



# PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 13, 2018 MINUTES

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

**Staff Members:** Tim Arntzen, Chief Executive Officer  
Tana Bader Inglima, Deputy Chief Executive Officer  
Amber Hanchette, Director of Real Estate and Operations  
Nick Kooiker, Chief Financial Officer/Auditor  
Larry Peterson, Director of Planning and Development  
Lisa Schumacher, Special Projects Assistant  
Lucinda Luke, Port Counsel

## PLEDGE OF ALLEGIANCE

Commissioner Moak led the Pledge of Allegiance.

## APPROVAL OF THE AGENDA

Commissioner Novakovich requested to table Item 6B, the Confederated Tribes of the Umatilla Indian Reservation Presentation, as Ms. Conner is unable to attend the meeting today.

***MOTION:*** Commissioner Novakovich moved to approve the Agenda with the removal of 6B; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

## PUBLIC COMMENT

No comments were made.

## CONSENT AGENDA

- A. ***Approval of Direct Deposit and E-Payments Dated November 1, 2018***  
Direct Deposit and E-Payments totaling \$75,546.05
- B. ***Approval of Warrant Register a Dated November 13, 2018***  
Expense Fund Voucher Numbers 100559 through 100614 for a grand total of \$189,999.36
- C. ***Approval of Regular Commission Business Meeting Minutes October 23, 2018***

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

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 13, 2018 MINUTES

---

## PRESENTATIONS

### A. *Ozone Presentation, Robin Priddy, Benton Clean Air Agency*

Robin Priddy of the Benton Clean Air Agency presented the effects of the Ozone in the Tri-Cities.

Commission discussion ensued regarding local ozone issues.

Mr. Arntzen inquired if the Benton Clean Air Agency is aware of the Port of Benton/City of Richland Loop Rail proposal.

Ms. Priddy stated that the Agency is unaware of the proposal and will look into it further.

Commissioner Moak thanked Ms. Priddy for the educational presentation.

### B. *Don Sampson Warbonnet Ceremony*

Mr. Arntzen stated Don Sampson was recently elevated to Chief of the Confederated Tribes of the Umatilla Indian Reservation. Mr. Arntzen presented a video, which shows part of the Ceremony, where a tribal member reads the Port of Kennewick Resolution 2017-28 honoring Carl Sampson, Atway Chief of the Walla Walla. It was a very special Ceremony and Mr. Arntzen felt privileged to be invited.

## NEW BUSINESS

### A. *Carbitex Lease; Resolution 2018-23*

Ms. Hanchette stated Carbitex, LLC has been an Oak Street Industrial Park tenant since 2013 and manufactures carbon fiber fabric. Carbitex started out with 3,000 square feet of office and industrial space in development building C. Then graduated to 6,400 square feet of office and industrial space in development building B and quickly added an additional 4,990 square feet of space by the end of 2014. Carbitex is requesting an additional 5,000 square feet of office and warehouse space in development building B to facilitate their rapid business expansion including the addition of over \$1,000,000 of new equipment. The additional square footage brings the total lease space to 16,600 square feet (development building B) and the lease term is through December 2019. Ms. Hanchette presented Resolution 2018-23 for Commission consideration and stated Carbitex appreciates the opportunity to expand their business.

Commissioner Moak inquired if Carbitex has secured the funds for additional power.

Ms. Hanchette stated Carbitex has not had time to focus on that aspect, which is why they have requested a shorter lease term, in case they need to explore other options. Carbitex is not requesting any tenant improvements nor additional power in the new lease.

Commissioner Barnes confirmed that Carbitex is leasing all of development building B.

Ms. Hanchette stated Carbitex will be the only tenant in the three separate suites in development building B.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 13, 2018 MINUTES

---

## PUBLIC COMMENTS

No comments were made.

***MOTION:*** *Commissioner Novakovich moved to approve Resolution 2018-23, approving a lease with Carbitex for Oak Street Industrial Park development building B and authorizing the Chief Executive Officer to execute the contract; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

## REPORTS, COMMENTS AND DISCUSSION ITEMS

### A. *General Building Climate, David Robison, Strategic Construction Management*

Mr. Peterson stated as the Port prepares to go out for bid on Columbia Gardens Phase 2B and Vista Field Phase 1 it is important to discuss the bidding climate. David Robison of Strategic Construction Management is here today to talk about the bidding climate and local construction projects.

Mr. Robison stated Columbia Gardens Phase 2B and Vista Field Phase 1 have been engineered and designed by professionals and are ready to go out for bid. Mr. Robison stated unfortunately, there are no additional opportunities to reduce the costs to these projects; however, the good news is that contractors in the Tri-Cities are looking for new projects for 2019-2020. Because the Port projects are going out to bid early enough, Mr. Robison believes the Port should see good bids. Mr. Robison recommended that the Port stay the course, and suggested the Commission and staff discern what projects are priorities for the next 7 to 10 years.

Commissioner Moak inquired if Yakima or Spokane are experiencing the same cost increases.

Mr. Robison stated costs are escalating nationwide.

Commissioner Moak thanked Mr. Robison and appreciates his work throughout the process and assisting the Port to get the best possible bids for our projects.

Mr. Arntzen believes Columbia Gardens Phase 2B bids will come in higher than the budgeted amount, based on several recent community projects. Mr. Arntzen stated one possible scenario is that the tasting room will exceed the budget and the project will need additional funds to complete the project. Mr. Arntzen stated the Port has contingency funds allocated in the 2019-2020 budget, and those funds, including funds from other sources may be needed to complete the tasting room. Mr. Arntzen stated a contingent source of funding could include the Vista Field Phase 2 hanger remodels.

Mr. Kooiker stated the budget for the tasting room is \$1,500,000, which includes \$900,000 of insurance proceeds, \$200,000 from the City of Kennewick Interlocal Agreement and \$400,000 from Rural County Capital Funds proceeds. With the \$500,000 in contingency funds, the Port will have \$2,000,000 to complete the tasting room which covers all hard and soft costs. Mr. Kooiker stated other funding sources could include the \$1,000,000 for an ROI project, which has been conceptualized for the hangar remodels and about \$50,000 from the Vista Field loan savings.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 13, 2018 MINUTES

---

Commissioner Moak inquired if the tasting room project was out to bid yet.

Mr. Peterson anticipates that the bid will be available on December 17, 2018.

Commissioner Moak would like to see the final bid before additional funding options are contemplated.

Commissioner Barnes stated it is hard to imagine that a building the size of a house without any exotic design elements may cost \$800-\$1,000 per square foot. Commissioner Barnes asked Mr. Robison if he had any suggestions about reducing the cost.

Mr. Robison stated that every entity is in the same situation and indicated a redesign would not solve the problem, only delay it. The tasting room is a beautiful building that is not overly complicated and it is important to have a good contractor and find the funds to complete the project.

Commissioner Moak inquired what happens to the insurance funds if the Port does not build the tasting room.

Mr. Kooiker stated the Port would receive \$700,000 from insurance proceeds because we have expended \$150,000, as well as lose the City's \$200,000 contribution. Furthermore, there could be other potential implications that are not monetary.

Commissioner Novakovich stated the Port needs to move forward with the tasting room because we have already made commitments to the City and to two wineries.

Mr. Peterson stated the Port will go out to bid for the tasting room in December and bring back the results to the Commission in February. Mr. Peterson worked with Thomas Kastner of Meier Architecture on some modifications after the preliminary bid numbers came in and stated the building has standard elements and reducing the square footage would not result in a drastic reduction and a smaller footprint is less desirable.

Mr. Robison stated an additional review will only add time to the project. The best course of action is to get the bid documents out because contractors are trying to get projects on the books for the upcoming year.

Mr. Arntzen stated per the Commission's direction, staff will continue to move forward on Columbia Gardens Phase 2B bid process.

## ***B. Columbia Drive Update***

Mr. Peterson reported on the construction of Columbia Gardens Phase 2A.

## ***C. Vista Field***

Mr. Peterson stated the final revisions for Vista Field Phase 1 civil plans are ready for submission to the City of Kennewick. Mr. Peterson has been working with the Benton PUD on the locations of the easements and once those are established, other providers will follow.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 13, 2018 MINUTES

---

## ***D. White Bluffs Consulting; Resolution 2018-24***

Mr. Arntzen stated last year the Port contracted with White Bluffs Consulting, to create an owners association for Vista Field. White Bluffs principal, Ben Floyd has been working with Steve DiJulio, Doris Goldstein, and DPZ Partners on the detailed document. The request for an additional \$25,000 is to create the framework for the maintenance of common areas, programming, and business/owners association for Vista Field. The owners association and related documents need to be in place prior to selling any property at Vista Field.

Mr. Kooiker stated because this is a personal service contract and the change order is more than 50% of the original amount, the amendment needs to be approved by the Commission.

## **PUBLIC COMMENTS**

No comments were made.

***MOTION:*** *Commissioner Barnes moved to approve Resolution 2018-24 authorizing contract amendment in the amount of \$25,000; Commissioner Novakovich seconded.*

### ***Discussion:***

*Commissioner Moak stated it is imperative to set up the association the right way.*

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

## ***E. West Richland***

Mr. Arntzen stated Brent Gerry Mayor of the City of West Richland recently reached out to discuss a concept for the Former Racetrack. Mayor Gerry was proposing that the City go out for bond for a public safety facility on 12 acres of land on the Former Racetrack and include the West Richland Police station and Benton Rural Fire District #4 station. Mr. Arntzen stated one potential issue of locating a public safety building on the property is that it would cost approximately \$1,000,000 to get utilities to the property. Mr. Arntzen stated Mayor Gerry did not offer solid details and there was no discussion of who would pay to get the utilities to the property. The Port previously discussed partnering with West Richland to get municipal services (utilities) to the property line; however, that never came to fruition.

The Commission approved a Master Plan in 2017 for the Former Racetrack and amended the Comprehensive Scheme to include the Master Plan. A public safety complex is not consistent with Port's Master Plan, Comp Scheme, or 2019-2020 Work Plan. The documents state to hold the Former Racetrack property until the timing is right. Mr. Arntzen inquired if the Commission had any questions regarding the tentative proposal.

Commissioner Novakovich stated the Joint Economic Development Committee met to discuss sharing costs on utility infrastructure for the Former Racetrack property and West Richland declined each time it was discussed. Commissioner Novakovich does not understand the Mayor's tentative proposal, because it would not increase the tax base for the City.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 13, 2018 MINUTES

---

It is Mr. Arntzen's understanding that the City has a piece of land from the Department of Natural Resources that is little or no cost that they could use for the public safety facility. Furthermore, the Comp Scheme states that the Port should hold the property for private sector development, which would increase the tax base for the City.

Commissioner Moak agrees with the comments; however, if there is an interest in a public safety facility, there may be an opportunity to put together an Interlocal Agreement with the City to establish timing, utilities, and development. Commissioner Moak believes it is a timing issue and the City would need to pass a bond first.

Mr. Arntzen stated Mayor Gerry did not discuss any specifics regarding the potential proposal. Mr. Arntzen stated the Port is currently working on Vista Field and Columbia Gardens and believes another project may dilute the efforts that are needed elsewhere.

Commissioner Moak does not think the Port should pursue the tentative proposal any farther.

Commissioner Barnes shared his concerns about the additional work required by staff to move this forward and mulled if the citizens of West Richland would pass another public safety bond.

Gregg Couch, 77609 North Yakima River Drive, West Richland. Mr. Couch, a Commissioner for Benton Rural Fire #4 stated the District was approached by the City informally, just as the Port was. Mr. Couch stated Fire District #4 has no intention of pursuing a joint public safety facility with the City. Fire District #4 has a limited time frame and budget to expend the public safety bond and the property is also too far west for the response time. Mr. Couch stated the City was annexed into District #4 and indicated that they are two separate entities.

***F. Drummers and Dancers at The REACH, November 17, 2018***

Mr. Arntzen received an email from Rosanna Sharpe, Executive Director of The REACH Museum, inviting the Commission and constituents to the drummers and dancers event on Saturday, November 17<sup>th</sup> from 11:00 a.m. and 1:00 p.m. The drummers and dancers represent the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and are led by Fred Hill Sr., who teaches the Tribal Drum and Dance History Class at the Nixyaawii Community School. The event is open to the public and the price of admission ranges from free-\$10.00.

***G. Hanford Reach National Monument – Public Access***

Mr. Arntzen received a request from TRIDEC, asking all jurisdictions to sign a form letter requesting that the Central National Wildlife Refuge Complex open up Hanford Reach National Monument - Rattlesnake Mountain. Mr. Arntzen informed TRIDEC of the Port's Memorandum of Understanding with CTUIR which states the Port will consult with the Tribes on major points of consideration. Mr. Arntzen will contact Eric Quaempts, Interim Director regarding TRIDEC's request; however, he does not know how long it will take for the Tribes to respond.

Commissioner Barnes inquired if the draft letter is from TRIDEC.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 13, 2018 MINUTES

---

Mr. Arntzen stated David Reeploeg, Vice President of Federal Programs for TRIDEC drafted the letter.

Commissioner Moak asked Commissioner Barnes if this request has come before TRIDEC's Executive Board.

Commissioner Barnes does not recall the letter being discussed at an Executive Board Meeting.

Commissioner Novakovich stated it is important continue to foster our relationship with the CTUIR and meet with them prior to signing any document regarding tribal lands.

Commissioner Barnes agreed and stated the Port needs to discuss the letter with the CTUIR.

Commissioner Moak stated this is a very sensitive issue for CTUIR and he does not have any interest in signing the letter.

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

Commissioners reported on their respective committee meetings.

## ***I. Non-Scheduled Items***

1. Commissioner Barnes recently attended the Kiwanis of Horse Heaven Hills luncheon and the program speaker was Renee Adams, the New Executive Director for the Arts Center Task Force. Ms. Adams gave an excellent presentation on the Vista Arts Center; however, it did not include the total project costs. Based on Mr. Robison's comments, Commissioner Barnes is concerned about the total cost of the project and the ability to raise \$35,000,000. Commissioner Barnes emphasized how much facility is needed and offered his support for the Vista Arts Center.
2. Commissioner Novakovich reported that Ms. Scott's son, Jared recently graduated from the Marine Corps basic training program and Ms. Yates daughter, Summer, completed her first year playing soccer for the University of Washington.
3. Ms. Bader Inglima is meeting with Rivershore Enhancement Council on November 15, 2018 and meeting the new US Army Corps of Engineers Walla Walla Commander.
4. Mr. Arntzen reported that the Columbia Basin Badger Club will be holding a community forum regarding the Columbia River Shoreline reconveyance. The event will be held Thursday, November 15, 2018 at 11:30 a.m. at the Shilo Inn in Richland. Don Sampson, former chairman of the CTUIR will be in attendance as part of a three panel discussion, along with Gary Peterson and Jim Wise.
5. Mr. Peterson shared that an employee for Big D's Construction, who has been working on Port projects for several years, asked about future Port projects. Mr. Peterson stated the Port's impact in the community is being noticed.

# PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 13, 2018 MINUTES

---

## **PUBLIC COMMENTS**

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick is a member of the Art Center Task Force (ACTF) Facilities Committee and is replacing Steve Wiley as the liaison between the ACTF and the Port. Mr. Burdick recalls that the Vista Arts Center would cost approximately \$550 per square foot 2 years ago and Mr. Robison's comments are unsettling.

## **COMMISSIONER COMMENTS**

No comments were made.

Commissioner Moak anticipates the Executive Session will last approximately 15 minutes, Minimum Price per RCW 42.30.110(1)(c) with possible action anticipated. Commissioner Moak asked the public to notify Port staff if they will return after the executive session so staff can advise if the session concludes early.

*Commissioner Moak recessed the Regular Commission Meeting at 4:10 p.m. for a 5 minute break.*

## **EXECUTIVE SESSION**

### **A. Minimum Price, per RCW 42.30.110(1)(c)**

*Commissioner Moak convened the meeting into Executive Session at 4:15 p.m. for approximately 15 minutes.*

*Commissioner Moak adjourned the Executive Session at 4:25 p.m.*

*Commissioner Moak reconvened Regular Commission Meeting at 4:25 p.m.*

Mr. Arntzen stated the Port received a purchase proposal from Benton County Fire Protection District #4, for the 2 acre parcel behind Black Herron for construction of a new fire station. The Port met with representatives from District #4 in July and recently received an offer of \$10,000 for the parcels. Mr. Arntzen verified with Ms. Luke that the Port could sell the property for this price. Mr. Arntzen stated a fire station in this location would lower fire insurance rates for businesses and property owners. The Port has been able to help municipal partners and with respect to the price, the property has been sitting for several years with no serious leads. Mr. Arntzen believes this is a reasonable offer and the outcome will benefit the community of West Richland. Fire District #4 went out for a public safety bond in 2018 and the modest sum of the property will help with the increased cost of construction.

Mr. Peterson stated the assessed value of the property is approximately \$112,000 for both lots.

Ms. Luke stated the Port would draft an agreement that would meet the requirements of the State Auditor's Office, to justify the sale of land that is less than the assessed value.

Commissioner Barnes stated if a person is interested in the site, what price is quoted for the property.

Ms. Hanchette stated \$2.00 - \$4.00 per square foot.



# PORT OF KENNEWICK REGULAR COMMISSION MEETING

NOVEMBER 13, 2018 MINUTES

---

Commissioner Novakovich inquired if there has been any interest in property over the past four years.

Ms. Hanchette stated she has only received a handful of inquiries on the property, mostly industrial.

Commissioner Moak inquired if anyone has made an offer on the parcels.

Ms. Hanchette stated she has not received any firm offers for the parcels and that the property is not centrally located.

Commissioner Novakovich stated even if the Port sells the property at less than market value, it will add value to the community by having the fire station in the neighborhood and potentially lower insurance rates. Commissioner Novakovich is in favor of selling to Fire District #4.

Commissioner Moak stated being a partner to a public safety entity is good for the community, who voted in favor of a new tax for the Fire Station. Selling the parcels to District #4 shows West Richland that the Port is supportive of the City and we are doing things that people want. The Former Racetrack has great potential for economic development at some point but the 2 acre parcel will not create enough economic activity for the Port or anyone else who is trying to turn the area. Selling parcels that have minimal value and minimal interest, for minimal price is the right thing to do, because we are helping District #4 and the citizens of West Richland.

Commissioner Barnes inquired if Ms. Hanchette had spoken to Black Herron.

Ms. Hanchette stated the Fire Station discussed the possibility with the owner and he did not express any concern.

Commissioner Barnes stated this is an opportunity to provide a benefit to the citizens of West Richland.

*It is Consensus of the Commission for staff to negotiate with Benton County Fire District #4 for the 2 acre parcel located off Keene Road.*

## **PUBLIC COMMENTS**

Gregg Couch, 77609 North Yakima River Drive, West Richland. Mr. Couch stated District #4 has 3 years to spend 85% of the funds and this property will address several issues and concerns. Over the next twenty years, West Richland is expected to grow exponentially and the location is ideal for the expected growth. Mr. Couch thanked the Commission and stated without the Port's assistance, Fire District #4 would continue with to face many issues.

Mr. Arntzen stated the consensus of the Commission is for staff to negotiate a PSA with Fire District #4. Mr. Arntzen appreciates Mr. Couch's comments and stated they are similar to that of Fire Chief Bill Whealan's comments.

## **ADJOURNMENT**

With no further business to bring before the Board; the meeting was adjourned 4:49 p.m.

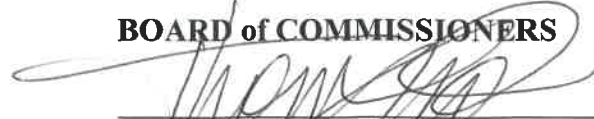
**PORT OF KENNEWICK  
REGULAR COMMISSION MEETING**

**NOVEMBER 13, 2018 MINUTES**

---

***APPROVED:***

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
\_\_\_\_\_  
*Thomas Moak, President*

  
\_\_\_\_\_  
*Don Barnes, Vice President*

  
\_\_\_\_\_  
*Skip Novakovich, Secretary*