



PORT OF KENNEWICK REGULAR COMMISSION MEETING

JULY 11, 2023 MINUTES

Commission Meeting recordings, with agenda items linked to corresponding audio, can be found on the Port's website at: <https://www.portofkennewick.org/commission-meetings-audio/>

Commission President Skip Novakovich called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: Skip Novakovich, President (via telephone)
Kenneth Hohenberg, Vice President (via telephone)
Thomas Moak, Secretary (via telephone)

Staff Members: Tim Arntzen, Chief Executive Officer (via telephone)
Tana Bader Inglima, Deputy Chief Executive Officer (via telephone)
Nick Kooiker, Deputy Chief Executive Officer/CFO (via telephone)
Larry Peterson, Director of Planning (via telephone)
Amber Hanchette, Director of Real Estate
Michael Boehnke, Director of Operations
Lisa Schumacher, Special Project Coordinator
Bridgette Scott, Executive Assistant (via telephone)
David Phongsa Marketing/Capital Projects Coordinator
Carolyn Lake, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

Commissioner Hohenberg led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated July 5, 2023**
Direct Deposit and E-Payments totaling \$106,732.97
- B. Approval of Warrant Register Dated July 11, 2023**
Expense Fund Voucher Number 104965 through 105005 for a grand total of \$542,940.53
- C. Approval of Special Commission Meeting Minutes June 22, 2023**
- D. Approval of Regular Commission Meeting Minutes June 27, 2023**
- E. Approval of Carbitex Third Lease Amendment; Resolution 2023-18**

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

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PRESENTATION

A. Vista Field Lot #18 Proposal (Blueberry Bridal)

Ms. Hanchette introduced Amber Keller, owner of Blueberry Bridal Boutique, who submitted a proposal for Vista Field in June of 2022.

Ms. Keller gave the Commission a brief background and description of her Boutique.

Ms. Hanchette and Ms. Keller presented the proposal for Vista Field lot #18 (Exhibit A).

The Commission offered positive and supportive comments regarding Ms. Keller's proposal and directed Ms. Hanchette to move forward with negotiations.

ACTION ITEMS

A. Amendment to CEO Delegation of Authority (Senate Bill 5268) Small Works Rosters

Mr. Kooiker presented Resolution 2023-19 for Commission consideration, which increases the small works bidding threshold from \$300,000 to \$350,000 as outlined in Senate Bill 5268.

MOTION: Commissioner Hohenberg moved to approve Resolution 2023-19, amending Part 3 of the CEO's Delegation of Authority as referenced in Exhibit "A", increasing the small works bidding thresholds from \$300,000 to \$350,000, and further ratify and approve all action by port officers and employees in furtherance hereof; Commissioner Moak seconded.

PUBLIC COMMENT

No comments were made.

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

B. Clover Island Stage

Mr. Arntzen outlined the history of the Clover Island Inn concert series, which has brought the public to the island since 2005. Mr. Arntzen presented Resolution 2023-20 for Commission consideration for the purchase of the portable Apex Stage for Clover Island.

Mark Blotz, manager of Clover Island Inn, stated if the Commission approves the purchase of the portable stage, the Port will be in que and the stage could arrive as early as February 2024. The proposed purchase of a stage will be a game changer for Clover Island, and Mr. Blotz stated the Clover Island Inn will be able to bring in bigger national acts. Mr. Blotz reported that over 700 people attended the event last Sunday and estimated that 300-500 people show up for weekly events and approximately 1,000 people attend the paid events.

MOTION: Commissioner Hohenberg moved to approve Resolution 2023-20, approving the purchase of the Apex Stage as outlined in Exhibit A for Clover Island, not to exceed \$300,000; and authorize the Port's Chief Executive Officer to take all action necessary; Commissioner Moak seconded.

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PUBLIC COMMENT

No comments were made.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Kennewick Waterfront

1. Dock at Cedars

Mr. Boehnke gave a brief history of the Cedars dock and stated in 2022, Port staff removed the piling and removed the broken dock and secured it in the Port Marina. The remaining dock is safe, well lit, and in working order. The current dock needs four new pilings; however, we are finding it difficult to find a contractor to work on the dock and pilings.

Mr. Peterson reported that the existing dock would not be permitted today by the various state and federal agencies due to concerns regarding light penetration and impacts to the salmon. Staff is weighing options for the dock repair and will report back to the Commission when there is more information.

2. Clover Island Shoreline (1135 Project) Update

Ms. Bader Inglima stated the 1135 project work has been completed and the Port is waiting on the Corps to close out the construction costs; however, there are still some concerns regarding the island's east shoreline. Ms. Bader Inglima presented the erosion issues on the east shoreline (Exhibit B) and stated that she has discussed with the Corps for the Port to possibly use their shoreline permit, since that section of erosion might be tied to the scrubbing of the bank and then removal of that section from the 1135 project scope. Ms. Bader Inglima stated if the Commission agrees that the east end of the island is a priority concern, then staff would need to develop biddable construction documents that would allow us to move quickly, should the Corps allow us to work under their permit. And if not, we would still need those documents to secure our own permit if the Commission feels that stabilizing the island is important. If the Commission agrees, Ms. Bader Inglima suggested utilizing the remaining \$45,000 in the opportunity fund to develop an engineering estimate and construction documents to fix the erosion as an immediate need, along with an alternate to address the tumbleweeds. Then we would have an idea of the cost required to finish the east end of the island in a manner that would stabilize and offer a more attractive shoreline for those attending future concerts.

Mr. Arntzen stated if the Commission is agreeable to the request, that does not commit the Port to repair the east end of the island, because we do not know how much it will cost. Staff is requesting utilization of the opportunity fund to come up with a rough design for the stabilization and move forward from there.

Commissioners Novakovich and Hohenberg are supportive of utilizing the opportunity fund for design work for stabilization on the island's east shoreline.

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Commissioner Moak expressed his concern about using opportunity fund seven months into the 2023-2024 budget and does not think it is an appropriate use for the fund.

Commissioner Novakovich stated there is interest in using the opportunity fund for design work for stabilization on the island's east shoreline resolution and asked staff to provide an Agenda Report and Resolution at the next Commission Meeting for consideration.

B. Personnel Update

Mr. Arntzen provided the Commission with a brief update on the succession plan and reported that Mr. Kooiker has been promoted to Deputy CEO. Mr. Arntzen stated the decision has full support from the entire team and Mr. Kooiker will remain as the Port's Chief Financial Officer and in his new role, will expand his involvement with the Commission, staff, and jurisdictional partners.

Mr. Kooiker stated the last ten years at the Port have been extremely gratifying and the projects are always new and interesting. Mr. Kooiker is looking forward to the future and working with the Commission and staff.

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

Commissioners reported on their respective committee meetings.

D. Non-Scheduled Items

Ms. Scott stated Sign Fracture Care recently sent letters to the Commissioners and the Port. Sign Fracture Care is a non-profit organization that designs, manufactures, and donates orthopedic implants and instruments to surgeons in low- and middle-income countries. They are hosting a fundraising event on October 12th and are requesting donations and participation at their event. As the Port is a governmental agency, we are not able to donate funds as it is a gifting of public funds. Ms. Scott will forward the letters to the Commissioners for your individual consideration and response.

Ms. Hanchette reported that Mr. Phongsa organized the first Vista Field popup event, an outdoor morning yoga session, with assorted vendors attending. The event was free to the public and there was a good turnout. Ms. Hanchette stated it was a lovely way to start popup events at Vista Field and additional events scheduled include an Art Walk in August and an E-Bike Expo in September.

Mr. Phongsa stated PS Media took some great aerial shots of the event at Vista Field and he will be sharing them soon on our social media pages.

Commissioner Novakovich reviewed the July 11, 2023 Agenda Packet and in reading the June 22, 2023 Special Meeting Minutes, that perhaps the Commission did not provide clear direction to the CEO. Commissioner Novakovich read from page 12 of the June 22, 2023 Special Meeting Minutes

"Commissioner Novakovich summarized the discussion and stated the Commission is authorizing Mr. Arntzen to sign the agreement. The Commission is authorizing Mr. Arntzen to present the Master Plan with the expectation that it is followed. The

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Commission is authorizing Mr. Arntzen to limit the development to 10 acres or less, and only for the use of the VA and not for any other development within the 10 acres or less.

Commission Hohenberg stated he agrees with Commissioner Novakovich's summarization.

Commissioner Moak agrees as well; however, he does not want it to sound like the Port won't consider possible deviations from the Master Plan, but he does think it is important to know it's there.

Commissioner Novakovich believes Commissioner Moak's statement is a contradiction to his summary and what Commissioner Hohenberg agreed to. Commissioner Novakovich thinks we may need some clarification or further discussion on this topic and does not believe the Commission sent a clear message to our CEO on how to respond. From his perspective, he thinks that we don't want to have any action that is going to require the negotiation of the Development Agreement with the City of Kennewick. Commissioner Novakovich thinks if we open up the Development Agreement, and the Master Plan is part of that Development Agreement, he thinks with the council members that are there now, it is just going to present nothing but problems. He would like to see this item on for discussion for our next Commission Meeting. In the meantime, Commissioner Novakovich inquired if Mr. Arntzen, Mr. Peterson or any other staff members have any comments they would like to add, or if he is being paranoid about things and the direction was more clear than what he read.

Mr. Arntzen thanked Commissioner Novakovich and stated he reviewed the Minutes several times and picked up some nuances throughout the body of the minutes and he appreciates the attempt to clarify the conclusion towards the end. Mr. Arntzen would appreciate it if it could be made clearer, and feels it would be helpful. When Mr. Arntzen consults with Mr. Peterson and Ms. Hanchette, who work with people like Amber Keller from Blueberry Bridal and the other proposals that are in front of us, he can advise them on the "bones" of the proposal, what we have to adhere to, and some of the minor things we can deal with like we did with Blueberry Bridal. Mr. Arntzen stated it is critically important for your CEO to have a very clear understanding because, for example, we have another discussion on Thursday with a developer that we have been talking with for four months. That project is very likely to be a \$50,000,000 project and as we envision that project, as we have seen so far, it does fit nicely within the Vista Field Master Plan. But as the discussion previously circulated around the VA, he thought there might be some desire of the Port Commission to back off on some of the standards. Mr. Arntzen really needs to know what he is authorized to say on Thursday to the developer that he has been pretty firm with. Frankly, staff worked with Ms. Keller on her proposal for Blueberry Bridal, saying "here is the rulebook." And Ms. Keller has spent quite a bit of her own money with her architect, and talking with the DPZ architects. We have had the full rule book out for Ms. Keller, and you can see that it produced something that is very consistent with the community-based Master Plan. Again, when meeting with the other builder/developer on Thursday, staff has been pretty clear that the Port has an expectation that the core elements of the Master Plan will be adhered to. Reading the minutes, Mr. Arntzen would like to see a bit more clarity, and thinks in a perfect world, the Commission would

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say, “Mr. CEO, make sure everybody is in substantial compliance with the Master Plan number one; and number two, don’t do anything that is going to cause the Master Plan or the Development Agreement to be reopened,” because politically, he thinks it is very unwise in this political climate.

The Port has a 10-year Development Agreement with the City of Kennewick, just exactly for purposes such as this. The Port Commission and City Council, several years ago, agreed and shook hands on the Vista Field Plan, which was put in writing, and that is what a Development Agreement is. It is in writing for 10 years so that nobody can unilaterally change the direction, and right now, in interesting political times, that is why you have a Development Agreement. Mr. Arntzen thinks it is very prudent for the Port Commission to carefully consider any action that might get the Port close to having to re-open that Development Agreement and he thinks that is Pandora’s Box. Mr. Arntzen stated two things he would like know: 1) is he correct in telling everybody from here on out, including the VA, that you need to adhere and have substantial compliance with the Master Plan; and 2) we are not going to do anything that causes the Port to have to re-negotiate the Master Plan or the Development Agreement with the City Council. That would be ideal guidance for Mr. Arntzen to have.

Mr. Peterson stated as Mr. Arntzen indicated, clarity would be helpful, terms like substantial, which are subjective terms, so it would be helpful if the Commission could define the expectations which could be shared with folks that are looking to buy into Vista Field and the overall vision. Mr. Peterson stated, to tactfully say, the Development Agreement the Port has, based upon the Master Plan, based upon the Transportation System Impact Evaluation Report (Traffic Study), all of our decade of work is tied into that Development Agreement. So, whatever Commission decisions are made, if that stops just shy of revisiting the Development Agreement, that would be very good from the planner’s perspective. Not that Mr. Peterson is shirking responsibility and not wanting to go down those paths again, he does not know that we as a Port would receive the approvals we obtained back in 2017, if we revisited the Development Agreement. Whatever is done, Mr. Peterson encouraged strong consideration to stop shy of anything that might trigger revisiting the Development Agreement, which is a modification of the Master Plan, changing the road network, because the Agreement we have in place today is likely a better one that we could receive tomorrow.

Commissioner Novakovich stated there is a lot to discuss here and asked Ms. Lake if the proper thing to do, to put this back on our Agenda for the next meeting for official action. Commissioner Novakovich thinks we could take action by consensus, but thinks it was a mixed message to our CEO. He feels it would make sense to be completely transparent and open to the public, to put this on the Agenda at our next meeting to take some official action on what we do with the Master Plan, what we do with the Development Agreement, how far we take either one to any sort of modification.

Ms. Lake concurs that it is such a substantial decision that it makes sense to have this as an agenda item for the next Meeting and encouraged the Commission to take formal action on it. It allows the staff to describe, perhaps in a little more detail, how the Vista Field Master Plan, while a brain child of the Port and the community, is imbedded within the Development Agreement, and that

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Development Agreement, once approved by the City and the Port, if you will, contract zoning, and if it were envisioned to be amended, we have to understand that it is a multi-jurisdictional process and not within the Port's ability to do on its own. So having this as agenda item would be helpful to go into a little more of that information.

Commissioner Novakovich requested staff put this item on the Agenda as an official action item at next meeting on July 25, 2023.

Mr. Arntzen stated provided that is the direction from the Commission at this Meeting, he will work with Mr. Peterson, Ms. Hanchette and Ms. Lake, and collect some of their thoughts. Mr. Arntzen would like to keep any paperwork in the agenda packet to a couple of pages. We gave the Commission a lot of paper for the Special Meeting on June 22, 2023 and that would cause us to really hone down our thoughts, so we don't ramble all over the place. Yes, we could do this, if it is a directive of the Commission, we could put it together in the form of a memo, maybe have 1-3 questions presented and then if the Commission desires, they could provide that level of guidance.

Commissioner Hohenberg is in full agreement and his only concern is that if Mr. Arntzen or anybody else is going to be talking to developers between now and then, that he does need immediate feedback to go forth. Because Commissioner Hohenberg thought the discussion would be that, whomever would have to follow the Master Plan or as the words have been used, "substantial" compliance, and he thinks the staff needs a little bit of leeway in making decisions, just like what we did earlier in our Meeting. But, Commissioner Hohenberg wants to make sure that our CEO has what he needs to go forward with a meeting either this week or next week, prior to the next Commission Meeting.

Commissioner Novakovich stated Commissioner Hohenberg's point is well taken and asked Mr. Arntzen what he thinks.

Mr. Arntzen shared staff will continue in the customary manner when he sits down with the builder/developer on Thursday, and say things have not changed. He is not sure we need to say anything, we just continue the negotiations. In his mind, he has always had the rule of substantial compliance and to Mr. Arntzen, there has to be firm compliance with the really serious things, you don't move roads, you don't do anything that reopens the Master Plan or even damages the spirit of the Master Plan. Mr. Arntzen can go into this meeting on Thursday and continue to do what we have done over the last four months with this party. Staff has had great discussions and negotiations. If it is fine with the Commission, Mr. Arntzen will work under that premise of continuing doing what he has done with this developer, the same thing we did with Blueberry Bridal. Then as we discuss this issue, if that is the direction of the Commission at the next Commission Meeting, any amendment to this directive would be applied from that point forward.

Commissioner Novakovich stated that sounds very reasonable and asked if his fellow Commissioners had any comments or concerns on Mr. Arntzen's summarization and path forward.

Commissioner Hohenberg is good with that.

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Commission Moak stated until he sees something, he does not know what his thoughts are. Commissioner Moak said no comment about any meeting this week with another developer, he has never discussed anything about another developer, so he does not have anything to say about that.

Commissioner Novakovich stated Mr. Arntzen pretty much summarized it and we are in agreement for your plan to go forward. Commissioner Novakovich's concern is reopening the Development Agreement with the City. He thinks we have seen what happened with the Memorandum of Understanding we presented and he certainly doesn't want to go through all the work the public put in and all the work the Port put in, to have these agreements either shelved, rewritten, or modified in some way that affects all the work that we have done. We will put this on the Agenda for the July 25, 2023 Commission Meeting.

PUBLIC COMMENTS

Cal Coie, Kennewick. Mr. Coie stated the docks at Cedars Restaurant were installed in 1996, while he was the Commodore of the Clover Island Yacht Club and he bid the job and came in second. Mr. Coie believes that the stage for Clover Island Inn is very good and he thinks it is fantastic. Ms. Bader Inglima did a fantastic job reporting on the east end of the bank and something definitely needs to be done, and it would sure be nice if they could do it underneath the Corps permit, rather than have to spend a lot of money for another permit. No further comments were made.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:31 p.m.

APPROVED:

PORT of KENNEWICK BOARD of COMMISSIONERS

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Skip Novakovich

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Skip Novakovich, President

DocuSigned by:

Kenneth Hohenberg

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Kenneth Hohenberg, Vice President

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Thomas Moak

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Thomas Moak, Secretary

PORT OF KENNEWICK

Resolution No. 2023-18

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING LEASE AMENDMENT #3 WITH CARBITEX LLC

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

WHEREAS, Carbitex LLC entered into a one year lease dated January 1, 2022 for 16,600 square feet of office and industrial warehouse space at 1426 E. 3rd Ave, Development Building B with the Port of Kennewick; and

WHEREAS, the Port Commission has called a regularly scheduled public meeting with notice of such meeting given as provided by law and such public meeting was held at such time and on said date; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Lease Amendment #3 and find them to be in proper form and in the Port's best interest; and


WHEREAS, after consideration of the attached lease Amendment #3, the Port Commission has determined to continue the step-down exit plan.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick approves lease Amendment #3 with Carbitex LLC as presented and authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.


BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the port Chief Executive Officer is authorized to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of July, 2023.


PORT of KENNEWICK BOARD of COMMISSIONERS

By: 
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SKIP NOVAKOVICH, President

By: 
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KENNETH HOHENBERG, Vice President

By: 
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THOMAS MOAK, Secretary

THIRD AMENDMENT OF COMMERCIAL PROPERTY LEASE AGREEMENT

This THIRD AMENDMENT OF COMMERCIAL PROPERTY LEASE AGREEMENT (this "Third Amendment") is entered into this 1st day of July 2023 (the "Effective Date") by and between the PORT OF KENNEWICK, a Washington municipal corporation (as "Landlord") and CARBITEX, LLC, a Washington limited liability company (as "Tenant"), who are hereinafter referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Parties previously entered into a Commercial Property Lease Agreement, dated January 1, 2022, and subsequently entered into an Amendment to Commercial Lease Agreement dated **December 31, 2022** related to real property commonly known as 1426 E. 3rd Ave., Suite B110, B120 & B130, Kennewick, Benton County, Washington 99337 and a Second Amendment to Commercial Lease Agreement dated **March 31, 2023** related to real property commonly known as 1426 E. 3rd Ave., Suite B120 & B130, Kennewick, Benton County, Washington 99337 (the "Agreement" or "Lease");

WHEREAS, the Parties wish to amend the Agreement as it relates to the Term of the Agreement, as well as address certain alterations and improvements as described herein; and

NOW, THEREFORE, based on the foregoing Recitals, the Parties agree as follows:

AGREEMENT

1. Recitals. The Recitals set forth above are hereby incorporated into this Second Amendment by this reference.
2. Commercial Property Lease Agreement. The Agreement described in the Recitals above is incorporated by reference into this Second Amendment as though written in full and shall, except as otherwise specifically modified herein, remain in full force and effect.
3. Amendments.

Basic Lease Provisions. The Basic Lease Provisions are amended as follows:

(J) Base Rent Calculation. \$0.45 psf

(ii) From June 1, 2023 until September 30, 2023 the monthly rent shall be \$5,806.46 (based upon a per square footage lease rate of \$0.45, leasehold tax of 12.84% and a leasable square feet space of 11,435 square feet) for Suite B120 and B130.

(iii) From October 1, 2023 until December 31, 2023 the monthly rent shall be \$2,780.10 (based upon a per square footage lease rate of \$0.45, leasehold tax of 12.84% and a leasable square feet space of 5,475 square feet) for Suite B130.

4. Further Acts and Documents. The Parties shall execute any and all further documents, instruments, and other conveyances and agreements, and shall do all acts, which may be necessary or appropriate to fully implement the provisions of this Third Amendment.
5. Construction.
 - (a) In the event of any conflict, inconsistency or ambiguity between the terms of the Agreement and this Third Amendment; the terms of this Third Amendment shall govern and control.
 - (b) Any terms that are capitalized in this Third Amendment but not defined in this Third Amendment that are capitalized and defined in the Agreement shall have the same meaning for purposes of this Third Amendment as they have for purposes of the Agreement.
 - (c) The descriptive headings in this Third Amendment are for convenience only and will not control or affect the meaning or construction of any provision of this Third Amendment.
6. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and shall constitute one and the same instrument.
7. Authority to Sign. Each of the persons signing below on behalf of any party hereby represents and warrants that he or she or it is signing with full and complete authority to bind the party on whose behalf of whom he or she or it is signing, to each and every term of this Agreement.

[Remainder of page left intentionally blank. Signature and notary pages follow.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date set forth above.

LANDLORD:

**PORT OF KENNEWICK, a Washington
Municipal corporation, by authority of its Commissioners**

By: _____
Tim Arntzen, Chief Executive Officer

Approved:

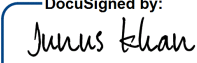
Approved as to Form:

Nick Kooiker, Chief Financial Officer

Taud Hume, Port Counsel

TENANT:

**CARBITEX, LLC
a Washington limited liability company**

By:  6/30/2023

Junus Khan, Chief Executive Officer

PORT OF KENNEWICK

RESOLUTION 2023-19

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

WHEREAS, on December 8th, 2015 the Board of Commissioners approved the Chief Executive Officer's (CEO) delegation of authority; and

WHEREAS, the Commission previously revised that Delegation of Authority by Resolution No. 2018-26, in which Part 3 was amended to provide for Port On Call Contracting, and which replaced and rescinded prior Resolution 2015-29; and

WHEREAS, the Commission also previously revised that Delegation of Authority by Resolution No. 2021-28, in which Part 2 was amended the Commission Structure For Licensed Brokers; and

WHEREAS, the Commission recently revised the Delegation of Authority by Resolution No. 2022-44 authorizing multiple changes; and

WHEREAS, with the recent passage of WA Senate Bill 5268, the Port Commission desires to increase the Port's small works bidding threshold to \$350,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves modifying the Chief Executive Officer Delegation of Authority Part 3, as identified in Exhibit "A".

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of July, 2023.

PORT of KENNEWICK BOARD of COMMISSIONERS

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By: *Skip Novakovich*
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SKIP NOVAKOVICH, *President*

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By: *Kenneth Hohenberg*
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KENNETH HOHENBERG, *Vice President*

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By: **Thomas Moak**
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THOMAS MOAK, *Secretary*

	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 Further Revised Resolution No. 2018-26 Further Revised December 13, 2022, Resolution 2022-44	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 **\$3950,000**. 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 **\$3950,000**. 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 **\$3500,000** limitations.

3. ON-CALL/UNIT BASED CONTRACTING 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. FORMAL SEALED BID PROJECTS

- 4.1 Projects costing more than **\$3500,000** 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. 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.

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. ARCHITECTURAL 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. 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:

- 7.4.1 The change order will not exceed \$100,000;
- 7.4.2 The contract for work authorizes change orders;
- 7.4.3 The change order is reviewed for possible audit issues;
- 7.4.4 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 7.4.5 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 EXEMPTIONS TO COMPETITIVE BIDDING

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, 39.04.28053.19.010, 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.

- 8.1 **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.
- 8.2 **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
- 8.3 **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.
- 8.4 **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

RESOLUTION No. 2023-20

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK APPROVING THE PURCHASE OF A
PERFORMING ARTS STAGE AT CLOVER ISLAND***

WHEREAS, the owners of the Clover Island Inn have sponsored concerts on Clover Island for over a decade; and

WHEREAS, the concerts have brought many visitors to the island to observe the improvements the port has made to the island in the past; and

WHEREAS, the visitors attending concerts provide a positive economic benefit to the businesses located on the island and enhanced the quality of life for port district residents; and

WHEREAS, the concert promoters have used an improvised stage for concerts; and

WHEREAS, the port has and continues to be a major advertiser for the concert series, recognizing the positive benefits of the concerts; and

WHEREAS, the port deems it to be in the best interest of the port district and the public to purchase a professional quality stage, and to lease it to the concert promoters; and

WHEREAS, the port staff has, as instructed by the port commission, reviewed several portable stages; has made comparisons of the stages; and recommends that the port commission authorize the purchase of the Apex stage, as described in Exhibit A for a sum not to exceed \$300,000.

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners hereby approves the purchase of the Apex stage as described on the attached Exhibit A for a sum not to exceed \$300,000.

BE IT FURTHER RESOLVED that the Port of Kennewick Board of Commissioners authorize the Port Chief Executive Officer to execute a purchase order for the stage and hereby ratifies and approves all action by port officers and employees in furtherance hereof; and authorize the Port Chief Executive Officer to take all action necessary in furtherance hereof.


RESOLUTION No. 2023-20

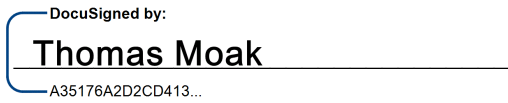
Page 2

ADOPTED by the Board of Commissioners of Port of Kennewick on the 11th day of July 2023.

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

By: 
0E53A30E1C8E442...
SKIP NOVAKOVICH, President

By: 
89F77EAC8921416...
KENNETH HOHENBERG, Vice President

By: 
A35176A2D2CD413...
THOMAS MOAK, Secretary



QUOTE-3224

NICHOLSON

QUOTE DATE 4/27/2023

SALESPERSON	CONDITIONS	PAYMENT TERMS	PAYMENT METHODS
JEFF HESS	ALL SALES F.O.B.	TBD	CHECK OR WIRE

QTY	DESCRIPTION		
1	APEX 3224 MOBILE STAGE BASE	\$210,000.00	\$210,000.00
1	STEPS	\$2,100.00	\$2,100.00
1	BANNER KIT	\$1,800.00	\$1,800.00
1	LIGHT BAR OPTION	\$1,500.00	\$1,500.00
1	FRONT SKIRT	\$400.00	\$400.00
1	MESH BACKDROP	\$725.00	\$725.00
1	ELECTRIC BACKUP POWER	\$2,500.00	\$2,500.00
1	VINYL WALL PANEL OPTION	\$5,500.00	\$5,500.00
4	ROOF OUTLETS	\$187.50	\$750.00
4	4X8 EXTENSION DECK	\$1,600.00	\$6,400.00
1	TANK HATCH	\$250.00	\$250.00
1	PRE RIG TRUSS OPTION	\$1,200.00	\$1,200.00
1	STABILIZER KIT OPTION	\$2900.00	\$2900.00
1	DELIVERY/ON SITE TRAINING (ESTIMATE)	\$6,000.00	\$6,000.00
	APEX 3224 MOBILE STAGE STANDARD FEATURES: HANDRAILS FRONT LOCATED HYDRAULIC CONTROLS GAS MOTOR 2,000# RATED ELEVATED SOUNDWINGS SPARE TIRE CORNER TOWERS TOOLBOX W/TOOLS, HINGE GAPPERS TOWER SHUTTLES CARGO STRAPS OUTRIGGER PADS ZINC ANODES GROUNDING LUG		\$242,025.00



Proposal to construct at Vista Field

Owner/Entrepreneur
Amber Keller



Lot 18:

- Phase I location
- Parcel size: 4,956 sf
- Frontage along Crosswind Blvd.
- Frontage along Azure Drive
- Initial interest live/work
- Why Amber Keller chose Lot 18



Building Design

Collaborative Design

Town Architect Review

Adaptive

EXHIBIT A



View from Crosswind Boulevard



- ❖ 4,128 sf footprint with a large mezzanine
- ❖ Grand staircase
- ❖ Large windows to display wedding dresses
- ❖ Chandeliers and other adornments to catch the eye

View from Azure Drive



- ❖ Town Architect Review
- ❖ Vista Field Design Standards
- ❖ Retail space, dressing rooms, office, storage
- ❖ Azure Drive – pedestrian friendly and auto access to alley

Welcoming Space



- ❖ Alternative – Commercial Use
- ❖ Adaptive
- ❖ High Standards

Uses

Categories have overlap as broader areas are specified in the plan and may be successful with uses from different categories, like a Wine Bar in both Food & Beverage and Boutique areas. This list is not exhaustive.

Anchor Areas

- Cultural Institution
- Museum
- Department Store
- Entertainment (theater, bowling, music)
- Grocery Store
- Library
- Pharmacy
- Other high pedestrian traffic businesses

Food & Beverage Areas

- Bar
- Brewpub
- Cocktail Lounge
- Coffee Shop / Cafe
- Dessert Shop
- Fast Casual Restaurant
- Fine Dining Restaurant
- Full Service Restaurant
- Gastropub
- Specialty Foods (tea, chocolate, health foods)
- Spirits
- Wine Bar

Boutique Areas

- Art Gallery
- Barber / General Hair / Salon / Nails / Spa
- Cocktail Lounge
- Cosmetics
- Dessert Shop
- Fine or Specialty Apparel
- Florist
- Interactive / Demonstration Art
- Specialty Foods (tea, chocolate, health foods)
- Specialty Gifts
- Wine Bar

Office

- Office
- Medical Office
- Shared Office

Service Areas

- All listed under General Merchandise below
- Bank
- Barber / General Hair / Salon / Nails / Spa
- Coffee Shop / Cafe
- Convenience Store
- Dry Cleaner
- Legal, Accounting
- Medical (stand alone like dentist, chiropractor, eye doctor)
- Office Services
- Post Office
- Fitness

General Merchandise

- Apparel Store, Shoes, Hats, etc.
- Bike Shop
- Books & Music
- Electronics
- Florist
- Furniture (limited square footage)
- Glasses / Eyewear
- Gifts
- Home Goods / Kitchenware
- Pet Supplies
- Sporting Goods
- Toy Store
- Jeweler

Residential

- Single-Family Detached
- Small Multi-Family
- Upper Floor Apartments / Condos

Lodging

- Inn
- Bed & Breakfast

Commission Consideration

Does the proposed project work
on the parcel?

Does the proposed project meet
the use envisioned for the
parcel/site?

Has the proposed project been
reviewed by the Town Architect?

Do you like the proposed project?

90-Day Right to Negotiate?

Clover Island

East End Concerns



















- Two parts to consider:
 - From S.E. corner, west to USCG
 - From S.E. corner, north & west to Hotel



- Discussing possibility of work (at Port expense) under USACE permit
- Use of Opportunity Fund?



Opportunity Fund				
Beginning Balance	\$125,000.00	Project		Approved
	(40,000.00)	Benton City Economic Development		6/13/2023
	(15,000.00)	CTUIR Advertising		6/13/2023
	(25,000.00)	Cable Bridge Lights		6/13/2023
	(45,000.00)	Clover Island East Shoreline		
Ending Balance	\$ -			