

AGENDA

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

Tuesday, February 24, 2015
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IV. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments Dated February 18, 2015
 - B. Approval of Warrant Registers Dated February 24, 2015
 - C. Approval of Warrant Register Dated February 24, 2015 (PS Media)
 - D. Approval of Minutes dated January 27, 2015
 - E. Approval to Purchase a 2010 Caterpillar Loader; Resolution 2015-07
- V. NEW BUSINESS**
 - A. Vacant Lot on Keene Road, West Richland (**AMBER/TIM**)
- VI. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Vista Field
 - 1. Connectivity (**TIM**)
 - 2. Vista Vision Meeting Update (**TIM**)
 - B. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - C. Non-Scheduled Items
- VII. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- VIII. ADJOURNMENT**

PLEASE SILENCE CELL PHONES



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PORT OF KENNEWICK

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CALL TO ORDER

Commission President Don Barnes called the Regular Commission meeting to order at 2:01 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

Board Members: Don Barnes, President
Skip Novakovich, Vice-President
Thomas Moak, Secretary

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

PLEDGE OF ALLEGIANCE

Mr. Justin Raffa led the Pledge of Allegiance.

PUBLIC COMMENT

Gene Astley, 2414 Harris Avenue, Richland. Mr. Astley briefed the Commission on his past work history and stated he worked with Sue Watkins, former Port of Kennewick Manager, to create an incubator building where his company TI-Sports was the first tenant. He thanked the Port for doing a great job with all of the upcoming projects. Mr. Astley stated the press coverage has been very positive and he likes what he has heard. He complimented the Commission for planning for the future and staff for working with the plan and keeping the taxpayers in mind.

Justin Raffa, 1214 Gowan Avenue, Richland. Mr. Raffa offered his congratulations and stated the Port continues to do the right thing involving the community and is moving in right direction for Vista Field. Mr. Raffa had the opportunity to thoroughly read the Duany Plater-Zyberk (DPZ) Draft Charrette Report and listen to Michael Mehaffy's presentation at the Vista Vision Task Force (Task Force) meeting on February 9, 2015 and was pleased with the outcome. Mr. Raffa stated the Draft Charrette Report included two phases or stages for a Performing Arts Center and the arts community will continue to work as a unified team to see this vision come to fruition. Mr. Raffa wanted to assure the Commission that the arts community is a strong and unified force and are excited about the Performing Arts Center. Mr. Raffa stated when the time is right, the arts community would like to enter into a formal partnership agreement with the Port of Kennewick to help see the project through. The arts community understands the Port does not have the capital to build a Performing Arts Center and indicated the arts community will take on that responsibility, for this once-in-a-lifetime opportunity. Mr. Raffa assured the Commission that the arts community stands in agreement and hopes to make the vision a reality. Mr. Raffa congratulated the Port on the great work the Commission has done on the Vista Field project.



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Carol Moser, 2662 Eastwood Avenue, Richland. Ms. Moser, current chairperson of the Alliance for a Livable and Sustainable Community (ALSC), offered her congratulations to the Port for the aggressive inclusion of public interaction for the redevelopment of Vista Field. Ms. Moser stated the ALSC praises the Port for the pedestrian friendly design, the walkability of the development and the bicycle friendly plan. She is excited about the new urbanism street alignment, the mixed-use development, the reuse of building materials and the Port's willingness to try something different. Ms. Moser hopes the Port will continue to collaborate with the City of Kennewick, the Kennewick Public Facilities District (KPPFD) and the Kennewick Irrigation District (KID) because the end product will be something the community can be proud of. Ms. Moser reiterated that collaboration is very important to complete the vision of Vista Field.

No further comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

- A. *Approval of Direct Deposit and E-Payments Dated February 3, 2015***
Direct Deposit totaling \$55,161.60
- B. *Approval of Warrant Registers Dated February 10, 2015***
Expense Fund Voucher Numbers 36550 through 36588 for a grand total of \$173,174.24
- C. *Approval of Regular Commission Meeting Minutes dated January 27, 2015***
- D. *City of West Richland Annexation Petition Request; Resolution 2015-05***

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

PRESENTATION

A. *Friends of Badger Mountain Trail Network Activities*

Mr. Arntzen introduced Bob Bass and Sharon Grant. He stated he met Ms. Grant during the Visit Tri-Cities Open House Annual Report. The Friends of Badger Mountain have a very ambitious plan, and would like to add more trails in West Richland and possibly through the Port's racetrack property. Mr. Arntzen appreciates the Commission's encouragement of staff to reach out and create dialogue with community members.

Ms. Grant stated the Friends of Badger Mountain (FOBM) was created twelve years ago and their mission is the preservation and stewardship of the ridges in the Lower Columbia Basin for the benefit of the community and the environment.

The FOBM has three main goals:

- Trail building and maintenance;
- Education and outreach;
- Ridge land preservation.

Ms. Grant reported that 217,000 people used the Badger Mountain trail in 2014 and the FOBM just completed a new trail on the south side of Badger Mountain, off Dallas Road. The vision of



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the FOBM is to create a trail that travels over the ridges, including Candy Mountain, Red Mountain and Rattlesnake Mountain, approximately twenty-two miles long. The FOBM are currently raising money to acquire land on Candy Mountain to create a preserve trail link. The projected cost is \$1,500,000, of which they have already raised \$733,000, 49% of goal. Ms. Grant stated the Port owned land, which is located west of Candy Mountain, would link the two areas together and create an additional route. Ms. Grant stated the FOBM holds numerous events, such as Hike, Wine and Dine, which generates tourism in our area and believes a trail throughout the raceway would benefit the Port and our community.

Mr. Moak inquired what the FOBM's time frame is for raising money to complete the trail route through Candy Mountain.

Ms. Grant stated the FOBM has raised \$733,000 and applied for a State Recreational Conservation Office (RCO) grant, in which they came in second in land acquisition. Ms. Grant stated the FOBM will know if they received the RCO grant, in the amount of \$655,000, when the Legislature ends in the spring. The FOBM hopes to raise the remaining funds by May of 2015. Once the funds have been raised, the FOBM will work on completing the property assessments and appraisals.

Mr. Moak asked when the FOBM anticipates the trail reaching the raceway property; Ms. Grant hopes it would be early 2016.

Mr. Bass stated if the FOBM receives the RCO grant, he believes they can plan as early summer or fall of 2015.

Mr. Novakovich asked what the cost is to build a trail through the racetrack property. Mr. Bass stated two and one half miles of trail is estimated to cost \$11,000.

Mr. Barnes stated one of the missions of the Port of Kennewick is to enhance the quality of life for citizens and believes this project aligns well with several Port goals and is supportive of working with the FOBM.

Mr. Arntzen believes it would be straight forward to provide for access through the racetrack property as we are working on the master planning now and asked if the Commission if they would like him to continue the dialogue with the FOBM.

Mr. Novakovich stated it is an excellent opportunity, and if the Port can partner with the FOBM in any way to make this happen, he supports continued dialogue and would like to proceed.

Mr. Barnes is supportive and if we are within our authority and can collaborate, it is worth exploring further.

Mr. Moak inquired if some of the easement issues Ms. Grant spoke of, would roll into the work we are already doing to prepare the site.



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Mr. Peterson stated the timing could not be better. Mr. Bass reported a ten foot wide easement would be needed for the trail, which would be a very small additional cost to the overall project.

Mr. Novakovich stated adding a trail route through the raceway could be an economic benefit for the Port as well.

B. Napa and Sacramento Travel Report

Mr. Moak presented photos from his trip with Ms. Bader Inglima and Ms. Hanchette, to Napa, Sacramento and the Wine Expo. He gave a narrative on the Oxbow Market, the Napa Riverwalk and the revitalization of downtown Sacramento. Mr. Moak reported the Port shared a booth with Integrated Structures Inc. at the Wine Expo and the model, prepared by Cullen Burda, drew a lot of interest and was an opportunity to expose Columbia Drive to a new audience.

Mr. Hanchette added, she had an opportunity to speak to several business owners at the Oxbow Market and was pleased to discover that for many business', this was their second location. She stated there was an array of businesses, such as chocolatiers, an antique store, and a variety of restaurants that offered high-quality food with quick service.

C. Vista Field Draft Master Plan

Mr. Peterson introduced Michael Mehaffy, of DPZ, who will present the Draft Charrette Report to the Commission. Mr. Peterson stated the Draft Charrette Report is not the master plan, but a reflection of items that were discussed during the November 2014 Charrette. Mr. Peterson indicated the Draft Charrette Report is approximately 95% complete, with additional economics to follow. Mr. Peterson stated the Draft Charrette Report has been distributed to the Vista Vision Task Force, the Vista Field Email list, which is compiled of 253 citizens and stakeholders of the community, and is posted on the Port website. The Port is asking the community to review the Draft Charrette Report and provide additional input.

Mr. Mehaffy provided an overview of the Draft Charrette Report and invited the community to evaluate the Draft Charrette Report and decide what elements they want to see remain at Vista Field and what elements they would like to see revised. The Draft Charrette Report acts as a framework, we do not know what is going to happen until all the pieces are put together.

RECESS

Mr. Barnes called for a recess at 4:29 p.m. for approximately seven minutes.

Mr. Barnes reconvened the meeting at 4:37 p.m.

Mr. Novakovich stated there has been a lot of discussion regarding a Performing Arts Center as an anchor for Vista Field. Mr. Novakovich believes the arts community needs to communicate their desires to the Port, since there are several options for a Performing Arts Center. Mr. Novakovich asked for Mr. Mehaffy's opinion on a Performing Arts Center.



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Mr. Mehaffy stated DPZ has made accommodations for any location change regarding the Performing Arts Center. He further stated, it would be beneficial if the arts community came forward and expressed their position and which plan they prefer.

Mr. Arntzen stated the City of Kennewick and the KPFD are considering a bond measure in 2016 to expand the Three Rivers Convention Center and Coliseum, which would house a Performing Arts Center. There are a lot of variables and the arts community may want to work with another entity.

Mr. Moak stated he has not heard the arts community express their interest in anything but Vista Field. Mr. Moak believes the arts community needs to convey the direction they would like to pursue.

Mr. Peterson stated the idea of a phase one/stage one Performing Arts Center is only 91 days old. Prior to that, there has only been discussion regarding a \$35,000,000 facility. The arts community is coming together because the new idea created by DPZ is appealing. Now that the Draft Charrette Report is available, there will be a lot of discussion over the next few months and the arts community can dissect and examine the report and make a detailed decision.

Mr. Mehaffy stated that there has been a call from the community, to incorporate a Performing Arts Center, long before the Charrette took place. If the City of Kennewick's plan is more appealing, the arts community may want to move forward with the City or move to a different location at Vista Field.

Mr. Arntzen stated there is a desire for the City of Kennewick to enter into dialogue with arts community. Mr. Arntzen encourages the City and the arts community to sit down and discuss the City's proposal. Mr. Arntzen stated the Port has approximately four months to discuss the topic before we move forward to a final draft.

Mr. Barnes believes the Port's response on a Performing Arts Center has been genuine and sincere and the Commission has expressed to the arts community that the Port does not have operation and construction funds available. To offer a site at Vista Field, does not preclude the arts community from working together with the City or KPFD. Mr. Barnes does not view the Port actions as being contrary to the City or KPFD's desire to work with the arts community. Mr. Barnes encourages conversation between all public entities and the arts community.

Mr. Mehaffy stated another concern is, will the public entities work together on a larger vision that works and marries each vision. Mr. Mehaffy has met with Rustin Hall, of ALSC, the architect who worked on the KPFD's master plan. He stated the initial discussions have been positive and they will continue meeting. Mr. Mehaffy indicated the Port should continue meeting with all the jurisdictional partners in the area, to get everyone on the same page regarding the entire development.

Mr. Barnes commends DPZ for recognizing that connectivity and the corridors are crucial to the redevelopment of Vista Field (page 7, Draft Charrette Report). Mr. Barnes will look to DPZ for guidance and leadership to help the Port move forward and with other land owners, in formulating a master plan, which will benefit the entire region. Mr. Barnes would like the Port to begin facilitating discussions with other public land owners, to address the crucial issues identified in the Draft Charrette Report.



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Mr. Novakovich stated the Port has had a very open, public process regarding Vista Field. He believes the Port's role should now be working with our partners and finding common ground. If the Port can implement additional ideas that what will provide the greatest benefit for the region and our citizens, we should be open to the possibility.

Mr. Peterson stated the Draft Charrette Report will include the following additional information at a later date:

- Financials and Economics;
- Pulse of the Community, ie. projects worth pursuing; and
- Developer and Private Sector Analysis.

Mr. Barnes thanked Mr. Mehaffy and DPZ for their excellent work and for including the input received by the constituents.

OLD BUSINESS

A. *Vista Vision Task Force; Resolution 2015-04*

Mr. Arntzen stated, on December 16, 2014, the Port Commission received an update from the Vista Vision Task Force (Task Force) chair, Rich Cummins. After hearing from Chairman Cummins, the Commission agreed it wished to re-evaluate the Task Force's mission as established by the Rules of Procedure under which the Task Force conducts business. The Commission indicated it wished to "re-authorize" the Task Force's mission for the balance of the anticipated term (i.e. up to August 15, 2015) and further indicated its desire to issue broad-based, written instructions, related to matters the Task Force would consider. Those matters are as set forth in Resolution 2015-04, Exhibit "A."

PUBLIC COMMENT

Ed Frost, 609 West Albany Avenue, Kennewick. Mr. Frost asked for Port staff to read the matters listed in Resolution 2015-04, Exhibit A.

Boyce Burdick, 414 Snyder, Richland. Mr. Burdick, President of Mid-Columbia Symphony and symphony representative on the Arts Center Task Force, stated the Arts Center Task Force sent a letter to Mr. Arntzen in December 2014, discussing their feelings regarding the Performing Arts Center. Mr. Burdick believes the arts community is behind a stage one and stage two proposal, which would be carried out at Vista Field.

No further comments were made.

Mr. Arntzen read Exhibit A, from Resolution 2015-04.

Mr. Novakovich would like to add public education and outreach to the list.

MOTION: *Commissioner Novakovich moved to direct the Port's Executive Director to advise the Vista Vision Task Force consistent with the attached Resolution, with the addition of item 15, public education and outreach; Commissioner Moak seconded.*



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Discussion:

Mr. Barnes supports Resolution 2015-04 and is pleased with the work of the Vista Vision Task Force and their ability to engage the public and have open discussions.

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

B. Vista Field Land Exchange & Land Sale (Singleton); Resolution 2015-06

Mr. Peterson reported, in October 2014 the Port learned of a pending transaction between Lionell Singleton and The Mac Sports Complex for Mr. Singleton's purchase of a 4.24 acre parcel adjacent to the Three Rivers Entertainment District and the Vista Field redevelopment area. Both the Vista Field 2013 Final EIS and the conceptual Vista Field master plan developed at the week-long Charrette in early November 2014 identified the Singleton property as crucial for the circulation network in the Vista Field area. Therefore, the Port initiated discussions with Mr. Singleton for the exchange of that 4.24 acre parcel adjacent to the Three Rivers Entertainment District for a 6.37 acre parcel at the southwest corner of Deschutes Avenue and North Quay Street and the sale on a real estate contract of the adjacent 3.52 acre parcel fronting North Quay Street for \$350,000.00. This property is graphically depicted on Exhibit "A". The Port Commission considered that proposal and ultimately approved Resolution 2014-38 authorizing the land exchange and the sale by real estate contract.

The net result of the transaction approved by Resolution 2014-38 would have been a land exchange (4.24 acres for 6.37 acres) and a sale (by real estate contract) for 3.52 acres for \$350,000 plus interest. The net result of the action authorized by Resolution 2015-06 would be the same as the authorized by Resolution 2014-38 however Resolution 2015-06 provides the necessary clarity on the process for all involved parties including title and escrow agencies.

Mr. Singleton has developed plans to construct a 35,000+ square foot building and outdoor fields to accommodate a health/training facility oriented towards football and soccer known as the Fit for Fun-Plex (FfFP). Mr. Singleton has a binding real estate contract to purchase the 4.24 acre site adjacent the Three Rivers Entertainment District (TRED). Development of the initial FfFP site would negatively impact the transportation network in the Vista Field/TRED area and therefore the Port discussed options with Mr. Singleton to potentially relocate his pending Fit for Fun-Plex project. Mr. Singleton demonstrated a commitment to the community's overall best interest while also balancing his desire to construct the FfFP in the Vista Field area.

The proposed transaction between Mr. Singleton and the Port now involves:

- Assignment of Mr. Singleton's right to purchase the 4.24 acres from the Mac Sports Complex LLC (Mac Sports) for \$950,000 to the Port;
- Mr. Singleton's Purchase of a 6.37 acre Port parcel at the SW corner Deschutes Avenue and Quay Street for \$950,000;
- Prior to closing Port to apply for and obtain Business Park (BP) zoning; and,
- Prior to closing Port to adjust the boundary line between the two North Quay St. parcels;
- Mr. Singleton's purchase of a 3.52 acre Port parcel on N. Quay St. on a real estate contract (6% interest, seven annual payments);
 - Prior to closing Port to adjust the boundary line between the two North Quay St. parcels;



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The Port adopted a real estate policy through Resolution 2008-28 requiring an earnest money payment of at least 5% of the offer price (in no case less than \$5,000) for all land sale transactions initiated by parties other than the Port. The Port established this requirement through the 2008 real estate policy, therefore has the authority to waive this requirement when Commission deems. Because the Port actually initiated the transaction to effectively exchange properties, no earnest money payment by Singleton is proposed in conjunction with the sale of the approximately 6.37 acre parcel. The accompanying resolution identifies and includes this waiver.

The 2011 Comprehensive Scheme of Development identified these parcels as surplus to the Port's needs. Considering the reasons for the proposed land exchange and sale this sale as negotiated does not contain a construction requirement or repurchase provision.

Mr. Novakovich inquired if the Verizon property would appraise at \$950,000; and if the Mitchell family, who owns the other parcel, are they in agreement with the land exchange.

Mr. Peterson stated there should not be any problem with the Verizon property appraising at \$950,000. The Mitchell's are supportive of this proposal and have assignment documents ready for execution, following the Port's Commission signature.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2015-06 authorizing the Port's Executive Director to execute all necessary documentation associated with the assignment by Lionell Singleton and resulting land purchase from the Mac Sports Complex, LLC, and the land sales to Lionell Singleton, and to take all other actions necessary to close these transactions; Commissioner Moak seconded.*

Discussion:

Mr. Moak appreciates the work of staff and understands it was a complicated process. Mr. Moak stated he is thankful for the willingness of all parties involved, to enter into this unusual transaction.

Mr. Barnes thanked staff for working on a very significant, important transaction for the redevelopment of Vista Field and identifying the opportunity.

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

NEW BUSINESS

A. Port of Kennewick's 100th Anniversary Celebration April 14, 2015

Ms. Scott reported that Ms. Bader Inglima is currently attending the Wine and Grape Growers (WAGG) Show at the Three Rivers Convention Center promoting Columbia Gardens Wine and Artisan Village with staff from the City of Kennewick. Ms. Scott stated Ms. Bader Inglima has passes for the Commissioners should they wish to attend the WAGG exhibits.



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Ms. Scott reported that Visit Tri-Cities!, TRIDEC, and the Tri-Cities Regional Chamber will host a 100th Anniversary Celebration on April 14, 2015, from 4:00 p.m. to 6:00 p.m. The Port of Kennewick held its first Commission Meeting on April 12, 2015, which falls on a Sunday this year, so staff thought it would be fitting to hold the celebration on the next scheduled Commission Meeting day.

Staff suggests the Regular Meeting be cancelled in lieu of the celebration, and hold a Special Meeting at the Bechtel Board Room, in which there will not be any formal business conducted.

Ms. Scott stated the Port will be advertising the event in all the Chamber newsletters and E-Blasts and formal invites will be sent out as well. Mr. Floyd of Anchor QEA, has been contacting former Commissioners and families to attend the event as well. Mr. Floyd has contacted Nancy Waugman, daughter of John Newman, the Port's first Executive Director, who will be providing information on the Port's history.

Ms. Scott reported the Port will purchase a time capsule and will invite the public to contribute a small item. The time capsule will be secured inside the Clover Island Lighthouse during a ceremony in the fall, and will be registered with a University, who will notify the Port in 50 years when it is time to open it. As part of the ceremony, the Port will be dedicating the following island improvements; new boat launch, Village at Island Harbor, the shoreline, and the heritage artwork. The fall ceremony will conclude the Port's 100th Anniversary Celebration.

The Commission is in consensus to change the April 14, 2015 Regular Commission Meeting to a Special Commission Meeting for the Port's 100th Anniversary Celebration.

REPORTS, COMMENTS AND DISCUSSION ITEMS

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

Commissioners reported on their respective committee meetings.

B. *Non-Scheduled Item*

1. Mr. Novakovich reported, Don Brunell, former AWB Executive Director, reported for the first time in American history, entrepreneurship is in decline. According to the U.S. Census Bureau, businesses are dying faster than they are being formed. Each year, 400,000 new businesses start up nationwide; and 470,000 close their doors. The U.S. ranks number 12 in terms of business startups, due to high taxes and excessive regulations. Mr. Novakovich stated page 17 of the project pattern language, number 42 identifies; streamline incentives and make it less expensive for small owners to build and operate small businesses. He believes this inclusion to the report is important to the redevelopment because it will bring in an array of businesses.
2. Ms. Scott reminded the Commission that the Public Disclosure Commission F-1 reports are due in April. Please contact Ms. Scott if you have any questions regarding the report.
3. Mr. Arntzen presented the proposed 100th Anniversary Port logo, created by Ms. Bader-Inglima and Mark Showalter of PS Media.
4. Mr. Peterson reported he will be attending the City of Kennewick City Council Meeting this evening to discuss Columbia Garden and Bridge to Bridge updates. At this time, the City



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Public Works Department is completing a site report, which will indicate whether the city should construct a \$1,000,000 wine effluent treatment or a smaller facility that includes dry wells. The Port and the design are currently in a holding pattern until the report is complete. Once the City determines which structure to build, they will be able to convey the utility rate information to the Port. As soon as the utility rate information for the effluent is available, the Commission can authorize the contract for construction on the three buildings, knowing the utility cost is feasible for tenants.

PUBLIC COMMENTS

No comments were made.

COMMISSIONER COMMENTS

No further comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 5:30 p.m.

APPROVED:

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BOARD of COMMISSIONERS

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

PORT OF KENNEWICK

RESOLUTION 2015-07

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING
THE PURCHASE OF A 2010 CATERPILLAR LOADER**

WHEREAS, the Board of Commissioners of the Port of Kennewick met this 24th day of February, 2015, a quorum of the Commissioners being present; and

WHEREAS, the Port Commission approved through Resolution 2014-35, capital budget allocation of \$75,000.00 for replacement of a 1986 John Deere loader for operation and maintenance uses; and

WHEREAS, Resolution 2015-01 deemed said 1986 John Deere loader to be surplus; and

WHEREAS, a 2010 Caterpillar loader has been located at Western States Equipment Company and is available for purchase at a cost of \$69,938.40, after trade-in allowance and sales tax.

NOW, THEREFORE, BE IT RESOLVED, the Board of Commissioners of the Port of Kennewick hereby authorize the Port Executive Director to purchase a 2010 Caterpillar loader for \$69,938.40.

ADOPTED by the Board of Commissioners of Port of Kennewick this 24th day of February 2015.

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

DON BARNES, *President*

SKIP NOVAKOVICH, *Vice President*

THOMAS MOAK, *Secretary*



SALES AGREEMENT

DATE Jan 22, 2015

WESTERN STATES EQUIPMENT COMPANY, 500 E.OVERLAND ROAD, MERIDIAN, ID 83642

PURCHASER		PORT OF KENNEWICK			
STREET ADDRESS		350 N. CLOVER ISLAND DR STE.200		<SAME>	
S O L D	CITY/STATE	KENNEWICK, WA	COUNTY	BENTON	S H I P
	POSTAL CODE	99336	PHONE NO.	509-586-1186	
T O	EQUIPMENT		MIKE MELIA	T O	
	PRODUCT SUPPORT		MIKE MELIA		
INDUSTRY CODE:		CITY/LOCAL GOVERNMENT (PS93)		PRINCIPAL WORK CODE	F.O.B. AT: Pasco Main
CUSTOMER NUMBER		NON-DBS		Sales Tax Exemption # (if applicable)	CUSTOMER PO NUMBER
		N/A			
PAYMENT TERMS: (All terms and payments are subject to Finance Company - OAC approval)					
T E R M S	NET PAYMENT ON RECEIPT OF INVOICE <input checked="" type="checkbox"/>		NET ON DELIVERY <input type="checkbox"/>		FINANCIAL SERVICES <input type="checkbox"/> CSC <input type="checkbox"/> LEASE
	CASH WITH ORDER \$69,938.40		BALANCE TO FINANCE		CONTRACT INTEREST RATE
	PAYMENT PERIOD		PAYMENT AMOUNT		NUMBER OF PAYMENTS
					OPTIONAL BUY-OUT
DESCRIPTION OF EQUIPMENT ORDERED / PURCHASED					
MAKE: CATERPILLAR		MODEL: 930H		YEAR: 2010	
STOCK NUMBER: UT00915		SERIAL NUMBER: DHC01733			
930H WHEEL LOADER		TIRES, 20.5-25			
FENDERS, STANDARD		QUICK COUPLER, STANDARD			
ENCLOSURE, STANDARD		PRECLEANER, DUSTBOWL			
STEERING, STANDARD		LINKAGE, STANDARD, VERSALINK			
CAB, DELUXE HID		HYDRAULIC, 3V 1L, INTEG 3RD			
SEAT, COMFORT, AIR SUSPENSION		3.7 CYD - GP BUCKET			
MIRRORS, REARVIEW, INTERNAL		MACHINE ID# UT00915			
RADIATOR, WIDE FIN SPACING					
FAN, REVERSING					
DIFFERENTIAL, LS, REAR					
COUNTERWEIGHT, 2394LB					
INSTRUCTIONS, ANSI, NACD					
MANUAL, OPER. MAINT. ENGLISH					
HEATER, ENGINE COOLANT, 120V					
RIDE CONTROL					
YEAR	TRADE-IN EQUIPMENT		SERIAL NO.	Sell Price	
1986	544D - JOHN DEERE (JD)		512140	Less Gross Trade Allowance	\$82,400.00
				Net Balance Due	(\$18,000.00)
				Sales Tax (8.6%)	\$64,400.00
				After Tax Balance	\$5,538.40
					\$69,938.40
ALL TRADE-INS ARE SUBJECT TO EQUIPMENT BEING IN "AS INSPECTED CONDITION" BY VENDOR AT TIME OF DELIVERY OF REPLACEMENT MACHINE PURCHASE ABOVE.					
GROSS TRADE ALLOWANCE					
PAYOUT TO				AMOUNT OWING	
CUSTOMER TO PAYOUT <input type="checkbox"/>				WESTERN STATES CO. TO PAY OUT <input type="checkbox"/>	
PURCHASER HEREBY SELLS THE TRADE-IN EQUIPMENT DESCRIBED ABOVE TO THE VENDOR AND WARRANTS IT TO BE FREE AND CLEAR OF ALL CLAIMS, LIENS, MORTGAGES AND SECURITY INTEREST EXCEPT AS SHOWN ABOVE.					
<input type="checkbox"/> CATERPILLAR EQUIPMENT WARRANTY			INITIAL		
<input type="checkbox"/> USED EQUIPMENT WARRANTY			INITIAL		
The customer acknowledges that he has received a copy of the Western States Co./Caterpillar Warranty and has read and understood said warranty. Scheduled oil sampling (S.O.S.) is mandatory with this warranty. The customer is responsible for taking oil samples at designated intervals from all power train components and failure to do so may result in voiding the warranty. Warranty applicable including expiration date where necessary:					
All used equipment is sold as is where is and no warranty is offered or implied except as specified here:					
Warranty applicable:					
<input type="checkbox"/> ALLIED WARRANTY			SIGNATURE		
CSA:					
NOTES:					

THIS AGREEMENT IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE

WESTERN STATES EQUIPMENT COMPANY

PURCHASER

ORDER RECEIVED BY

Aaron Hanson

APPROVED AND ACCEPTED ON

REPRESENTATIVE

PORT OF KENNEWICK

BY

SIGNATURE

Executive Director

TITLE

Approved as to form
X [Signature] 2-10-15
Lucinda Wake, Port Attorney

TF

TERMS AND CONDITIONS

1. METHODS OF ACCEPTANCE and TERMS OF AGREEMENT: This Machine Sales Order ("MSO") is an offer for the sale of the equipment and attachments described on the face hereof (referred to herein generally as "equipment" and "goods" interchangeably) to Customer under the terms and conditions specified herein. This offer may be accepted by (1) the execution of this MSO by a representative of Customer or (2) Customer's verbal or written authorizations or conduct consistent with prior course of dealing between the parts authorizing WSECO to take action to fulfill this order, or (3) the commencement of manufacture or shipment of the goods or services specified in this Order, whichever of the foregoing first occurs. Acceptance of this offer is limited to the express terms stated in this Order. Any proposal in Buyer's acceptance for additional or different terms or any attempt by Customer to vary in any degree any of the terms or any attempt by Customer to vary in any degree any of the terms of this offer is objected to and hereby rejected, but such proposals shall not operate as a rejection of this offer, unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods or services, but shall be deemed a material alteration of this Order and this offer shall be deemed accepted by Seller without said additional or different terms. Once accepted, this Order shall constitute the entire agreement between WSECO is not bound by any representation or agreements, express, or implied, oral or otherwise, which are not stated within this agreement or contained in a separate writing supplementing this agreement and signed by authorized agents of both WSECO and Customer.

2.TIME OF DELIVERY and SHIPPING: Orders for equipment are processed in the order of their acceptance by WSECO and WSECO will use its reasonable efforts to deliver the equipment to You on the scheduled delivery date on the face hereof. However, shipping and delivery dates are acknowledged to be estimates only and dependent upon many factors outside of WSECO's control including, but not limited to, the manufacturer's production schedule, material and labor shortages, shipping delays and various other unrelating factors. WSECO is not liable for delays or damages caused by delays in delivery or shipment of the equipment, unless stated on the face of this order to the contrary. You are responsible for all freight, shipping, loading and unloading costs.

3.To secure Customer's obligations under this agreement and to secure all of Customer's present or future debts, obligations or liabilities of whatever nature to WSECO, Customer grants to WSECO a security interest in the goods described on the reverse side hereof, together with any attachments or accessions thereto and proceeds from the sale or lease thereof. Customer agrees to deliver to WSECO, properly executed, any certificate of title or other document or instrument required by WSECO to perfect WSECO's security interest as created in this paragraph. Customer also authorizes WSECO to file financing statement(s) with respect to the security interest granted herein.

4.Risk of loss of the goods shall pass to Customer as soon as the goods are properly loaded on the carrier. WSECO's responsibility for shipment ceases upon delivery of the goods to a transportation company. Customer shall carry such fire and other insurance as necessary to protect its interest and the interest of WSECO. Any claim by Customer for shortage in shipment shall be made within fifteen (15) days after receipt of the shipment. It is specifically agreed that the risk of loss shall not be altered by the fact that the conduct of either party hereto may constitute a default or breach. The shortage in shipment notice must be in writing within fifteen (10) days and further, shortage in shipment is not deemed to constitute a nonconformity

5.Any notices pertaining to rejection or claims of nonconformity must be made in writing specifying in detail Customer's objections and such notices must be delivered within ten (10) days after delivery of the goods. It is agreed that in the event of rejection, Customer may in no event resell the goods, even in the absence of instructions from WSECO, and Customer will store the goods or reship the goods to WSECO. Should Customer sell the goods, such sale shall be deemed an unequivocal acceptance of the goods. If Customer accepts goods tendered under this agreement, such acceptance shall be final and irrevocable; no attempted revocation shall have any effect whatsoever.

6.No right or interest in this agreement shall be assigned by Customer without the written permission of WSECO, and no delegation of any obligation owed or of the performance of any obligation by Customer shall be made without written permission of WSECO. Any attempted assignment or delegation by Customer shall be wholly void and totally ineffective for all purposes unless made in conformity with this paragraph.

7.WSECO shall have all rights and remedies provided in the Uniform Commercial Code and in any other document executed in connection with this agreement. Customer agrees to pay all costs incurred by WSECO in enforcing this agreement or any of its provisions, including without limitation reasonable attorney's fees and costs and all costs of reclaiming the goods, whether or not legal action is commenced. In the event the goods are reclaimed, Customer agrees that WSECO may bid on the goods and that a commercially reasonable price for said reclaimed goods, a public sale, may be determined by WSECO based upon current national auction values, market trends relating to supply and demand, and related factor, for goods of similar type and condition.

8.CANCELLATION/TERMINATION: This Order may be canceled by Customer only with WSECO's written consent and then only upon such terms as will protect Seller from any loss. This Order may be cancelled by WSECO in the event of any default by Customer or in the event Customer fails, upon WSECO's request, to provide reasonable assurances of future performance.

9.PERMISSIBLE VARIATIONS: All goods shall be subject to the standard manufacturing and commercial variation and practices of the Manufacturer of the goods of WSECO. In the event of shipment of non-conforming goods, WSECO shall be given a reasonable opportunity to replace the goods with those which conform to the order.

10. FORCE MAJEURE: a) WSECO shall not be responsible or liable for any delay or failure to delivery any or all of the goods and/or performance of the services of such delay or failure is caused by any act of God, fire, flood, inclement weather, explosion, war, insurrection, riot, embargo, statute, ordinance, regulation or order of any government or agent thereof, shortage of labor, material fuel, supplies or transportation, strike or other labor dispute, or any other cause, contingency, occurrence or circumstance of any nature, whether or not similar to those herein before specified beyond WSECO's control, which prevents, hinders or interferes with manufacture, assembly or delivery of the goods or performance of the services. Any such cause, contingency, occurrence or circumstances shall release WSECO from performance of its obligations hereunder.

11. VENUE: Venue for any disputes between the parties will be in Ada County, Idaho and in state court for legal proceedings Purchasers waives right to remove any legal action from the court originally acquiring jurisdiction.

12. This machine may be equipped with a wireless data communication system, such as Product Link. In such case, I understand data reflecting the machine performance, condition and operation is being transmitted to Caterpillar/Western States Equipment Co. to better serve me and to improve upon Caterpillar products and services. This data may include, but is not limited to: fault codes, emissions data, fuel usage, service meter hours, software and hardware version numbers and installed attachments. Neither Caterpillar nor Western States Equipment Co. will sell, rent or share collected information to any other third party, and will exercise reasonable efforts to keep the information secure. Caterpillar Inc. and Western States Equipment Co. recognize and will respect customer privacy. I agree to allow this data to be accessed by Caterpillar and Western States Equipment Co. within normal, accepted business practices.

PORT OF KENNEWICK

RESOLUTION 2015-07

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK AUTHORIZING THE PORT EXECUTIVE DIRECTOR
TO PURCHASE PORT EQUIPMENT***

WHEREAS, the Board of Commissioners of the Port of Kennewick met this 24th day of February, 2015, a quorum of the Commissioners being present; and

WHEREAS, the Port Commission approved through Resolution 2014-35, capital budget allocation of \$75,000.00 for replacement of a 1986 John Deere loader for operation and maintenance uses; and through Resolution 2015-01 said equipment to be deemed surplus; and

WHEREAS, a 2010 Caterpillar loader shall be purchased through Western States Equipment Company for \$69,938.40 after trade-in allowance and sales tax; and

NOW, THEREFORE, BE IT RESOLVED by the Port of Kennewick Commissioners to authorize the Port Executive Director to purchase a 2010 Caterpillar loader for \$69,938.40; and

ADOPTED by the Board of Commissioners of Port of Kennewick this 24th day of February 2015.

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

By: _____
DON BARNES

By: _____
SKIP NOVAKOVICH

By: _____
TOM MOAK