



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 22, 2015 MINUTES

CALL TO ORDER

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

Staff Members: Tim Arntzen, Executive Director
Tana Bader Inglima, Director of Governmental Relations & Marketing
Tammy Fine, Director of Accounting/Auditor
Amber Hanchette, Director of Real Estate and Operations
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Administrator
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Mr. Kirk Williamson 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 September 17, 2015**
Direct Deposit and E-Payments totaling \$42,170.00
- B. Approval of Warrant Registers Dated September 22, 2015**
Expense Fund Voucher Numbers 37197 through 37241 for a grand total of \$242,902.61
- C. Approval of Commission Meeting Minutes Dated August 25, 2015**
- D. Approval of Commission Meeting Minute Dated September 8, 2015**
- E. Approval of Sell and Convey Surplus Property; Resolution 2015-20**
- F. Lease Addendum with North American Alloys; Resolution 2015-21**

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

PRESENTATION

- A. TREC Wayfinding Funding, Kris Watkins Visit Tri-Cities**
Ms. Bader Inglima introduced Ms. Kris Watkins, President and CEO and Ms. Kim Shugart, Senior Vice President from Visit Tri-Cities. Ms. Bader Inglima reported the Tri-Cities Visit Tri-



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Cities is working with the Rivershore Enhancement Council (TREC) on implementing the wayfinding portion of the Roger Brooks study. Ms. Watkins and Ms. Shugart will present information about coordinating a regional wayfinding system and hiring a design consultant.

Ms. Watkins thanked the Commission for the opportunity to present the regional wayfinding project. Ms. Watkins gave a brief history of the Roger Brooks study, which outlined thirty-seven recommendations. Of those, a regional wayfinding signage system was recommended. Visit Tri-Cities is well on their way to establishing the Tri-City brand, however, it will take five years for the brand to have penetration throughout our community. In terms of branding, Ms. Watkins reported that websites are up to speed, marketing materials are available and other communities are seeing the Visit Tri-Cities presence, with trade shows, marketing, consumer marketing, festivals and events. In addition to our presence, the Visit Tri-Cities logo is around town, in publications, on community banners, and at the Tri-City Airport. Ms. Watkins stated the benefits of wayfinding are:

- Positive economic impact;
- Builds brand equity;
- Creates a sense of place;
- Enhances the visitor experience;
- Helps visitors find their way;
- Promotes gathering places.

Furthermore, the Tri-Cities could see an increase in economic development by 18% in retail sales. Mr. Brooks reported, "Wayfinding will be one of the absolute best investments that can be made in the Tri-Cities." Ms. Watkins stated the goal of wayfinding is to alert people who are on the highway to the destination area of the Tri-Cities and encourage them to visit. Ms. Watkins believes it is important for the cities, ports and counties to have their own unique personality but would like to see each community develop the look and essence of a regional wayfinding system.

Ms. Shugart stated wayfinding is a very strategic plan and reported the components of wayfinding are:

- Monuments;
- Gateways;
- Directional signs;
- Kiosks;
- Mobile Applications;
- Street Furniture; and
- Banners.

Furthermore, Wayfinding as a strategy includes:

- Outside Edges- Vehicular Directional Signs
- Continue Inward- Gateways/banners
- Main Street – more pedestrian, kiosks, directional signs & mobile applications.



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Ms. Shugart outlined the following sequence of events for wayfinding:

- Tri-Cities River Shore Enhancement Council to Coordinate the Process;
- Request for Qualifications Issued;
- Review of Submissions;
- Budget Established;
- Funding Mechanism Proposed;
- Final Negotiations with Design Firm;
- Memorandum of Agreement;
- Community Wayfinding Plan Complete (early 2016).

Ms. Watkins stated the technical committee (local jurisdiction representatives) decided on a budget of \$150,500 for the consultant to create a plan for regional wayfinding. Visit Tri-Cities is asking the ports, counties and cities to invest a percentage towards the consultant contract:

- Visit Tri-Cities: 13% = \$20,000
- City of Kennewick, Pasco, Richland and West Richland: 13% = \$19,500 each
- Benton and Franklin County: 8% = \$12,000
- Ports of Benton, Pasco: 8% = \$12,000.

The local jurisdictions have voted and will contribute to hire a regional wayfinding consultant and Ms. Watkins requested the Port of Kennewick be included. Ms. Watkins thanked the Commission and looks forward to partnering with the Port as we move forward in 2016 with this branding opportunity.

Mr. Novakovich inquired if there is a long range plan regarding additional funding that may be requested.

Ms. Watkins stated an important factor in the overall wayfinding plan for the jurisdictions is that it will be bid ready for state or federal grants or private funding.

Mr. Moak supports the concept of wayfinding, and asked Ms. Watkins to share with the Commission on how future wayfinding requests would be addressed.

Ms. Watkins stated once the regional wayfinding master plan is in place, it will be up to each jurisdiction to implement the system, based on your own timing and budget. Ms. Watkins explained the consultant will create a plan to build on and it is highly unlikely that we would request more funding for wayfinding.

Mr. Moak inquired if the Port can implement wayfinding on any project at any time.

Ms. Shugart stated each jurisdiction will set their priority for wayfinding. The master plan will give each jurisdiction a unified look and each jurisdiction can choose where they would like to begin.

Mr. Moak asked when the master plan is expected to be completed.



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Ms. Watkins hopes to have the plan completed by June 2016.

Mr. Moak is supportive of the regional wayfinding study and moving forward with our partners.

Mr. Barnes stated the Port of Kennewick is a small port with limited resources and very ambitious projects, many of which were identified in the Roger Brooks study. Mr. Barnes believes the request is fair and reasonable and is supportive of the regional wayfinding. Mr. Barnes stated the Port hopes to create significant benefits for our community by redeveloping Columbia Drive, Vista Field and the former racetrack in West Richland.

Mr. Novakovich is supportive of the regional wayfinding and believes the economic benefit will exceed the estimated 18% in retail sales from Port projects.

Mr. Arntzen reiterated the consensus of the Commission is to participate with the regional wayfinding in the amount of \$12,000 with an understanding there will most likely not be any supplementary requests, because much of it will be private or grant funded.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Columbia Drive Road

Mr. Peterson stated Columbia Gardens is moving forward on the final design and permit process for the three winery buildings. Mr. Peterson introduced a conceptual design for Columbia Drive Road, an area along Duffy's Pond that would open up 2 ½ acres of the Columbia Gardens development. Mr. Peterson stated with the savings on the effluent treatment building and the small portion budgeted in the 2015-16 budget could be used for the roadway, which is estimated to cost \$350,000. The roadway would have many of the same qualities as Vista Field and follows the pattern language of the European street that is narrow, pedestrian friendly and slow moving.

Mr. Arntzen stated there are two reasons why Mr. Peterson is addressing the addition of a small roadway: one of the Executive Director Goals and Objectives is to create a funding plan for Vista Field and Columbia Gardens, and there has been substantial interest in Phase II of Columbia Gardens from the private sector. Furthermore, the City of Kennewick is showing interest in partnering with the Port for Phase II. Ms. Fine will be addressing a funding plan for Vista Field and Columbia Gardens and Mr. Arntzen believes it is the next logical step for Columbia Gardens with funding available. Columbia Gardens is gaining momentum and interest and Mr. Arntzen asked for the Commission to discuss the road proposal.

Mr. Novakovich inquired how much land will open up with the addition of a roadway and what will the value of the land be, if it were to sell. Also, are the parking lots included in the \$350,000 initial investment?

Mr. Peterson estimated 107,000 square feet of land will open up and the Benton County Assessor has valued the land higher, at \$3.00 per square foot. Mr. Peterson stated the Commission investment will increase the value of the neighborhood, as the Port saw at Spaulding Business



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Park. Mr. Peterson stated the parking lots are a separate project and are estimated to cost \$150,000.

Mr. Arntzen stated the City has had a significant savings on the wine effluent commitment on Phase I, which could create additional opportunities for partnership. The City has indicated the Phase I savings could potentially roll into Phase II development.

Mr. Peterson stated the Interlocal Agreement identifies the joint-use parking lot as City funded, if funds are available. Mr. Peterson indicated it is reasonable for the City to own the parking lots, as they do in downtown Kennewick.

Mr. Novakovich believes it is a good idea to construct the small road.

Mr. Moak supports the quiet street and believes it is the right direction for Columbia Gardens.

Mr. Barnes stated the quiet street is a smart addition, which will provide more access to Columbia Gardens. Furthermore, it demonstrates how successful Columbia Gardens can be to the private sector.

It is the consensus of the Commission for staff to pursue design of a quiet street for Columbia Gardens.

B. Financial and Administrative Update

1. Vista Field/Columbia Drive Capital Funding Plans

Ms. Fine reported she has been researching funding strategies for over a year and studied other ports to identify successful funding plans. Ms. Fine narrowed down her research and below are the most reasonable tools for funding:

- Bonds (long term and expensive);
- State and/or Federal Grants;
- Community Economic Revitalization Board (CERB) Funding;
- Economic Development Administration (EDA) Funding;
- Industrial Development District (IDD);
- Utility Public Trust Fund loans.

Ms. Fine presented the simple financing plan for Columbia Gardens Phase I:

1. Port and Partners fund \$750,000 by 2018;
 - Port set aside \$350,000 from the 2015-2016 budget;
 - Enter into an Interlocal Agreement with City of Kennewick for \$400,000;
2. Explore partnership opportunities of Phase II;
3. Explore grants for Phase II.

Ms. Fine presented the simple financing plan for Vista Field:

1. Port will fund \$5,000,000 by 2018:
 - Port sells Southridge land (8.5 acres) at \$2,800,000 in 2016-2017;
 - Port sells Verizon land (9.89 acres) at \$1,300,000 in 2016-2017;
2. Allocate \$900,000 in the 2017-2018 Budget.



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Mr. Arntzen stated the simple plan for Vista Field provides over \$5,000,000 in funding and the infrastructure, without raising taxes, which is estimated to cost \$4,500,000. Mr. Arntzen believes the amount is more than sufficient for Phase I.

Ms. Fine stated the plan is simple, however, she would like to look at private investments and partnerships with local jurisdictions. Every local government entity will benefit by receiving sales tax and property tax from the investment made at Vista Field, whereas the Port sees very little financial impact.

Mr. Novakovich inquired if the Port could mortgage the land at Vista Field.

Ms. Fine has researched several mortgage loans and is not satisfied with the constrictions and time frames. Ms. Fine is not comfortable tying up property taxes for loan payments and will continue to further research available loans.

Mr. Barnes asked if the Port could borrow money, equal to the value of property, on full faith of credit, and market the property, and once sold, retire the loan.

Ms. Fine indicated the Port could follow that course of action or decide to keep debt in place and use as capital for Phase II.

Mr. Barnes confirmed with Ms. Fine that the debt could stay in place for available capital to accelerate Phase II.

Ms. Fine proposed keeping the debt long term and use the proceeds towards Phase II, which could be tax exempt or a low interest rate loan.

Mr. Arntzen stated if the Commission approves of the financing concepts, staff will pursue further and start marketing properties. Mr. Arntzen believes things may move quickly however, he does not envision installation of infrastructure would begin soon.

Mr. Moak does not disagree with the financing concepts, however, he would consider an IDD and is willing to risk his position on the Commission to look at that for the right project at the right time.

It is the consensus of the Commission to enact the financing plans for Vista Field and Columbia Gardens.

Mr. Arntzen will continue to update the Commission as things move forward.

Mr. Moak stated he has heard several times from Councilman Paul Parish, that the City is prepared to install the infrastructure at Vista Field, and inquired if that is still an option.

Mr. Arntzen has had several conversations with City staff about infrastructure, but has not spoken directly to Councilman Parish. Mr. Arntzen believes the City is considering one



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financing option for the infrastructure at Vista Field, a Local Revitalization Financing (LRF) program, which was utilized at the Southridge Sports Complex. The LRF is not currently permitted under Washington law and would need to be reauthorized in the Legislature. Mr. Arntzen believes it is important to continue discussions with the City, but it is important to continue working with west side institutions that are interested in Vista Field. Port staff will look at all possible funding sources including low interest loans that are fostered through the State.

2. Paperless Program

Ms. Fine reported the paperless program and records management work together and is an ongoing project that staff has been working on for over eight years.

Mr. Barnes recessed the meeting at 3:32 p.m. for a break and will reconvene in eight minutes.

Mr. Barnes reconvened the meeting at 3:41 p.m.

Mr. Barnes stated the Commission has taken action on four items without soliciting for public comment. Mr. Barnes invited the public to comment on the following items:

- Wayfinding;
- Preliminary design and cost for Columbia Drive Road;
- Financing strategies for Vista Field redevelopment;
- Financing strategies for the Columbia Gardens redevelopment.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated it is unclear what the Port and other jurisdictional partners will receive for their \$150,000 wayfinding investment. Mr. Burdick suggested fixing the Tri-Cities Airport sign first.

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost understands that the wayfinding project is a plan that does not include any signage. Mr. Frost believes it is a good project, but was surprised that TRIDEC and the Tri-Cities Regional Chamber of Commerce did not allocate funds like the local jurisdictions. The wayfinding project is said to increase retail sales by 18%, and isn't that part of their mission?

Paperless Program continued:

Ms. Fine stated staff is working towards a paperless system that works with a records management plan. With records management laws, if the Port doesn't produce documents, then we do not have to retain the documents. At this time, there are paperless processes in place for payroll and accounting and staff is researching electronic signatures. Ms. Fine hopes that by April 2016 issues will be resolved and we will be on our way to a full paperless system, which is backed up by the server. Ms. Scott and Ms. Schumacher will be attending training on state approved paperless systems later this week.



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3. *Records Management Program*

Ms. Fine stated there is a plan in place and Ms. Schumacher has started working on identifying paper records that can be disposed of and once completed, she will move onto electronic records. This is a long term project, and in many entities, there is a full time staff member dedicated to records management. When the full paperless environment is in place, the records management program will be easier to manage.

C. *Vista Field: Policy Questions Discussed at July 28, 2015 Workshop*

Mr. Peterson stated at the July 28th Vista Field Workshop, four policy items were discussed that addressed the foundational elements of Vista Field. Mr. Peterson asked the Commission for direction regarding Vista Field policies.

1. *Economic policy: Is it more important to make the best urban place possible or make money on the investment.*

PUBLIC COMMENTS

No comments were made.

Mr. Barnes stated the Port should create the best urban place possible.

Mr. Novakovich agrees with Mr. Barnes and stated, it is the Port's responsibility to carry out the public's plan and create an urban center.

Mr. Moak agrees and stated the Commission needs to be true to new urbanism and this is what the public expects, a new urban center.

The consensus of the Commission is to create an urban center at Vista Field.

2. *Local Control: Should the Port complete the master plan and consider selling/transferring the project to one master developer or should the Port work with multiple developers, both large and small to realize the vision.*

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Boyce believes the Port should act as the master developer for Vista Field.

Mr. Novakovich stated the Port should stay in control of the Vista Field redevelopment, to ensure the vision.

Mr. Moak is concerned about the Port retaining control as master planner with our small staff. Mr. Moak would like the Port to move forward as master planner and see where it goes, but stated the Commission should be watchful to make sure things proceed smoothly. Mr. Moak believes if the Port sets specific criteria and expectations for a master developer, the private sector could deliver an innovative and creative project. Mr. Moak supports the Port retaining control, but reserves his concerns as we move forward.



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Mr. Barnes appreciates Mr. Moak's comments and concerns and stated he has had the opportunity to work on a large project with a small staff and relied on an assortment of professionals to help. Mr. Barnes believes staff can continue to manage the project and work with consultants and professionals. If staff becomes overcommitted, the Commission can reevaluate and address the issue.

Mr. Novakovich agrees with the comments and stated, the Commission can always reassess at a later date.

The consensus of the Commission is for the Port to serve as master developer, subject to reevaluation.

3. *Lean Development, Utilize efficiencies: Should the Port embrace the "lean development" philosophy which focuses on seeking efficiencies in development costs (reusing assets, not unnecessarily over-sizing utilities); constructing adequate, not oversized roads; sufficient yet small incremental developmental (pay as you go) and simplified development regulations (pink zone)?*

PUBLIC COMMENTS

No comments were made.

Mr. Moak stated the Port does not have control over deciding if Vista Field will be a pink zone.

Mr. Peterson stated the City is looking to refine their zoning requirements and the Port is working currently working on a traffic analysis to identify impacts.

Mr. Novakovich stated the Port should continue moving forward with the lean approach.

Mr. Barnes agrees with the comments.

The consensus of the Commission is for the Port to embrace the lean development philosophy.

4. *Social policy; should the Port take steps to assure that housing within Vista Field be affordable to all within the community or should the affordability matter be left to market forces.*

Mr. Arntzen has spoken with several people regarding mixed income housing and stated it is a complex issue. If the Commission would like to see mixed income housing, Mr. Arntzen asked for an extensive period of time to research other projects.

PUBLIC COMMENTS

Barbara Carter: 3121 West 30th Avenue, Kennewick. Ms. Carter has had a lot of experience working with low income housing and stated there isn't that much housing available and encouraged the Commission to specify and break down the different housing. Ms. Carter suggested looking at profession driven housing (artist or culinary) where a person could enter into a short term lease, learn a



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trade and work. Ms. Carter believes this will be a wonderful facility and encourage the Commission to look at broader aspects than just mixed use.

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton stated those of us who are interested in living at Vista Field and have community connections, can bring staff additional resources and information regarding housing. Mr. Eaton is interested in helping and living at Vista Field, but only if it is a community that welcomes everyone. Mr. Eaton agrees with Ms. Carter's recommendations and stated the challenge in our society, economics correlates with vocational, racial and ethnic categories. However, there are community development strategies which specifically address the issue. Mr. Eaton doesn't want to live in a community that ignored the resources of attempting to be as inclusive as possible.

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost thinks the Commission should try and make Vista Field as diverse as possible and stated he does not want to see another Columbia Point.

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated the Port controls the price of the land and it will be up to the Commission to decide how diverse the community is.

Mr. Arntzen stated the housing policy is peaking community interest and suggested continued public participation. There may be opportunities for the public to help staff with research and thoughts.

Mr. Novakovich likes the idea of making Vista Field as diverse as possible. Mr. Novakovich stated, when working on the Bridge to Bridge effort, he met with a Department of Housing and Urban Development representative who stated there is a need for affordable housing for all types of people. Mr. Novakovich agrees the matter will take time and believes we need to explore the issue. Furthermore, Mr. Novakovich believes we need to discuss the issue with DPZ but for today, the Commission should move forward with a consensus.

Mr. Moak stated there are a lot of opportunities available for housing, such as artist housing. Mr. Moak believes we ought to look at diversifying the area and determine the mechanism used, who it will be for, how many units of housing will be available and look at the market research.

Mr. Barnes is interested in learning more about this possibility and would like to see a diverse community at Vista Field. Mr. Barnes questioned how the Port would regulate the free market forces if there is a demand for residential housing. Mr. Barnes would like staff to explore and research affordable housing.

Mr. Arntzen reiterated the Commissioner's comments and stated affordable housing should be a goal and instruct staff to further research the topic. Mr. Arntzen stated since there is a need for additional research, a supplemental budget item may be needed.

The consensus of the Commission is to identify affordable housing at Vista Field as a goal and continue researching the possibility of mixed income housing.



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D. Vista Field Update

1. Vista Field Planning Elements (Street/Utility Plan/Next Stage of Planning)

Mr. Peterson presented roadway and utility designs and phasing options for Vista Field. The roadway network for Vista Field is no longer dependent on other non-Port owned properties and Northwest Boulevard has been altered in the master plan. These modifications occurred at suggestion of Carey Roe, City of Kennewick Public Works Director. Once the roadway networks are complete, utilities such as water and sewer will follow, which allows the infrastructure to connect to City water. Mr. Peterson stated the dry utilities, such as natural gas, will be low grade in alleys.

Mr. Peterson reported the draft of Phase I for the Vista Field redevelopment encompasses 37 acres, which will include:

- 7 acres utilized for street network;
- 3 acres for a public plaza;
- 4 acres for Vista Arts Center;
- 1 acre for water feature and walkways;
- 1 acre for joint use parking lot;
- 20 acres of net land remaining

Mr. Peterson estimates Phase I will cost \$4,500,000, based on the lean approach for the following items:

- 2 lane street with parallel parking: \$2,375,000;
- Gateway features and signage: \$200,000;
- Public plaza water feature with sculpture: \$225,000;
- Landscaped areas, irrigation, plants and grass: \$325,000;
- Crushed gravel park paths: \$125,000;
- Park pavilions: \$125,000;
- Stream/river: \$225,000;
- Waterfall and decorative water features: \$100,000;
- Off-street joint use parking lot: \$300,000.

Mr. Peterson anticipates the Port will be able to market the 20 acres of remaining land for \$2.50-\$3.00 square foot and the revenue from those land sales will fund Phase II.

Mr. Peterson and EconNorthwest created various phasing scenarios based on the following assumptions:

- Vista Arts Center will be part of Phase I;
- Establishing connection between Grandridge Boulevard to Deschutes Avenue;
- Developing the public park/plaza;
- Corporate hangars B & C and FBO Building utilized;
- Approximately \$4,500,000 allocated for construction costs, which includes design and soft costs at 15%.



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PUBLIC COMMENTS

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost reiterated the infrastructure and park is estimated to cost \$4,500,000 and based on earlier action, the Port may have the amount to invest in Vista Field. Mr. Frost believes this is a wonderful start and this is what the public has been waiting for. Furthermore, Mr. Frost stated the proposed roadways are needed to show investors how the site will function and the park and waterways are what will get the people excited.

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick agrees with Mr. Frost's comments and stated he especially likes the area for the Vista Arts Center and the nearby residential area. The idea of having joint use parking is very smart for the development and the Vista Arts Center.

Mr. Moak agrees with the staff report and comments.

Mr. Novakovich agrees and stated it is a tremendous project.

Mr. Barnes stated developing the public amenities and major arterials is a very significant first step toward the redevelopment.

The consensus of the Commission is to move forward with proposed street and utility plan and Phase I plan for Vista Field.

Mr. Novakovich requested the proposed four policies and phasing plan put in Resolution form for the next meeting.

E. Staff Realignment

Mr. Arntzen stated staff is at full capacity and responding to the current workload. With the Commission's policy decision to act as master developer for the redevelopment of Vista Field, there will be a need for a Port employee to interface with developers. To address these changes, Mr. Arntzen has formulated a plan for staff realignment which includes reassignments and hiring consultants:

1. Chief Executive Officer focuses on Vista Field redevelopment to meet with planning staff, architects and developers;
2. Appoint Ms. Bader Inglima to Assistant Chief Executive Officer position to perform routine duties, budget, performance reviews, and agendas;
3. Contract writing assistance for newsletters, websites, and grants;
4. Contract with DPZ's Michael Mehaffy and Laurence Qamar as town architects for Vista Field, to provide assistance to staff for \$40,000 a year;
5. Contract with construction management firm to coordinate and monitor site;
6. Ms. Schumacher will assist Mr. Peterson with non-planning, construction management;
7. Ms. Fine is retiring and will be contracting with the Port for several accounting matters;
8. Promote current Assistant Finance Director to CFO;
9. Contracting with part time bookkeeper for accounting services



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Mr. Arntzen stated the plan has been formulated over the past year with the input of skilled and experienced contributors and the buy-in of staff; and there will be no additional costs to the Port. Mr. Arntzen inquired if the Commission had any questions regarding the staff restructuring.

Mr. Novakovich commended Mr. Arntzen for informing the Commission of staff changes and stated Mr. Arntzen did not have to bring it to the Commission because it falls under the Chief Executive Officer's Delegation of Authority.

Mr. Barnes stated the redevelopment of Vista Field will be a gradual transition in workload and he likes the staff realignment plan. Furthermore, if there is a need for alteration, it will not be drastic.

Mr. Barnes inquired if we need a recess.

Mr. Arntzen stated there is not a need for Executive Session and staff can hold non-scheduled items until the October 13, 2015 meeting.

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

Commissioners reported on their respective committee meetings.

G. Non Scheduled Items

1. Mr. Novakovich met with Carrie Meadows, Chief of Staff for Congressman Dan Newhouse, who asked to be notified of Port meetings.
2. Ms. Bader Inglima reported that on Wednesday, September 23, 2015, the Port will be giving the Annual State of the Ports presentation at the Regional Chamber of Commerce Luncheon.

Mr. Moak made a presentation for the Kennewick Kiwanis Club today.

PUBLIC COMMENTS

No comments were made.

COMMISSIONER COMMENTS

No comments were made.

Mr. Barnes indicated the Executive Session has been tabled until further notice.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 5:26 p.m.



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APPROVED:

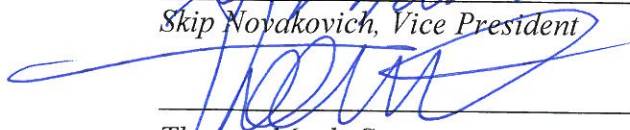
**PORT of KENNEWICK
BOARD of COMMISSIONERS**



Don Barnes, President



Skip Novakovich, Vice President



Thomas Moak, Secretary

PORT OF KENNEWICK

RESOLUTION 2015-20

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK AUTHORIZING THE PORT EXECUTIVE DIRECTOR
TO SELL AND CONVEY SURPLUS PROPERTY***

WHEREAS, the Board of Commissioners of the Port of Kennewick met this 22nd day of September, 2015, a quorum of the Commissioners being present; and

WHEREAS, from time to time it is necessary to surplus items no longer needed for Port District purposes; and

WHEREAS, RCW 53.08.090 provides that the Port Commissioners may authorize the Port Executive Director to sell and convey property; and

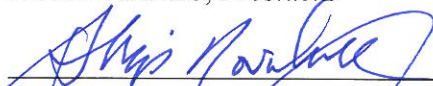
WHEREAS, that prior to each such disposition of Port property, the Port Executive Director is directed to present to the Commission an itemized list of the property and to make written certification that the listed property is no longer needed for Port District purposes; and

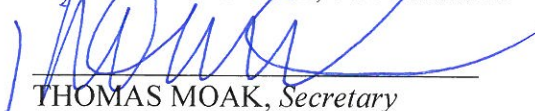
NOW, THEREFORE, BE IT RESOLVED by the Port of Kennewick Commissioners to authorize the Port Executive Director to surplus Port property no longer needed for Port purposes as attached in "Exhibit A"; and

ADOPTED by the Board of Commissioners of Port of Kennewick this 22nd day of September 2015.

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

By: 
DON BARNES, *President*

By: 
SKIP NOVAKOVICH, *Vice President*

By: 
THOMAS MOAK, *Secretary*

RESOLUTION 2015-20

"Exhibit A"

Attractive Assets				
Asset	Disposition	Property Description	Date In Service	Cost
17	Broken	Fiberglass extension ladder	01/27/04	218.66
96	Broken	Echo Weed Trimmer	06/04/09	194.93
97	Broken	Echo Weed Trimmer	09/23/09	194.93
98	Broken	Echo Weed Trimmer	08/18/09	224.17
102	Broken	3000 psi Rigid Pressure Washer	08/19/11	323.82
105	Broken	HP 8500 Plus Printer	07/07/11	292.40
111	Broken	Olympus SP-800UZ Digital Camera	04/02/12	322.62
124	Broken	Echo Weed Trimmer	04/26/12	190.60
125	Broken	Echo Weed Trimmer	04/26/12	190.60
127	Broken	Echo Chainsaw (2)	03/15/12	416.94
128	Broken	Echo Weed Trimmer	06/06/12	190.60
129	Broken	Echo Weed Trimmer	06/06/12	190.60
134	Broken	Echo 125 B Blower	06/06/12	138.58
135	Broken	Battery Charger (haul out trailer)	09/18/02	53.07
142	Broken	HP LaserJet Pro 200	11/06/12	357.38
164	Broken	Epson Printer	12/11/12	63.90
Capital Assets				
Asset	Disposition	Property Description	Date In Service	Cost
878	Obsolete	Alliant Communications Phone System	09/03/06	8,312.57
885	Broken	Wireless remote control - Hostar	01/31/06	5,351.46
914	Obsolete	Dell Laptop - Inspiron E 1505	12/31/06	1,973.26
980	Broken	HP Notebook	02/13/08	2,260.23
983	Broken	2 adjustable black chairs	04/09/08	445.33
1007	Obsolete	Software - virus and acctg upgrade	08/31/08	4,806.98
1008	Obsolete	Server Developed by Network Task	06/03/08	16,448.26
1009	Obsolete	Upgrade phone system Alliant	04/30/08	7,103.47
1010	Broken	Camera Marina Office	05/31/18	849.43
1029	Obsolete	Artwork photos in entry way	01/31/09	3,521.87
1031	Obsolete	3 year license - software	01/31/09	3,561.99
1034	Broken	HP IQ 525 22" PC	03/17/09	1,608.22
1041	Broken	HP Printer - Pro 8500	10/30/09	228.21
1042	Broken	HP Printer - Pro 8500	10/30/09	228.21
1090	Broken	HP 8200 Elite SFF Desktop	06/06/11	1,331.00
1091	Obsolete	Alliant phone system expansion	08/31/11	4,412.14
1102	Broken	Ipad - Apple	12/31/11	823.05
1128	Broken	Dell Optiplex Desktop	07/31/12	1,076.34
1131	Obsolete	Cisco Firewall	9/31/12	1,296.27

PORT OF KENNEWICK

Resolution No. 2015-21

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING AN AMENDMENT TO COMMERCIAL LEASE AGREEMENT WITH NORTH AMERICAN ALLOYS

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

WHEREAS, an amendment to the December 1, 2014 Commercial Lease with North American Alloys, to be effective October 1, 2015, reallocating leased space at 1328 East 3rd Avenue, Kennewick, Benton County, Washington to Bays 6, 7, and 8, and Bullpen 5 and 6 for a total monthly rent of \$2,906.76, including leasehold excise tax, 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 Amendment to the Commercial 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 Amendment, the Port Commission has determined that the Amendment is proper.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves the Amendment to Commercial Lease Agreement with North American Alloys 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 22nd day of September, 2015.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: 
DON BARNES, *President*

By: 
SKIP NOVAKOVICH, *Vice President*

By: 
THOMAS MOAK, *Secretary*

DATE: 8/28/2015
TO: File – North American Alloys
FROM: Amber Hanchette, Director Operations & Real Estate
RE: Lease Addendum – Space Modification



North American Alloys current occupies several spaces at the Oak Street Industrial Park in development building D (formerly DB-3). They would like to give up Bay 3 & 4 in favor of Bay 7 & 8. This would allow them greater efficiencies by being closer to Bay 8 which they already lease.

Current Allocation:

Bay 8	.40/sf	3,540 sf	\$1,416.00 (pre LET)
Bay 3	.40/sf	1,200 sf	\$ 480.00 (pre LET)
Bay 4	.40/sf	1,200 sf	\$ 480.00 (pre LET)
Bullpen 5	Flat Rate	2,000 sf	\$ 100.00 (pre LET)
Bullpen 6	Flat Rate	<u>2,000 sf</u>	<u>\$ 100.00 (pre LET)</u>
		9,940 sf	\$2,576.00

New Allocation:

Bay 8	.40/sf	3,540 sf	\$1,416.00 (pre LET)
Bay 7	.40/sf	1,200 sf	\$ 480.00 (pre LET)
Bay 6	.40/sf	1,200 sf	\$ 480.00 (pre LET)
Bullpen 5	Flat Rate	2,000 sf	\$ 100.00 (pre LET)
Bullpen 6	Flat Rate	<u>2,000 sf</u>	<u>\$ 100.00 (pre LET)</u>
		9,940 sf	\$2,576.00 (pre LET)

Total \$2,906.76 (after LET)

No Additional Deposit is Due.

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www.NorthAmericanAlloys.com

3835 R. EAST THOUSAND OAKS BLVD.
BOX 342
WESTLAKE VILLAGE, CA 91362

Malibu
Tel. (818) 597-4880
Fax. (818) 597-4888
michael@northamericanalloys.com

KENNEWICK, WA
Tel. (509) 588-8848
Fax. (509) 588-4943
steve@northamericanalloys.com

Date: 9/10/2015 Fax #: _____ Pages: 1/3
To: Amber Attention: _____
RE: _____

H. Amber -

Hope All's well with

You - THARICE + Regards

Michael Stulzen

AMENDMENT TO COMMERCIAL LEASE AGREEMENT

THIS AMENDMENT TO COMMERCIAL LEASE AGREEMENT is entered into this _____ day of September, 2015 by and between the PORT OF KENNEWICK, a Washington municipal corporation hereinafter referred to as ("LESSOR"), and NORTH AMERICAN ALLOYS, a Washington corporation hereinafter referred to as ("LESSEE")(collectively referred to as the "Parties");

WITNESSETH

WHEREAS, on December 1, 2014 the Lessor and Lessee entered into a Commercial Lease for the lease of premises located at Lessor's Development Building D (DB3) Kennewick, Benton County, Washington (the "Commercial Lease"). The Commercial Lease and Exhibits (including full legal description) are attached hereto and incorporated hereby by reference as "Exhibit 1".

AND, WHEREAS, the Parties desire to amend certain provisions of the Commercial Lease.

NOW THEREFORE, It is hereby agreed by and between the Parties that, effective October 1, 2015, certain basic provisions of the Commercial Lease shall be amended, as follows:

1. Replace "D. Land:" with:

D. Land: The real property located at 1328 E. 3rd Ave. Bays 8, 7, and 6, and Bullpens 5 and 6, Development Building D (DB3) Kennewick WA 99336 as described on Exhibit "A" attached hereto and incorporated herein by reference.

2. Replace "J. Base Monthly Rent Calculation:" with:

J.	Base Monthly Rent Calculation (not including LET):			
	Bay 8 warehouse & office	.40/sf	3,540 sf	\$1,416.00
	Bay 7	.40/sf	1,200 sf	\$ 480.00
	Bay 6	.40/sf	1,200 sf	\$ 480.00
	Bulpen 5	Flat Rate	2,000 sf	\$ 100.00
	Bulpen 6	Flat Rate	2,000 sf	\$ 100.00
	Total Leasable Space:		8,940 sq ft	

3. Replace "K. Base Monthly Rent:" with:

K.	Base Monthly Rent Calculation (not including LET):	
	Bay 8	\$1,416.00
	Bay 7	\$ 480.00
	Bay 6	\$ 480.00
	Bulpen 5	\$ 100.00
	Bulpen 6	\$ 100.00
	Total Base Monthly Rent (not including LET):	<u>\$ 2,576.00</u>

All other basic provisions, terms and conditions of the Commercial Lease remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set their hands the day and year first above written.

By Authority of the
Board of Commissioners

PORT OF KENNEWICK

By: _____
Tim Amten, Executive Director

Approved as to form:

Lucinda Luke, Port Attorney

NORTH AMERICAN ALLOYS

By: _____
Michael Skulmson, Owner