

AGENDA

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

Tuesday, December 13, 2011
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 Warrants Dated November 30, 2011
- B. Approval of Warrant Registers Dated December 14, 2011
- C. Approval of Commission Meeting Minutes Dated October 11, 2011
- D. Approval of Commission Meeting Minutes Dated October 25, 2011
- E. Approval of Commission Meeting Minutes Dated November 8, 2011
- F. Approval of Commission Meeting Minutes Dated November 22, 2011
- G. Approval of Lease Renewal EST Electronic Systems Technology; Resolution 2011-50
- H. Approval of Lease Renewal North American Alloys; Resolution 2011-51
- I. Approval of 2011 Budget Amendment

V. PRESENTATIONS

- A. Washington State Department of Corrections, Coyote Ridge Work Crew, Letter of Appreciation
- B. Clover Island and Columbia Drive, Gary Hansen, PixelSoft Films LLC
- C. 2011 Year-End Report

VI. NEW BUSINESS

- A. Blair Sampson Land Sale; Resolution 2011-52
- B. BK Attorney Services LLC Hangar Lease; Resolution 2011-53
- C. Alternative Financing Mechanism; Resolution 2011-54
- D. 2011 Cost Savings
- E. Cancellation of December 27, 2011 and January 24, 2012 Regular Business Meetings
- F. Holiday Office Hours

VII. BREAK, IF NEEDED

VIII. PRESENTATION

2011 Friend of the Port

AGENDA

Tuesday, December 13, 2011

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IX. REPORTS, COMMENTS AND DISCUSSION ITEMS

- A. Clover Island
- B. Vista Field
- C. WPPA Annual Conference Report
- D. Commissioner Meetings (formal and informal meetings with groups or individuals)
- E. Non-Scheduled Items

X. OATH OF OFFICE FOR 2012

XI. PUBLIC COMMENT *(Please state your name and address for the public record)*

XII. EXECUTIVE SESSION *(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)*

- A. Real Estate (selection of site/acquisition), per RCW 42.30.110(1)(b)

XIII. ADJOURNMENT

PLEASE SILENCE CELL PHONES

PORT OF KENNEWICK

RESOLUTION No. 2011-50

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
PORT OF KENNEWICK APPROVING A LEASE AGREEMENT
BETWEEN THE PORT OF KENNEWICK AND
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 3-year lease renewal with one 3-year option with annual 3.5% base rent increases has been negotiated between the Port and Electronic Systems Technology, Inc.; and

WHEREAS, the terms and conditions of said lease agreement have been reviewed by the Port Commission and deemed proper and acceptable; and

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

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners agrees to enter into a lease with Electronic Systems Technology, Inc.. as presented and hereby authorize the Port's Executive Director to execute all documents and agreement 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 13th day of December, 2011.

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

SKIP NOVAKOVICH, *President*

DAVID HANSON, *Vice President*

GENE WAGNER, *Secretary*

PORT OF KENNEWICK

Resolution No. 2011-51

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A LEASE AGREEMENT WITH NORTH AMERICAN ALLOYS, 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 one (1) year lease renewal with a annual 5% base rent increase has been negotiated between the Port and North American Alloys, Inc.; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Lease Agreement and find it is in proper form and 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; and

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port's Executive Director to enter into a Lease Agreement with Electronic Systems Technology, Inc. as presented 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.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 13th day of December, 2011.

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

By: _____
SKIP NOVAKOVICH, President

By: _____
DAVID HANSON, Vice President

By: _____
GENE WAGNER, Secretary

PORT OF KENNEWICK

2011 BUDGET AMENDMENTS

The Board of Commissioners of the Port of Kennewick met at a regular meeting on November 23, 2010, a quorum of the Commission being present to adopt the 2011 budget. There are no legal requirements to amend the budget.

The Port of Kennewick conservative budget does not reflect unexpected expenses that are typically out of the Port's control. Budget amendments are needed due to unexpected increase in legal and accounting cost due to the investigation and public records request, unanticipated Port tenant buildings repairs, increase in utility cost on the common areas of Port tenant buildings, and increase in property clean up expense. Staff recommends that the Commissioners amend the budget to reflect the following adjustment in expenditures:

	2011 BUDGET	2011 BUDGET ADJUSTMENT	2011 ENDING BUDGET
ANTICIPATED EXPENSES			
Property lease/Rental Operations and Maintenance	\$ 713,952	\$ 144,383	\$ 858,335

APPROVED by the Port of Kennewick Commission at its regular meeting on December 13, 2011.

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

By:

Skip Novakovich, *President*

By:

David Hanson, *Vice President*

By:

Gene Wagner, *Secretary*

PORT OF KENNEWICK

Resolution No. 2011-52

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT
WITH K. BLAIR SAMPSON***

WHEREAS, K. Blair Sampson (Purchaser), has offered to purchase 5.57 acres for the area graphically depicted on “*Exhibit 1*” in Spaulding Business Park, Richland, Washington from the Port of Kennewick (Seller) for the of sum of \$1,000,000.00; 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 authorizes the Port’s Executive Director to execute a Purchase and Sale Agreement with K. Blair Sampson in the sum of \$1,000,000.00 and hereby authorize 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 are consistent with all previous Port policies, including its Comprehensive Scheme of Development.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 13th day of December, 2011.

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

By: _____
SKIP NOVAKOVICH, President

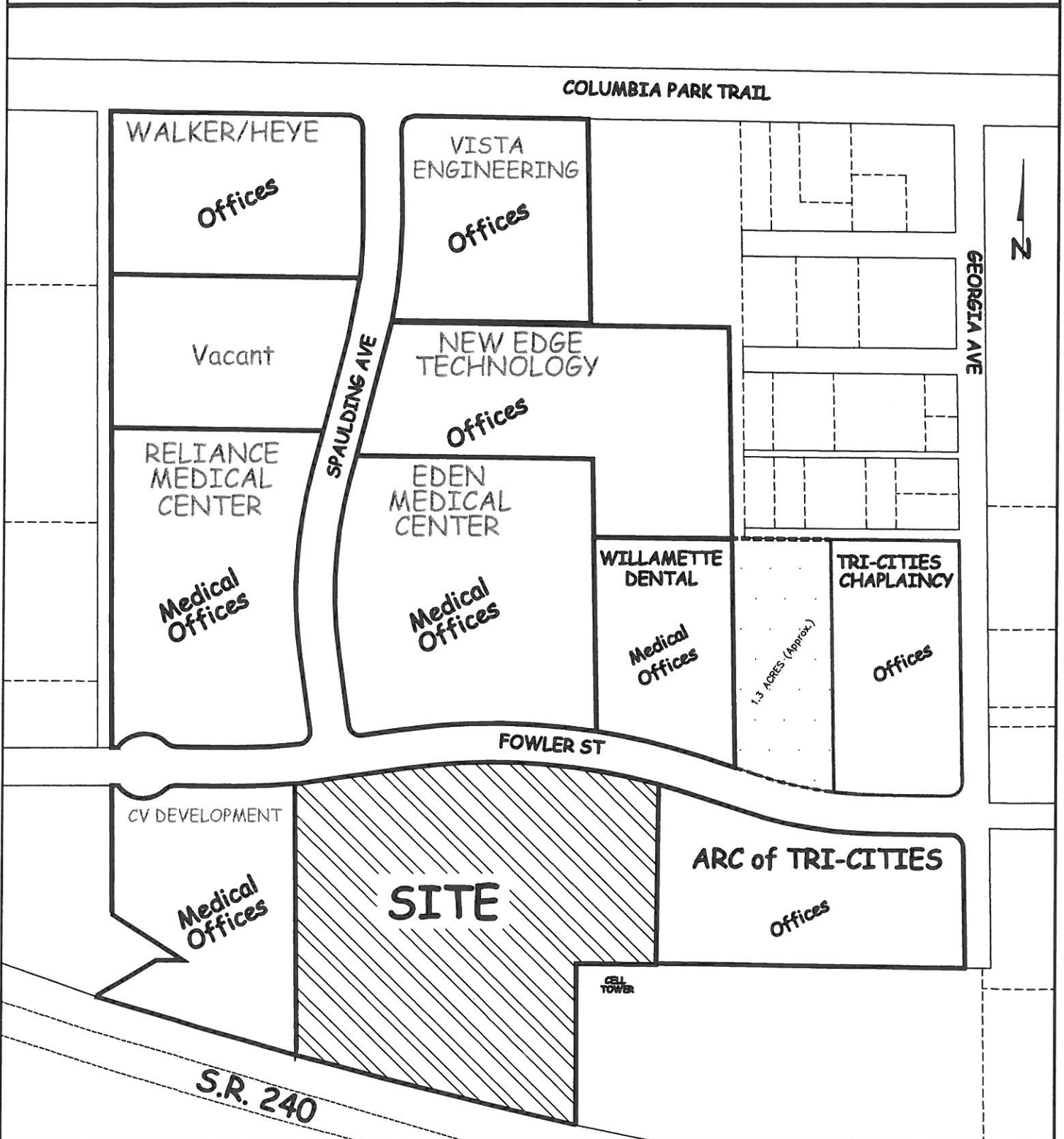
By: _____
DAVID HANSON, Vice President

By: _____
GENE WAGNER, Secretary

Exhibit 1

**PORT OF KENNEWICK
SPAULDING BUSINESS PARK**

Land Sale to K. Blair Sampson December 2011



PORT OF KENNEWICK

RESOLUTION No. 2011-53

***A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF
COMMISSIONERS APPROVING A LEASE AT
VISTA FIELD CORPORATE HANGAR #B***

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 one (1) year lease with one (1) year option and annual 5% base rent increase has been negotiated between the Port and BK Attorney Services LLC.; and

WHEREAS, the terms and conditions of said lease agreement have been reviewed by the Port Commission and deemed proper and acceptable; and

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

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners agrees to enter into a lease with BK Attorney Services, LLC. as presented and hereby authorize the Port's Executive Director to execute all documents and agreement 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 13th day of December, 2011.

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

SKIP NOVAKOVICH, *President*

DAVID HANSON, *Vice President*

GENE WAGNER, *Secretary*

PORT OF KENNEWICK

Resolution No. 2011-54

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING RESTRUCTURING ALTERNATIVE FINANCING MECHANISM

WHEREAS, the Port of Kennewick Commissioners have reviewed the preliminary budget for 2012 and several capital projects in the 2012 preliminary budget are in the unfunded category or to be funded at a later date; and

WHEREAS, the Port of Kennewick Commissioners intend to continue to spur economic development and growth in an economically uncertain environment by pursuing economic development projects, property purchases and capital projects that have good return on investment, or are great community projects that benefit the taxpayers as a whole; and

WHEREAS, the Port of Kennewick Commissioners and staff are pursuing several grants to fund potential economic development opportunities, property purchases and capital projects; however, the grant funding is very limited due to the economy; and

WHEREAS, RCW 39.46.050 allows local government to enter into lines of credit with any qualified public depository; and

WHEREAS, the Port of Kennewick currently has a line of credit in the amount of \$3,000,000 which the Commission would like to restructure and take advantage of the low interest rates while stimulating the economy; and

WHEREAS, restructuring the Port's line of credit of \$3,000,000 is in the best interest of the Port of Kennewick due to the longer term for payback (increasing cash flow) and low interest rate which is needed for potential economic development opportunities, property purchases and capital projects and will pay back the line of credit when revenues or grant funds and/or property taxes are received; and

WHEREAS, Port staff received several proposals from qualified public depositories (American West Bank, Gesa, and Baker Boyer Bank; Bank of the West did not respond). Port staff desired long-term repayment (highest cash flow scenario), low interest rate, no prepayment penalty, and low cost to establish loan. The best cash flow proposal was received from Gesa. In all proposals, collateral is required.

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port's Executive Director to restructure the line of credit with a qualified public depository up to \$3,000,000.

BE IT FURTHER RESOLVED that the Port's Executive Director and the Director of Finance/Auditor are hereby authorized to refinance for economic development projects, property purchases and capital projects that have good return on investment or are great community projects that benefit the taxpayers as a whole, that the signatures of these two officers shall be required to draw on such line of credit and that the Director of Finance/Auditor is hereby authorized to determine the amount and the timing of draws and repayment for the Port.

BE IT FURTHER RESOLVED the Board of Commissioners also directs that a majority of the proceeds of the restructured loan are to be used on good return on investment projects and/or projects that have high job creation to help reduce the Port's operating gap and stimulate the economy.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 13th day of December 2011.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____
SKIP NOVAKOVICH, *President*

By: _____
DAVID HANSON, *Vice President*

By: _____
GENE WAGNER, *Secretary*