



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

JANUARY 26, 2016 MINUTES

CALL TO ORDER

Commission President Skip Novakovich called the Regular Commission meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

- Board Members:** Skip Novakovich, President
Thomas Moak, Vice-President
Don Barnes, Secretary
- Staff Members:** Tim Arntzen, Chief Executive Officer
Tana Bader Inglima, Deputy CEO
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, CFO/Auditor
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated January 19, 2016**
Direct Deposit and E-Payments totaling \$53,069.39
- B. Approval of Warrant Registers Dated January 26, 2016**
Expense Fund Voucher Numbers 37577 through 37630 for a grand total of \$218,431.95
- C. Approval of Commission Meeting Minutes Dated January 12, 2016**

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

NEW BUSINESS

- A. Bid Award: Vista Field Development Building A (Bruker Remodel): Resolution 2016-03**
Ms. Hanchette reported before the Commission is Resolution 2016-03, a construction contract for rehabilitation of Vista Field Development Building A at 415 North Quay. The Port constructed the Vista Field Development Facility #A in 1990 to provide opportunities for business to start and grow within the Port district. Following over 25 years of continued occupancy, plans were



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prepared to rehabilitate approximately 23,500 square feet of the building. Invitations to bid were made available in December and published in the Tri-City Herald and plans were made available at Tri-City Construction Council plan centers, regional plan centers, and the Port's website. The bid submittal deadline was 2:00 p.m. January 20, 2016.

Bid documents specified the Port would award the contract to the contractor which best serves the Port's purposes and when combined, Banlin Construction, LLC was the lowest of nine bids received, with a cumulative total of \$522,079.00 for the Base Bid and Alternative Bids #1 (glass front exterior doors) and #2 (fire alarm system), plus applicable taxes.

Ms. Hanchette reported the bid came in well under the engineer's estimate of \$834,000.00, therefore, with the Commission's approval the Port is able to complete the base bid and both alternates. Furthermore, RC Construction Management will oversee the rehabilitation project and their contract will be executed upon Commission approval of Resolution 2016-03.

Mr. Moak inquired what the original budget for the rehabilitation project was.

Ms. Hanchette stated the Commission previously approved \$950,000.00, which included the architectural/engineering and construction management fees. The Construction portion was approximately \$834,000.00.

Mr. Novakovich inquired if the tenant has requested additional items due to the surplus of funds.

Ms. Hanchette believes it is a possibility that the tenant may request additional improvements. The tenant's lease ends in 18 months and is very receptive to a lease renewal. Ms. Hanchette reported there are several alternates that were left out of the original bid such as parking lot improvements which may be requested, which would benefit the site long term.

Mr. Moak would like to be mindful of the surplus funds and stated the surplus does not necessarily need to be utilized for additional tenant requests.

Mr. Arntzen asked staff to look at the alternates because he believes the tenants will ask for additional improvements.

Mr. Peterson stated the Port has spent the last several years rehabilitating Port properties which were constructed in the 1980's. Now that the projects are near completion, the accounting department will be able to better budget for future operations and maintenance costs.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Moak moved for approval of Resolution 2016-03, authorizing the Port's Executive Director to execute the contract with Banlin Construction, LLC, for the rehabilitation of Vista Field Development Facility #A project including Alternatives #1, and #2, for the sum of \$522,079.00, plus applicable tax; Commissioner Barnes seconded.



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Discussion:

Mr. Barnes stated \$950,000.00 was allocated for the rehabilitation of the VFDF #A and it is prudent to hold to budget and have a contingency fund for uncertainties within the project.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field Update

Mr. Peterson reported the Vista Field Transportation Impact Evaluation (TSIE) Analysis has been submitted to the City of Kennewick for review. The City of Kennewick will hold a workshop on February 9, 2016, and he, City staff, and Mr. Robison of Strategic Management will speak on behalf of the Port. Mr. Peterson stated on Thursday, January 28, 2016, Port and City staff and Parametrix will meet to discuss the impacts of the street networks on existing streets at Vista Field. Mr. Peterson believes the Port should not be asked to solve existing traffic issues, but focus on what is palatable and reasonable, what the development should bear, based upon the TSIE. Furthermore, Mr. Peterson met with City staff to discuss the mechanics of adopting the Vista Field Master Plan and a Developer's Agreement.

Mr. Moak inquired if there were any major issues addressed by the City.

Mr. Peterson believes staff and Parametrix should be able to address the City's concerns by the February 23, 2016 City Council meeting.

Mr. Moak asked if staff agrees with the Parametrix TSIE report.

Mr. Peterson stated Port staff, the City Traffic Engineer and Public Works Director, Parametrix, Benton Franklin Council of Governments and Ben Franklin Transit all worked together on the details and believes Parametrix followed the correct course.

Mr. Novakovich thanked Mr. Peterson for his efforts to ensure that Vista Field is developed the way the public envisions. Although it seems that the process is long, the Port is going through the proper steps to make sure the development is successful.

Mr. Barnes echo's Mr. Novakovich's comments and stated his hope is the Port can address any transportation issues and keep moving forward. The evolution of Vista Field over the past two years has moved at a steady pace and it is critical to get the Master Plan in place so the public sees something tangible happening at Vista Field.

Mr. Peterson stated Vista Field is different from any standard development and road structure in the area and it is important to get the essential elements right.

B. Arts Policy

Mr. Arntzen stated he is working on a draft Art Policy, which attempts to outline specific steps when considering art installation or art projects for the Port. Mr. Arntzen stated as this is a draft



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document he asked for the Commission to review and discuss. The draft Art Policy has four sections, which include:

- Section 1: General Provisions;
- Section 2: Artwork in Port Capital Projects;
- Section 3: Artwork Required as Part of Port Land Sales; and
- Section 4: Artwork Selection Process.

Mr. Arntzen stated the next art installment for the Port is the Latino Mural on the Columbia Drive Winery buildings and he would like to see a policy in place prior to work getting underway on the mural.

Mr. Novakovich inquired if Barbara Carter has seen the draft Art Policy.

Ms. Bader Inglima stated that Ms. Carter has not seen the policy.

Mr. Novakovich asked if Davin Diaz, chairman of the Latino Heritage Mural Committee would be updating the Commission on the progress of the mural.

Mr. Arntzen stated there have been several meetings with staff and the Committee. Staff needed to determine what would be required from the contractor bidding the construction contract for the Winery Buildings, without slowing down the bid process.

Ms. Bader Inglima stated Ms. Carter has been working as Port Liaison with the Committee and the Mid-Columbia Arts Council and has placed a Call to Art, which is available on the Port website. The Call to Art provides information on the project and specific requirements. The request for qualifications will be reviewed by the Committee and up to four artists will be invited to bring forth a more detailed proposal.

Mr. Arntzen stated Section 4 of the draft Art Policy stresses a partnership with the local Arts Commission within the jurisdiction to assist with "Call to Arts." Furthermore, Section 4 provides built in safeguards for the Port when selecting art pieces and will require samples from the artists.

Mr. Moak stated ultimately the decision to accept or reject a piece of art falls with the Commission. Mr. Moak believes Section 2 and 3 are the most important part of the policy.

Mr. Novakovich asked when Mr. Arntzen would like Commission comments on the draft Art Policy.

Mr. Arntzen stated he would like Commission comments back within the next month and he is welcome to public comments as well.

C. *TRIDEC Dues*

Mr. Arntzen stated the annual contract with Tri-City Development Council (TRIDEC) has expired. The contract is renewed on an annual basis and has increased over time, from \$15,000.00 to \$30,000.00. TRIDEC utilizes a standard contract for every entity and generally focuses on big



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business/industrial. Over the past few years the Port has divested of industrial property and its main mission has been on redevelopment. Mr. Arntzen believes it is important to contribute to TRIDEC, however, he would like to see the Port reduce their annual dues and allocate the remaining funds for recruitment opportunities for Vista Field and asked the Commission for direction.

Mr. Novakovich inquired what the dues have been over the past ten years.

Mr. Kooiker stated the dues have been \$30,000.00 for 2014-2015 and at one time, \$35,000.00.

Mr. Arntzen stated a number of years ago dues were \$15,000.00 and have increased substantially over time.

Mr. Novakovich inquired if the dues paid have resulted in any direct benefit to the Port on economic development projects.

Mr. Arntzen believes TRIDEC is important for the region, however, they seem to focus on the Hanford and North Richland region.

Mr. Peterson stated most of TRIDEC's efforts focus on property with large acreage and rail service. The Port has smaller lots that are near residential zones. TRIDEC has been successful in generating economic development for the Tri-Cities economy and stated TRIDEC brought Amazon to our specific jurisdiction.

Mr. Novakovich inquired if the Commission were to reduce TRIDEC dues, how the remaining funds would be used for recruitment opportunities.

Mr. Arntzen stated the Port could create a fund and look for additional sources of funding, which would be used to recruit developers for Vista Field. Mr. Arntzen believes it is important to visit Denver Colorado and San Francisco to look at specific developer properties and see what has been accomplished in those areas. The Port has not done much in the way of recruiting and with Vista Field on the verge of implementation, it is important to begin the process. He would like to allocate \$25,000.00 to TRIDEC dues and the remaining \$5,000.00 for a recruiting fund.

Mr. Barnes stated he represents the Port on the TRIDEC Board and understands the objectives of TRIDEC: however, the Port has made a substantial course change by closing Vista Field and deciding to redevelop the property. Mr. Barnes believes it is important to be responsive to our citizens and what they envision for Vista Field and stated it is reasonable to ask TRIDEC for latitude regarding dues. Mr. Barnes is in favor working with TRIDEC and redirecting Port resources to help recruit for Vista Field, which will benefit the entire region.

Mr. Moak stated TRIDEC has done lot for our community, just recently, they helped bring Auto Zone to the City of Pasco. TRIDEC has changed their focus to industrial recruitment which Mr. Moak supports; however, he does not believe the Port should pay the same dues as other entities.



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Mr. Moak supports Mr. Arntzen's recommendation to pay \$25,000.00 for TRIDEC dues and redirect \$5,000.00 for Vista Field recruiting.

Mr. Novakovich agrees with Commission comments and is supportive of Mr. Arntzen's recommendation.

Mr. Barnes concurs and stated once the Port's Master Plan is adopted, the focus will become more intense. Mr. Barnes suggested the Port continue to request dues reductions from TRIDEC and redirect resources to Vista Field. Mr. Barnes stated it is important to be a team player, but it is imperative to focus on the redevelopment of Vista Field.

Mr. Arntzen appreciates the Commission discussion and stated he will reach out to Mr. Adrian regarding the TRIDEC dues. Furthermore, work is beginning on the 2016-2017 budget and stated the Port's paradigm has shifted to Vista Field and other Port projects may be postponed due to financial and staffing resources.

D. Clover Island Boat Launch Update

Mr. Peterson reported that Big D's Construction is wrapping up construction on the Clover Island Boat Launch in water work, which is ahead of schedule.

E. Columbia Drive Update

Mr. Peterson stated the Wine Village Phase I bids are due on February 11, 2016 at 10:00 a.m. Mr. Peterson shared a drawing of the buildings where the Latino Mural panels will be placed. The mural is approximately 8' x 36' on the south building and 8' x 48' on the north building.

F. Strategic Retreat

Mr. Arntzen stated previously the Commission asked staff to look at holding a workshop and a strategic retreat. The Port held a two workshops in 2015, which focused on Vista Field and the Comprehensive Scheme. Mr. Arntzen inquired if the Commission would like to consider a strategic retreat that would provide the opportunity to discuss policy items and other issues. Mr. Arntzen envisioned the retreat would be within the Port jurisdiction and open to the public and media outlets, with an opportunity for public comment throughout. Mr. Arntzen inquired if the Commission is interested in holding a retreat in 2016.

Mr. Novakovich stated a strategic retreat would be a good opportunity to prioritize Port projects and look at the best allocation of Port resources. Furthermore, he welcomes the public and is interested in their input.

Mr. Moak believes the Port needs a retreat, especially since staff is looking at the 2016-2017 Budget. Mr. Moak stated it will give the Board the opportunity to discuss important decisions that need to be vetted as we move forward with Vista Field.

Mr. Barnes stated the Board meets every two weeks to discuss general business and believes a strategic retreat will afford the Commission the opportunity to review projects at a higher level.



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Mr. Barnes suggested bringing in an expert for better insight to help the Port allocate resources to projects in an effective manner.

Mr. Novakovich would like Mr. Arntzen to create a draft agenda for the strategic retreat, for Commission review and input.

Mr. Arntzen believes the strategic retreat needs to be different from a workshop or regular meeting and stated a retreat will set the Commission up for the additional work on the 2016-2017 Work Plan and Budget. Mr. Arntzen suggested Jim Darling from Maul Foster Alongi as a potential guest speaker, who previously helped the Port with strategic planning.

Mr. Moak stated a facilitator for the retreat would be beneficial to help the Commission and staff work together to solve strategic issues and take advantage of opportunities. Mr. Moak would like staff to look at calendars and determine a site and when the most beneficial time would be as we work through budget and existing projects.

Mr. Novakovich reiterated the Commission's desire for an informal strategic retreat which involves staff and is open to the public. Mr. Novakovich asked the Commission to send Mr. Arntzen a few potential ideas that they would like to see discussed at the retreat.

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

Commissioners reported on their respective committee meetings.

H. Non Scheduled Items

1. Mr. Novakovich was asked to be interviewed by ABHL, who is working on updating the City of West Richland Comprehensive Plan.
2. Mr. Arntzen stated staff has started discussing the 2016-2017 Budget and as the Port's vision becomes narrowed and focused, the Port remains in good financial condition for the next decade. Following Commission Policy, the Port will take on fewer projects, which are more meaningful and allow for additional financing and staff time.

Mr. Kooiker stated the Port is financially stable and efficient stewards of public funds, however, as we move forward, it is important to look at a five to ten year budget to get a better idea of what the Port is able to accomplish. For the 2015-2016 Work Plan and Budget, the Port has a \$10,000,000.00 Capital Projects Budget, which ultimately produces operating expenses. Mr. Kooiker stated the Port does not want to be in position where operating expenses are more than revenues and believes it is time to look at projects that will generate additional revenue for the Port.

3. Mr. Arntzen stated at the January 12, 2016 meeting, it was brought to staff's attention that there were inconsistencies in the Commission Policy and Procedures Manual. Mr. Arntzen reported that Mr. Moak reread the policy and narrowed down the inconsistencies. Mr. Arntzen thanked Mr. Moak for the notes which will save staff time.



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4. Mr. Peterson reported that the undergrounding of utilities on Columbia Drive is an example of true partnership. The utility project is estimated to cost \$123,000.00 of which Benton PUD will pay approximately \$48,000 and Frontier Communications is picking up 100% of their portion, which is estimated to cost \$8,400.00. Mr. Peterson has reached out to Charter Communications to see if they are willing to partner with the Port as well.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick, President of the Mid-Columbia Symphony Board reported Mid-Columbia Mastersingers and Mid-Columbia Symphony are excited to be joining together to host "Bacchanalia XVI", a fundraiser with online and live auctions and an extraordinary evening of fun and entertainment on February 13, 2016.

No further comments were made.

COMMISSIONER COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 3:41 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Skip Novakovich, President


Excused absence
Thomas Moak, Vice President


Don Barnes, Secretary

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Resolution No. 2016-03

A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS ACCEPTING AND AWARDING A BUILDING CONSTRUCTION CONTRACT FOR THE VISTA FIELD DEVELOPMENT FACILITY #A REHABILITATION

WHEREAS, a request for bids for the rehabilitation of Vista Field Development Facility #A was properly advertised with the approved plans and specifications being made available to prospective bidders, and

WHEREAS, construction bids have been received and staff and the project architect have certified that the bids received are in compliance with the plans and specifications; and

WHEREAS, the staff and the project architect have certified that the low bidder for the project is Banlin Construction, LLC in the amount of \$470,087.00, plus applicable tax for the base bid work which includes rehabilitation of approximately 23,500 square feet of Vista Field Development Facility #A and that such bid is in compliance with the plans and specifications; and

WHEREAS, the staff and the project architect have certified that the low bidder also provided a bid in the amount of \$13,033.00, plus applicable tax for Bid Alternative #1 work which includes replacement of existing flush exterior hollow metal doors with new full glass doors, and that such bid is in compliance with the plans and specifications; and

WHEREAS, the staff and the project architect have certified that the low bidder also provided a bid in the amount of \$38,959.00, plus applicable tax for Bid Alternative #2 work which includes installation of a building fire alarm system, and that such bid is in compliance with the plans and specifications; and

NOW THEREFORE, BE IT RESOLVED that the Port of Kennewick Commission does hereby accept the base bid of Banlin Construction, LLC for the rehabilitation of approximately 23,500 square feet of space at Vista Field Development Facility #A as the low bidder in the amount of \$470,087.00, plus applicable tax and hereby awards the construction contract to said low bidder.

BE IT HEREBY FURTHER RESOLVED that the Port of Kennewick Commission does hereby accept the Bid Alternative #1 of Banlin Construction, LLC for the rehabilitation of Vista Field Development Facility #A in the amount of \$13,033.00 plus applicable tax, and Bid Alternative #2 of Banlin Construction, LLC in the amount of \$38,959.00 plus applicable tax and hereby increases the construction with said low bidder to include this work.

BE IT HEREBY FURTHER RESOLVED that the Executive Director is authorized to enter into a contract between the Port of Kennewick and Banlin Construction, LLC for \$522,079.00 plus applicable tax for the rehabilitation of approximately 23,500 square feet at Vista Field Development Facility #A and that the Executive Director is further authorized to proceed with all necessary procedures required to complete construction of the project.

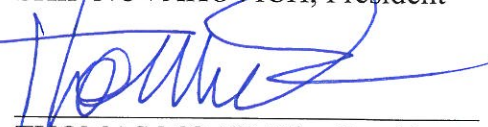
ADOPTED by the Board of Commissioners of Port of Kennewick on the 26th day of January 2016.

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

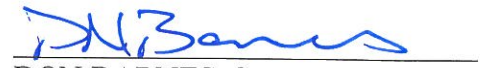
By:


SKIP NOVAKOVICH, President

By:


THOMAS MOAK, Vice President

By:


DON BARNES, Secretary