

AGENDA

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

Tuesday, September 9, 2014
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. COMMISSIONER COMMENTS**
- V. CONSENT AGENDA**
 - A. Approval of Direct Deposit and Warrants Dated September 3, 2014
 - B. Approval of Warrant Registers Dated September 10, 2014
 - C. Approval of Commission Meeting Minutes Dated August 26, 2014
 - D. Approval of Special Commission Meeting Minutes Dated August 26, 2014
 - E. Rescind Resolution 2014-04 and Approve Amending Port Commission Rules of Policy and Procedure to Permit Additional Public Comment; Resolution 2014-24
 - F. Approval of Emergency Repair of the Outdoor HVAC Unit for Vista Field Development Facility Building A (Bruker); Resolution 2014-25
 - G. Approval of Emergency Repair to the Main Water Line, 219 E. Columbia Drive; Resolution 2014-30
- VI. NEW BUSINESS**
 - A. Vista Vision Task Force
 - B. Plymouth Land Sale; Resolution 2014-26
 - C. Comp Scheme Update; Resolution 2014-27
 - D. Columbia Drive Tenancy Policy; Resolution 2014-28
 - E. 2015-2016 Work Plan Schedule and Process
 - F. Budget, Financial and Operational Philosophy; Resolution 2014-31
 - G. Vista Field Closure Cost Analysis
- VII. OLD BUSINESS**
 - A. Esteem Lease Renewal; Resolution 2014-29
 - B. Ag Engineering Building Repairs
- VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Consider Potential Names for Columbia Gardens
 - B. Clover Island Security Update
 - C. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - D. Non-Scheduled Items
- IX. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- X. COMMISSIONER COMMENTS**
- XI. EXECUTIVE SESSION, if necessary** *(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)*
 - A. Real Estate (site selection), per RCW 42.30.110(1)(b)
 - B. Real Estate (minimum price), per RCW 42.30.110(1)(c)
- XII. ADJOURNMENT**

PLEASE SILENCE CELL PHONES

PORT OF KENNEWICK

RESOLUTION 2014-24

A RESOLUTION OF THE BOARD OF COMMISSISONERS OF PORT OF KENNEWICK RESCINDING RESOLUTION 2014-04 AND APPROVING THE AMENDMENT OF THE PORT COMMISSION RULES OF POLICY AND PROCEDURE

WHEREAS, the Commission adopted Resolution 2011-05 approving the Port Commission Rules of Policy and Procedure (including public comments during Commission Meetings) on February 22, 2011; and

WHEREAS, the Commission received a public comment in February 2014 requesting additional opportunities for the public to comment on Port business; and

WHEREAS, on March 11, 2014, the Commission adopted Resolution 2014-04 amending the Port Commission Rules of Policy and Procedure to permit additional public comment for any item where a motion will be made; and to decrease the time limit from three minutes per speaker to two minutes per speaker, per item; and

WHEREAS, on August 12, 2014, the Commission discussed revising the public comments section of the Policy and determined that permitting additional public comment during Port Commission Meetings in a structured manner, would be in the best interest of the public, with the exception of allowing public comments on Consent Agenda items, as these items are of a routine nature.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby rescinds Resolution 2014-04.

BE IT FURTHER RESOLVED, that the Board of Commissioners hereby approves amending the Port Commission Rules of Policy and Procedure, Resolution 2011-05, to permit additional public comment for any item where a motion will be made, with the exception of the Consent Agenda; and to decrease the time limit from three minutes per speaker to two minutes per speaker, per item.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 9th day of September, 2014.

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

By:

DON BARNES, *President*

By:

SKIP NOVAKOVICH, *Vice President*

By:

THOMAS MOAK, *Secretary*

PORT OF KENNEWICK

Resolution No. 2014-25

***A RESOLUTION OF THE PORT OF KENNEWICK
BOARD OF COMMISSIONERS DESIGNATING THE EMERGENCY REPAIR OF
OUTDOOR HVAC UNIT FOR VISTA FIELD DEVELOPMENT FACILITY
BUILDING A AT 415 N. QUAY AS EXEMPT FROM PUBLIC WORKS
COMPETITIVE BIDDING REQUIREMENTS***

WHEREAS, in accordance with RCW 39.04.280, the Port of Kennewick (Port) is authorized to designate certain public works contracts as emergencies and, therefore, exempt from competitive bidding requirements; and

WHEREAS, the Port of Kennewick's Vista Field Development Facility (VFDF) #A, outdoor HVAC unit servicing the north side of building and affecting tenant production, assembly and packaging areas as described by tenant (Bruker) and threatening to negatively impact performance of essential functions for tenant; and

WHEREAS, under his delegation of authority, the Executive Director authorized emergency repairs with Bruce Heating and Air and each Commissioner was notified individually.

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners designates the repairs and parts replacement to VFDF #A at 415 N. Quay, as an emergency public works project within the guidelines of RCW 39.04.280, and therefore exempt from competitive bidding requirements.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 9th day of September, 2014.

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

DON BARNES, President

SKIP NOVAKOVICH, Vice President

THOMAS MOAK, Secretary

PORT OF KENNEWICK

RESOLUTION 2014-26

A RESOLUTION OF THE BOARD OF COMMISSISONERS OF PORT OF KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH AG-RESERVES INC.

WHEREAS, AgReserves Inc. (Purchaser), has offered to purchase 94.32 acres of the area graphically depicted on *Exhibit "A"* at the Plymouth Industrial Area, in Kennewick, Washington from the Port of Kennewick (Seller) for the of sum of \$265,000; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form and is in the Port's best interest; and

WHEREAS, the Port Commission finds that said property is surplus to the Port's needs and the proposed sale is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves Resolution 2014-26 authorizing the Port's Executive Director to execute a Purchase and Sale Agreement with Agrium U.S. Inc. in the sum of \$265,000 and hereby authorizes the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port's needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 9th day of September, 2014.

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

By:

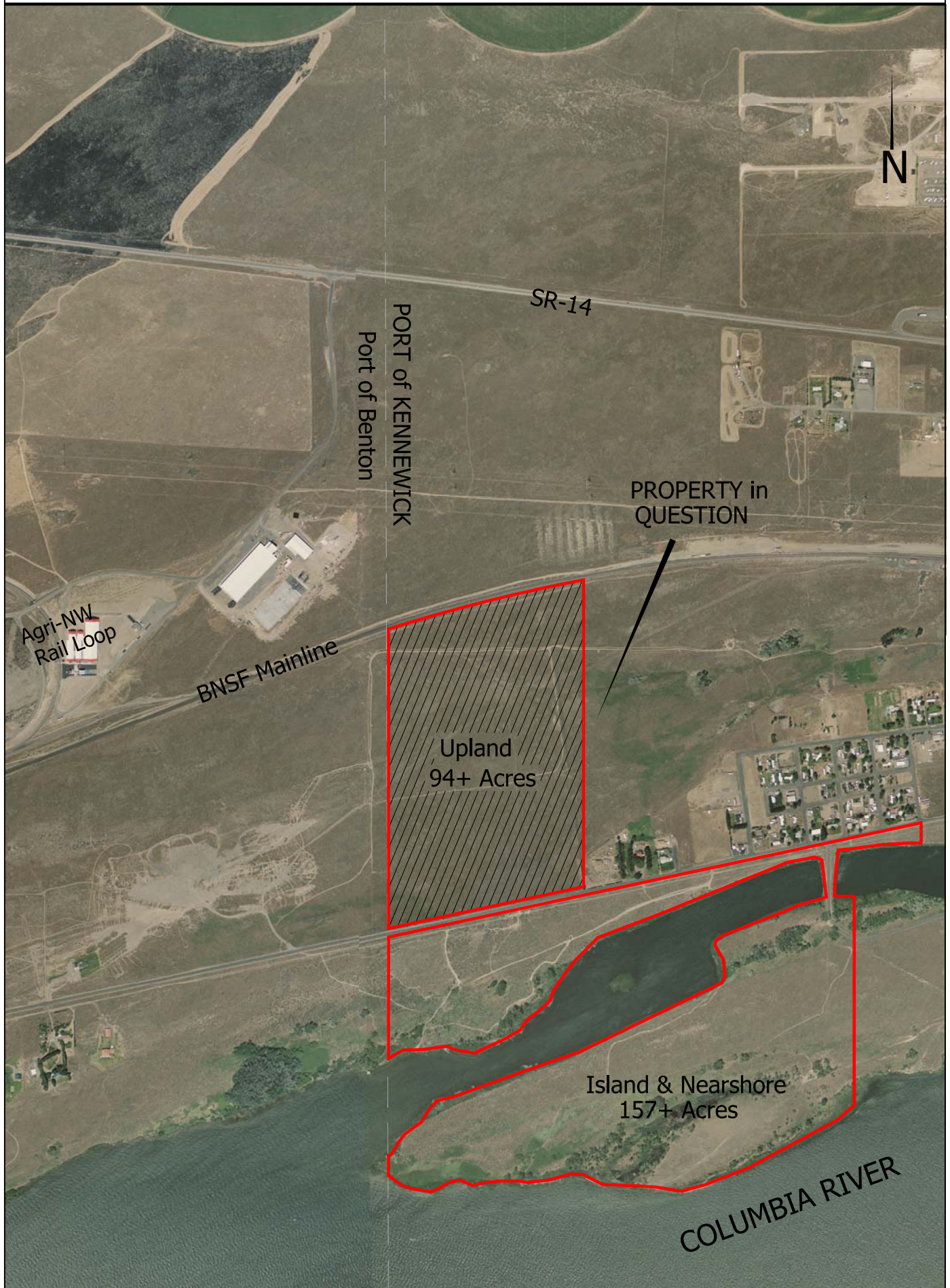
DON BARNES, *President*

By:

SKIP NOVAKOVICH, *Vice President*

By:

THOMAS MOAK, *Secretary*



PORT OF KENNEWICK

RESOLUTION 2014-27

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK SELECTING ANCHOR QEA, LLC TO UPDATE THE PORT OF KENNEWICK COMPREHENSIVE SCHEME OF DEVELOPMENT AND HARBOR IMPROVEMENTS

WHEREAS, State Law (RCW 53.20) requires port districts to have a Comprehensive Scheme of Development and Harbor Improvements (Comp Scheme); and

WHEREAS, the Port desires to consider updating the Comprehensive Scheme of Development and Harbor; and

WHEREAS, the Port, seeking professional assistance has reviewed of the Port's professional Services Roster which yielded three firms deemed to have qualifications most in-line with the task of updating the Comprehensive Port's RFQ and intentions; and

WHEREAS, a selection committee approved by the Port Commission interviewed these three firms and concluded that Anchor QEA, LLC was most suited to perform the task of updating the Port's Comprehensive Scheme of Development and Harbor Improvements ; and

WHEREAS, the Port has recently employed the professional services of key members of the Anchor QEA, LLC team and found their work professional and accurate.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick does hereby select Anchor QEA, LLC to provide assistance in the areas of strategic planning and economic analysis to update the Port's Comprehensive Scheme of Development and Harbor Improvements, for the sum of \$47,000.

BE IT FURTHER RESOLVED that the Executive Director is authorized to sign any contract documents necessary to implement the work of Anchor QEA, LLC.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 9th day of September, 2014.

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

By:

DON BARNES, *President*

By:

SKIP NOVAKOVICH, *Vice President*

By:

THOMAS MOAK, *Secretary*

PORT OF KENNEWICK

Resolution No. 2014-28

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK ADOPTING A TENANCY POLICY
FOR 421 E. COLUMBIA DRIVE**

WHEREAS, On August 26, 2014 staff presented a draft tenancy policy which would establish basic tenancy requirements for its wine-related property located at 421 E. Columbia Drive, Kennewick, Washington; and

WHEREAS, the Commission discussed the proposed policy and directed staff to make certain changes to the draft policy; and

WHEREAS, staff having made the changes directed by the Commission, hereby submits the final Tenancy Policy for Commission approval.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Port of Kennewick Board of Commissioners hereby approves and adopts the attached Tenancy Policy for wine related businesses at the Port's 421 E. Columbia Drive property, in Kennewick, Washington.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 9th day of September, 2014.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____
DON BARNES, President

By: _____
SKIP NOVAKOVICH, Secretary

By: _____
THOMAS MOAK, Secretary

***PORT OF KENNEWICK
BUSINESS TENANCY POLICY***

I. GENERAL

This policy is intended to assist port staff and Commission in selecting the property tenants for its Columbia Drive Winery Complex, Phase I which is situated on the former 421 E. Columbia Drive site. The Commission shall evaluate the effectiveness of this policy over time and reserves the right to expand, amend or rescind this policy as appropriate in the sole discretion of the Commission.

The Port may enter into a landlord-tenant relationship for the purposes of revitalizing the community and in order to foster economic development opportunities. The Port may lease to small businesses, whether existing or start-ups.

II. EVALUATION CRITERIA

Requirements for consideration as a tenant include:

- A. Demonstrating the ability to pay rent and/or other fees;
- B. Demonstrating a need for the facilities;
- C. Demonstrating strong commercial potential;
- D. Demonstrating the ability to provide strong community benefits, such as job creation, economic diversification opportunities or other related attributes;
- E. Having well-qualified principals involved with the business; and
- F. Having limited-health or safety hazards.

For first time tenants, the principals must provide a basic business plan, market analysis, and financial forecasts which identify product(s), business model, markets, management, capitalization or funding required, and financial projections.

Prior to occupancy, applicants must comply, or agree to comply, with applicable local, state, and federal regulations and ordinances, including applicable environmental laws. Additionally principals must agree to background checks on all owners and officers to include financial, criminal, and other pertinent references.

III. LEASE TERM

The initial lease term may not exceed seven years without Commission approval. If the tenant has fully complied with all terms of the lease, the tenant, at its option, shall have the right to extend the lease as set forth in the lease document, provided that the Port Commission determines, using the criteria above, that the Port, the tenant or the community, or a combination thereof, would benefit from an additional lease term(s).

IV. RENTAL RATE

The Port shall determine the market rate for any building to be leased based upon the Evaluation Criteria established in Section II hereof. All applicable leases shall include, in addition to rent, leasehold tax and any other fees or charges identified in the lease agreement.

V. NOT FOR-PROFIT COMMUNITY PARTNER TENANCIES

The Port may offer to enter into a tenancy as described above with a not-for-profit community partner which shall include a municipality, an institution of higher learning, or any other economic development or community enhancement organization, which, in the sole discretion of the Port Commission, would enhance community revitalization or economic development opportunities. Not-for-profit community partner leases shall be on terms deemed appropriate in the sole discretion of the Port Commission.

PORT OF KENNEWICK

Resolution No. 2014-29

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A ONE YEAR LEASE AGREEMENT WITH ELECTRONIC SYSTEMS TECHNOLOGY INC

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

WHEREAS, a new three (3) year lease with a three (3) year option to Electronic Systems Technology Inc. (known as ESTeem Wireless) effective October 1, 2014, has been negotiated by Port staff; 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 Agreement and find it is in proper form and it is in the Port's best interest; and

WHEREAS, after consideration of the attached lease agreement, the Port Commission has determined that the lease is proper.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approve a new three (3) year lease and one (1) three year option with Electronic Systems Technology Inc. (known as ESTeem Wireless) as presented and authorizes the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 9th day of September, 2014.

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

By:

DON BARNES, *President*

By:

SKIP NOVAKOVICH, *Vice President*

By:

THOMAS MOAK, *Secretary*

PORT OF KENNEWICK

Resolution No. 2014-30

***A RESOLUTION OF THE PORT OF KENNEWICK
BOARD OF COMMISSIONERS DESIGNATING THE EMERGENCY REPAIR OF
MAIN WATER LINE NEXT TO 219 E. COLUMBIA DRIVE AS EXEMPT FROM
PUBLIC WORKS COMPETITIVE BIDDING REQUIREMENTS***

WHEREAS, in accordance with RCW 39.04.280, the Port of Kennewick (Port) is authorized to designate certain public works contracts as emergencies and, therefore, exempt from competitive bidding requirements; and

WHEREAS, a water line was broken during subsurface investigation at the Port of Kennewick's 219 E. Columbia Drive property temporarily affecting utility service for nearby residents; and

WHEREAS, under his delegation of authority, the Executive Director authorized emergency repairs with Mr. Rooter and each Commissioner was notified individually.

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners designates the repairs at 219 E. Columbia Drive, as an emergency public works project within the guidelines of RCW 39.04.280, and therefore exempt from competitive bidding requirements.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 9th day of September, 2014.

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

DON BARNES, President

SKIP NOVAKOVICH, Vice President

THOMAS MOAK, Secretary

PORT OF KENNEWICK

RESOLUTION 2014-31

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

WHEREAS, on August 12, 2014 the Director of Finance presented a draft Budget, Financial and Operational Philosophy along with a number of other suggested financial and operational amendments; and

WHEREAS, the Board of Commissioners accepted the objectives and directed staff to present each of the objectives for Commission consideration; and

WHEREAS, staff presented the Budget, Financial and Operational Philosophy for Commission consideration, with additional elements to follow in the future.

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

ADOPTED by the Board of Commissioners of the Port of Kennewick this 9th day of September, 2014.

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

By:

DON BARNES, *President*

By:

SKIP NOVAKOVICH, *Vice President*

By:

THOMAS MOAK, *Secretary*

PORT OF KENNEWICK BUDGET, FINANCIAL & OPERATIONAL PHILOSOPHY

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

- Produce and maintain a balanced budget;
- Provide a fiscally sound approach to finances by ensuring that expenditures and debt repayments do not exceed available resources in current budget and future years impacted;
- Provide for financial stability by:
 - ✓ Funding projects that provide a positive return on investment or which provide important identifiable non-economic benefits to the port district at large;
 - ✓ Eliminating or transferring to the private sector, holdings which provide minimal economic or community benefit;
 - ✓ Reducing costs and enhancing revenues when feasible while maintaining acceptable service levels;
 - ✓ Ensure the port's portfolio includes diversity of revenue streams to offset risk adverse projects;
 - ✓ Accurately forecasting funding sources;
 - ✓ Creating successful strategies for capital acquisitions;
 - ✓ Closely monitoring and accurately reporting all revenues and expenditures;
 - ✓ Leveraging funds by seeking grants and matching funds from the public and private sectors;
 - ✓ Accurately and honestly identifying potential financial issues and providing feasible potential solutions;
 - ✓ Identifying and recommending potential improvements;
 - ✓ Learning and sharing ideas for improvement.
- Promote fiscal responsibility among departments;
- Focus on long-term financial planning;
- Support intergovernmental cooperation by partnering with entities which demonstrate support; (e.g. matching funds; previous successes; political and taxpayer support; and enthusiasm);
- Provide the public with high quality projects and services within a healthy work environment by encouraging efficiency, cooperation, honesty, integrity, and respect;
- Evaluate economic development opportunities based on results to be derived district-wide versus project-specific or jurisdiction-specific results;
- Acknowledge the Port's limited staff and financial resources;
- Establish a project ranking and selection process which focuses on producing a limited number of projects in order to ensure successful and timely implementation;
- Encourage open competition and equal project consideration, fostering a reputation for fairness with the local business community;
- Seek to fund projects with available resources;
- Incur debt only when both the level and rate of growth of public debt is fundamentally sustainable, can be serviced under appropriate circumstances while meeting cost and risk objectives, can withstand economic uncertainties, while identifying in advance any legal or commission-directed restrictions on its use;
- Identify and report the return on investment (ROI) on projects as appropriate; and
- Share with the public port audited financial and operating data through print and online sources.