

AGENDA

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

Tuesday, December 8, 2015
2:00 p.m.

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

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

IV. CONSENT AGENDA

- A. Approval of Direct Deposit and ePayments Dated November 17, 2015
- B. Approval of Warrant Registers Dated November 24, 2015
- C. Approval of Warrant Register Dated November 24, 2015 (P.S. Media)
- D. Approval of Direct Deposit and ePayments Dated December 2, 2015
- E. Approval of Warrant Registers Dated December 8, 2015
- F. Approval of Commission Meeting Minutes Dated November 10, 2015
- G. Approval of Emergency Bid: Repair Hose Bib at 415 N. Quay Building A, Kennewick; Resolution 2015-28

V. PRESENTATIONS

- A. 2015 Friend of the Port (**TIM**)
- B. West Richland Public Shoreline Access/Facilities, Mayor Brent Gerry and Aaron Lambert City of West Richland Community Development Director (**TIM**)
- C. 1135 Project Update, Rebecca Kalamasz, USACE and Ben Swaner NWW, Native Plants (**TIM/TANA**)
- D. Delegation of Authority; Resolution 2015-29 (**TAMMY**)

VI. NEW BUSINESS

- A. Bid Award: Boat Launch In-Water Work; Resolution 2015-30 (**LARRY**)

VII. RECESS

VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS

- A. Rural County Capital Funds (**TIM**)
- B. Columbia Drive (**LARRY**)
- C. Vista Field (**LARRY**)
- D. Expression of Interest (EOI) (**TIM**)
- E. West Richland Policy (**TIM**)
- F. Art Policy (**TIM**)
- G. Community Economic Development Strategy (CEDS) Project Resolution 2015-31 (**TANA**)
- H. Tri-Cities Legislative Trip to Olympia (**TANA**)
- I. Strategic Retreat (**TIM**)
- J. Commission Policy – Election of Officers (**LUCY**)
- K. Commissioner Meetings (formal and informal meetings with groups or individuals)
- L. Non-Scheduled Items

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- IX. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- X. 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, per RCW 42.30.110(1)(b) Site Selection
 - B. Real Estate, per RCW 42.30.110(1)(c) Minimum Price
- XI. ADJOURNMENT**

Action may be taken on any item on the Agenda.

PLEASE SILENCE CELL PHONES



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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, Chief Executive Officer
Tana Bader Inglima, Deputy CEO
Tammy Fine, CFO/Auditor
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, CFO/Auditor
Larry Peterson, Director of Planning and Development
Jennifer Roach, Accounting Administrative Assistant
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Kandy Yates, Receptionist
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Mr. Barnes 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 November 3, 2015***
Direct Deposit and E-Payments totaling \$57,837.50
- B. *Approval of Warrant Registers Dated November 10, 2015***
Expense Fund Voucher Numbers 37346 through 37383 for a grand total of \$340,056.10
- C. *Approval of Special Commission Meeting Minutes Dated October 27, 2015***

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.*



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PRESENTATION

A. Arts Foundation of the Mid-Columbia, Ms. Pam Bykonen and Mr. Chuck Eaton

Mr. Arntzen stated Ms. Bykonen and Mr. Eaton will present a potential opportunity for the Port at Vista Field. Mr. Arntzen has met with Mr. Eaton and Ms. Bykonen about including the arts at Vista Field.

Ms. Bykonen, the chairwoman of the Arts Foundation of the Mid-Columbia (AFMC), thanked the Commission and believes the proposal is both beneficial to Port and the arts community at large.

The AFMC is preparing a proposal to the Port of Kennewick to purchase the Field Base Operations (FBO) building for use as an Arts Incubator. Ms. Bykonen stated the proposal is compatible with the Port's goals for Vista Field, while offering a public amenity through entertainment, education, and entrepreneurship; and it will bridge the time gap between now and the opening of the Vista Arts Center.

Ms. Bykonen stated the AFMC would like to create an Arts Incubator at the FBO building and become an organization or program that will function by nurturing the growth and development of artists, arts organizations or arts enterprises. Ms. Bykonen believes an Arts Incubator would help contribute to the development of Vista Field as the urban center of the Tri-Cities. This will be accomplished in three phases, which will include the Vista Arts Center and the Mid-Columbia Performing Arts Center. The Arts Incubator will help "brand" Vista Field as the Arts and Entertainment District of the Tri-Cities.

What would happen at the Arts Incubator?

- Exhibits in the gallery;
- Concerts in the hangar;
- Meetings in the conference rooms;
- Business in the offices;
- Collaborating in the common areas; and
- Classes, rehearsals, studio art, lessons, etc.

This is where art starts, as a collaborative effort where people can gather, share spaces or work jointly on projects. The AFMC is spearheading the project and is looking to start a social purpose corporation, which is defined as a for-profit organization, which provides the legal means to maximize financial returns, while putting the returns back into the community.

Who is "We"?

- A coalition of artists and art organizations to use, operate and manage the Art Incubator;
- Using the shared workspace business model utilized by FUSE;
- Gathered by the AFMC for the purpose of managing the FBO building;
- Mentored by FUSE to benefit from its experience of creating a shared workspace as well as funding sources.



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Ms. Bykonen stated, before the FBO building becomes an Arts Incubator, further evaluation of the building is required. The AFCM will need to evaluate the following:

- Heating and cooling systems;
- Public access and emergency egress requires professional review;
- Furniture and fixtures need replacing/updating.

Furthermore, the AFCM is looking at an estimated timeline, which includes:

- Early November – Proposal to the Port of Kennewick;
- End of 2015 – Port of Kennewick’s Master Plan for Vista Field will be released;
- Early 2016 – Conclude negotiations for the FBO Building and close on property;
- Spring 2016 – Art Starts!

Ms. Bykonen stated the goal of the AFCM is to open the FBO as an Arts Incubator, where people can come to view the artwork and programs that are created in the Arts Incubator spaces. Those art groups using the space will grow in size and popularity and move on to larger spaces at Vista Field, making room for new art groups to join the incubator. And finally, people who have grown to love and expect art to be centered at Vista Field search for a place where they can be a part of the vibrancy of the area and find it, at Vista Field’s residential community. Ms. Bykonen reported the *American Planning Association* publication recently featured the article “When Arts and Culture Take Center Stage,” which stated the arts help drive economic development and neighborhood revitalization.

Mr. Novakovich inquired why the AFCM would create a for-profit organization.

Ms. Bykonen stated a social purpose corporation is structured as a for-profit and does not qualify for a 501-C. The revenue that is created is put back into the public amenity, thus creating a social impact on our community.

Mr. Novakovich asked if the AFCM has created a budget for staffing and maintenance and operations.

Ms. Bykonen stated the AFCM is still working on a budget and the social purpose corporation would address items such as: fundraising, selling of shares, generating revenue, setting the budget and hiring staff. Ms. Bykonen reported FUSE is a community with co-working space in Richland, which formed a successful social purpose corporation and has offered to mentor the AFCM in their endeavor.

Mr. Novakovich thanked Ms. Bykonen for her presentation and believes an Arts Incubator is a great idea. This project would show the community that something is happening at Vista Field and he would like to see staff pursue this opportunity.

Mr. Moak appreciates that the AFMC believes the FBO can be useful and falls in line with the lean concept the Port is trying to implement at Vista Field. Mr. Moak is pleased to see the arts community embrace the idea. Mr. Moak inquired if the management of the Arts Incubator has been set up.



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Ms. Bykonen stated it is a work in progress and the social corporation Board will establish items such as the programming, dues, membership, and the volunteer system.

Mr. Moak asked how incubation, expansion and growth will be addressed for the artists.

Ms. Bykonen stated we will be collaborating with the Mid-Columbia SCORE chapter, a non-profit association dedicated to educating entrepreneurs and helping small businesses start and grow and succeed, who will educate and encourage the arts organizations to move on. We may establish a term out clause, however, we would rather foster the entrepreneurial environment and give artists the skills move ahead and own their own business.

Mr. Moak appreciates the idea and that AFCM is reaching out to others outside the art community, such as FUSE or SCORE, to make the incubator work from a business sense, as well as an artistic sense. Mr. Moak understands the pieces will take time and likes that the vision and how it ties in with the Port's vision for Vista Field. Mr. Moak is supportive of the Arts Incubator and believes it will better our community.

Mr. Barnes inquired why the AFCM would rather purchase the FBO versus leasing the building.

Ms. Bykonen stated the proposal has not been set in stone and the terms will be part of the negotiation process. Ms. Bykonen indicated the AFCM is willing to work with the Port on the terms.

Mr. Eaton stated we currently have contacted an architect and builder, who will evaluate code issues and egress. As part of the process, our consultants will advise us if it is better to rehab the building for use, or use as-is with the plan to build a new facility. Mr. Eaton believes the Art Incubator is not a short-term, fill-in project, but a permanent, long term project. As Ms. Carter states, "art starts," and this will be the place for art to start. The goal is to have a facility that the arts community could begin using by spring or summer of 2016 as opposed to starting a capital campaign to construct the facility, which could take three to five years.

Mr. Barnes asked staff to further explore the Arts Incubator idea.

Mr. Arntzen stated this was a good opportunity for the Commission to discuss the concept and staff will continue to meet with AFCM and bring back additional details. Furthermore, if the Commission would like to explore the idea further, staff will need to look at the potential impact to the Vista Field Master Plan.

Mr. Moak stated assuming DPZ is able to incorporate the FBO building into the Master Plan, he is interested in seeing the project move forward.

Mr. Barnes concurs with Mr. Moak and stated perhaps the Port enter into a lease hold agreement.

Mr. Arntzen stated the Port previously leased the FBO building, which was challenging and did not generate much revenue, which is why it was determined the building should be demolished.



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To lease the building would require additional capital improvements, however, if it could be acquired, it could be a valuable resource. Mr. Arntzen does not envision leasing the FBO building, but the Commission could consider a ground lease.

Mr. Arntzen stated the time line is very ambitious and believes there are additional details that need to be addressed. Mr. Arntzen believes there could be a place for all of the arts and with a possible future expansion that will include dirty art and the Academy of Children's Theater. As staff works with Mr. Eaton and Ms. Bykonen, we continue see the vision and Vista Field may become the mecca for arts in our community. If this idea comes to fruition, the stage is set for how the Port Commission can continue to foster the various forms of art in our community.

Mr. Arntzen stated this is an important proposal and together, with other potential opportunities, we will see early action projects at Vista Field.

Mr. Barnes called for public comment.

PUBLIC COMMENT

Justin Raffa, 1214 Gowan Avenue, Richland. Mr. Raffa, Artistic Director of the Mid-Columbia Mastersingers stated on November 18, 2015, the AFCM, the Arts Center Task Force, the Mid-Columbia Symphony, the Mid-Columbia Ballet, the Mid-Columbia Mastersingers and the Mid-Columbia Musical Theater are sponsoring the Tri-City Regional Chamber of Commerce Luncheon featured speaker, Karen Hanan, Executive Director of Arts Washington. Furthermore, Ms. Hanan will be meeting with staff to explore opportunities with the Port and how art and culture can be involved. Mr. Raffa expressed his support for the Arts Incubator and stated the arts community all stand together, we are supportive of one another, we are working together, and this is a unified Master Plan, not just for Vista Field, but for all the arts and cultural opportunities that exist for our community.

Steven Wiley, 3172 Willow Point Drive, Richland. Mr. Wiley, Chairman of the Arts Center Task Force, stated within the last month, we have visited several successful art centers on the west side. It is very clear that successful art centers have been able to drive the development of an arts district around them, such as the Admiral Theatre in Bremerton, Washington which has revitalized the downtown area. The area has driven the development of art and has created numerous economic development opportunities. Mr. Wiley believes the AFMC proposal dovetails perfectly with the vision of the arts, the Performing Arts Center and the Port's vision for Vista Field. Mr. Wiley expressed his excitement and support for the project.

Josh Peterson, 1164 North Montana Street, Kennewick. Mr. Peterson, Director of the Boys and Girls Club, Music and Arts Center in downtown Kennewick, is fully supportive of an Arts Incubator. The artistic youth in our community are hungry for a space like this, and we cannot expand our program due to lack of space. A facility like this will help push the young artists and musicians in our community, and give them an extra opportunity to create art, to create music, and to perform for their peers and network as they grow up in our community. Mr. Peterson reiterated his support this project, and is excited to see it come to fruition for the community.



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Mr. Novakovich appreciates the comments and support the Commission has heard today. When the Commission discussed the Port's Comprehensive Scheme on October 27, it was important to maintain flexibility, to be able to take advantage of opportunities, and this is a perfect example. Mr. Novakovich stated the comments expressed today show that an Art Incubator would benefit our community and he appreciates the Commission's willingness to move forward.

Pat Fleming, 106429 East Badger Road, Kennewick. Mr. Fleming, an art teacher for the past 44 years, stated the visual arts seem to take a back seat. Mr. Fleming has attended performances at all the high schools, and stated you cannot find one publicly funded visual arts venue in the Tri-Cities. Mr. Fleming stated visual arts used to be able to exhibit at the cities and libraries; however, due to unforeseen circumstances, we are no longer able to. The single largest industry in the country is entertainment and the fifth largest industry is graphics and yet, there is lack of support for the arts in our community. The AFCM is offering the Port an opportunity, and Mr. Fleming does not understand why an Arts Incubator could not be funded through public funds. Mr. Fleming stated Moses Lake has a \$1,000,000 Museum and Art Center which is supported by the City of Moses Lake and museum members. The Tri-Cities doesn't have a facility like this and the community is in desperate need of a place that supports all arts.

Mr. Barnes thanked Ms. Bykonen and Mr. Eaton for the presentation and appreciates the public comments. The Commission would like staff to further pursue the opportunity and continue to work with AFCM.

NEW BUSINESS

A. Spaulding Business Park Land Sale: Resolution 2015-27

Ms. Hanchette reported one lot (#3) remains in Spaulding Business at 1.29 acres. Support, Advocacy and Resource Center (SARC) has offered to purchase 0.83 acres, which is equal to 36,154 square feet located in Spaulding Business Park for \$180,774.00. The purchase price equates to \$5.00 per square foot which is generally consistent with sales activity in the area. If the Port is willing to subdivide, the buyer would pay full price for the back piece, and pay for access improvements, utility easements, and road improvements, which would benefit the remaining front piece.

SARC intends to build a minimum of a 6,000 square foot building for administrative offices and client services. The building will include a tranquil courtyard and the site will be large enough for future expansion. The facility will initially employ 10 staff members with a growth strategy to add more staff through the addition of a counseling program. The desired location is near other community resource agencies (Tri-Cities Chaplaincy, The ARC of Tri-Cities) that are already located in the Spaulding Business Park. Ms. Hanchette introduced SARC Executive Director, JoDee Garretson, to talk about the organization.

Ms. Garretson stated SARC's mission is to provide 24 hour crisis services, support and advocacy to victims, non-offending family members, and others impacted by crime. By purchasing the property and building a new facility, SARC will be able to expand our programs and grow. At this time, our current facility does not allow for expansion and there are issues with privacy. Ms. Garretson reported the budget for the facility and land is \$1,400,000 and SARC needs to raise \$250,000 to reach the goal. Ms. Garretson stated SARC received a State Grant of \$700,000,



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which needs to be expended by June 30, 2017 and believes the time frame is reasonable and the facility will be completed in over a year and half. Furthermore, the architect has completed the initial drawings and a builder has been chosen. The land is so important due to its central location, with Child Protective Services, Tri-Cities Chaplaincy and The ARC nearby and easy highway access for our partner agencies.

Mr. Novakovich inquired if SARC will be adding ten new employees or is that the current number of staff.

Ms. Garretson stated SARC currently has nine employees and will have additional employees with the addition of a counseling program.

Mr. Moak asked Ms. Hanchette if the remaining parcel is more marketable at a smaller size.

Ms. Hanchette stated there is interest in the parcel and it is a desirable piece of property.

Mr. Barnes is supportive of the land sale and thanked Ms. Garretson for the presentation and answering the Commission's questions.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2015-27, authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Support, Advocacy & Resources Center and to take all other action necessary to close this transaction; Commissioner Moak seconded.*

Discussion:

Mr. Moak stated the Commission has given Ms. Hanchette direction to sell the Spaulding property and SARC is an agency that is very visible and does a lot of good for our community. Mr. Moak is very supportive of this land sale.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Levy Certification: Resolution 2015-25

Ms. Fine stated each year, the Commission has the opportunity to pass the Property Tax Levy which, establishes how much the Port will collect in property taxes and is then forwarded to the Benton County Treasurer. Resolution 2015-26 is required by law, and authorizes the Commission to take an increase in the tax levy of 1%, pursuant to RCW 84.55.120 and WAC 458-19-005. Ms. Fine stated the Port will receive approximately \$45,000 and this will not increase property taxes

Mr. Barnes stated since 2001, the levy rate has decreased from .41 to .33 cents.



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PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2015-25, Levy Certification; Commissioner Moak seconded. With no further discussion, all in favor, 3:0. Motion carried unanimously.*

B. Increase in Tax Capacity: Resolution 2015-26

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2015-26, authorizing an increase in the Tax Capacity, authorizing the 1%; Commissioner Moak seconded. With no further discussion, all in favor, 3:0. Motion carried unanimously.*

C. WPPA Legislative Meeting Report

Mr. Novakovich reported on the 2016 Washington Public Ports Legislative Committee Agenda Issues:

1. **Tourism Funding:** When the State cut tourism funding, the Washington Tourism Alliance was created. The Alliance put forward a proposal in the 2015 Legislative session for a coordinated statewide tourism marketing plan, paid for by the businesses that benefit from tourism. This is likely to be back in 2016, however, not all funding partners supported the last proposal. WPPA mulled the idea that perhaps the Ports work together and create the Federation of Washington Ports to promote tourism. Under RCW 52, Ports are authorized to do this;
2. **Industrial Development District (IDD) Levy Flexibility:** On the heels of the bill passed in 2015, which allows ports a flexible timeline to better utilize the IDD funding tool for specific projects. At this time, there are a few ports that cannot levy the remainder of levies that were partially utilized under the old statute. A technical correction needs to be made, which was referred to the Economic Development Committee to undertake. Also, it was discussed to have a complete reset of the IDD levy when a Port reaches the 100 year mark as a District;
3. **Public Works Assistance Account:** WPPA may renew this effort to expand the Public Works Assistance Account, which would allow ports to access their funds and protect the fund for its intended use;
4. **Port Infrastructure Funding:** This would add flexibility to the investment opportunities for ports. It would also assist in the ability to create a port infrastructure program which allows ports to fund infrastructure while maximizing port investments;
5. **Model Toxic Control Act (MTCA) Funding Preservation:** The WPPA supports the Department of Ecology's \$36,000,000 budget request to fill the shortfall caused by the revenue in the MTCA accounts. WPPA is exploring how to best ensure legislation that addresses the structural problems in these accounts and magnify the effects of a revenue shortfall on Remedial Action Grants. It was reported that the account was swept and



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\$250,000,000 was put back into the General Fund. Furthermore, the Governor's Carbon Tax will put Boise at Walulla out of business with a loss of 700 jobs;

6. Public Records Act: The State Auditor's Office (SAO) is conducting a survey on Public Records requests, to potentially allow agencies to recoup some costs pertaining to commercial requests. Also, it is likely there will be a proposal which states the Advisory Committees should be subject to the PRA and the Open Public Meetings Act. Jim Kuntz believes newspapers should be subject to this requirement as well.
7. WPPA: The WPPA is considering bringing legislation forward which will broaden the ports authority to allow hiring private sector auditors to perform audits. Several ports have found many inconsistencies in SAO findings.

D. 2016 Committee Assignments

Ms. Scott addressed the Commission comments regarding the Committee Assignments and made adjustments. Ms. Scott stated the following committees have been removed from the list: Port of Kennewick Policy Representative; the Port of Pasco Commissioner's Citizens Committee; and the State Good Roads Association. In addition, the Port of Pasco will reside on the TRIDEC Executive Board for 2016 and the Hispanic Chamber of Commerce has been added to the Committee Assignments list.

The Commission discussed the Committee Assignments as outlined in Exhibit A and added the following:

- Mr. Barnes will serve as alternate on the Historic Downtown Kennewick Partnership;
- Mr. Barnes will serve as the alternate of the Tri-Cities Hispanic Chamber of Commerce;

Mr. Moak would like to see the Commission engage more with the policy makers rather than business.

Mr. Barnes stated there are several new council members in West Richland and welcomes the opportunity for a joint meeting with the West Richland City Council.

Mr. Arntzen stated there are four new Council Members and staff will look at setting up a joint meeting in the first quarter of 2016. This will be an opportunity to inform new council members on Port projects in West Richland.

Mr. Barnes recessed the meeting at 3:23 p.m. for a break and will reconvene at approximately 3:30 p.m.

Mr. Barnes reconvened the meeting at 3:34 p.m.

E. 2016 Election of Officers

Mr. Arntzen stated every year, in conjunction with the Committee Assignments, the Commission discusses the election of officers: President, Vice President, and Secretary. The Commission has the option of discussing and electing officers today or electing officers at the December 8, 2015 or the first meeting in January 2016.



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Mr. Barnes stated the Port Policy does not specify a date for the election of officers, nor does it set a term limit. The current policy affords the ultimate flexibility and in the past, officers have served one year terms. Mr. Barnes reported at the recent WPPA Small Ports Conference, the Port of Olympia stated the Commission President conducts the meeting, however, he or she does not have any greater power than the other Commissioners. Mr. Barnes has happily served as the Port President for the past two years and whatever action the Commission decides, he is fine with.

Mr. Novakovich thanked Mr. Barnes for addressing the Port Policy and believes the Commission should discuss what needs to be added to policies, and then hold the election of officers at the December 8th meeting.

Mr. Barnes stated the current policy allows for flexibility and believes Commission should proceed with caution if they alter the current policy. If the Commission adjusts the policy, by including election dates and terms of office, we should also consider addressing if an officer is unable to serve.

Mr. Novakovich stated in regards to term limits, the Commission set a precedence by establishing a two year budget and electing Mr. Barnes to serve as Commission President for two one year terms. Mr. Novakovich would like to see a two year election cycle and term limit which would coincide with the budget processes and the previous elections. Mr. Novakovich stated, the policy could also include language addressing the ability to serve.

Mr. Moak likes the two year terms and does not believe the Commission needs to hold elections every year. Also, a two year term should coincide with election cycle, so the newly elected Commissioner could be part of the election process.

Mr. Barnes likes Mr. Moak's idea of following the election cycle and including the newly elected Commissioner. Mr. Barnes inquired if the Commission would like to postpone the election until the January 12, 2016 meeting.

Mr. Moak stated the policy needs to be updated prior to voting.

Mr. Barnes is not in favor of a new policy which specifies a term and stated the current policy allows for flexibility, however, it is worthy of consideration. Mr. Barnes asked staff to draft a new policy which includes the following:

- Two year term limit;
- Elections to be held in January; and
- Include language if officer is no longer able to serve.

Mr. Barnes believes adding language that allows the Commission to hold a special election with a 2/3^{rds} Commission vote would address many issues.



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Ms. Luke and staff will draft a policy and bring back to the Commission at the December 8, 2015 meeting.

Mr. Barnes stated the Commission can address the policy change at the December 8, 2015 meeting and elect officers at the January 12, 2016 meeting.

Mr. Arntzen recognizes the issues and will work with Ms. Luke to draft a policy, which allows for flexibility but still addresses the Commission's directives, which include:

- Two year term limit;
- Elections to be held in January; and
- Include language for a special election if the Commission deems necessary with a 2/3rds vote.

F. Lease Compliance

Ms. Fine stated the lease process and compliance engages almost all staff and 79% of staff time is spent on the marina, which is the most active of all properties. The Port utilizes a standardized lease and requires the following:

- Current insurance;
- Current bonds or deposits or waiver (as per RCW); and
- May have other requirements outlined in the lease agreements.

The Marina Lease Process begins at the front desk with Ms. Yates, who performs following duties with a new marina tenant:

- Reviews standard lease agreement with the customer and obtains signature;
- Obtains driver's license;
- Obtains insurance (per Port policy) and registration;
- Calculates the lease rates (pro-rates if necessary);
- Collects and deposits payments;
- Completes the electrical form if applicable and issues keys;
- Updates lease database and provides ongoing follow up.

Ms. Roach ensures that all the Port's lease contracts are adequately monitored, proper payments have been paid or received and all Port leases are in compliance with their contract requirements and properly reported in the financials.

Mr. Kooiker reviews all leases for compliance and stated nearly 100% of Port leases are in compliance. Furthermore, new lease payment provisions have reduced staff time in collection, stabilized cash flow and resulted in fewer uncollectable accounts.

Ms. Fine stated since the Port implemented the automatic renewal process, marina leases are easier to maintain.

Mr. Novakovich asked if reminders are sent to the tenants for insurance updates.

Ms. Fine stated Ms. Yates and Ms. Roach are continually following up with tenants for insurance compliance.



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Mr. Moak asked what happens if a new tenant does not provide the proper documentation.

Ms. Yates stated if a new tenant does not have all the required documents, they will not be issued keys until lease requirements are complete.

Ms. Fine stated staff will administer the following if a tenant falls behind on their payments:

- Deactivate tenant key cards;
- Incur late fees;
- Incur interest fees; and
- Lock up boat.

Ms. Hanchette reported the Port has not had any audit issues in the leasing operations and have had 15 years of clean audits. Ms. Hanchette stated this is a team effort and our internal communication is very import. Furthermore, Ms. Yates does a phenomenal job communicating the Port's expectations to each tenant, prior to occupancy.

Mr. Barnes inquired how many slips are in the marina and if there is a waiting list.

Ms. Hanchette stated there are a 150 slips in the marina and at this time of year, there is a turnover rate of approximately 10 %. During the summer, the marina is almost full and slips are not available. The marina lease and map is available on-line, which allows the public the ability to see what slips are available and what the lease requirements are.

Mr. Barnes thanked staff for the update and for doing an excellent job representing the Port.

Mr. Arntzen stated he is very proud of his team and appreciates all their hard work.

Mr. Novakovich inquired if the tenants liked the new gates.

Ms. Hanchette reported the feedback has been positive and tenants appreciate the aesthetics and the additional security.

G. Travel: Wine & Grape Growers Symposium, ICSC and IEDC Conferences

Mr. Arntzen stated there are several travel opportunities for the Commission to consider for 2016:

- Wine and Grape Growers Symposium, January 2016, Sacramento, California;
- International Council of Shopping Centers (ICSC), May 2016, Las Vegas, Nevada;
- International Economic Development Conference (IEDC); and
- Congress for New Urbanism (CNU), June 2016, Detroit, Michigan.

Mr. Arntzen anticipated that the Willows property would be ready to market in time for the Wine and Grape Growers Symposium in Sacramento in January, however, additional value engineering is needed to ready the plan. Our objective is that the Willows will be complementary to the wine industry and contain mixed-use buildings and tasting rooms. Mr. Arntzen inquired what conferences or training the Commission may want to attend in 2016.



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Mr. Novakovich believes the Port should have a presence wherever wine is related, unless it is a burden on staff.

Ms. Bader Inglima stated she has attended the Wine and Grape Growers Symposium in Sacramento and the ICSC with the City of Kennewick. Furthermore, the Port will have a booth in partnership with the City of Kennewick at the local Washington Association of Wine Grape Growers Show (WAWGG) and believes it has been the most productive for the Port in generating interest in the Wine Village.

Mr. Moak stated it is important to look at most effective use of the Port's travel resources and he believes all of the conferences offer a good learning opportunity. Mr. Moak stated he learned a lot at the Wine and Grape Growers Symposium and believes there is value in visiting the area as well.

Mr. Barnes is supportive and stated staff should continue to market Port opportunities at our wine themed redevelopments along Columbia Drive, West Richland and possibly Vista Field at these events.

Mr. Arntzen believes Sacramento is a great conference to attend, however, he does not believe it will be beneficial for 2016. Mr. Arntzen stated the IEDC has very informative courses that pertain to redevelopment and believes it is beneficial to both the Commission and staff. Mr. Arntzen believes CNU, which focuses on New Urbanism, is an important conference to attend, because Detroit is undergoing a renaissance and slowly rebuilding. Mr. Peterson has expressed his desire to attend the CNU conference.

Mr. Novakovich inquired about the Waterfront Conference.

Mr. Arntzen stated the Waterfront Center is another opportunity which focuses on revitalization of areas close to waterfronts.

Mr. Novakovich thanked Mr. Arntzen for his perspective.

Mr. Arntzen suggested each Commissioner select a conference, outside of Washington, that they would like to attend and staff will gather additional information.

H. Vista Field

Mr. Peterson reported the Transportation Impact Evaluation Analysis (TSIE) Draft for Vista Field is complete. The City of Kennewick requested additional information on potential transportation impacts Vista Field will generate to the surrounding street network. Port staff has sent the draft to the City's traffic engineer, and will forward onto Ben Franklin Transit and the Council of Governments for further review. The City Council has reviewed the design and zoning standards and City staff will review the TSIE Analysis and bring before the Council in January 2016. Mr. Peterson stated there will not need to be any offsite improvements necessary in the first ten years of development. At build out, there is one traffic signal necessary at the intersection of Kellogg and Quinault, near Lawrence Scott Park. Furthermore, the TSIE includes



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internal capture, where people visit several businesses in Vista Field, not just one place. Mr. Peterson stated with the potential use of the FBO, there will be a slight modification to the drawings, and the roadway will now veer around the building.

I. Columbia Drive

Mr. Peterson stated the Port has been granted a conditional use permit for construction of the three winery buildings. The Port received approval from the City for a slight deviation of design standards to construct the buildings. On November 24, 2015, staff will receive the building permit from the City and the bidding process will begin early December. Mr. Peterson stated the bid opening is scheduled for January 21, 2016 and the bid results will be presented to the Commission on January 26, 2016. Included in the bid set are the following: construction of three buildings, the one acre site improvements, the undergrounding of utilities, and the utility extension. Mr. Peterson estimates the time frame for construction will be from February 2016 to November 2016. Furthermore, tenants will need to obtain a liquor license, and a finished space is required before that process can begin.

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

Commissioners reported on their respective committee meetings.

K. Non Scheduled Items

1. Mr. Moak and Mr. Novakovich offered their congratulations to Mr. Barnes on the election.
2. Ms. Hanchette stated for past several years the Port has supported the lighting of the Veteran's Christmas tree in the Willows parking lot and it will be lit again this year, from November 25, through first of the year.

PUBLIC COMMENTS

Ed Frost, 609 West Albany Street, Kennewick. Mr. Frost inquired if the TSIE Analysis and Executive Summary could be placed on the Port website for public viewing.

Mr. Peterson stated staff will post the Draft TSIE Analysis on the Port website.

No further comments were made.

COMMISSIONER COMMENTS

No comments were made.

Mr. Barnes anticipates the Executive Session will last approximately 25 minutes, for Personnel, per RCW 42.30.110(1)(g) with action anticipated. Mr. Barnes asked the public to notify Port staff if they will return after the executive session. Mr. Barnes recessed the Regular Commission Meeting at 4:33 p.m.

EXECUTIVE SESSION

A. Personnel, per RCW 42.30.110(1)(g)

Mr. Barnes convened the meeting into Executive Session at 4:35 p.m. for approximately 25 minutes.



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Ms. Fine exited the meeting at 5:00 p.m. to extend the Executive Session 10 minutes.

Ms. Fine exited the meeting at 5:10 p.m. to extend the Executive Session 5 minutes.

Mr. Barnes adjourned the Executive Session at 5:15 p.m.

Mr. Barnes reconvened Regular Commission Meeting at 5:15 p.m.

Mr. Novakovich stated the Port of Kennewick has a very adept staff with excellent leadership.

MOTION: *Commissioner Novakovich moved for approval, accepting the memo (Exhibit B) dated October 14, 2015, regarding the Executive Director's 2015-2016 Goals and Objectives, accomplished in 2015; Commissioner Moak seconded.*

Discussion:

Mr. Novakovich stated, Mr. Arntzen had fifteen goals to complete in a two year period (2015-2016) and has completed nine goals in ten months. Mr. Novakovich fully supports the memo.

Mr. Barnes agrees with Mr. Novakovich and stated the Port has received an excellent effort from our Executive Director in 2015. Furthermore, the memorandum sets forth a status update of each of the outlined goals and objectives for 2015-2016 and as Ms. Fine reported, Mr. Arntzen has met nine of the fifteen goals thus far. Mr. Barnes is supportive of the motion.

Mr. Moak stated the 2015-2016 goals and objectives were big and complex items and the intent was it would take two years to complete, as identified in work plan. A lot has been accomplished, and the Port Commission also asks a lot, and he believes 2016 will be even better. Mr. Moak supports the motion.

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

Mr. Novakovich stated it is essential to approve the Executive Director's Evaluation. Ms. Fine led each Commissioner individually through the process and it was found that the Executive Director has done a very good job and the Port is in a far better place today than it was several years ago.

Motion: *Commission Novakovich moves for approval of the Commission's evaluation of the Executive Director for his 2015 Annual Performance Review, based on the Employment Agreement dated November 15, 2013, and deems the Executive Director's performance to be exceptional. Mr. Moak seconded.*

Discussion:

Mr. Moak stated the Executive Director has been working on the various pieces of Clover Island, Vista Field and Columbia Drive and now the arts groups. The Executive Director has been active in all areas and this has been an exceptional year for the Port and he has been exceptional.



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Mr. Barnes stated the Port of Kennewick Commission has differing opinions and philosophies, and we enter into many healthy discussions, and I enjoy working with my fellow Commissioners; however, our differing views create a challenging job for our Executive Director. Mr. Arntzen has three bosses, with different points of view which makes his position more challenging, and his work has been exceptional given this particular set of circumstances.

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

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 5:22 p.m.


APPROVED:


**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

 <p style="text-align: center;">DRAFT PORT of KENNEWICK 2016 COMMISSION ORGANIZATION REPRESENTATION</p>					
NAME	MEETING SCHEDULE	MEETING TIME	MEETING PLACE	CURRENT COMMISSIONER REPRESENTING POK	COMMENTS
Benton-Franklin Council of Governments Board of Directors	3rd Friday	11:30 AM	EI Chapala: Columbia Drive	Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes
Benton-Franklin Council of Governments Policy Advisory Committee (PAC)	Second Thursday	7:00 AM	Cousin's	Commissioner Skip Novakovich	Alternate: Commissioner Thomas Moak
Benton-Franklin Council of Governments Local Good Roads & Transportation Association	3rd Wednesday every other month	5:30 PM	TBA	Commissioner Thomas Moak	Alternate: Commissioner Don Barnes Meets Feb, April, June, Aug, Oct, Dec. Locations TBA
Confederated Tribes of the Umatilla Indian Reservation (CTUIR)	As Called			Commissioner Skip Novakovich	Alternate: Commissioner Thomas Moak
Historic Downtown Kennewick Partnership	3rd Friday	7:30 AM	Downtown Kennewick Business Center	Commissioner Thomas Moak	Alternate: Commissioner Don Barnes
Tri-Cities Hispanic Chamber of Commerce	3rd Tuesday	11:30 AM	Pasco Red Lion	Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes
Tri-City Regional Chamber Board of Directors Meeting	3rd Wednesday every other month	7:00 AM	Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Thomas Moak
Visit Tri-Cities (formerly Tri-Cities Visitor & Convention Bureau) (Full Board Meeting)	4th Wednesday	7:30 AM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Thomas Moak
TRIDEC Board of Directors Meeting	4th Thursday	4:00 PM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Skip Novakovich
TRIDEC Executive Board Meeting	2nd Thursday every other month	4:00 PM	Tri-Cities Business & Visitor Center Bechtel Board Room	Port of Pasco	Tri-Ports Executive Board Rep (Rotates Annually) 2014 - Port of Kennewick 2015 - Port of Benton 2016 - Port of Pasco
Trios Health, City of Kennewick and Port of Kennewick	Quarterly Meetings	5:30 PM	Trios Health's Administration Conference Room	Commissioner Thomas Moak	Alternate: Commissioner Don Barnes Jan, April, August & November
West Richland Area Chamber of Commerce	1st Wednesday	Noon	The Sandberg Event Center	Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes
West Richland Economic Development Committee	As Called			Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes

 <p style="text-align: center;">DRAFT PORT of KENNEWICK 2016 COMMISSION ORGANIZATION REPRESENTATION</p>					
NAME	MEETING SCHEDULE	MEETING TIME	MEETING PLACE	CURRENT COMMISSIONER REPRESENTING POK	COMMENTS
WPPA Board of Trustees	As Called			Commissioner Skip Novakovich	Alternate: Tim Arntzen
WPPA Economic Development Committee	As Called			Commissioner Thomas Moak	Alternate: Tim Arntzen
WPPA Legislative Committee	As Called			Commissioner Skip Novakovich	Alternate: Tim Arntzen
WPPA Marina Committee	As Called			Commissioner Don Barnes	Alternate: Tim Arntzen

TO: PORT OF KENNEWICK COMMISSIONERS
FROM: TAMMY FINE, CFO/AUDITOR
SUBJECT: EXECUTIVE DIRECTOR 2015 GOALS & OBJECTIVES UPDATE
DATE: OCTOBER 14, 2015

Executive Director's Goals & Objectives accomplished through September 2015 include:

1. Project prioritization process for Commission review:

Develop prioritization plan for Commission review to focus on identified work plan items (establish firm plan to resist piling onto already full work plates—if a new opportunity arises and an unidentified project is added, the plan would help identify what item “falls off” the plate unless staffing levels are increased).

STATUS: Work in progress.

2. Develop financing plan for Phase 2 of the 1135 Program for Clover Island Shoreline.

STATUS: Completed

\$500k was set aside and approved in the 2015/16 work plan and budget (25% match for the federal investment for phase 2). The Port has the \$2m federal project completely funded due to the drop in the anticipated cost of the project from \$5m to \$2m. The Executive Director provided the Commission on August 11, 2015 a plan for funding optional amenities. Commission voted to keep the \$500k for the federal match; and to fund the foundation for the over-water pier at an additional \$150k +/- . The \$500k is already budgeted in 2015/16 and the \$150k is included in the 2015/16 budget.

3. Clover Island Redevelopment - Complete the following items identified within the work plan, in coordination with the approved budget, financial and operational philosophy:

1) Completion of Village at Island Harbor shoreline pathway.

STATUS: Work in progress.

Design is complete, project went out to bid on September 27, 2015 and bids are due Oct. 15th, with construction slated to start right after award presentation to Commission on October 27/28, 2015.

2) Installation of CTUIR artwork and display panels.

STATUS: Work in progress.

Design is complete, artwork is complete, and bids are due Oct. 15th, with construction slated to start right after award presentation to Commission on October 27/28, 2015.

- 3) RCO grant funded project (construction completion by December 31, 2015 and all required paper work completed by February, 2016).

STATUS: Work in progress.

Design is complete, project was bid, construction has started and construction is slated to be completed by 12/31/15.

4. Columbia Drive Redevelopment – *complete the following items identified within the work plan, in coordination with the approved budget, financial and operational philosophy:*

- 1) Phase I – three (3) winery buildings @ 421, utilities underground and EFT shell is no longer required, which is a \$300,000 cost savings due to the City installing an in-ground wine treatment vault.

STATUS: Work in progress.

Design complete, landscape plan and lighting plan submitted to the City, permits are submitted as of 10/1/15, and in 95% design stage for buildings; underground utilities are at 75% of design. Project will go out to bid in November 2015.

- 2) Phase II – present a draft interlocal agreement (including a financial plan framework) with a developer to maintain the current Tri-City momentum to enhance public and private partnerships.

STATUS: Work in progress.

The Port is working with the City of Kennewick on an interlocal agreement and potential development option for phase II.

5. Vista Field Redevelopment - *complete the following identified within the work plan, in coordination with the approved budget, financial and operational philosophy:*

- 1) Complete design for road infrastructure and utilities
- 2) Implement next stage of planning

STATUS: **Completed**

Pursuant to Port Commission Resolution No. 2015-22, dated October 13, 2015, the Port Commission decided to:

- 1) *Complete design for road infrastructure and utilities: The Port Commission established that the transportation and utility element of the draft Vista Field master plan (prepared by DPZ, EcoNorthwest and Port staff) shall be as shown in the drawing which was shown in the Commission Meeting of September 22, 2015.*

- 2) *Implement next stage of planning: The Port Commission established that the “next phase” of Vista Field planning (i.e. post charrette and post task force) will be for the Executive Director to:*
- a. *Prepare a draft master plan which embodies the charrette elements and public and commission comments;*
 - b. *Segment the draft master plan into two elements (the planning and zoning element and the transportation and utility element);*
 - c. *Separately present each element to the city council for review, discussion and comment; and*
 - d. *When appropriate, present the final draft master plan to the Port Commission and City Council for possible adoption.*

6. Explore options on development “structure” or potential entity form for Vista Field development.

STATUS: Completed

Pursuant to Port Commission Resolution No. 2015-22, dated October 13, 2015, the port commission decided to follow the below development structure:

“(Implementation Policy) Redevelopment Leadership: Upon completion of the master plan, the Port should function as the master developer”.

7. Produce Capital Investment Plan for financing Vista Field and Columbia Drive development projects.

STATUS: Completed

These plans were approved by Commission on September 22, 2015 and formalized in Port Commission Resolution No. 2015-22, dated October 13, 2015, the Port Commission decided to:

- a. *Implement a Phase II road and utility plan for Columbia Gardens, Phase II. Thus, Tammy was able to assemble the Capital Investment Plan for Phase II. It was approved by the resolution mentioned above.*
- b. *Additionally, with the same resolution, the commission approved the Vista Field infrastructure Capital Investment Plan.*

8. West Richland: Implement approved work plan in coordination with the approved budget, financial, and operational philosophy.

\$200,000 agreement to City of West Richland for Shoreline Park, under construction as of June 2016.

STATUS: Work in progress.

9. Richland: *Implement approved work plan in coordination with the approved budget, financial, and operational philosophy.*

\$150,000 to City of Richland for Badger Mountain Trailhead Parking lot, groundbreaking held October 5, 2015. Project scheduled to be completed by December 2015.

STATUS: Work in progress.

10. Implement staff realignment.

STATUS: Completed

Tim has been working on the plan for many months, and presented it to the Commission for information purposes at the Commission Meeting of September 22, 2015. Effective October 1, 2015 he implemented the Commission approved plan.

11. Complete the comprehensive scheme update and present to Commission.

STATUS: Completed

Completed and presented the comprehensive scheme update to Commission on October 27/28, 2015.

12. Conduct every other year Commission Strategic Retreat Pilot Project (facilitated & off-campus).

STATUS: Work in progress.

13. Implement semi-annual Commission workshops.

STATUS: Completed

First commission workshop was held on July 28, 2015. At that workshop the commission discussed Vista Field policy matters.

Second workshop scheduled for October 27/28, 2015, where the Port's Comprehensive Scheme will be discussed.

14. Research, develop plan and implement Phase I of paperless system identified within the work plan and budget.

STATUS: Completed

Paperless system has been researched, plan has been developed, and Phase I has been implemented where staff have implemented various paperless processes for payroll, accounts payable, paperless financial statements and audit processes, and capital planning department. Paperless system plan was presented to Commission on September 22, 2015.

15. Research, develop plan and implement Phase I of records management system identified within the work plan and budget.

STATUS: Completed

Records management system has been researched, plan has been developed, and Phase I has been implemented where staff have conducted an inventory and has identified the first batch for the disposition review process. The Records Management Plan was presented to Commission on September 22, 2015.

WORK IN PROCESS FROM 2014 and PRIOR YEARS, TABLED OR COMMISSION DECIDED ON A DIFFERENT DIRECTION:

PRIORITY:

Assist West Richland with the next steps for the Wine Effluent Treatment Project:

STATUS: Work in progress.

The Port has been working with West Richland on this project. In September of 2013 a group traveled to CA to see how the process works. The initial location was thought to be on Port property. However, due to Port property not being within the City limits which precluded utility hook-ups, West Richland secured another location within City limits so they would not lose the grant dollars secured to build the treatment plant.

Identify Real Property For Purchase in Richland:

STATUS: Work in progress.

Worked with Joe Schiessl (7/16 & 8/6/14) and identified parcels to purchase within a 150 acre area around Island View. A joint meeting was held on October 21, 2014 to discuss properties.

Development of Due Diligence Policy for Land Sales, Leases and Development Partners:

STATUS: Work in progress.

Tim developed a policy for Commissioner review and it will be presented on a future date.

REGULAR:

Sell or Lease one Parcel in West Richland:

STATUS: Work in progress.

The Port actively markets current properties for sale in a variety of venues. Throughout this year the Port has promoted the property for sale or lease; and will continue to bring focus to the port-owned parcel in City of West Richland.

The Port worked with City of West Richland to bring the former racetrack land within the City's UGB, and in August of 2015, the City Council approved the Port's request for that 93 acre parcel; creating additional future marketable lots in West Richland.

Develop a Branding Plan:

STATUS: Work in progress.

A draft RFP was created to seek assistance with this process. Commissioners stated that they would like this rebranding process to coincide with the Port's 100 Year Celebration. New brand materials were developed for the Port's 100th Anniversary and unveiled in spring of 2015. A history research report was presented to the Commission and Governor Inslee attended the Port's community recognition event. In July 2015, a contractor was hired to complete a market brand report; Commission and staff interviews have taken place and the targeted date for completed report is the end of October 2015. The branding evaluation project and RFP is scheduled for consideration for the 2015-2016 Work Plan.

OPTIONAL:

Clover Island Overwater Coverage: Continue Design & Permit Efforts:

STATUS: Tabled 2012

PORT OF KENNEWICK

Resolution No. 2015-28

***A RESOLUTION OF THE PORT OF KENNEWICK
BOARD OF COMMISSIONERS DESIGNATING THE EMERGENCY REPAIR OF
WATER EXITING OUTDOOR HOSE BID AT 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 hose bib was broken from freezing temperatures and water exiting threatened to result in material damage to property; 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 to outdoor hose bib at 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 8th day of December, 2015.

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

DON BARNES, President

SKIP NOVAKOVICH, Vice President

THOMAS MOAK, Secretary

PORT OF KENNEWICK

RESOLUTION 2015-29

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF PORT OF KENNEWICK AMENDING
CHIEF EXECUTIVE OFFICER'S DELEGATION OF AUTHORITY***

WHEREAS, each year the Chief Executive Officer (CEO) reviews the CEO's Delegation of Authority to determine whether changes should be made to reflect current conditions or potential improvements in operations; and

WHEREAS, the CEO, Chief Financial Officer (CFO), and Port Counsel have thoroughly reviewed the Delegation of Authority and have proposed significant modifications, which would be in the best interest of the public.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby approves adopting the Chief Executive Officer Delegation of Authority, as identified in Attachment A.

BE IT FURTHER RESOLVED, this policy removes and replaces all previous Port policies adopted which address the items identified within this policy and this policy will be effective upon finalization of the CEO's Handbook and Procedures for Staff. This policy cross references Port Commission Rules of Policy and Procedures and the CEO's Handbook and Procedures for Staff.


ADOPTED by the Board of Commissioners of Port of Kennewick this 8th day of December, 2015.

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

DON BARNES, *President*

SKIP NOVAKOVICH, *Vice President*

THOMAS MOAK, *Secretary*

	PORT OF KENNEWICK	
	CHIEF EXECUTIVE OFFICER DELEGATION OF AUTHORITY	COMMISSION POLICY NO.1
	Adopted by the Commission on ____, 2015	This policy removes and replaces all previous Port policies adopted which address the items identified within this policy. This policy cross references Port Commission Rules of Policy and Procedure and CEO's Procedures for Staff.

PURPOSE AND AUTHORITY

The Port Commission establishes the Port of Kennewick’s policy objectives and the rules governing its business transactions. The Commission retains an Executive Director, hereinafter referred to as “Chief Executive Officer” or “CEO” to conduct the Port’s business consistent with the Commission’s policies and rules. The Commission directs the CEO only by action of the Commission in its capacity as the Port’s governing authority. For these purposes, unless the context indicates otherwise, the term “CEO” means the Port’s “managing official” as the term is used from time to time in Title 53 RCW. The CEO is the chief executive officer, [along with his/her designee(s)], is appointed by the Port Commission to manage Port operations.

RCW 53.12.270 grants the Port Commission authority to delegate to the CEO “such administrative powers and duties of the Commission as it may deem proper for the efficient and proper management of Port District operations.” Under these authorities and Resolution No. **XXX**, the Port Commission adopts this Policy delegating administrative powers and duties to the CEO of the Port and establishing guidelines and procedures to govern the CEO’s responsibilities and exercising of delegated authority.

GENERAL DELEGATION OF AUTHORITY AND RESPONSIBILITY

Delegation of Authority

The CEO is responsible for the operation, maintenance, development, alteration, improvement, administration, and use of all Port real and personal property; all actions required for personnel administration; and all other actions essential to supporting the Port’s mission. The CEO may take any action in the Port’s best interests and within the Port’s authorized budget necessary to resolve any matter related to the CEO’s authority, including where not specifically addressed herein. Subject to the limitations in this Policy, other Port resolutions and policies, and applicable law, the CEO is responsible for:

- Operation, maintenance, administration, and use of Port facilities and other properties.
- Development of industrial districts.

- Implementation of construction work, alterations and improvements to Port facilities and other properties.
- Administration of all day-to-day Port operations.
- Execution of contracts and other documents related to Port operations that are authorized by this Policy or otherwise approved by the Commission.
- Applications for permits associated with Port facilities or projects.
- Applications for and acceptance of grants or other funds from federal, state, and local governments, consistent with actions described in this Policy.

Consultation with Commission

The CEO must regularly inform and consult with the Commission regarding the Port's significant business transactions. Unless otherwise permitted or ratified, the CEO must inform the Commission promptly following all significant actions authorized by this Policy.

Staff Delegations

The CEO may retain administrative staff to operate and manage the Port under the CEO's directives. Consistent with Port policies, the CEO may further delegate to appropriate Port staff any administrative authority or responsibility delegated to the CEO by the Port Commission to further efficient and proper Port administration.


2. Rules and Procedures

The CEO may adopt administrative rules, regulations, and procedures necessary to carry out this Policy and for the efficient and proper operation of the Port. The Commission provides CEO the Express Delegation of Authority and Limitations attached hereto and incorporated herein by reference, as follows:

EXPRESS DELEGATION OF AUTHORITY AND LIMITATIONS

Part 1.0	LEASE OF REAL AND PERSONAL PROPERTY
Part 2.0	REAL PROPERTY PURCHASES AND SALES
Part 3.0	CONTRACTS FOR PERFORMANCE OF WORK
Part 4.0	PERFORMANCE OF WORK BY PORT STAFF OVER \$40,000
Part 5.0	ACQUISITION OF MATERIALS, EQUIPMENT, AND SERVICES
Part 6.0	UNCOLLECTIBLE ACCOUNTS, SETTLEMENTS OF CLAIMS, AND LITIGATION

Part 7.0	CREDIT CARDS
Part 8.0	COMMERCIAL INSURANCE
Part 9.0	TREASURER AND PETTY CASH ACCOUNTS
Part 10.0	TRAVEL AND VEHICLE
Part 11.0	PORT HOLIDAYS, PAID TIME OFF, LEAVE, AND BENEFITS
Part 12.0	STANDARDS OF CONDUCT
Part 13.0	DRUG, ALCOHOL, AND VIOLENCE FREE WORKPLACE
Part 14.0	WHISTLEBLOWER ACT
Part 15.0	DISCIPLINE
Part 16.0	RECOGNITION, AWARDS, AND TEAM BUILDING POLICY
Part 17.0	WORKING MEALS
Part 18.0	PROMOTIONAL HOSTING
Part 19.0	FRAUD PREVENTION AND ETHICS
Part 20.0	PROGRAMS AND PROCEDURES
Part 21.0	MISCELLANEOUS
Part 22.0	AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT
Part 23.0	FIXED ASSETS
Part 24.0	RECORDS OFFICER
Part 25.0	PORT AUDITOR AND ATTORNEY
Part 26.0	BUDGET, FINANCIAL, AND OPERATIONAL PHILOSOPHY

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	LEASES OF REAL AND PERSONAL PROPERTY	Part 1.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 1.0

1.0 LEASES OF REAL AND PERSONAL PROPERTY

1.1 General Lease of Real and Personal Property Policy.

- 1.1.1 Except as otherwise provided herein, all real and personal property belonging to the Port (when available for leasing), must be leased under an appropriate written lease executed in accordance with RCW 53.08.080;
- 1.1.2 The amount of rental must be fair rent for the property based on CEO developed procedures of determining fair rent value;
- 1.1.3 The lease must state the use to which the property may be put by the tenant, which must be consistent with the Port's standards of use;
- 1.1.4 A legally sufficient standardized lease agreement will be used on all leases unless an alternative lease agreement is utilized that undergoes a legally sufficient review procedure;
- 1.1.5 Comply with and take necessary measures to ensure compliance or to protect the Port's legal position including but not limited to obtaining security for the performance of each lease and securing rental insurance or other insurance coverage required for leases (see RCW 53.08.085); and
- 1.1.6 The CEO must ensure that all terms are complied with and take all necessary measures to cause compliance or to otherwise protect the Port's rights under each lease, including without limitation by giving of all notices provided for in each lease.

1.2 Leases Executed by the Commission. The following leases will be submitted to the Commission for approval:

- 1.2.1 Leases in which the term of the lease, including any renewal options, exceeds five years; or

- 1.2.2 Leases in which the total monthly rental amount exceeds \$5,000 per month (excluding LET, utilities, and other ancillary items).
- 1.3 **Leases Executed by the CEO.** Except as provided above, the CEO authorized to approve all other leases.

2.0 COMMISSION ON LEASES OF REAL AND PERSONAL PROPERTY

2.1 **General Lease of Real and Personal Property Policy.** The Port of Kennewick desires to use all available resources to market Port real property to its maximum potential. Use of licensed real estate professionals/brokers may foster more economic development opportunities. When it is desirable to secure the services of a real estate professional or broker, the terms and conditions for the lease of Port property will be as follows:

2.2 Lease of Real Property (Excluding Marina)

2.2.1 **Licensed Real Estate/Broker.** All real estate professionals and brokers whom the Port conducts business with must be licensed in the State of Washington.

2.2.2 **Lease Approval.** Real Estate Professional/Broker does not have lease approval authority but can negotiate on the behalf of the Port in a non-binding manner. All final terms and conditions will be reviewed by the CEO for compliance with the laws, regulations, Port policies and procedures.

2.2.3 **Commission.** The rate of commission will not exceed five (5%) percent of the net lease payments for the first five years and two and a half (2.5%) percent of the net lease payments for the second five years. Net lease payments are gross lease payment less applicable fees such as concession fees, triple net, common area maintenance charges, leasehold taxes, leasehold improvements or amortization of improvements, and delinquent rent payments.

2.2.4 **Statement.** Real Estate Professional/Broker must supply the Port with a written statement of details on potential lead(s), date lead was obtained and introduced to Port staff, any potential financial interest Real Estate Professional/Broker may have with the lead, and a signed statement regarding conflicts of interests.


2.2.5 Payment of Commission.

2.2.5.1 **Month-to-Month, Annual, and Multi-Year Leases:** If tenant has current payment status and still occupies the leased space, commission is calculated based on the following:

- A. One-half of the first twelve months of net lease payments will be paid after six months of the fully executed lease effective date.
- B. The remaining one-half of the first twelve months commission will be paid at the end of twelve months from the fully executed lease effective date.
- C. From then on, commission will be paid annually at the year end and based on the rents collected.
- D. If lessee terminates lease early, payment of commission will be paid through the lease termination date.

All commission payments are subject to the Port's check processing procedures.

2.2.5.2 Existing Tenants. Commission will not be paid on leases involving existing tenants for new leases, renewals, or options exercised.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	REAL OR PERSONAL PROPERTY PURCHASES AND SALES	Part 2.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 2.0

1. REAL OR PERSONAL PROPERTY PURCHASES AND SALES

The CEO may offer to purchase real property without prior Commission approval, provided that each offer expressly indicates that it is subject to Commission approval. When the Commission authorizes the acquisition of real property by purchase, the CEO must take all necessary steps, including without limitation by obtaining appraisals, to secure title to the property for the Port. *See RCW 53.08.010-.020.*

When the Commission authorizes the sale of real property, the CEO must take all necessary steps to complete the transaction, including without limitation by accepting deposits, opening escrow, and signing all necessary documents. *See RCW 53.08.090-.092.*

The CEO may approve and sign the following easements and covenants over Port property: (1) those easements and covenants that benefit the Port (e.g., utility easements); and (2) all other easements and covenants that do not exceed a term of two years and where the interest granted does not substantially interfere with the Port's use of the property or the property's fair market value. All other easements and covenants exceeding two years must be approved by the Port Commission.

- 1.1. **Not for Speculation.** Port-owned real property will only be sold for identifiable, immediate development and not for speculative purposes. To serve this goal, most sales will include a repurchase option in favor of the Port in the event identified development does not occur in a timely manner.
- 1.2. **Onerous Contingencies.** The Port discourages onerous contingencies (e.g. long-term options, first rights of refusal, etc.), and such contingencies will be accepted only in exceptional circumstances.
- 1.3. **"As Is".** All Port property will be sold "AS IS" unless otherwise approved by Port Commission.
- 1.4. **Offers.** No Port real property will be sold or reserved unless the Port has received a valid offer on a Port standardized purchase and sale agreement, and such

agreement is submitted and approved by the Port Commission in a public meeting. A legally sufficient review procedure shall be utilized if there are material exceptions to the Port standardized purchase and sale agreement. Until approval by the Port Commission, all property designated as “for sale” will remain for sale. The CEO is authorized to accept and make offers on real or personal property without prior Commission approval, provided that such offers clearly indicate the offer is subject to approval of the Commission or other similar language. The CEO will take all necessary steps, if applicable (e.g. securing appraisals, title searches, surveys, environmental reviews, deposits, escrow, or signing all necessary documents after Commission approval).

- 1.5. **Determining Price.** The CEO will develop a procedure for and make a reasonable determination of fair market value for property designated as available for sale before the purchase and sale agreement is presented to the Commission for approval.

The Port Commission may choose to sell Port-owned properties for less than fair market value, on a case-by-case basis, if the Port deems the business decision is not be considered a gift of public funds by a reasonable auditor (e.g. State Auditor’s guidance on gifting of public funds was reviewed and the Port determined the land sale is not a gift of public funds due to aiding in a general Port purpose and goals).

- 1.6. **Prior Inspection.** All prospects are encouraged to meet with the jurisdictional City or County staff to review the proposed site conditions (e.g. zoning, servicing, topography, grading, history of the property, existing neighbors, etc.) prior to submitting an offer to the Port.
- 1.7. **Port Staff Assistance.** Port staff will offer reasonable assistance to prospective purchasers of Port “for sale” real property pursuant to this policy (e.g. providing property information and tours of “for sale” property). Staff assistance will not be deemed to reserve any parcel of real property for any party, nor will staff assistance be deemed a commitment in any way whatsoever with respect to any Port real property.
- 1.8. **Submission of Offer to Purchase by Prospective Purchaser.** Offers to purchase Port property will be submitted by the prospective purchaser to Port staff in writing and dated. A valid offer must be signed upon submission and contain ***all*** information set forth below. Non-complying offers will be returned without processing:
 - a. Identify the full legal name of the purchasing party and be executed by the purchasing party or its authorized representative;
 - b. Contain a check for earnest money in a sum of not less than 5% of the offer price (in no case less than \$5,000);

- c. Contain a separate non-refundable administrative processing fee of \$500 for all parcels where the proposed purchase price is less than \$500,000 and \$1,000 for all parcels where the proposed purchase price is \$500,000 or greater;
- d. Identify the party to use and occupy the property, if different from the offering party;
- e. Legally describe the property subject to the offer;
- f. Indicate the total offer price;
- g. Indicate any terms for payment of purchase price;
- h. Identify any proposed contingencies;
- i. Identify a proposed closing date;
- j. Detail the proposed use of the property and timing for any construction or development;
- k. Identify size and type of building to be erected, if applicable;
- l. Identify anticipated number of employees with approximate wage levels;
- m. Indicate whether or not any new positions will be created as a result of the real property purchase, and if so, indicate number of new employees with approximate wage levels;

Interested parties must submit offers using a Purchase and Sale Agreement in Port approved format as developed by the Port attorney, CEO, and CFO. If the interested party does not use the Port approved agreement, the interested party will pay the Port for all out of pocket cost associated with review. Staff will review the offer with the offeror to ensure that the offeror has submitted all the information as required. Port staff will present the offer to the Port CEO with a brief oral summary of the offer. The CEO may send the offer back to the offeror for additional information or may proceed to present the offer to the Port Commission as set forth in this policy.

1.9. Presentation of Offer to Port Commission. When the CEO determines that an offer complies with the requirements of this policy, the CEO will submit the offer to the Port Commission for its consideration in due course (usually within 30 days of the submission of the offer to staff). Additionally the CEO will make a written recommendation to the Commission (except in cases of unusual circumstances, in which cases the CEO's recommendation to the Commission may be oral). The CEO's recommendation will request that the Commission accept the offer, reject the offer, present a counter offer or table the offer. The CEO will not sign any proposed offer until approved by the Port Commission by formal resolution.

1.10. Action on the Offer by Port Commission. Offers will be evaluated by the Port Commission based upon the criteria set forth above. If there are competing offers, either of which may be acceptable if made separately, the Port Commission may select the offer it believes best serves the goals of the Port. The Port Commission may reject any or all offers. The Commission will respond to

the offer through the CEO, who will communicate the response to the prospective purchaser as soon as practicable. Any action on an offer will only be made by official action of the Port Commission at a Commission meeting.

1.10.1.1. Acceptance of Offers. Within 10 days of the Port’s acceptance of an offer, the CEO will sign and accept the offer on behalf of the Port Commission. The executed agreement and deposited earnest money will be transmitted to the closing agent designated in the offer. The property subject to the offer will not be removed from the “for sale” list, but will be marked with a ‘sale pending’ designation.

1.10.1.2. Rejection of Offers. If the Port Commission rejects an offer, the offer will immediately be null and void and of no force and effect. Earnest money will be refunded less processing fee.

1.10.1.3. Tabling of Offers. The Port Commission may table an offer **to be reviewed at a later date.**

2. COMMISSION STRUCTURE FOR LICENSED BROKERS.

Commissions will only be paid to licensed real estate brokers. The broker must submit a signed bona fide offer plus a signed appointment from the potential purchaser authorizing the broker to negotiate for the potential purchaser in order to claim the commission. The broker authorization must include the name of the proposed purchaser and the date of their first contact with said purchaser. Unless the provision is strictly complied with, the Port will not pay any claimed commission.

2.1.1. After final approval of the sale by the Port Commission and after receipt of all funds due at closing, the Port of Kennewick will pay to the licensed real estate broker negotiating any such sale a commission based on the following schedule:


A. SALES OF UNIMPROVED REAL PROPERTY (Bare Land)

- | | |
|---------------------------------------|-------------------|
| 1. On the first \$500,000 of any sale | Seven (7) percent |
| 2. On the next \$500,000 of any sale | Five (5) percent |
| 3. On any amount over \$1,000,000 | Three (3) percent |

B. SALES OF IMPROVED REAL PROPERTY (With Structure)

- | | |
|---------------------------------------|-------------------|
| 1. On the first \$500,000 of any sale | Five (5) percent |
| 2. On the next \$500,000 of any sale | Five (5) percent |
| 3. On any amount over \$1,000,000 | Three (3) percent |

If payment is to be made in installments on any sale, the commission will be paid as each principal installment is received, in the percentage thereof of the principal balance applicable to the sale. The commission paid on any sale will only be on the basic price of the land sold excluding any Local Improvement District assessments, any taxes or liens against such sales, including excise tax.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	CONTRACTS FOR PERFORMANCE OF WORK	Part 3.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 3.0 and Part 6.0

1.0 CONTRACTS FOR PERFORMANCE OF WORK

The CEO may, without prior Commission approval, execute contracts for work where the total contract does not exceed \$200,000 a year and as so long as all laws, regulations, and Port approved budget are followed. On contracts over the \$200,000 the CEO may complete and sign all necessary documents after Commission approval.

The CEO will develop procedures to ensure compliance with laws, regulations, and this policy.

2.0 SMALL WORKS PROJECTS

- 2.1** The CEO may use the Small Works Roster process pursuant to RCW 39.04.155 for construction contracts up to \$300,000. Contracts over the above CEO's delegation of authority must be approved by the Commission.
- 2.2** The CEO may, without Commission approval, prepare plans and specifications; issue notices calling for bids; accept bids and contracts for work where the total contract price does not exceed \$300,000. The CEO must ensure the requirements of RCW 53.08.120 are met and that the work is within the project's authorized budget.
- 2.3** The Small Works Roster is a listing of all responsible contractors who have requested to be on the list, and are properly licensed or registered to perform such work in this state. The Port can use other governmental Small Works Rosters that are in compliance with the applicable laws and regulations.
- 2.4** The term "public work" will include all work, construction, alteration, repair, or improvement executed at the cost of the Port of Kennewick, or which is by law a lien or charge on any property therein.
- 2.5** A written determination of the bid award will be kept on file, made available for public inspection, and retained in accordance with records management laws.

- 2.6 Pursuant to RCW 39.04.155, the breaking of any project into individual units of work or in phases is prohibited if it is done for the purpose of avoiding the \$300,000 limitations.

3.0 FORMAL SEALED BID PROJECTS

- 3.1 Projects costing more than \$300,000 must follow the formal sealed bid laws and be approved by Commission in a public meeting.
- 3.2 The CEO will establish procedures to ensure compliance with formal sealed bid laws.

4.0 NON-ARCHITECTUAL AND NON-ENGINEERING SERVICES

- 4.1 The CEO may contract out and develop procedures for procurement of professional, personal, technical, or purchased services in accordance with RCW 53.19.
- 4.2 The Port Commission must approve service contracts in excess of \$200,000.
- 4.3 Amounts above \$50,000 but less than \$200,000 are subject to competitive bid requirements. Contracts over \$50,000 must have proper documentation showing the Port staff delegated by the CEO made attempts to identify potential consultants for inviting to bid on Port projects.
- 4.4 Contracts in excess of \$200,000 require a request for proposal process.
- 4.5 Regardless of amount, if the value of a contract amendment or amendments exceeds 50% of the value of the original contract, the amendment must be filed with the Commission and made available for public inspection prior to the proposed starting date of services under the amendment.
- 4.6 Regardless of amount, substantial changes in the scope of work specified in the contract or which are substantial additions to the scope of work specified in the formal solicitation document must be submitted to the Commission for this is required even if the original contract did not require Commission approval.
- 4.7 Regardless of amount, all services listed within this section must have a documented scope of work or services to be performed.
- 4.8 Port Commission exempts the following services from competitive bid process as allowed by RCW 53.19.20 since the Commission deems competitive solicitation process is not appropriate for services that deal with high risk areas, special education, and experience: Human resource, legal, information technology, marketing, project management, writing, accounting, financial, lobbyist, or bookkeeping services.

5.0 ARCHITECTUAL AND ENGINEERING (A&E) SERVICES

- 5.1** The CEO is authorized to procure A&E services in accordance with RCW 39.80.010-60 that do not exceed the purchasing limit set by Commission.
- 5.2** The statute requires advance notice of the requirement for professional services (39.80.030), evaluation of firms' qualifications and performance (39.80.040), and negotiation with firms in accordance with adjudged qualifications (39.80.050).
- 5.3** Contracts for services cannot be broken into multiple agreements to avoid compliance with this policy or State statutes.

6.0 CHANGE ORDERS.

Note: Non-A&E change orders and scope changes must follow the law as outlined in section 4.0 above.


When circumstances require individual changes in plans or specifications to properly accomplish contracted work, the CEO may, without prior Commission approval, execute individual change orders to a contract if the following conditions are met:

- 6.1** The change order will not exceed \$100,000;
- 6.2** The contract for work authorizes change orders;
- 6.3** The change order is reviewed for possible audit issues;
- 6.4** The total cost of all approved change orders, when added to the contract cost, remains within the project's authorized budget and applicable procurement laws; and
- 6.5** The change order is validated or certified by the project architect, engineer, or Port project manager as necessary to the proper accomplishment of the project.

7.0 EXEMPTIONS TO COMPETITIVE BIDDING


- 7.1** **EMERGENCY.** When an emergency that poses or may pose a threat to life or property requires the immediate execution of a contract for work or professional or personal services, the CEO may make a finding of the existence of an emergency and may execute any contracts necessary to respond to the emergency. The CEO must follow the procedures set forth in RCW 39.04.020, 39.04.280, 53.19.010, 53.19.030 and other applicable laws, as the case may be and as each may be amended or recodified. At the first Commission meeting following the CEO's finding of emergency, the CEO must request Commission ratification of that finding and any contracts awarded or executed pursuant to that finding. To the extent practical, the CEO must continuously advise the Commission of the emergency's development and the progress of any contracts executed to remedy the emergency.

- 7.2 Special Facilities.** For procurement of special facilities or due to market conditions the CEO has the authority to develop procedures in accordance with the law and regulations and approve procurement up to the delegation of authority.
- 7.3 Sole Source Procurement.** If, after conducting a good faith review of available resources, the Port determines that there is only one source of the required services, materials, supplies, or equipment; a contract may be awarded without a competitive bid process. The CEO will develop procedures to ensure compliance with the laws and regulations
- 7.4 Special Market Conditions.** The CEO can consider waiving established bidding requirements up to the delegation of authority if an opportunity arises to purchase favorably-priced equipment, supplies, or used goods at an auction. The CEO will develop procedures to ensure compliance with laws and regulations.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PERFORMANCE OF CONSTRUCTION WORK BY PORT STAFF OVER \$40,000	Part 4.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 4.0


PERFORMANCE OF CONSTRUCTION WORK BY PORT STAFF.

Prior Commission approval is not required for any construction project performed by Port staff or inmate work crews. However, in accordance with RCW 53.08.135, construction projects over \$40,000 must be contracted out if it's deemed less expensive than using Port staff or inmate work crews. No written determination is required as Commission deems all construction projects over \$40,000 less expensive to contract out due to the potential hindrance of staff essential duties. Port staff can perform construction projects over \$40,000 if CEO deems essential duties can be performed and is cheaper to perform the construction project with staff or inmate work crews.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	ACQUISITION OF MATERIALS, EQUIPMENT, AND SERVICES	Part 5.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 5.0

CONTRACTS FOR ACQUISITION OF MATERIALS, EQUIPMENT AND SERVICES.

The CEO may acquire, without prior Commission approval, utilities, materials, equipment, supplies and services (including services provided by public agencies) on the open market, pursuant to published rates or by competitive bidding when required by law for the normal maintenance and operations of the Port. Acquisitions must, where appropriate, be approved as a part of normal monthly expenses and must be within the project's authorized budget.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	UNCOLLECTIBLE ACCOUNTS, SETTLEMENTS OF CLAIMS, AND LITIGATION.	Part 6.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 7.0, Part 9.0, and Part 10.0

1.0 UNCOLLECTIBLE ACCOUNTS AND SETTLEMENTS OF CLAIMS

The CEO may write off any uncollectible account not exceeding \$10,000, subject to the following:

- 1.1** The CEO will be satisfied that reasonable effort has been made by the Port to collect the account prior to a write off.
- 1.2** In appropriate circumstances, the CEO is allowed to take necessary action in a court of law or assignment to a collection agency for the purposes of attempting to collect the delinquent account.


2.0 ADJUSTMENT AND SETTLEMENT OF CLAIMS

The CEO is responsible for directing the Port objectives in litigation, hiring experts as deemed necessary, and may settle claims where the amount in controversy does not exceed \$50,000 and ensure the following:

- 2.1** A proper written notice has been served to the Port by the claimant and the Port's insurance will not cover the claim; and
- 2.2** There is a substantial likelihood that the Port is or will be found liable and:
 - 2.2.1** There is a likelihood that a judgment rendered in the case would be in the amount claimed or higher; or
 - 2.2.2** There is a likelihood that the expenses involved in litigation would be significant in relation to the amount claimed.

3.0 AUTHORITY TO RESOLVE ALL OTHER ISSUES


The CEO may take actions necessary to resolve any matter not specifically addressed herein that do not exceed \$50,000.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	CREDIT CARDS	Part 7.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 8.0

1.0 CREDIT CARDS


RCW 43.09.2855 authorizes local governments to issue purchase cards for official government purchases and acquisitions. The CEO is authorized to issue purchase cards to staff and develop procedures to ensure compliance with the applicable laws, regulations, and this policy.

- 1.1. Credit card limits may not exceed \$15,000.
- 1.2. The CEO will maintain a schedule of Port credit cards, lines of credit, the users, along with corresponding credit limits, approval amounts, and such other schedules or procedures determined necessary.
- 1.3. All purchase(s), regardless of amount, must be for valid, authorized Port operations. The Port will seek reimbursement from the responsible approved cardholder for any non-Port purchase(s). Port employees, when submitting expense support for the valid use of authorized Port operations, will use proper documentation requirements as approved by the CEO.
- 1.4. An approved cardholder agrees that the Port has a right to withhold any and all funds payable to the approved cardholder from compensation or other payments from invalid or unauthorized purchase by the approved cardholder, and will have a lien for such right against other sources of funds. The Port can collect late fees and interest in the event the employee causes delay of payment. Cardholders who have been issued a credit card by the Port may not use the card if any disallowed charges are outstanding and must surrender the card upon demand by the CEO.
- 1.5. The CEO may, at any time, revoke the use of any Port credit card for any reason or no reason. Upon delivery of the revocation order to the credit card company, the Port will cease to be liable for any costs associated with the credit card.
- 1.6. Payments must follow the standard payment processing procedures and presented at the next reasonably possible Commission meeting.
- 1.7. Cash advances are prohibited.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	COMMERCIAL INSURANCE	Part 8.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 11.0

1.0 COMMERCIAL INSURANCE

- 1.1** The CEO may negotiate and obtain appropriate policies of insurance to cover all aspects of Port property and operations within a comprehensive insurance program.
- 1.2** The CEO is authorized to approve, from time to time, changes or modifications within the policies of insurance so long as the changes are appropriate to manage the Port's risks.
- 1.3** The CEO is authorized to elect to utilize self-insurance and to amend deductible provisions, as deemed in the best interest of the Port.


	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	TREASURER AND PETTY CASH ACCOUNTS	Part 9.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 12.0

1.0 TREASURER AND PETTY CASH ACCOUNTS

The CEO is authorized to direct the investments of Port funds in accordance with applicable laws and regulations as well as open up the necessary and legal accounts in order to properly manage the Port's operations and finances.


2.0 SIGNING AUTHORITY

The Port Auditor is required by law to sign and certify all checks, wire transfer, EFT's, and similar financial institution transactions. The Commission authorizes the Port Auditor to certify and sign all checks, wire transfers, EFT's and similar financial institution transactions necessary to properly manage the Port's operations and finances provided that a warrant register is provided to the Commission to sign and ratify at the next regular meeting. Furthermore, the Port Auditor needs to ensure that proper internal controls are in place to prevent fraud and waste in accordance with guidance provided by the Washington State Auditor's Office (SAO).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	TRAVEL AND VEHICLE	Part 10.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 14.0


TRAVEL

The CEO is authorized to approve, without prior authorization of the Commission, travel by employees and/or other authorized representatives of the Port for the purpose of valid Port travel that is within the approved budget. The CEO will develop procedures to ensure compliance with the laws and regulations (*see* RCW 42.24.080-160 and RCW 53.08.175-176).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PORT HOLIDAYS, PAID TIME OFF, LEAVE, AND BENEFITS,	Part 11.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 15.0, Part 16.0, and Part 17.0

PORT HOLIDAYS, PAID TIME OFF, LEAVE AND BENEFITS


The CEO is authorized to manage employees’ holidays, paid time off (“PTO”), leave, and benefits as deemed necessary to hire and retain Port staff and in accordance with applicable laws. The CEO will develop procedures to properly document employee holidays, PTO, leave, and benefits.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	STANDARDS OF CONDUCT	Part 12.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 18.0

1.0 STANDARDS OF CONDUCT

All employees should act professionally and in the best interests of the Port at all times. Violations of the Port's standards of conduct are unacceptable and may result in discipline, up to and including immediate termination. The CEO will develop standards of conduct for the Executive and Port staff. The standards of conduct will set forth that, at a minimum, the following types of conduct that are not acceptable:

- 1.1** Abusive language or unprofessional conduct toward another person
- 1.2** Covert recording
- 1.3** Falsifying or inaccurately completing records, including employment applications or time sheets
- 1.4** Harassment or discrimination of any nature
- 1.5** Inappropriate dress or poor grooming
- 1.6** Insubordination or failure to carry out instructions
- 1.7** Misusing, destroying, or purposely damaging Port property or property of an employee
- 1.8** Performance that does not meet Port requirements
- 1.9** Tardiness or absenteeism
- 1.10** Theft of Port property or property of an employee or tenant
- 1.11** Unauthorized use or release of confidential information
- 1.12** Unprofessional conduct
- 1.13** Using work time for personal activities
- 1.14** Using, possessing, manufacturing, distributing, being under the influence of any controlled substance, alcohol or cannabis, or smelling of alcohol, cannabis, or controlled substance, while engaging in Port business, or during working hours or while on Port premises.


	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	DRUG, ALCOHOL, AND VIOLENCE FREE WORKPLACE	Part 13.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 19.0

1.0 VIOLENCE FREE WORKPLACE

The Port and its employees share responsibility for the provision of a safe and secure work environment for all employees. In order to ensure workplace safety and provide for each employee's dignity, the CEO will establish a policy of zero tolerance for violence and take appropriate action, up to and including, immediate termination, against anyone who engages in threatening or violent behavior.


2.0 DRUG AND ALCOHOL FREE WORKPLACE

The Port maintains a drug and alcohol-free workplace. The possession, manufacture, distribution, dispensation, use or trafficking of alcohol, cannabis or controlled substances or smelling of alcohol, cannabis or controlled substance in the workplace, while on Port premises, while engaging in Port business, or during working hours, poses unacceptable risks to the safe, secure, and efficient operation of the Port and are strictly prohibited. The CEO will establish a policy of zero tolerance with employees violating the policy and take appropriate action, up to and including, immediate termination. Port-sponsored events and promotional hosting events may allow for limited amount of alcohol to be served as may be authorized by the CEO (see Promotional Hosting, Part 18.0, below).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	WHISTLEBLOWER ACT	Part 14.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 20.0


WHISTLEBLOWER ACT

The Port strives to conduct its business in an open and law-abiding manner. Accordingly, employees are encouraged to bring to the attention of the Port (or other appropriate governmental official) any improper actions of Port officials and employees. The Port will not retaliate against any employee who makes a complaint of improper actions in good faith and in accordance with the procedures established by the CEO. The CEO will establish a procedure that is in compliance with the State's Local Government Whistleblower Protection Act, RCW 42.41.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	DISCIPLINE	Part 15.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 21.0


DISCIPLINE

The Commission authorizes the CEO to develop discipline procedures that are consistently applied to all staff and that meet all applicable laws and regulations.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	RECOGNITION, AWARDS, AND TEAM BUILDING POLICY	Part 16.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 22.0 and Part 23


RECOGNITION, AWARDS, AND TEAM BUILDING POLICY

The CEO is authorized to develop a flower, gift basket, gift card, employee awards, and team building procedure for employees, commissioners, or others with a connection to the Port, such as tenants, provided that flowers, gift basket or gift card will be presented only under special circumstances (e.g. awards, team building events, funerals, birthdays, etc.).

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	WORKING MEALS	Part 17.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 24.0

WORKING MEALS

On occasion it is necessary for the Port to provide working meals when staff or Commissioners are requested or required to work through meal periods. The CEO will develop procedures on how to carry out working meals for valid Port purposes on a reasonable and occasional basis.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PROMOTIONAL HOSTING	Part 18.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 25.0

1.0 PROMOTIONAL HOSTING

The Office of the Washington State Auditor, Division of Municipal Corporations, with the assistance of the Office of the Attorney General, produced “Bulletin No. 404” regarding promotional hosting guidelines for the expenditure of public funds under Article VIII, Section 8 of the Washington Constitution, RCW 53.36.120 through .150, and Account No. 8081 of the prescribed Uniform Systems of Accounts for Port Districts of the State of Washington.

Under these authorities, the Port Commission adopts this Policy to govern all Port-sponsored promotional hosting. In construing this Policy, reference must be made to Bulletin No. 404, attached and incorporated as terms of this Policy, and as may be amended.

The CEO is authorized to develop procedures for the Port’s promotional hosting expenditures. The promotional hosting procedures should include the minimum procedures:

- 2.1 “Promotional hosting” means furnishing customary meals, refreshments, lodging, and transportation, or any combination of these items, in connection with business meetings, social gatherings, and ceremonies honoring persons or events relating to the authorized business promotional activities of a Washington port district. Promotional hosting may also include, without limitation, reasonable, customary and incidental entertainment and souvenirs of nominal value incidental to such events.
- 2.2 The CEO must include within the approved budget an amount for promotional hosting, which is currently limited under RCW 53.36.130, as may be amended, to expenditures from the Port’s gross operating revenues and by other specific amounts. In instances where Port expenditure restrictions conflict with RCW 53.36.130, state law controls.
- 2.3 CEO may use promotional hosting funds to promote industrial development or trade within the Port. Expenditures of promotional hosting funds must be limited to supporting Port officials or employees in seeking opportunities to:
 - Market to individuals or organizations the use, continued use or increased use of Port services, facilities or properties.

- Persuade individuals or organizations to donate, supply or sell to the Port (on the best available terms) properties, facilities, services or information needed by the Port to achieve a betterment or improvement of the Port's existing operations, facilities or services.
- Persuade individuals or organizations to purchase, lease, or contract from or with the Port on terms most favorable to the Port in order that the Port may enter into transactions for the development, improvement or use of its properties and facilities in a manner most suitable to serve the Port's best interests.
- Persuade individuals or organizations to assist the Port in fostering the increased use of its services and facilities by improving transportation schedules, adding to existing transportation, services and facilities, adjusting rates, improving navigation or generally increasing and improving the scope and efficiency of Port operations so as to contribute to the growth of the Port's business.
- Beneficiaries of promotional hosting funds must be reasonably capable of influencing or controlling decisions with respect to the subject matters listed above, and each expenditure amount must be reasonable and appropriate in relation to the specific purpose of each incident of promotional hosting.

2.4 Reimbursements for promotional hosting expenditures must, to the extent feasible, be supported with appropriate receipts; detail the name and the business relationship of each person hosted; and, in general terms, identify the purpose of the expenditure. All payments and reimbursements must be identified and supported on vouchers supplied by the Port.


2.5 Reimbursement vouchers by Port Commissioners for promotional hosting expenditures will be paid only if specifically approved by the Port Commission. *See RCW 53.36.140.*

2.6 Without limitation, promotional hosting funds may not be used, and reimbursements will not be authorized, for the following activities or purposes:

- To influence the passage or defeat of any legislation by the legislature of the State of Washington, or the adoption or rejection of any rule, standard, rate or other legislative enactment of any agency of the State of Washington.
- For purposes not reasonably related in nature and amount to acquiring additional business or otherwise increasing and improving the scope and efficiency of the Port operations
- For the promotion of transactions prohibited under the conflict of interest statute, Chapter 42.23 RCW.

- For promotion of a benefit for the Port from an individual or an organization that is already legally, contractually or otherwise obligated to furnish that benefit to the Port.

2.7 Promotional hosting expenses will be approved by the Port auditor as required by RCW53.36.140.


	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	FRAUD PREVENTION AND ETHICS	Part 19.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 26.0

FRAUD PREVENTION AND ETHICS

The Port defines the term “Fraud” as any wrongful or criminal deception intended to result in financial or personal gain. The Port of Kennewick has zero tolerance for fraud or any illegal activity.


The Port is committed to having a work atmosphere of fraud awareness, where its employees, which includes interns and volunteers, understand the indications of potential fraudulent or illegal activity and are supported when carrying out their responsibility to immediately report such activity.

The Port CEO will develop a procedure and facilitate timely notification of and take immediate action on any known or reported suspected loss of Port funds or assets, fraud or any illegal activity.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PROGRAMS AND PROCEDURES	Part 20.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 27.0 and Part 28.0

PROGRAMS AND PROCEDURES

The CEO is authorized to adopt any administrative programs and procedures necessary for the efficient operation of the Port.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	MISCELLANEOUS	Part 21.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 13 and Part 29.0

1.0 ELECTIONS AND VOTING


The CEO is authorized to vote in all elections on behalf of the Port, where votes are tabulated based upon acreage owned.

2.0 TRADE DEVELOPMENT PROGRAMS

Consistent with the authorized budget and applicable law, the CEO may develop and carry out programs of trade development (which may include tourism and tourism promotion), advertising (including the use of advertising firms), and promotion of the Port, including its properties, facilities, and services. Trade development programs must be reviewed periodically by the Commission.


3.0 ISSUANCE OF TARIFFS

The CEO may issue tariff agreements, tariffs and tariff amendments as necessary.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT POLICY	Part 22.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 30.0


AFFIRMATIVE ACTION AND EQUAL EMPLOYMENT

It is the policy of the Port to provide equal opportunity to the users of all Port services and facilities, all contracting entities, Port employees and applicants for employment, and to assure that there be absolutely no discrimination against any person based on any status protected by federal, state or local law including but not limited to race, creed, color, national origin, sex, sexual orientation, marital status, age, honorably discharged veteran or military status, or the presence of any sensory, mental or physical handicap or the use of a trained dog guide or service animal by a person with a disability unless, in the instance of employees and applicants for employment, based upon a bona fide occupational qualification. The CEO will develop and carry out procedures in accordance with applicable laws and regulations.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	FIXED ASSETS	Part 23.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 32.0

FIXED ASSETS

The CEO has authority to set the Port's fixed asset capitalization and inventory requirements pursuant to generally accepted accounting principles.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	RECORDS OFFICER	Part 24.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 33.0

1.0 RECORDS OFFICER


In accordance with RCW 40.14.040-070 the Port Commission appoints a Records Officer. The CEO will make a recommendation to the Port Commission for the person to be appointed to act in the capacity of Records Manager. The Records Manager will be selected during a public meeting and the Port’s website will reflect the current Records Manager appointment by the Commission.

2.0 RECORDS COMMITTEE

The CEO will develop a records committee.

3.0 PROCEDURES

The CEO has authority to establish records procedures in accordance with applicable laws and regulations.


	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	PORT AUDITOR AND ATTORNEY	Part 25.0
	Adopted by motion of the Commission on _____, 2015	

1.0 PORT AUDITOR

Cross reference Port Commission Rules of Policy and Procedure.

2.0 PORT ATTORNEY

Cross reference Port Commission Rules of Policy and Procedure.

	PORT OF KENNEWICK	
	Chief Executive Officer Delegation of Authority	
	BUDGET, FINANCIAL, & OPERATIONAL PHILOSPHY	Part 26.0
	Adopted by motion of the Commission on _____, 2015	Cross Reference CEO's Procedures for Staff Part 36.0

BUDGET, FINANCIAL & OPERATIONAL PHILOSOPHY

Cross reference Port Commission Rules of Policy and Procedure.



AGENDA REPORT

TO: Port Commission

FROM: Larry Peterson, Director of Planning & Development

MEETING DATE: December 8, 2015

AGENDA ITEM: Resolution 2015-30 Clover Island Boat Ramps Repair

- I. REFERENCE(S):** Resolution 2015-30;
- II. FISCAL IMPACT:** Up to \$300,000.00 including Washington State Sales Tax.

- II. DISCUSSION:** The Port's 2015 Work Plan and 2015-2016 Biennial Budget include funds for the repair/replacement of the Clover Island Boat Ramp and construction of upland parking lot & bathroom improvements. Due to permitting complexities associated with in-water work and timeframes tied to the RCO grants funded upland work, the Port elected to complete the upland project and then undertake the in-water segment of the ramp repair project. The Port has bid, awarded and procured the two long lead times of the project, the concrete panels and metal panel frame.

In accordance with the Small Work bid process identified in the port policy and procedures, invitations to bid along with plans and specifications were sent to five contractors on the port's small works roster. The bid submittal deadline is 10:00am, December 9, 2015. It is anticipated the lowest responsive bid will exceed the Commission established \$50,000 threshold granted to the Chief Executive Officer.

Due to the limited work window (December 15, 2015-February 29, 2016) imposed by State and Federal agencies, the need to complete these improvements in concert with the recent grant funded upland improvements, waiting to consider the bids received at the next Port Commission meeting jeopardizes the ability to complete the work within the "work window." The attached resolution would grant a one-time authorization for the Chief Executive Officer to execute a contract with the lowest responsive bidder for the boat ramp repair and reconstruction project for an amount not to exceed \$300,000.

- V. ACTION REQUESTED OF COMMISSION:**

Motion: I move approval of Resolution 2015-30, authorizing the Port's Chief Executive Officer to execute a small works construction contract with the responsive low bidder for the removal of existing boat launch ramp panels, grading and installations of new concrete panels and support framing at the Clover Island boat ramps in sum of \$300,000.00, including applicable sales tax.

PORT OF KENNEWICK

Resolution No. 2015-30

**A RESOLUTION OF THE PORT OF KENNEWICK BOARD OF COMMISSIONERS
AUTHORIZING THE CHIEF EXECUTIVE DIRECTOR TO EXECUTE A SMALL WORKS
CONSTRUCTION CONTRACT WITH THE RESPONSIVE LOW BIDDER FOR THE
CLOVER ISLAND BOAT RAMPS PROJECT AT CLOVER ISLAND, KENNEWICK**

WHEREAS, an invitation to bid for the removal of existing boat launch ramp panels, grading and installations of new concrete panels and support framing at the Clover Island boat launch was properly issued to five (5) contractors on the port's small works roster with approved plans and specifications being made available to prospective bidders; and

WHEREAS, due to limited construction timeframes as established by State and Federal permitting agencies delay in awarding the contract to the lowest responsive bidder would jeopardize the ability to complete the desired improvements.

NOW THEREFORE, BE IT RESOLVED, that the Port of Kennewick Board of Commissioners hereby grant a one-time authorization for the Chief Executive Officer to execute a small works contract in an amount not to exceed \$300,000.00, including applicable tax.

BE IT HEREBY FURTHER RESOLVED, that the Chief Executive Officer is authorized to enter into a contract between the Port of Kennewick and the lowest responsive bidder for the removal of the existing boat launch ramp panels and grading and installations of new concrete panels and support framing at the Clover Island boat launch. The Chief Executive Officer is further authorized to proceed with all necessary procedures required to complete work of the project.

BE IT HEREBY FURTHER RESOLVED, that the Chief Executive Officer is authorized to amend the 2015-2016 capital budget to reflect the actual bid cost of the project.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 8th day of December 2015.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____
DON BARNES, *President*

By: _____
SKIP NOVAKOVICH, *Vice President*

By: _____
THOMAS MOAK, *Secretary*

MEMORANDUM

To: File

From: Tim Arntzen

Date: 11/04/2015

Re: Expression of Interest

Included with this memo is a document entitled: *“Request for Expression of Interest (“EOI”) And Guidelines for Qualification of Developers and Development Proposals for Vista Field”*.

This is a draft document. It attempts to accomplish several things related to the Vista Field redevelopment process.

First, it sets out a procedure by which the port “advertises” development opportunities at Vista Field (VF). Notice that it provides a “customary” procedure, then permits some optional elements such as direct outreach to known, quality developers and the possibility of a developer’s roundtable.

Second, for parties interested in pursuing development opportunities, it calls for the submission of a brief “development concept” so that staff can readily understand the basics of what might be proposed and also establishes minimum qualifications a developer must meet in order for the developer to get an opportunity to make a “pitch”. If the developer meets these basics, he or she makes it to the next step which is:

Third, the developer and the port team (including town architect) spend time refining the concept into a mutually agreeable project proposal.

Fourth, in the event the project proposal makes it through the collaborative design process, it makes it the commission for review. This review could lead off with discussion in executive session and then follow up later with discussion in a regular session where a decision could be made.

This process was formulated by myself, Mr. Mehaffy and Ms. Luke. We think it is cutting edge and that there may be merit in discussing this with the commission. Your comments would be appreciated.

PORT OF KENNEWICK

REQUEST FOR EXPRESSION OF INTEREST (“EOI”)

and

GUIDELINES FOR QUALIFICATION OF DEVELOPERS AND DEVELOPMENT PROPOSALS FOR VISTA FIELD

11/04/15

This Request for Expression of Interest (EOI) represents the initial outreach by the Port of Kennewick (Port) in establishing communications and soliciting interest from the developer community related to the development of Vista Field. Please note that a response to this EOI is *not* a prerequisite to participating in the potential development of Vista Field properties. The information received in response to this EOI will be used by the Port to decide how best to maximize the market opportunities that may be available by partnering with the private sector for development opportunities. Potential developers are encouraged to respond as set forth in Part One hereof.

Notice of Development Opportunities

In providing notice to potential developers of opportunities for development, the Port may prepare information related to the project including description of the site; description of the development type and style desired by the Port; whether the site is for sale or lease; minimum price and terms acceptable and reference to any Port planning documents (i.e. master plans, design standards and similar documents) which are applicable to the site.

The Port may post notice of availability of property for sale or lease on/in:

- a. its website;
- b. the “LoopNet” real estate site;
- c. the MLS service for local real estate;
- d. the Tri-City Herald; Tri-City Business Journal; the Spokane Business Journal; the Puget Sound Business Journal and;
- e. other sites or publications, which in the discretion of the Executive Director, appear appropriate under the circumstances.

In the discretion of the Executive Director, the Port may make direct contact with potential developers appearing to have the capability to complete a project related to the site and/or may host a “developer’s forum” whereby developers are invited to attend a workshop related to the potential development opportunities at the site.

Other methods of providing public notice related to development opportunities may be utilized as appropriate.

Qualified responders will have the opportunity to conduct due diligence and discuss its proposal as set forth below.

A developer wishing to purchase or ground lease property from the Port for development shall submit a proposal which meets the criteria set forth in Part One, Sections A, B and C hereof.

PART ONE: PRELIMINARY QUALIFICATIONS

A. Brief Description of Development Concept

A developer shall submit a development proposal containing a brief description of the proposed development concept, which should be prepared simply and economically. The Development Concept shall provide a straightforward and concise description of the developer's proposal for the site including a general project description which demonstrates the project's consistency with Port planning documents (i.e. master plans, designs standards and similar documents, as applicable). Additionally the developer shall disclose the purchase price and terms offered.

B. Minimum Developer Qualifications

A proposal shall address the developer's:

1. Knowledge of the local planning and permitting processes;
2. Knowledge of "New Urbanism", "Smart Growth", "Green Building" or similar development principles;
3. Financial capability, as evidenced by a letter of credit or other acceptable means, as confirmation of the developer's ability to complete the development project, including description of all funding sources for a property purchase, infrastructure and facilities;
4. Relevant experience with similar development projects including:
 - a) Project name, location, and description;
 - b) Color images or other graphic material depicting the work;
 - c) Project size in gross square feet;
 - d) Total project budget and budget per phase (if applicable);
 - e) Budget funding source – equity partner, development lender, permanent lender, etc.;
 - f) Total duration of project development and details regarding whether project schedule was met;
 - g) Brief description of the development process;
 - h) Consultants and contractors utilized and the role of each for the project; and
 - i) Major tenants (if applicable).
5. Key personnel who are anticipated to participate in this development project, including a summary of their relevant experience; and

6. A list and short description of all litigation and/or claims that the developer or any entity or individual named in the developer's proposal is currently or in the last 10 years was, a named party; including a description of how the litigation and/or claim was resolved.

C. References

Proposals shall include a minimum of three references, one of which shall be a financial institution. References shall provide the basis for the reference (i.e. prior project involvement) and shall include the name of the person providing the reference, position/title, company, institution or agency name, and contact information including address, email, and telephone number.

D. Evaluation Process

Developer qualifications and development proposals shall be reviewed by the Executive Director. If he determines that the developer meets the preliminary qualifications and that the development proposal is likely to assist with the orderly redevelopment of the area so that it may fully realize its potential as a viable, mixed-use community, then the Executive Director may request the developer enter into the collaborative design process described in Part Two.

PART TWO: COLLABORATIVE DESIGN PROCESS

The Port and developer, working through each party's design team, shall enter into a collaborative design process in order to refine the proposed development concept. The Vista Field Town Architect (or their designee), working on behalf of the Port, shall also be present. The collaborative design process may be initiated by telephone conference or other preliminary discussion.

Non-Refundable Administrative Fee for Development Proposal Review:

A \$2,500 non-refundable administrative fee shall be submitted by the developer to the Port of Kennewick at the time of the pre-development meeting as described below. The fee shall for development proposal review shall be non-refundable upon commencement of the pre-development meeting.

Pre-Development Meeting:

Following initial contact between the parties, the Port shall schedule a pre-development meeting to be located in Kennewick, Washington or other location mutually agreed upon. The pre-development meeting shall provide a forum in which the developer and its design team and principal(s) shall be interviewed, and at which the initial project development concept will be reviewed. The parties will endeavor to produce rough sketches in this meeting, as well as assemble precedent photographs and other illustrative materials as mutually agreed.

Design Workshop:

Upon conclusion of the pre-development meeting, a design workshop will then be conducted. Attendees will include, at a minimum, a decision-making executive of the developer, key design staff for the developer, the Town Architect or their designee, and the Port Director of Planning and Development. The Port Executive Director may designate other attendees to attend. In this process, the parties shall endeavor

to refine the development concept and the rough sketches in order for the developer to produce a schematic design which would be agreed to by the Port and the developer.

Development of Plans and Drawings:

If the parties reach consensus on the schematic design and development concept, the developer, at its sole expense, shall develop of a set of drawings acceptable to the Port including site and representative floor plans with elevations for the major elements of the project. Schematic drawings shall also include exterior sections reflecting proposed architectural design and building materials. Substantial emphasis will be placed on exteriors, and especially, elevations facing streets and public spaces. The plans shall include a conceptual site plan and a description of specific noteworthy site features that will be preserved (i.e. trees, etc.). The plans should include a sample or conceptual planting plan for site vegetation. Additionally, the developer shall describe the components, planning tools and means of implementing the project to completion; the proposed schedule of development; and its ability to secure tenants and market the property to end-users. The Port may request additional project information.

Development of Project Timeline:

A timeline (subdivided into phases, if necessary) shall be developed identifying the estimated length of time to reach key development milestones, including: commencement and completion of design; financing; commencement and completion of construction; and availability for tenant occupancy. Any contingencies that may affect this timeline should be identified by developer.

PART THREE: RECOMMENDATION, COMMISSION EVALUATION, CONTRACT NEGOTIATION, AND FORMAL PLANNING PROCESS

A. Recommendation

Following the collaborative design process, the Executive Director shall make a recommendation to the Port Commission related to the qualification of the developer and the extent that the development proposal meets the Port's objectives.

B. Development Proposal Evaluation

The Port Commission may review, evaluate, select or reject a developer and development proposal, in its sole discretion, utilizing some or all of the following criteria:

1. Quality of the project and consistency with Port's master plan (and/or other Port plans/documents applicable to the site);
2. Price and terms;
3. Knowledge, financial capability and references of the developer;
4. Developer's recent experience with similar projects; and
5. Developer's ability to meet schedules.

C. Contract Negotiation and Execution

If the Port Commission so directs, the Executive Director and the developer shall negotiate in good faith, a purchase and sale agreement (or ground lease) which embodies the development elements formulated during the collaborative design process, together with other elements necessary to create a binding agreement between the parties.

If the parties are unable to execute a purchase and sale agreement within 30 days of the Commission's direction to Executive Director, the development proposal shall expire and the Port shall take no further action.

D. Post Purchase and Sale Agreement Project Refinement

The developer shall apply to the City of Kennewick for appropriate project review and permitting. The obligation and expense of project review and permitting shall be the sole responsibility of the developer. If the City requires changes, which in the sole discretion of the Town Architect, materially alter the proposed project, then the developer and its consultant(s), together with the Town Architect and the Port Executive Director, will attempt to negotiate in good faith, the changes required in order for the developer to receive City approval of its project.

If the parties are unable to negotiate changes required in order for the developer to receive City approval of its project within a 30 day period of commencing negotiations, then the development proposal shall expire and the Port shall take no further action. Any earnest money shall be refunded to the developer, less the administrative fee.

The Town Architect, and/or other reviewers specified by the Port Director, will monitor construction.

E. Miscellaneous Provisions

1. All discussions between the parties are to explore the developer's qualifications and the viability of a development proposal. All such discussions shall not create an obligation on either party to take or refrain from any action;
2. The Port may, in its discretion, arrange for further action including but not limited to introducing the concept to the Port Commission or appropriate third parties for the purpose of gathering information and analyzing project feasibility and cost and for performing due diligence on the developer and its affiliates; the parties understand that complete confidentiality cannot be guaranteed;
3. A binding obligation shall only be created by a written agreement setting forth all material terms and conditions of the proposed transaction, signed by the parties; and no agreement shall be binding except upon an affirmative vote by a majority of the Port Commission in a public meeting of the Port Commission;
4. Each party shall be responsible for all costs it incurs with respect to this matter, including but not limited to professional and attorney's fees and costs;
5. The Port makes no representations with respect to the property and the developer agrees to exercise all due diligence it deems necessary;

6. Development proposals may be subject to disclosure under the Washington State Public Records Act. However, any information within a development proposal that is claimed to be proprietary or a trade secret may be marked as “confidential”. Prior to disclosure of any such information, the Port will provide the developer statutory notice of developer’s right to seek a court order to preclude such disclosure;
7. The Port reserves the right to:
 - i) reject any or all developers for qualifications,
 - ii) reject any or all development proposals,
 - iii) issue Requests for Qualifications/Proposals,
 - iv) not negotiate or to terminate negotiations at any time, and
 - v) waive or decline to waive irregularities in any submittal.
8. The Port reserves the right to request supplemental information or documents when it determines the necessity therefore.

Port of Kennewick Artwork Policy

It is the policy of the Port of Kennewick to foster the artistic interests of the community by providing a showcase for artwork created by community and regional artists. In furtherance hereof, the Port establishes the following policy related to artwork.

Section 1. General Provisions.

- a. The term "artwork" means all forms of the visual arts conceived in any medium, material or combination thereof, commissioned or purchased by the Port, including those received as gifts.
- b. The term "artwork budget" shall include cost of artwork, design fees, engineering costs, installation and similar costs.
- c. The Port Commission shall determine whether artwork shall be installed when the Port designs, engineers and constructs new capital projects of its own undertaking and when the Port sells undeveloped land.

Section 2. Artwork in Port Capital Projects.

If the Port Commission decides to include artwork in a capital project of the Port's undertaking, the Port shall establish an artwork budget of 1% of the total capital cost of the construction project.

Section 3. Artwork required as part of Port Land Sales.

When the Port sells unimproved real property, it shall require that a sum equivalent to 3% of the total sales price be paid by the purchaser and deposited with the Port to purchase artwork to be installed in a public area within the Port of Kennewick district boundaries. The selection of the site for artwork shall be at the discretion of the Port Commission.


- b. Funds collected under this section shall be used for selection, acquisition, and installation or display of artwork; repairs and maintenance of artwork; and other project-specific expenses of selection and acquisition of public art.
- c. Any unexpended funds shall be carried forward from year to year until expended for the purposes set forth in this section, unless otherwise directed by the Port Commission.

Section 4. Artwork Selection Process.

- a. When selecting artwork, whether for a capital project of the Port's own undertaking, or when the Port sells unimproved real property, the Port shall seek the advice of the arts commission in the jurisdiction where the artwork will be installed. The Port Commission shall request advice from the arts commission in extending calls to artists for submission of artwork and in the evaluation and selection of artwork submissions.
- b. Artists responding to calls for submissions shall provide a detailed sample or rendering of artwork proposed for consideration.
- c. Because potential artwork display areas will be open to all segments of the community and all age groups, artwork shall not include material, which in the sole discretion of the Port Commission, is defaming, obscene, or otherwise inappropriate.
- d. Artwork submissions shall be original artwork as opposed to mass-produced, of standard design or limited editions.
- e. The Port Commission may review, evaluate, select or reject any artwork submission in its sole discretion.
- f. In the case of artwork gifts or donations, the donor's conditions may affect whether or not the gift will be accepted.

Date: November 12, 2015

To: Tim

From: Tana 

Re: CEDS Project Submittal Process (Community Economic Development Strategy)

The Benton-Franklin Council of Governments notified us that they are once again opening their Community Economic Development Strategy (CEDS) process for local economic development project submittals. Identifying and submitting a project through the CEDS process is the first step in having the CEDS board rank and prioritize projects for the community. Ranking high on a CEDS priority list can then help elevate that project in pursuit of future EDA funding when, and if, EDA has funding available.

In recent years the Port of Kennewick has repeatedly submitted as our priority project a Wine Village Development Building for Columbia Drive with a potential cash match of \$1,016,483 in port funds to construct a \$2,032,966 wine-focused business development building. The past few years our project has ranked extremely high (#1 or #2) on the local CEDS priority list; however, EDA has not had sufficient funding to allow them to even travel to visit the priority sites for consultation, let alone to make grant funds available.

Given that our budget seems unlikely to allow for \$1+ million in matching funds for another project on Columbia Drive, when we haven't even completed phase 1 of the Columbia Gardens space; and given that Commissioners have encouraged staff to begin looking at Vista Field as our next area of emphasis, I am hesitant to resubmit the project request for a Wine Village building in this round of CEDS.

Also, since our master plan for Vista Field is not yet completed I believe it may be premature to submit a CEDS proposal for Vista Field—especially since the financial data is not yet complete so I don't have a sound basis for project scoping. Also, the former Raceway property is still encumbered by the inundation clause and the master plan for that site has not yet been completed—so again that project is not yet mature enough to propose for CEDS.

It is worth noting that typically an organization is asked to specify their top priority project and if that project is indeed funded by EDA, it will require a 1 to1 match of funds, and it limits the organization from seeking EDA funds for another project for five years. Given our limited funding and the fact that several potential projects are premature, I wonder if the Port should skip submitting a CEDS project this year, and get actively engaged with EDA and other grant processes once the Vista Field master plan is finalized and adopted.

PORT OF KENNEWICK

RESOLUTION No. 2015-31

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING APPLICATION FOR A PROJECT TO BE LISTED IN THE ANNUAL REPORT OF THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) FOR 2015, AND TO SEEK FUNDING FROM THE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) AND/OR OTHER FEDERAL OR STATE SOURCES.

WHEREAS, the Benton Franklin Economic Development District is in the process of preparing the Annual Report of Comprehensive Economic Development Strategy (CEDS) for 2015; which includes a section describing and prioritizing local and regional projects seeking funding from the U.S. Economic Development Administration (EDA); and

WHEREAS, CEDS priority projects may also be considered for funding from other federal or state sources and the EDA and U.S. Department of Agriculture (USDA) require a review of project proposals for their agency; and

WHEREAS, the Port's Work Plan already calls for the port to: work toward redevelopment of Vista Field; focus on waterfront development/redevelopment; provide/improve development building space throughout the port district; realize and support economic development opportunities with the wine and tourism industry; and leverage partnerships and grant opportunities; and

WHEREAS, the Annual Report of the Comprehensive Economic Development Strategy for 2015 can help prioritize projects for potential future funding; and

WHEREAS, submission of grant applications requires Commission approval by resolution and the CEDS process requires a formal document indicating commitment of the matching funds;

NOW, THEREFORE; BE IT RESOLVED that the Port of Kennewick Board of Commissioners does hereby approve Resolution 2015-31, authorizing staff to submit a project profile to be included in the Annual Report of the Comprehensive Economic Development Strategy (CEDS) for 2015; which commits a Port match of approximately \$ _____ to _____ should a source of grant funding be secured; and does further authorize port staff to pursue federal/state funding sources as available for this project.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 8th day of December, 2015.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____
DON BARNES, *President*

By: _____
SKIP NOVAKOVICH, *Vice President*

By: _____
THOMAS MOAK, *Secretary*

Tim Arntzen

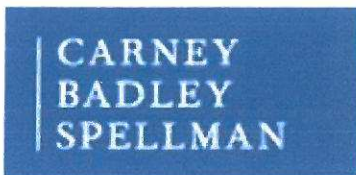
From: Luke, Lucinda <luke@carneylaw.com>
Sent: Wednesday, November 25, 2015 12:23 PM
To: Tim Arntzen
Cc: Caragol, Lynn
Subject: Commission Election Policies - Draft
Attachments: 3507674.docx

Hi Tim,

Attached for your review is a draft of language for Commission officer elections. This language would be inserted into section 6 of the current Commission policies (and the balance of section 6 would be renumbered). Also, one other trigger for a special election would be a vacancy – I do not know whether we wish to address this but thought I would raise the question.

I hope you and your family have a wonderful Thanksgiving!

Regards,
Lucinda



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6. COMMISSION MEETINGS

6.1 Officers. There shall be three Commission officers: a president, a vice president and a secretary.

6.1.1 Terms. The terms of office for each officer shall be two years or until his/her successor is elected.

6.1.2 Election. The officers shall be elected at the first regularly scheduled Port Commission meeting in January. Newly elected officers shall take office effective the next regularly scheduled meeting following the election, unless otherwise agreed by the Commission.

6.1.3 Special Elections. By affirmative vote of 2/3 of the officers, a special election of officers may be held at any regularly scheduled Port Commission meeting.