCW 39.04.155, the breaking of any project into individual units of work or in phases is prohibited if it is done for the purpose of avoiding the \$300,000 limitations.

3.0 ON-CALL/UNIT BASED CONTRACTING

- 3.1** “On Call” contracting is permitted as allowed by RCW 53.08.120.
- 3.2** The CEO will establish procedures to ensure compliance with RCW 53.08.120 and applicable bid laws.

4.0 FORMAL SEALED BID PROJECTS

- 4.1** Projects costing more than \$300,000 must follow the formal sealed bid laws and be approved by Commission in a public meeting.
- 4.2** The CEO will establish procedures to ensure compliance with formal sealed bid laws.

5.0 NON-ARCHITECTUAL AND NON-ENGINEERING SERVICES

- 5.1** The CEO may contract out and develop procedures for procurement of professional, personal, technical, or purchased services in accordance with RCW 53.19.
- 5.2** The Port Commission must approve service contracts in excess of \$200,000.
- 5.3** Amounts above \$50,000 but less than \$200,000 are subject to competitive bid requirements. Contracts over \$50,000 must have proper documentation showing the Port staff delegated by the CEO made attempts to identify potential consultants for inviting to bid on Port projects.
- 5.4** Contracts in excess of \$200,000 require a request for proposal process.
- 5.5** Regardless of amount, if the value of a contract amendment or amendments exceeds 50% of the value of the original contract, the amendment must be filed with the Commission and made available for public inspection prior to the proposed starting date of services under the amendment.
- 5.6** Regardless of amount, substantial changes in the scope of work specified in the contract or which are substantial additions to the scope of work specified in the formal solicitation document must be submitted to the Commission for this is required even if the original contract did not require Commission approval.
- 5.7** Regardless of amount, all services listed within this section must have a documented scope of work or services to be performed.

- 5.8** Port Commission exempts the following services from competitive bid process as allowed by RCW 53.19.20 since the Commission deems competitive solicitation process is not appropriate for services that deal with high risk areas, special education, and experience: Human resource, legal, information technology, marketing, project management, writing, accounting, financial, lobbyist, or bookkeeping services.

6.0 ARCHITECTUAL AND ENGINEERING (A&E) SERVICES

- 6.1** The CEO is authorized to procure A&E services in accordance with RCW 39.80.010-60 that do not exceed the purchasing limit set by Commission.
- 6.2** The statute requires advance notice of the requirement for professional services (39.80.030), evaluation of firms' qualifications and performance (39.80.040), and negotiation with firms in accordance with adjudged qualifications (39.80.050).
- 6.3** Contracts for services cannot be broken into multiple agreements to avoid compliance with this policy or State statutes.

7.0 CHANGE ORDERS.

Note: Non-A&E change orders and scope changes must follow the law as outlined in section 4.0 above.

When circumstances require individual changes in plans or specifications to properly accomplish contracted work, the CEO may, without prior Commission approval, execute individual change orders to a contract if the following conditions are met:


- 7.1** The change order will not exceed \$100,000;
- 7.2** The contract for work authorizes change orders;
- 7.3** The change order is reviewed for possible audit issues;
- 7.4** The total cost of all approved change orders, when added to the contract cost, remains within the project's authorized budget and applicable procurement laws; and
- 7.5** The change order is validated or certified by the project architect, engineer, or Port project manager as necessary to the proper accomplishment of the project.

8.0 EXEMPTIONS TO COMPETITIVE BIDDING

- 8.1 EMERGENCY.** When an emergency that poses or may pose a threat to life or property requires the immediate execution of a contract for work or professional or personal services, the CEO may make a finding of the existence of an emergency and may execute any contracts necessary to respond to the emergency. The CEO must follow the procedures set forth in RCW 39.04.020, 39.04.280,


53.19.010, 53.19.030 and other applicable laws, as the case may be and as each may be amended or recodified. At the first Commission meeting following the CEO's finding of emergency, the CEO must request Commission ratification of that finding and any contracts awarded or executed pursuant to that finding. To the extent practical, the CEO must continuously advise the Commission of the emergency's development and the progress of any contracts executed to remedy the emergency.

- 8.2 Special Facilities.** For procurement of special facilities or due to market conditions the CEO has the authority to develop procedures in accordance with the law and regulations and approve procurement up to the delegation of authority.
- 8.3 Sole Source Procurement.** If, after conducting a good faith review of available resources, the Port determines that there is only one source of the required services, materials, supplies, or equipment; a contract may be awarded without a competitive bid process. The CEO will develop procedures to ensure compliance with the laws and regulations
- 8.4 Special Market Conditions.** The CEO can consider waiving established bidding requirements up to the delegation of authority if an opportunity arises to purchase favorably-priced equipment, supplies, or used goods at an auction. The CEO will develop procedures to ensure compliance with laws and regulations.
- 8.5 Public Works under \$40,000.** The CEO will establish procedures for completion of public works projects estimated under \$40,000, pursuant to RCW 53.08.120.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PERFORMANCE OF CONSTRUCTION WORK BY PORT STAFF OVER \$40,000	Part 4.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 4.0


PERFORMANCE OF CONSTRUCTION WORK BY PORT STAFF.

Prior Commission approval is not required for any construction project performed by Port staff or inmate work crews. However, in accordance with RCW 53.08.135, construction projects over \$40,000 must be contracted out if it's deemed less expensive than using Port staff or inmate work crews. No written determination is required as Commission deems all construction projects over \$40,000 less expensive to contract out due to the potential hindrance of staff essential duties. Port staff can perform construction projects over \$40,000 if CEO deems essential duties can be performed and is cheaper to perform the construction project with staff or inmate work crews.

	PORT OF KENNEWICK		
	Chief Executive Officer Delegation of Authority		
	ACQUISITION OF MATERIALS, EQUIPMENT, AND SERVICES	Part 5.0	
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 5.0	

CONTRACTS FOR ACQUISITION OF MATERIALS, EQUIPMENT AND SERVICES.

The CEO may acquire, without prior Commission approval, utilities, materials, equipment, supplies and services (including services provided by public agencies) on the open market, pursuant to published rates or by competitive bidding when required by law for the normal maintenance and operations of the Port. Acquisitions must, where appropriate, be approved as a part of normal monthly expenses and must be within the project's authorized budget.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	UNCOLLECTIBLE ACCOUNTS, SETTLEMENTS OF CLAIMS, AND LITIGATION.	Part 6.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 7.0, Part 9.0, and Part 10.0

1.0 UNCOLLECTIBLE ACCOUNTS AND SETTLEMENTS OF CLAIMS

The CEO may write off any uncollectible account not exceeding \$10,000, subject to the following:

- 1.1** The CEO will be satisfied that reasonable effort has been made by the Port to collect the account prior to a write off.
- 1.2** In appropriate circumstances, the CEO is allowed to take necessary action in a court of law or assignment to a collection agency for the purposes of attempting to collect the delinquent account.

2.0 ADJUSTMENT AND SETTLEMENT OF CLAIMS


The CEO is responsible for directing the Port objectives in litigation, hiring experts as deemed necessary, and may settle claims where the amount in controversy does not exceed \$50,000 and ensure the following:

- 2.1** A proper written notice has been served to the Port by the claimant and the Port's insurance will not cover the claim; and
- 2.2** There is a substantial likelihood that the Port is or will be found liable and:
 - 2.2.1** There is a likelihood that a judgment rendered in the case would be in the amount claimed or higher; or

- 2.2.2 There is a likelihood that the expenses involved in litigation would be significant in relation to the amount claimed.

3.0 AUTHORITY TO RESOLVE ALL OTHER ISSUES

The CEO may take actions necessary to resolve any matter not specifically addressed herein that do not exceed \$50,000.


	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	CREDIT CARDS	Part 7.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 8.0

1.0 CREDIT CARDS

RCW 43.09.2855 authorizes local governments to issue purchase cards for official government purchases and acquisitions. The CEO is authorized to issue purchase cards to staff and develop procedures to ensure compliance with the applicable laws, regulations, and this policy.


- 1.1. Credit card limits may not exceed \$15,000.
- 1.2. The CEO will maintain a schedule of Port credit cards, lines of credit, the users, along with corresponding credit limits, approval amounts, and such other schedules or procedures determined necessary.
- 1.3. All purchase(s), regardless of amount, must be for valid, authorized Port operations. The Port will seek reimbursement from the responsible approved cardholder for any non-Port purchase(s). Port employees, when submitting expense support for the valid use of authorized Port operations, will use proper documentation requirements as approved by the CEO.
- 1.4. An approved cardholder agrees that the Port has a right to withhold any and all funds payable to the approved cardholder from compensation or other payments from invalid or unauthorized purchase by the approved cardholder, and will have a lien for such right against other sources of funds. The Port can collect late fees and interest in the event the employee causes delay of payment. Cardholders who have been issued a credit card by the Port may not use the card if any disallowed charges are outstanding and must surrender the card upon demand by the CEO.

- 1.5. The CEO may, at any time, revoke the use of any Port credit card for any reason or no reason. Upon delivery of the revocation order to the credit card company, the Port will cease to be liable for any costs associated with the credit card.
- 1.6. Payments must follow the standard payment processing procedures and presented at the next reasonably possible Commission meeting.
- 1.7. Cash advances are prohibited.

	PORT OF KENNEWICK		
	Chief Executive Officer Delegation of Authority		
	COMMERCIAL INSURANCE	Part 8.0	
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 11.0	

1.0 COMMERCIAL INSURANCE

- 1.1 The CEO may negotiate and obtain appropriate policies of insurance to cover all aspects of Port property and operations within a comprehensive insurance program.
- 1.2 The CEO is authorized to approve, from time to time, changes or modifications within the policies of insurance so long as the changes are appropriate to manage the Port's risks.
- 1.3 The CEO is authorized to elect to utilize self-insurance and to amend deductible provisions, as deemed in the best interest of the Port.


	PORT OF KENNEWICK		
	Chief Executive Officer Delegation of Authority		
	TREASURER AND PETTY CASH ACCOUNTS	Part 9.0	
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 12.0	

1.0 TREASURER AND PETTY CASH ACCOUNTS

The CEO is authorized to direct the investments of Port funds in accordance with applicable laws and regulations as well as open up the necessary and legal accounts in order to properly manage the Port's operations and finances.


2.0 SIGNING AUTHORITY

The Port Auditor is required by law to sign and certify all checks, wire transfer, EFT's, and similar financial institution transactions. The Commission authorizes the Port Auditor to certify and sign all checks, wire transfers, EFT's and similar financial institution transactions necessary to properly manage the Port's operations and finances provided that a warrant register is provided to the Commission to sign and ratify at the next regular meeting. Furthermore, the Port Auditor needs to ensure that proper internal controls are in place to prevent fraud and waste in accordance with guidance provided by the Washington State Auditor's Office (SAO).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	TRAVEL AND VEHICLE	Part 10.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 14.0


TRAVEL

The CEO is authorized to approve, without prior authorization of the Commission, travel by employees and/or other authorized representatives of the Port for the purpose of valid Port travel that is within the approved budget. The CEO will develop procedures to ensure compliance with the laws and regulations (*see* RCW 42.24.080-160 and RCW 53.08.175-176).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PORT HOLIDAYS, PAID TIME OFF, LEAVE, AND BENEFITS,	Part 11.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 15.0, Part 16.0, and Part 17.0

PORT HOLIDAYS, PAID TIME OFF, LEAVE AND BENEFITS


The CEO is authorized to manage employees' holidays, paid time off ("PTO"), leave, and benefits as deemed necessary to hire and retain Port staff and in accordance with applicable laws. The CEO will develop procedures to properly document employee holidays, PTO, leave, and benefits.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	STANDARDS OF CONDUCT	Part 12.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 18.0

1.0 STANDARDS OF CONDUCT

All employees should act professionally and in the best interests of the Port at all times. Violations of the Port's standards of conduct are unacceptable and may result in discipline, up to and including immediate termination. The CEO will develop standards of conduct for the Executive and Port staff. The standards of conduct will set forth that, at a minimum, the following types of conduct that are not acceptable:

- 1.1** Abusive language or unprofessional conduct toward another person
- 1.2** Covert recording
- 1.3** Falsifying or inaccurately completing records, including employment applications or time sheets
- 1.4** Harassment or discrimination of any nature
- 1.5** Inappropriate dress or poor grooming
- 1.6** Insubordination or failure to carry out instructions
- 1.7** Misusing, destroying, or purposely damaging Port property or property of an employee
- 1.8** Performance that does not meet Port requirements
- 1.9** Tardiness or absenteeism
- 1.10** Theft of Port property or property of an employee or tenant
- 1.11** Unauthorized use or release of confidential information
- 1.12** Unprofessional conduct
- 1.13** Using work time for personal activities
- 1.14** Using, possessing, manufacturing, distributing, being under the influence of any controlled substance, alcohol or cannabis, or smelling of alcohol, cannabis, or controlled substance, while engaging in Port business, or during working hours or while on Port premises.


	PORT OF KENNEWICK		
	Chief Executive Officer Delegation of Authority		
	DRUG, ALCOHOL, AND VIOLENCE FREE WORKPLACE		Part 13.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29		Cross Reference CEO's Procedures for Staff Part 19.0

1.0 VIOLENCE FREE WORKPLACE

The Port and its employees share responsibility for the provision of a safe and secure work environment for all employees. In order to ensure workplace safety and provide for each employee's dignity, the CEO will establish a policy of zero tolerance for violence and take appropriate action, up to and including, immediate termination, against anyone who engages in threatening or violent behavior.


2.0 DRUG AND ALCOHOL FREE WORKPLACE

The Port maintains a drug and alcohol-free workplace. The possession, manufacture, distribution, dispensation, use or trafficking of alcohol, cannabis or controlled substances or smelling of alcohol, cannabis or controlled substance in the workplace, while on Port premises, while engaging in Port business, or during working hours, poses unacceptable risks to the safe, secure, and efficient operation of the Port and are strictly prohibited. The CEO will establish a policy of zero tolerance with employees violating the policy and take appropriate action, up to and including, immediate termination. Port-sponsored events and promotional hosting events may allow for limited amount of alcohol to be served as may be authorized by the CEO (see Promotional Hosting, Part 18.0, below).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	WHISTLEBLOWER ACT	Part 14.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 20.0


WHISTLEBLOWER ACT

The Port strives to conduct its business in an open and law-abiding manner. Accordingly, employees are encouraged to bring to the attention of the Port (or other appropriate governmental official) any improper actions of Port officials and employees. The Port will not retaliate against any employee who makes a complaint of improper actions in good faith and in accordance with the procedures established by the CEO. The CEO will establish a procedure that is in compliance with the State's Local Government Whistleblower Protection Act, RCW 42.41.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	DISCIPLINE	Part 15.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 21.0


DISCIPLINE

The Commission authorizes the CEO to develop discipline procedures that are consistently applied to all staff and that meet all applicable laws and regulations.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	RECOGNITION, AWARDS, AND TEAM BUILDING POLICY	Part 16.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 22.0 and Part 23


RECOGNITION, AWARDS, AND TEAM BUILDING POLICY

The CEO is authorized to develop a flower, gift basket, gift card, employee awards, and team building procedure for employees, commissioners, or others with a connection to the Port, such as tenants, provided that flowers, gift basket or gift card will be presented only under special circumstances (e.g. awards, team building events, funerals, birthdays, etc.).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	WORKING MEALS	Part 17.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 24.0

WORKING MEALS

On occasion it is necessary for the Port to provide working meals when staff or Commissioners are requested or required to work through meal periods. The CEO will develop procedures on how to carry out working meals for valid Port purposes on a reasonable and occasional basis.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PROMOTIONAL HOSTING	Part 18.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 25.0

1.0 PROMOTIONAL HOSTING

The Office of the Washington State Auditor, Division of Municipal Corporations, with the assistance of the Office of the Attorney General, produced “Bulletin No. 404” regarding promotional hosting guidelines for the expenditure of public funds under Article VIII, Section 8 of the Washington Constitution, RCW 53.36.120 through .150, and Account No. 8081 of the prescribed Uniform Systems of Accounts for Port Districts of the State of Washington.

Under these authorities, the Port Commission adopts this Policy to govern all Port-sponsored promotional hosting. In construing this Policy, reference must be made to Bulletin No. 404, attached and incorporated as terms of this Policy, and as may be amended.

The CEO is authorized to develop procedures for the Port’s promotional hosting expenditures. The promotional hosting procedures should include the minimum procedures:

- 2.1 “Promotional hosting” means furnishing customary meals, refreshments, lodging, and transportation, or any combination of these items, in connection with business meetings, social gatherings, and ceremonies honoring persons or events relating to the authorized business promotional activities of a Washington port district. Promotional hosting may also include, without limitation, reasonable, customary and incidental entertainment and souvenirs of nominal value incidental to such events.
- 2.2 The CEO must include within the approved budget an amount for promotional hosting, which is currently limited under RCW 53.36.130, as may be amended, to expenditures from the Port’s gross operating revenues and by other specific amounts. In instances where Port expenditure restrictions conflict with RCW 53.36.130, state law controls.
- 2.3 CEO may use promotional hosting funds to promote industrial development or trade within the Port. Expenditures of promotional hosting funds must be limited to supporting Port officials or employees in seeking opportunities to:
 - Market to individuals or organizations the use, continued use or increased use of Port services, facilities or properties.

- Persuade individuals or organizations to donate, supply or sell to the Port (on the best available terms) properties, facilities, services or information needed by the Port to achieve a betterment or improvement of the Port's existing operations, facilities or services.
- Persuade individuals or organizations to purchase, lease, or contract from or with the Port on terms most favorable to the Port in order that the Port may enter into transactions for the development, improvement or use of its properties and facilities in a manner most suitable to serve the Port's best interests.
- Persuade individuals or organizations to assist the Port in fostering the increased use of its services and facilities by improving transportation schedules, adding to existing transportation, services and facilities, adjusting rates, improving navigation or generally increasing and improving the scope and efficiency of Port operations so as to contribute to the growth of the Port's business.
- Beneficiaries of promotional hosting funds must be reasonably capable of influencing or controlling decisions with respect to the subject matters listed above, and each expenditure amount must be reasonable and appropriate in relation to the specific purpose of each incident of promotional hosting.

2.4 Reimbursements for promotional hosting expenditures must, to the extent feasible, be supported with appropriate receipts; detail the name and the business relationship of each person hosted; and, in general terms, identify the purpose of the expenditure. All payments and reimbursements must be identified and supported on vouchers supplied by the Port.


2.5 Reimbursement vouchers by Port Commissioners for promotional hosting expenditures will be paid only if specifically approved by the Port Commission. *See RCW 53.36.140.*

2.6 Without limitation, promotional hosting funds may not be used, and reimbursements will not be authorized, for the following activities or purposes:

- To influence the passage or defeat of any legislation by the legislature of the State of Washington, or the adoption or rejection of any rule, standard, rate or other legislative enactment of any agency of the State of Washington.
- For purposes not reasonably related in nature and amount to acquiring additional business or otherwise increasing and improving the scope and efficiency of the Port operations
- For the promotion of transactions prohibited under the conflict of interest statute, Chapter 42.23 RCW.

- For promotion of a benefit for the Port from an individual or an organization that is already legally, contractually or otherwise obligated to furnish that benefit to the Port.

2.7 Promotional hosting expenses will be approved by the Port auditor as required by RCW53.36.140.


	PORT OF KENNEWICK		
	Chief Executive Officer Delegation of Authority		
	FRAUD PREVENTION AND ETHICS		Part 19.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29		Cross Reference CEO's Procedures for Staff Part 26.0

FRAUD PREVENTION AND ETHICS

The Port defines the term “Fraud” as any wrongful or criminal deception intended to result in financial or personal gain. The Port of Kennewick has zero tolerance for fraud or any illegal activity.


The Port is committed to having a work atmosphere of fraud awareness, where its employees, which includes interns and volunteers, understand the indications of potential fraudulent or illegal activity and are supported when carrying out their responsibility to immediately report such activity.

The Port CEO will develop a procedure and facilitate timely notification of and take immediate action on any known or reported suspected loss of Port funds or assets, fraud or any illegal activity.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PROGRAMS AND PROCEDURES	Part 20.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 27.0 and Part 28.0

PROGRAMS AND PROCEDURES

The CEO is authorized to adopt any administrative programs and procedures necessary for the efficient operation of the Port.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	MISCELLANEOUS	Part 21.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 13 and Part 29.0

1.0 ELECTIONS AND VOTING


The CEO is authorized to vote in all elections on behalf of the Port, where votes are tabulated based upon acreage owned.

2.0 TRADE DEVELOPMENT PROGRAMS

Consistent with the authorized budget and applicable law, the CEO may develop and carry out programs of trade development (which may include tourism and tourism promotion), advertising (including the use of advertising firms), and promotion of the Port, including its properties, facilities, and services. Trade development programs must be reviewed periodically by the Commission.


3.0 ISSUANCE OF TARIFFS

The CEO may issue tariff agreements, tariffs and tariff amendments as necessary.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT POLICY	Part 22.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 30.0


AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT

It is the policy of the Port to provide equal opportunity to the users of all Port services and facilities, all contracting entities, Port employees and applicants for employment, and to assure that there be absolutely no discrimination against any person based on any status protected by federal, state or local law including but not limited to race, creed, color, national origin, sex, sexual orientation, marital status, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical handicap or the use of a trained dog guide or service animal by a person with a disability unless, in the instance of employees and applicants for employment, based upon a bona fide occupational qualification. The CEO will develop and carry out procedures in accordance with applicable laws and regulations.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	FIXED ASSETS	Part 23.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 32.0

FIXED ASSETS

The CEO has authority to set the Port's fixed asset capitalization and inventory requirements pursuant to generally accepted accounting principles.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	RECORDS OFFICER	Part 24.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 33.0

1.0 RECORDS OFFICER


In accordance with RCW 40.14.040-070 the Port Commission appoints a Records Officer. The CEO will make a recommendation to the Port Commission for the person to be appointed to act in the capacity of Records Manager. The Records Manager will be selected during a public meeting and the Port's website will reflect the current Records Manager appointment by the Commission.

2.0 RECORDS COMMITTEE

The CEO will develop a records committee.

3.0 PROCEDURES

The CEO has authority to establish records procedures in accordance with applicable laws and regulations.


	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PORT AUDITOR AND ATTORNEY	Part 25.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	

1.0 PORT AUDITOR

Cross reference Port Commission Rules of Policy and Procedure.

2.0 PORT ATTORNEY

Cross reference Port Commission Rules of Policy and Procedure.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	BUDGET, FINANCIAL, & OPERATIONAL PHILOSOPHY	Part 26.0
	Adopted by the Commission on December 8, 2015 Resolution 2015-29	Cross Reference CEO's Procedures for Staff Part 36.0

BUDGET, FINANCIAL & OPERATIONAL PHILOSOPHY

Cross reference Port Commission Rules of Policy and Procedure.



AGENDA REPORT

TO: Port Commission

FROM: Nick Kooiker, CFO/Auditor

MEETING DATE: December 11, 2018

AGENDA ITEM: Resolution 2018-27; Budget, Financial, and Operational Philosophy

I. REFERENCE(S): Policy Attached.

II. FISCAL IMPACT: None.

III. DISCUSSION: This resolution replaces resolution 2014-31, the Port's current Budget, Financial, and Operational Policy. This has been a great financial tool for the Port, guiding us through budget and important decisions that have financial impacts. However, over the last year there have been various reasons why we determined it would be beneficial for the Port to adopt a "reserve policy" as well. This new policy incorporates all of the language from the old policy, with the addition of a "reserve policy". This stipulates that the Port will always maintain \$2.5M in reserves, and what the reserves could be utilized for if needed. There is no direct financial impact to the Port, but it is good practice to have a reserve policy in place. We have already budgeted for the \$2.5M in the 2019/20 budget.

STAFF RECOMMENDATION:

Approve the resolution adopting the policy.

IV. ACTION REQUESTED OF COMMISSION:

***Motion:** I move approval of Resolution 2018-27, adopting the Port's Budget, Financial, and Operational Policy and rescinding resolution 2014-31.*

PORT OF KENNEWICK

RESOLUTION 2018-27

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK ADOPTING THE BUDGET, FINANCIAL AND OPERATIONAL PHILOSOPHY

WHEREAS, on September 9, 2014 the Board of Commissioners approved a Budget, Financial and Operational Philosophy; and

WHEREAS, the Board of Commissioners desires to add to this policy with the addition of financial reserve requirements; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby adopts the Budget, Financial and Operational Philosophy (attached); and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board of Commissioners of the Port of Kennewick hereby rescinds Resolution 2014-31.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of December, 2018.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

By:

THOMAS MOAK, *President*

By:

DON BARNES, *Vice President*

By:

SKIP NOVAKOVICH, *Secretary*

PORT OF KENNEWICK

BUDGET, FINANCIAL, & OPERATIONAL PHILOSOPHY

This Budget, Financial & Operational Philosophy assists port commissioners in their analyses of information; assisting them in making the assumptions and estimates required to formulate high quality, timely and fiscally-responsible financial and operational plans, resulting in a well-run port that increases community confidence in port leadership and meets the needs of district residents.

- Produce and maintain a balanced budget;
- Provide a fiscally sound approach to finances by ensuring that expenditures and debt repayments do not exceed available resources in current budget and future years impacted;
- Provide for financial stability by:
 - ✓ Funding projects that provide a positive return on investment or which provide important identifiable non-economic benefits to the port district at large;
 - ✓ Eliminating or transferring to private sector, holdings which provide minimal economic or community benefit;
 - ✓ Reducing costs and enhancing revenues when feasible while maintaining acceptable service levels;
 - ✓ Ensure the Port's portfolio includes diversity of revenue streams to offset risk adverse projects;
 - ✓ Accurately forecasting funding sources;
 - ✓ Creating successful strategies for capital acquisitions;
 - ✓ Closely monitoring and accurately reporting all revenues and expenditures;
 - ✓ Leveraging funds by seeking grants and matching funds from the public and private sectors;
 - ✓ Accurately and honestly identifying potential financial issues and providing feasible potential solutions;
 - ✓ Identifying and recommending potential improvements;
 - ✓ Learning and sharing ideas for improvement.
- Promoting fiscal responsibility among departments;
- Focusing on long-term financial planning;
- Support intergovernmental cooperation by partnering with entities which demonstrate support; (e.g. matching funds; previous successes; political and taxpayer support; and enthusiasm);
- Provide the public with high quality projects and services within a healthy work environment by encouraging efficiency, cooperation, honesty, integrity, and respect;

- Evaluate economic development opportunities based on results to be derived district-wide versus project-specific or jurisdiction-specific results;
- Acknowledge the Port's limited staff and financial resources;
- Establish a project ranking and selection process which focuses on producing a limited number of projects in order to ensure successful and timely implementation;
- Encourage open competition and equal project consideration, fostering a reputation for fairness with the local business community;
- Seek to fund projects with available resources;
- Incur debt only when both the level and rate of growth of public debt is fundamentally sustainable, can be serviced under appropriate circumstances while meeting cost and risk objectives, can withstand economic uncertainties, while identifying in advance any legal or commission-directed restrictions on its use;
- Maintain reserves of \$2.5M in order to ensure financial stability and mitigate any potential financial hardships. If reserve funds are utilized, funds must be replenished during the current or next budget cycle. The reserve fund may be used for the following:
 - ✓ Debt service;
 - ✓ Environmental pollution claims against the Port;
 - ✓ Unemployment Claims;
 - ✓ Paid Family & Medical Leave Claims;
 - ✓ Any other uses deemed necessary by the Commission
- Identify and report the return on investment (ROI) on projects as appropriate; and
- Share with the public port audited financial and operating data through print and online resources.



AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Real Estate & Operations

MEETING DATE: December 11, 2018

AGENDA ITEM: West Richland Land Sale – Benton County Fire District #4

I. REFERENCE(S): Resolution 2018-28; attached.

II. FISCAL IMPACT: \$10,000.00 revenue to the Port.

III. DISCUSSION: Benton County Fire District #4 approached the port with an offer to purchase 2 acres of vacant port-owned land off of Keene Road in West Richland for the purpose of constructing a fire station on the property and further enhancing fire protection for the public and nearby port properties.

In this transaction between two governmental agencies many benefits are realized from enhanced fire safety in the area. The new fire station would serve a growing West Richland residential population and the rapid expansion of vineyards on Red Mountain with fire service and emergency response capabilities. Benton County Fire District #4 has secured bond financing and intends to begin construction as soon as possible.

To advance the process forward, Port staff is recommending a \$1,000.00 earnest money deposit in lieu of the \$5,000.00 earnest money deposit minimum requirement per Resolution 2015-29 (Chief Executive Officer Delegation of Authority for Real or Personal Property Purchases and Sales, 1.8.b).

VI. ACTION REQUESTED OF COMMISSION:

***Motion:** I move approval of Resolution 2018-28 authorizing the Port's Chief Executive Officer to execute all necessary documentation associated with the land sale to Benton County Fire District #4 and to take all other action necessary to close this transaction.*

PORT OF KENNEWICK

RESOLUTION No. 2018-28

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF
KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH
BENTON COUNTY FIRE DISTRICT #4***

WHEREAS, Benton County Fire District #4 (Purchaser), has offered to purchase approximately 2 acres of the area graphically depicted on “*Exhibit A*” at the Port of Kennewick’s West Richland Industrial Site in West Richland, Washington from the Port of Kennewick (Seller) for \$10,000; and

WHEREAS, this transaction between two governmental agencies shall benefit the public and nearby port properties with enhanced fire safety protection through the construction of a new fire station by Benton County Fire District #4.

WHEREAS, the Port commission agrees to accept a \$1,000.00 earnest money deposit in lieu of the \$5,000.00 minimum earnest money deposit requirement per Resolution 2015-29 (Chief Executive Officer Delegation of Authority for Real or Personal Property Purchases and Sales, 1.8.b).

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

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.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port’s Chief Executive Officer to execute a Purchase and Sale Agreement with Benton County Fire District #4 and hereby authorizes the Port’s Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 11th day of December, 2018.

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

By: _____
THOMAS MOAK, President

By: _____
DON BARNES, Vice President

By: _____
SKIP NOVAKOVICH, Secretary