



# PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 25, 2017 MINUTES

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## CALL TO ORDER

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

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

## PLEDGE OF ALLEGIANCE

Mark Blotz led the Pledge of Allegiance.

## APPROVAL OF THE AGENDA

It is the consensus of the Commission to approve the Agenda as presented.

## PUBLIC COMMENT

Mark Blotz, 5727 West Victoria, Kennewick. Mr. Blotz, General Manager of Clover Island Inn, thanked the Port for their advertising support for Clover Island Inn's Annual Summer Concert Series. The Summer Concert Series kicks off on May 28, 2017 with Hells Belles performing and the Thunder on the Island series will begin Wednesday June 14 through August 16 and features local live bands and a family friendly atmosphere. Night Ranger will perform on August 18, 2017 and the Summer Series will wrap up on September 3, with The Shades and Colorblind performing. Mr. Blotz stated the Inn has received many positive comments from Clover Island tenants and the community about the concert series.

No comments were made.

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## CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated April 3, 2017**  
Direct Deposit and E-Payments totaling \$68,516.59
- B. Approval of Warrant Registers Dated April 11, 2017**  
Expense Fund Voucher Numbers 38959 through 39001 for a grand total of \$230,197.01
- C. Approval of Direct Deposit and E-Payments Dated April 18, 2017**  
Direct Deposit and E-Payments totaling \$49,644.20
- D. Approval of Warrant Registers Dated April 25, 2017**  
Expense Fund Voucher Numbers 39052 through 39100 for a grand total of \$527,713.62
- E. Approval of Regular Commission Business Meeting Minutes March 28, 2017**

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

## NEW BUSINESS

- A. Approval of Interlocal Agreement between Port of Kennewick, City of Kennewick and Benton County for Rural County Capital Funds; Resolution 2017-08**

Mr. Arntzen stated Port and City staff have been working in partnership on the Rural County Capital Funds application for Phase 2 of Columbia Gardens Artisan Village and The Willows and this is the final step in the process. Mr. Arntzen stated Ms. Bader Inglima, Mr. Kooiker and Ms. Luke have been working with the City and Benton County on an Interlocal Agreement (ILA), which outlines the disbursement of the Rural County Capital Funds (RCCF).

Ms. Bader Inglima stated the Port, City and Columbia Basin College (CBC) entered into an Interlocal Agreement earlier this year to complete infrastructure at Columbia Gardens and place additional infrastructure for the CBC Culinary Institute at The Willows. The Port and City submitted a joint application to the County in January, and our application is the first to advance forward to a formal agreement. Mr. Kooiker worked closely with City and County staff on the disbursement policy, which is a tri-lateral agreement, where the Port will receive the Port and City's allotment in an effort to create efficiencies within the accounting departments. When Resolution 2017-08 is codified, the ILA will be forwarded to the Kennewick City Council for signature on May 2, 2016, and to the County to formalize the arrangement for funding on May 9, 2017. Ms. Bader Inglima requested the Commission approve Resolution 2017-08 and the Interlocal Agreement between the Port, City, and Benton County for \$1,100,000 in funding for Columbia Gardens Phase 2.

Mr. Kooiker stated City and County staff were great to work with and the process was incredibly smooth.

Mr. Novakovich inquired if there is a time frame for the funds to be expended by.

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Mr. Peterson believes the ILA outlines a three year time frame, however, this will not be an issue. Mr. Peterson stated the construction of the three winery buildings will be completed early this fall. Then the next step for infrastructure will follow, including opening up an estimated five acres of remaining land for sale or lease, completing the loop road and the completing the food truck site. Furthermore, infrastructure will be added to The Willows site to support CBC's Culinary Institute.

Ms. Bader Inglima stated the Port and City are unable to move forward with planning and design until paperwork is finalized, as the agreement does not allow for back billing.

Mr. Peterson stated staff is working on the time frame and sequencing of the project, and anticipates the loop roadway, additional parking and food truck site project will be bid this fall.

Mr. Arntzen stated even though a schedule is in place, we realize that great projects take time. The starting point of the Columbia Drive revitalization began in 2003 with the Bridge to Bridge plan. Mr. Arntzen is very proud of the vision and the team effort of the jurisdictions to bring the vision to fruition.

Mr. Kooiker stated the Port ensures that the project is within the statute of the .09% sales and use tax, which is defined under RCW. The project consists of utility and infrastructure work, which is an allowable expense. Furthermore, if the Port does not use all of the funds, it can be used towards another project that falls under the RCW.

Mr. Barnes stated this is a great opportunity to welcome the County into the Columbia Gardens partnership and feels it is a testament of our strong partnership with the City, who has committed their portion of the RCCF to Phase 2 of Columbia Gardens and the continued redevelopment of Columbia Drive.

Ms. Bader Inglima stated the County has already passed a resolution regarding RCCF. Resolution 2017-08 and the ILA is the document that outlines how the Port will receive the funds. The County has indicated the Port and City's application is the standard and it demonstrates all of the elements under the guidelines.

## **PUBLIC COMMENTS**

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick inquired if Columbia Gardens Phase 2 project exhausts all of the County RCCF.

Mr. Arntzen stated the County paid off the jail debt faster than anticipated and there is funding for each jurisdiction. Mr. Arntzen anticipates seven years of funding for the Port, if we continue to meet the County's criteria. Mr. Arntzen stated it is a significant amount of funding, approximately \$350,000 a year.

No further comments were made.

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***MOTION:*** *Commissioner Moak moved for approval of Resolution 2017-08 adopting the Interlocal Agreement between Port of Kennewick, City of Kennewick, and Benton County related to Rural County Capital Funds to improve infrastructure for Columbia Gardens Wine Village Phase 2, and The Willows. We authorize the Port's Chief Executive Officer to execute the Agreement and instruct him to take all action necessary to implement such Agreement; Commissioner Barnes seconded.*

***Discussion:***

*Mr. Moak stated the Port received an email from Adam Fyall, Benton County's Sustainable Development Manager, which expressed his appreciation for how the Port and City staff went above and beyond what they were asked to do. Mr. Moak stated Columbia Gardens is a great signature project for the County which emphasizes what the RCW allows and it is a great partnership opportunity for the Port. Mr. Moak thanked staff for their work on the application and throughout the process.*

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

Ms. Bader Inglima stated she will be meeting with Emily Estes Cross from the City of Kennewick and Cheyenne Faulconer of Benton County later this week to discuss a media event after all entities have signed the Interlocal Agreement. Benton County would like to schedule the media event for May 9, 2017 at 1:30 p.m., which is a regular Commission Meeting day, and inquired if the Port Commission is amiable to rescheduling the time of the Commission Meeting.

The Commission is in consensus to hold the meeting at 3:00 p.m. following the event and requested only the Congress of New Urbanism reports, Vista Field, and essential information be discussed at the Commission meeting.

## REPORTS, COMMENTS AND DISCUSSION ITEMS

***A. Clover Island Update***

Mr. Peterson stated the Gathering Place project, which includes art placement, pond, boardwalk, and landscaping is slated for completion in June. Additionally, Big D's Construction continues to work on the viewing platform, which will be in place prior to the beginning of the 1135 U.S. Corps of Engineers Shoreline improvement project.

***B. Columbia Drive Update***

Mr. Peterson presented a video and photos from the Columbia Gardens Wine Village construction.

Ms. Bader Inglima reported that two new businesses have moved in across from Columbia Gardens and additional facade improvements are being made to vacant buildings.

***C. Vista Field Update***

***1. Phase I Debriefing***

Mr. Peterson reported that he and Mr. Arntzen met with the principals of Duany Plater-Zyberk last week to touch base and verify that the Port is on the right path for the Master Plan and to receive input on Phase I of the development plan. In attendance were Lizz Plater-Zyberk,

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Andres Duany, Senen Antonio, Michael Mehaffy and Laurence Qamar. The main priority is to build a coherent and complete development. It was determined that the Port should focus on constructing two or three live/work units to set the frame of the development and establish an example for developers; and reduce the narrow road for the residential lots. Furthermore, the Port should rehabilitate all three of the corporate hangars, however, the third hanger would be simpler in nature and could be used for community activities that cater to the younger generation.

Mr. Arntzen stated Mr. Duany joined the group on Monday and offered up many ideas and was very excited that the City is on board with the development. Mr. Antonio conveyed that although it seems like the project is moving slowly, in fact, it is moving faster than most projects of this magnitude do. Mr. Arntzen inquired if the Commission would like to discuss the memo dated April 21, 2107.

Mr. Novakovich asked Mr. Arntzen to brief the Commission on the five decision points outlined in the memo.

1. Consider utilizing third corporate hangar for public facility, “black box”;
2. Consider reducing residential narrow street and use proceeds to construct two mixed use structures;
3. Discuss materials for drivable and walkable surfaces;
4. Potentially reuse the T hangars as community space;
5. “Fast track” the rehabilitation for the corporate hangars, due to upcoming changes in Washington State Building Code in July 2017.

Mr. Novakovich stated the most urgent issue to address right now is the hangar remodels.

Mr. Barnes stated staff returned with strong recommendations from DPZ and Mr. Barnes offered the following on the decision points:

1. Ms. Plater-Zyberk has stated several times that an event space or festival would attract attention to Vista Field immediately, and using the third corporate hangar for a public space is consistent with her recommendations;
2. It is imperative that the Port construct the first few live/work units so developers understand and can replicate the high expectations for the development;
3. Street and sidewalk surfaces were addressed during the meeting with Parametrix, Mr. Qamar, and Mr. Mehaffy in March, and Mr. Barnes would like to see examples;
4. With the changes in the building codes, it is crucial to take action, to ensure the Port falls under the “grandfathered” category for the rehabilitation of the corporate hangars.

Mr. Moak stated the ideas that have been presented about the hangars are very exciting and the narrow passage that runs between them will make the entrance into Vista Field grand and offered the following:

1. It is important that if the Port is going to use the hangars, to move quickly if the codes are changing;

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2. With respect to the third hangar, Mr. Moak believes it is important to introduce the element of a public space, however, he would like to see a model for the “black box,” and inquired who would be running the facility. Mr. Moak stated the concept sounds familiar to what the Arts Foundation of the Mid-Columbia was trying to accomplish with the FBO building;
3. Mr. Moak agrees that the Port should construct the two mixed use buildings to set the standard and believes the Port do the same for the narrow roads;
4. Mr. Moak would like to see examples of surfaces and stated it is important that they are comfortable for strollers, suitcases, etc.;
5. Mr. Moak would like more information about the T-Hangars and the vision for them.

It is the consensus of the Commission to “fast track” the rehabilitation of the three corporate hangars.

Mr. Arntzen stated the Port does not have a program for the “black box,” nor does it have staffing; however, the Port could rehab the facility and put in place minimal use requirements for the facility and lease the space. Regarding the residential narrow road and reducing the length, Mr. Arntzen stated additional financial and legal items need to be addressed to ensure it is a viable option. If the Commission decides to reduce the length of the narrow street, this would be a major deviation from the plan.

Mr. Novakovich inquired if reducing the narrow street would affect the Master Plan.

Mr. Arntzen stated the Master Plan would not be affected because reducing the narrow street is more of a timing and sequence approach versus altering the physical layout. Mr. Arntzen and Mr. Peterson recently viewed the physical state of the T-Hangars and believes they are in such a dilapidated state that it would not be cost effective to rehabilitate them.

Mr. Arntzen proposed that the primary objective is the rehabilitation of the corporate hangars. Furthermore, staff is looking at reinventing the T-Hangar idea by creating an open structure with a metal frame and roof and is currently looking at potential costs. Mr. Arntzen indicated he would like to reuse the decking somewhere within the development and believes the Port could utilize the Coyote Work Crew to remove sections and relocate the decking.

Mr. Arntzen stated focus will be the corporate hangars, but would like to look at concepts that might work well in the development. Mr. Arntzen reported that Mr. Peterson is working with David Robison, Mr. Mehaffy, and Mr. Qamar on building plans for the building permits for the rehabilitation of the corporate hangars. The plans do not have to be exact, however, it is important that the deadline is met.

Mr. Novakovich reiterated that rehabilitating the corporate hangars is the highest priority and the second priority would be to shorten the narrow streets and utilize the funds for the mixed-use buildings.

Mr. Arntzen thanked the Commission for the direction and will have further details available at the May 9, 2017 meeting.

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Mr. Barnes inquired if the aviation artwork referenced in Mr. Qamar's email should be addressed.

Mr. Arntzen stated Mr. Qamar proposed placing Cessna aircrafts in the sagebrush as part of a natural garden, where the arts community could paint them, which is similar to what is seen in the Wynwood Art District in Miami. However, at this time, Mr. Arntzen does not believe this to be a priority.

Mr. Arntzen stated it was an incredible opportunity to meet with DPZ in Miami and working with the team is an indescribable process. Mr. Arntzen paraphrased Mr. Duany's comments:

"The project needs to be 'messy' for the first five years, and will not be what you want it to be and be sure to listen to the younger generation in terms of ideas, and if it makes the Commission uncomfortable, even better."

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

Commissioners reported on their respective committee meetings.

#### ***E. Non Scheduled Items***

1. Mr. Moak thanked staff and Banlin Construction for making the waste receptacle accessible to the Duffy's trail walkers.
2. Ms. Scott reported that the Commission will receive the Congress of New Urbanism travel packets by April 28, 2017.

Ms. Scott and Ms. Schumacher recently attended the Washington Municipal Clerks Association Conference and found it very beneficial to network with clerks from city, county, transit, and special purpose districts. Some of the topics that were discussed were archives, record management systems, notary practices, open government laws and the public records act. Ms. Scott and Ms. Schumacher will attend further training at the Washington Association of Public Records Officers, which focuses on public records do's and don'ts and case laws currently pending. Recently, the state House voted to approve House Bill 1595, which allows agencies to charge up to 10 cents per page for scanned documents and up to 5 cents for every four electronic attachments when replying to a public records requests in an effort to curb robotic requests. House Bill 1594 directs the state Attorney General's Office to develop a program to assist local governments in managing public record requests and requires the State Archives to train local agencies on documentation retention practices and establish a grant program to improve information technology services. Both bills are currently on Governor Inslee's desk. Ms. Scott reported that the WMCA recommends action minutes as much as possible for a simpler, more efficient way to search records and referenced Jurassic Parliament Procedure.

Mr. Arntzen inquired what the Commission's thoughts are on action minutes versus summary/verbatim minutes and if the Commission would be comfortable to trend towards action minutes, with the understanding that items such as Vista Field would be summary/verbatim.

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Mr. Moak is aware of the recommendations provided by Jurassic Parliament, however, when he researches other agencies minutes, he finds it difficult to garner background information. Mr. Moak finds the Port's minutes very helpful and thinks summary/verbatim on important items, would be acceptable.

Mr. Barnes understands the recommendation, however, action minutes provide no discussion on how the action was reached. Mr. Barnes stated Mr. Moak's suggestion that the minutes show justification that leads to action is well taken. Mr. Barnes would like further discussion on the minutes.

Mr. Novakovich inquired if the Commission went to action minutes if the recordings would be available, which documents the background on the action.

Mr. Moak inquired if the recordings would be accessible to the public via the Port website.

Mr. Novakovich agrees with Mr. Moak and stated it is helpful to know background and how the action was decided.

Mr. Arntzen stated staff will continue to research further and bring back at a later date.

The consensus of the Commission is to hear additional information on action minutes versus summary/verbatim minutes.

3. Ms. Bader Inglima recently spoke with USACE project manager, Rebecca Kalamasz. The 1135 Shoreline project is moving forward and the agency is currently answering questions that were raised by the agency technical review team. The team has met with the national fisheries, the national fish and wildlife service, and are working through the NEPA process. Ms. Bader Inglima stated USACE is hoping the document will be available mid-May for public review, and concurrent with the public review, they will be working on the final cost estimating. Then, the cost estimating projections are sent to the head office for another round of review.
4. Mr. Arntzen reported the Congress of New Urbanism Conference is May 2-6, 2017 in Seattle. Ms. Plater-Zyberk shared her suggestions on what classes the Port should attend. Also, Mr. Duany will be attending, along with his brother, Douglas Duany, who is a professor at the school of Architecture at the University of Notre Dame.

Mr. Arntzen recently met with Scott Keller of Port of Benton and Randy Hayden of Port of Pasco for a Tri-Ports meeting and it was concluded that the mission statement is outdated. Mr. Arntzen volunteered to write a new mission statement the re-focuses the Tri-Ports mission in the community and set protocol on meetings. The meetings are important and gives the Ports a chance to come together and update each other on projects that are being implemented and collectively lend our support to community economic development and quality of life issues.

Mr. Arntzen reported he has spoken to City of Kennewick Police Chief Hohenberg regarding the marina issues, and Chief Hohenberg relayed the use of the Coyote Work Crew is a good



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use of Port resources. The City utilizes two City work crews in the downtown area and around the KPD office building, however, Chief Hohenberg feels the Coyote work crews are better organized and managed. Chief Hohenberg communicated that he has no qualms with utilizing the work crews and sees very little correlation if theft occurs. Chief Hohenberg suggested the Port place security cameras in the marina, which Ms. Hanchette is currently looking into.

### PUBLIC COMMENTS

Boyce Burdick 414 Snyder Street, Richland. Mr. Burdick stated the term “black box” a theater in Yakima and suggested if the Port is considering using the corporate hangar as a community space, then it should be referred to as such. Mr. Burdick expressed his concern with the possibility of shortening the narrow road and sees two drawbacks; it will shut off the expansion of block two, and if the Port did something with the T-Hangars, then they would not be connected to project. Furthermore, in reading Mr. Arntzen’s memo, number six states that Ms. Plater-Zyberk suggested using the third hangar as a performing arts/public facility. Mr. Burdick inquired if DPZ Miami was aware of the letter of intent that was signed by the Commission on March 28, 2017 for and 2.2 acres of land to build a Performing Arts Center. Mr. Burdick stated the Port has considered the Performing Arts Center an anchor tenant and if the Port is considering creating another community space, it may make it harder for the Arts Center Task Force to raise money. Mr. Burdick stated the April 25, 2017 meeting notice was not in the Sunday Edition of the *Tri-City Herald* and if the Port is considering rescheduling the May 9, 2017 meeting, he asked the Port to advertise any changes in the *Tri-City Herald* and the Port website.

No further comments were made.

### COMMISSIONER COMMENTS

No comments were made.

Mr. Novakovich anticipates the Executive Session will last approximately 30 minutes, Site Selection per RCW 42.30.110(1)(b) and Real Estate Minimum Price per RCW 42.30.110(1)(c) with no action anticipated. Mr. Novakovich asked the public to notify Port staff if they will return after the executive session.

Mr. Novakovich recessed the Regular Commission Meeting at 4:09 p.m. for eleven minutes until 4:20 p.m.

### EXECUTIVE SESSION

- A. Real Estate, per RCW 42.30.110(1)(b) – Site Selection**
- B. Real Estate, per RCW 42.30.110(1)(c) – Minimum Price**

Mr. Novakovich convened the meeting into Executive Session at 4:20 p.m. for approximately 30 minutes.

Mr. Novakovich adjourned the Executive Session at 4:48 p.m.

Mr. Novakovich reconvened Regular Commission Meeting at 4:49 p.m.

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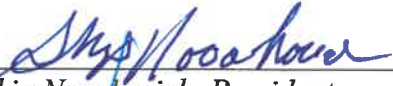
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**ADJOURNMENT**

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

***APPROVED:***

**PORT of KENNEWICK  
BOARD of COMMISSIONERS**

  
\_\_\_\_\_  
*Skip Novakovich, President*

  
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*Thomas Moak, Vice President*

  
\_\_\_\_\_  
*Don Barnes, Secretary*

*PORT OF KENNEWICK*

**Resolution No. 2017-08**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK  
APPROVING AN INTER-LOCAL AGREEMENT WITH THE CITY OF KENNEWICK  
AND BENTON COUNTY RELATED TO SECURING RURAL COUNTY CAPITAL FUNDS  
FOR THE COLUMBIA GARDENS URBAN WINE & ARTISAN VILLAGE PHASE 2  
AND THE WILLOWS REDEVELOPMENT SITES**

**WHEREAS**, the Port of Kennewick and City of Kennewick are working to advance progress related to the Port of Kennewick's Columbia Drive Urban Revitalization Area located in the City of Kennewick; and

**WHEREAS**, Benton County has approved a joint port/city application for funding and is offering Rural County Capital Funds (Benton County Resolution 2017-103) to support infrastructure improvements to complete Columbia Gardens Wine Village Phase 2 and support construction of the Columbia Basin College Culinary Institute and future development at The Willows; and

**WHEREAS**, this partnership will redevelop an economically distressed area; and given its prime location on Kennewick's historic shoreline, will attract the wine industry to downtown, creating an unique tourism destination that will serve, sustain and diversify the local economy; import visitor dollars, and act as a catalyst to transform the waterfront into a family-friendly mix of restaurants, retail, residential, public and artisan spaces; and

**WHEREAS**, wineries and a mix of other businesses have all shown interest in facility development in the Project Area because of its central location, access and visibility; and

**WHEREAS**, the Port, City, and County recognize that successful and timely redevelopment of Columbia Gardens and The Willows benefits the economic and social welfare of the city, county and the surrounding region; and represents an opportunity for the citizens of Kennewick, Port District, and Benton County; and

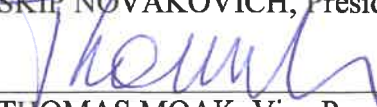
**WHEREAS**, this collaboration serves the public interest by leveraging the port and city's previous investments by securing a shared commitment of Benton County Rural County Capital Funds.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the Board of Commissioners of the Port of Kennewick adopts the attached Disbursement Agreement (Interlocal Agreement) between the Port of Kennewick, City of Kennewick, and Benton County related to Rural County Capital Funds to improve infrastructure for Columbia Gardens Wine Village Phase 2, and The Willows; and authorizes the Port's Chief Executive Officer to execute the Agreement and instructs the CEO to take all action necessary to implement such Agreement.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 25th day of April, 2017.

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

By:   
SKIP NOVAKOVICH, President

By:   
THOMAS MOAK, Vice President

By:   
DON BARNES, Secretary

## **DISBURSEMENT AGREEMENT FOR USE OF RURAL COUNTY CAPITAL FUNDS**

This Agreement, among and between Benton County (hereinafter "County"), the City of Kennewick (hereinafter "City"), and the Port of Kennewick (hereinafter "Port"), shall be effective upon execution by all parties.

WHEREAS, the County has previously agreed to distribute certain funds received from the State of Washington that it has deposited in its Rural County Capital Fund (hereinafter "Fund") after April 1, 2016 for the financing of certain "public facilities [projects] serving economic development purposes" as contemplated by State statute (RCW 82.14.370) and in conformance with County policy (Resolution 2017-103, adopted January 31, 2017); and

WHEREAS, the Port and the City are authorized, including under Chapters 39.33 and 39.34 of the Revised Code of Washington, to contract with each other and other public agencies in order to effectively and efficiently operate, administer and carry out their programs and public projects; and

WHEREAS, the Port owns property in the City that it desires to develop for economic development purposes; and the City agrees to the use by the Port of a portion of the Fund that would otherwise be available for a City project for construction related to the development of the Port property in return for the expected business, tourism, and job creation that will be stimulated by the project and its benefits to the City; and

WHEREAS, the Port's economic development project referenced above is known as "Columbia Gardens", and consists of the Port's construction of public infrastructure in the form of the extension of water, sewer, electrical and effluent utilities, and the construction of roads, storm drainage, lighting, landscaping, and parking areas (the "Project") to support the Port's construction of two buildings on a six-acre site to provide space for restaurants, wine tasting rooms, and other related businesses; and

WHEREAS, the Project will develop underused land near downtown Kennewick for use by new businesses and is expected to result in over 100 permanent jobs and positively impact sales, B&O, and property tax revenues; and

WHEREAS, the Port has requested \$550,000.00 from its allocation of the Fund for the Project, and the City has agreed to assign \$550,000.00 from its allocation of the Fund to the Port for this Project, for a combined amount of up to \$1,100,000.00 to be reimbursed to the Port by the County for the expenses of this Project; and

NOW THEREFORE, in consideration of the mutual covenants, conditions, and terms contained herein, the County, the City, and the Port mutually agree to the following:

1. The City agrees to assign up to \$550,000.00 of its allocation from the Fund to the Port so that the Port may be reimbursed for additional expenses the Port incurs for expenses related to the Project, with such reimbursement from these Funds to be made concurrently with equal reimbursement to the Port from the Port's allocation from the Fund.

2. Based on the above assignment and the Port's request for reimbursement from its allocation, the County agrees to reimburse the Port for up to \$1,100,000.00 of qualified direct costs incurred by the Port for the Project *after* the execution of this Agreement; contingent upon funds being available in the Port's and City's allocations and that each reimbursement is consistent with the County's Rural County Capital Fund Disbursement Policy.
3. The Port and City represent that the use of said Fund for the Project is consistent with RCW 82.14.370.
4. The Port agrees to use all funds allocated by this Agreement solely for the purpose of financing the Project and warrants that all expenditures by the Port for which it seeks reimbursement will comply with RCW 82.14.370.
5. The Project schedule and a disbursement schedule are attached hereto as Exhibit A. The parties agree that funds will be disbursed only as reimbursement for actual, direct costs incurred by the Port in connection with the Project. The Port will keep the County informed of changes to the schedule as the Project progresses.
6. The Port shall invoice the County at the end of each calendar month for all Project costs incurred by the Port in the prior month that are eligible for and for which reimbursement is sought. All invoices shall be mailed to the County at the following address:

Benton County Commissioners Office  
ATTN: Sustainable Development Manager  
7122 West Okanogan Place  
Kennewick, Washington 99336
7. All approved reimbursement payments will be made via check mailed directly to the Port at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.
8. The Port and the City shall not hold the County liable for any delay in disbursements, but the County agrees to use its best efforts to make appropriate disbursement payments to the Port in a reasonably timely fashion.
9. The Port shall be responsible for establishing policies for implementing this Agreement, monitoring progress of the Project, and monitoring the fulfillment of the Parties' responsibilities under the Agreement. In addition to other responsibilities set forth in this Agreement, the Port and the City are responsible for following applicable bid and prevailing wage law policies and procedures when awarding bids for the Project contemplated by this Agreement.
10. The Port agrees to provide the County and the City with a monthly report along with each invoice outlining the status of the Project, including a spreadsheet detailing all costs being reimbursed by the County.
11. If Rural County Capital Funds are applied toward non-eligible expenditures, the County may cease all disbursements until the Port has repaid to the Fund all monies inappropriately expended.

12. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection by the Parties during the term of this Agreement and for three years after its termination. This Agreement shall be filed by the Port with the Benton County Auditor.
13. It is not the intention that a separate legal entity be established with respect to the Project, nor is the joint acquisition, holding, or disposing of real or personal property anticipated.
14. The Port and City agree to indemnify the County from and against any claims, actions, losses, costs, penalties, damages, attorneys' fees, and all other liabilities and costs of defense of any nature arising out of the County's agreement to disburse Funds under this Agreement.
15. The Port shall not have the right to assign the rights under this Agreement nor to terminate its obligations hereunder without first securing the written consent of the County and the City.
16. This Agreement shall terminate and the County's obligation to disburse funds under this Agreement shall cease at any time that any aspect of the Project falls thirty-six (36) months or more behind the schedule set forth in Exhibit A. In such case, the County's rights under this Agreement shall continue, but the County may use the funds previously allocated under this Agreement for any purpose allowable under state law. The County will make a good faith effort to notify the Port whenever it believes any aspect of the Project is thirty (30) months or more behind schedule and that the Agreement will terminate in six months' time thereafter under this provision; provided that maintaining the Project on schedule is the Port's responsibility and the Port shall have no recourse against the County if such notice is not provided.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date signed below.

**BENTON COUNTY**

**PORT OF KENNEWICK**

\_\_\_\_\_  
 Jim Beaver, Chairman  
 Board of Commissioners

\_\_\_\_\_  
 Tim Arntzen, Chief Executive Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:


ATTEST:

\_\_\_\_\_  
 Clerk to the Board

\_\_\_\_\_  
 Chief Financial Officer & Auditor

APPROVED AS TO FORM:

APPROVED AS TO FORM:

  
 \_\_\_\_\_  
 Chief Deputy Prosecuting Attorney

\_\_\_\_\_  
 Lucinda J. Luke, Port Counsel

**CITY OF KENNEWICK**

\_\_\_\_\_  
Marie Mosley, City Manager

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Terri L. Wright, City Clerk

**COLUMBIA GARDENS CONSTRUCTION & DISBURSEMENT SCHEDULE**  
**Port of Kennewick & City of Kennewick Combined Allocations**

**Columbia Gardens Urban Wine & Artisan Village Phase 2**

TASK	DATES		ESTIMATED COSTS	7/1/2017	8/1/2017	9/1/2017	10/1/2017	11/1/2017	12/1/2017	1/1/2018	2/1/2018	3/1/2018	4/1/2018	5/1/2018	6/1/2018	
	Start	Complete														
Complete Design Work (Roadway & Utilities)	5/1/2017	6/15/2017	\$10,000	\$10,000												\$10,000
Permit Fees (Roadway & Utilities)	8/16/2017	7/15/2017	\$30,000	\$30,000												\$30,000
Bidding Process & Award (Roadway & Utilities)	7/16/2017	8/31/2017	\$5,000		\$5,000											\$5,000
Construction (Roadway & Utilities)	9/1/2017	4/1/2018	\$750,000				\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$150,000	\$150,000	\$50,000		\$750,000
Construction Management (Roadway & Utilities)	9/1/2017	5/31/2018	\$40,000				\$10,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000		\$40,000
Gateway Feature (Design)	9/1/2017	11/30/2017	\$10,000				\$2,500	\$5,000	\$2,500							\$10,000
Food Court Pavilion Design	9/1/2017	11/30/2017	\$25,000				\$5,000	\$10,000	\$5,000	\$5,000						\$25,000
Bus Shelter (Fabrication)	9/1/2017	12/31/2017	\$50,000				\$25,000	\$15,000								\$50,000
Food Court Pavilion Permit Fees	12/1/2017	12/31/2017	\$5,000								\$5,000					\$5,000
Gateway Feature (Fabrication & Installation)	1/1/2018	4/30/2018	\$50,000									\$35,000	\$15,000	\$20,000	\$15,000	\$50,000
Food Court Pavilion Construction	1/1/2018	4/30/2018	\$110,000									\$25,000	\$25,000	\$25,000	\$25,000	\$110,000
Bus Shelter (Contractor Install)	2/15/2018	4/30/2018	\$15,000												\$15,000	\$15,000
<b>TOTAL PROJECT COSTS</b>			<b>\$1,100,000</b>	\$10,000	\$30,000	\$5,000	\$0	\$142,500	\$135,000	\$112,500	\$125,000	\$190,000	\$195,000	\$50,000	\$105,000	<b>\$1,100,000</b>

Port of Kennewick 2017-03-03

**EXHIBIT A**

**ESTIMATED PROJECT COMPLETION AND FUND DISBURSEMENT SCHEDULE**