

**INTERLOCAL AGREEMENT  
REGARDING  
COLUMBIA GARDENS WINE VILLAGE PHASE II-B  
DEVELOPMENT, AND PHASE I VISTA FIELD DEVELOPMENT**

**I. PARTIES**

This Interlocal Agreement is entered into this 12 day of December, 2017, between the PORT OF KENNEWICK, a Washington municipal corporation (“Port”), and the CITY OF KENNEWICK, a Washington municipal corporation, (“City”) referred to collectively as the “Parties”. The Parties agree as follows:

**II. RECITALS**

**2.1 Economic Development Authority.** 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.

**2.2 Project Areas.** The Port owns approximately 14 acres of undeveloped land in the City which it has begun developing as an urban wine and artisan village (“Winery Project Area”). Additionally, the Port owns approximately 103 acres of undeveloped land in the City in the Vista Field area which it intends to develop as a walkable, mixed use regional “town center” (the “Vista Field Project Area”).

At the Winery Project Area, the Port intends to construct a tasting room of approximately 2,000 square feet for lease to a private sector winery. Together with existing buildings already built on site, the tasting room would be the Port’s fourth building. Funding for the tasting room will be from insurance proceeds the Port is to receive from a building damaged by a winter 2017 snowfall event. Additionally, the Port intends to construct a 20+ stall public parking lot (the Cedar Street lot) to accommodate additional patrons to the Winery Project Area. The parties view the parking lot as a critical element to the tasting room’s construction and to the overall success of the Winery Project Area.

At the Vista Field Project Area, the Port plans to invest \$5,000,000 to \$7,000,000 for the design and construction of backbone infrastructure. The backbone infrastructure includes, but is not limited to: constructing road and utility infrastructure across the former airfield from Grandridge Boulevard to Deschutes Avenue; mobilization/demobilization; traffic control; compaction; grading; asphalt pavement and striping; curbing, sidewalks, utilities and connections; water, sewer, and storm drainage systems; public plaza, tree-lined linear park with water feature; streetscape, landscaping, irrigation; street and pedestrian lighting; and signage.

The parties view this infrastructure as critical to attracting private-sector investment at the Vista Field Project Area.

The Winery Project Area including the Cedar Street public parking lot is as shown on Exhibit "A"; the Vista Field Project Area is as shown on Exhibit "B"; the Shoreline Enhancement Project Area is as shown on Exhibit "C"; all exhibits are incorporated into this Interlocal by reference herein.

**2.3 Opportunity for Collaborative Development.** The Parties recognize that successful economic development within the City benefits the economic and social welfare of the City and the surrounding area. The Parties understand the challenges related to both project areas, including but not limited to the fact that both areas are mostly undeveloped and have limited infrastructure. Nonetheless, the Parties, cognizant of the unprecedented opportunity for collaborative development by investing in redevelopment of challenging properties, hereby choose to move forward on the unique and visionary process for potential redevelopment of both project areas, which development will allow the Parties to attract major private sector investment.

### **III. OBLIGATIONS OF THE PARTIES**

#### **3.1 General Provisions Related to Construction.**

The Port shall produce all drawings, plans and cost estimates for the improvements planned at both Project Areas; and the Port shall permit, design, engineer, bid, and oversee construction of the improvements. Construction shall proceed in a workmanlike manner and shall be completed with all due dispatch.

- (a) Winery Project Area. The Port shall use best efforts to bid the improvements by September 1, 2018. The City shall pay the Port \$200,000 to support parking and critical infrastructure in the project area; the Port will use its insurance proceeds for tasting room construction. City funding will be used for construction and the Port will pay the cost of design, bid, and construction management. Additionally, the Port agrees to take over the landscaping irrigation and maintenance of Duffy's Pond southern trail (from The Willows through Columbia Gardens) from the City and also agrees to invest in an environmental review of Duffy's Pond related to potential capacity and water quality enhancements to Duffy's Pond.
- (b) Construction shall begin upon completion of other on-site improvements (roads, utilities, lighting, public plaza, food truck utilities, landscaping, transit shelter, artwork, and Date Street parking areas) funded under the Interlocal Agreement of May 9, 2017 between the City, Port and Benton County.
- (c) Vista Field Mixed Use Project Area. The Port will bid the Vista Field Mixed Use Project Area improvements *after* the Port has bid the Winery Project Area improvements described above.

#### **3.2 Funding.**

- (a) In order to assist with funding of the Port's Vista Field infrastructure, the Port shall redirect \$1,000,000 of its funds currently designated for Clover Island shoreline enhancements to the Vista Field infrastructure improvements.
- (b) The City shall provide the Port with \$1,000,000 from the City's allotment of Rural County Capital Funds to assist with funding Clover Island shoreline improvements upon completion of the Shoreline improvements and award of the bid for the Winery Project Area improvements noted in Section 2.2 above. The parties acknowledge that future commercial development on Clover Island is contingent upon completion of shoreline improvements. The City's financial contribution shall be used as match to USACE 1135 program funding. The completed shoreline enhancements will be consistent with the City's shoreline master plan, and upon completion of the shoreline improvements the Port will lease the Clover Island pad sites for private sector development which will bring substantial economic vitality and jobs to Kennewick's waterfront and which will further enhance the Columbia Gardens Winery Project Area.
- (d) The Port will request an additional \$1,000,000 investment from Benton County to assist with Vista Field infrastructure.
- (e) Should RCCF funding as set forth in 3.2(b) above not be provided by the City, the parties will continue to work cooperatively to explore other funding opportunities for the improvements described herein, and if no other viable sources of funding are available after due diligence, the parties obligations in 3.2 (a) and 3.2(b) above hereunder shall terminate.

#### IV. ADMINISTRATION

**4.1 Responsibilities.** This Agreement shall be administered by the City Manager or her designee and the Port Chief Executive Officer or his designee. Working in partnership and on behalf of their respective agencies these individuals shall be responsible for:

- (a) Establishing policies for implementing this Agreement;
- (b) Providing periodic progress reports;
- (c) Monitoring progress of the Parties and other agencies in the fulfillment of their respective responsibilities; and
- (d) Follow applicable City and Port bid and prevailing wage law policies and procedures when awarding bids for this project.

**4.2 Document Review.** The Parties shall cooperate by sharing all relevant information, including planning, financial and environmental documents, to the extent allowed by law.

**4.3 Expenses and Financial Contingency.** Except as otherwise provided, the obligations of each Party shall be performed at the sole expense of said Party.

## V. GENERAL

**5.1 Amendment.** This Agreement shall not be altered or varied except in writing signed by each Party.

**5.2 Governing Law.** Each of the Parties has independent authority to contract; and, this Agreement is pursuant to that authority and shall be governed by, construed and enforced in accordance with the substantive laws of the State of Washington.

**5.3 Venue.** The venue for any action arising out of this Agreement shall be the Superior Court for Benton County.

**5.4 Non Waiver.** Nothing in this Agreement and no actions taken pursuant to this Agreement shall constitute a waiver or surrender of any rights, remedies, claims or causes of action a Party may have against the other Party or others under any provision of this Agreement or any provision of law.

**5.5 Agreement Term.** The term of Agreement shall commence on its execution by both Parties and end December 31, 2020 (“Agreement Term”).

**5.6 Inspection of Records and Filing.** 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 or listed pursuant to RCW 39.34.040.

**5.7 No Separate Legal Entity.** It is not the intention that a separate legal entity be established to conduct the cooperative undertaking nor is the joint acquisition, holding or disposing of real or personal property anticipated.

**5.8 Severability.** In the event any term or condition of this Agreement or application thereof to any person, entity or circumstance is held invalid, such invalidity shall not affect any other terms, conditions or applications of this Agreement which can be given effect without the invalid term, condition, or application. To this end, the terms and conditions of this Agreement are declared severable.

**5.9 Defense and Indemnity.** Each party shall indemnify, defend, protect, hold harmless, and release the other, its officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs or expense (including attorneys’ fees and witness costs) arising from or in connection with or caused by any act, omission, or negligence of such indemnifying party.

**5.10 Integration.** With the exception of the Interlocal Agreements between the City of Kennewick and the Port of Kennewick for Columbia Gardens - Phase I executed on November 8,

2013, and amended on July 21, 2015; Interlocal Agreement for Columbia Gardens Wine Village Phase II executed on January 5, 2017 and Interlocal Agreement for Disbursement of Rural County Capital Funds dated May 9, 2017, this Agreement supersedes all prior agreements and understandings (whether written or oral) between the Parties with respect to the subject matter hereof.

**5.11 Breach.** In the event of a breach of this Agreement, the non-breaching Party shall retain all legal and equitable remedies against the breaching Party.

## VI. EXECUTION AND APPROVAL

**6.1 Warranty of Authority.** Each Party to this Agreement warrants that it has the authority to enter into this Agreement.

**6.2 Execution.** The person executing for a respective Party has been duly authorized to and does execute the Agreement on behalf of that respective Party.


### PORT OF KENNEWICK

Date: 12/12/17

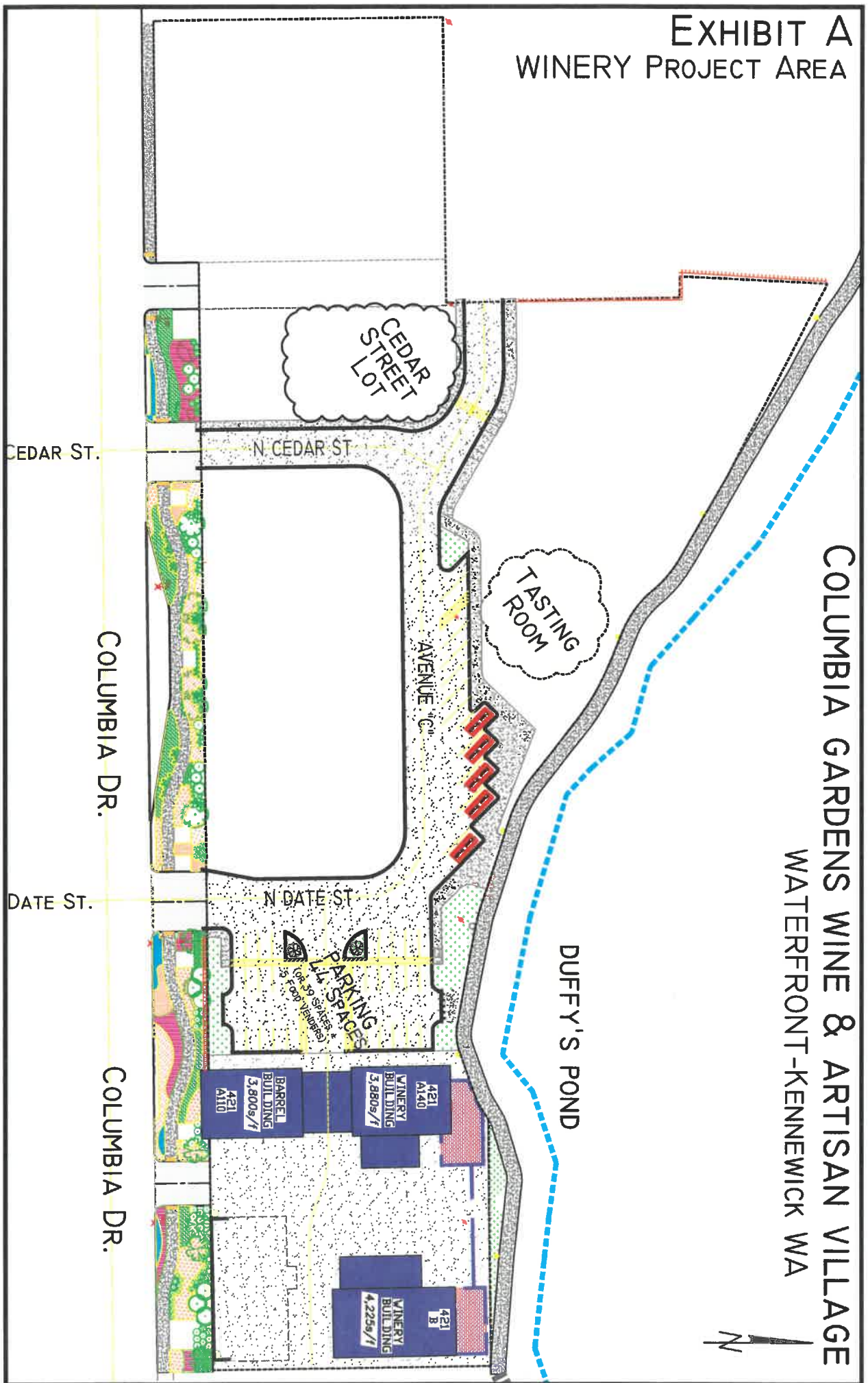
By:   
TIM ARNTZEN, Chief Executive Officer

### CITY OF KENNEWICK

Date: 12/5/17

By:   
MARIE E. MOSLEY, City Manager

# EXHIBIT A WINERY PROJECT AREA



COLUMBIA GARDENS WINE & ARTISAN VILLAGE  
WATERFRONT-KENNEWICK WA



# VISTA FIELD Project Area

# Exhibit B

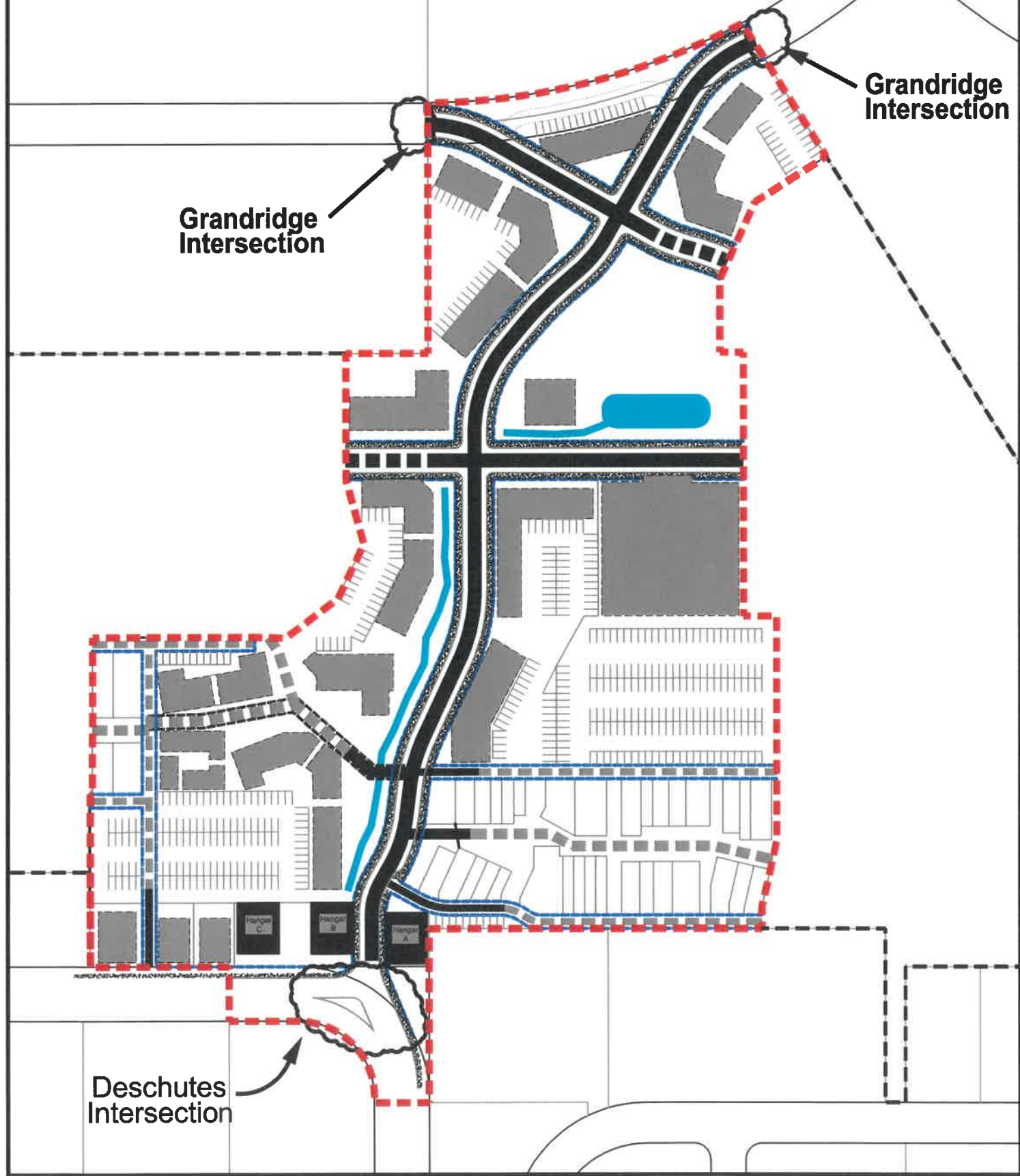


Grandridge  
Intersection

Grandridge  
Intersection

Deschutes  
Intersection

Hangar C  
Hangar B  
Hangar A





# Exhibit C-1 Clover Island 1135 Project



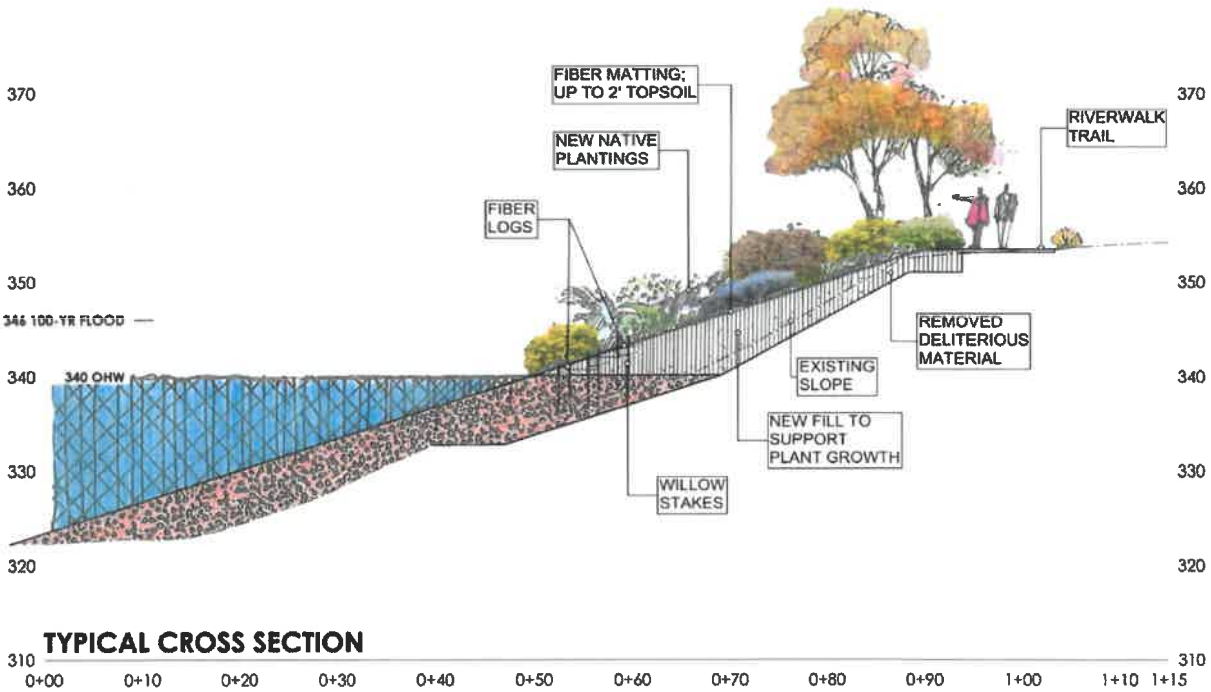
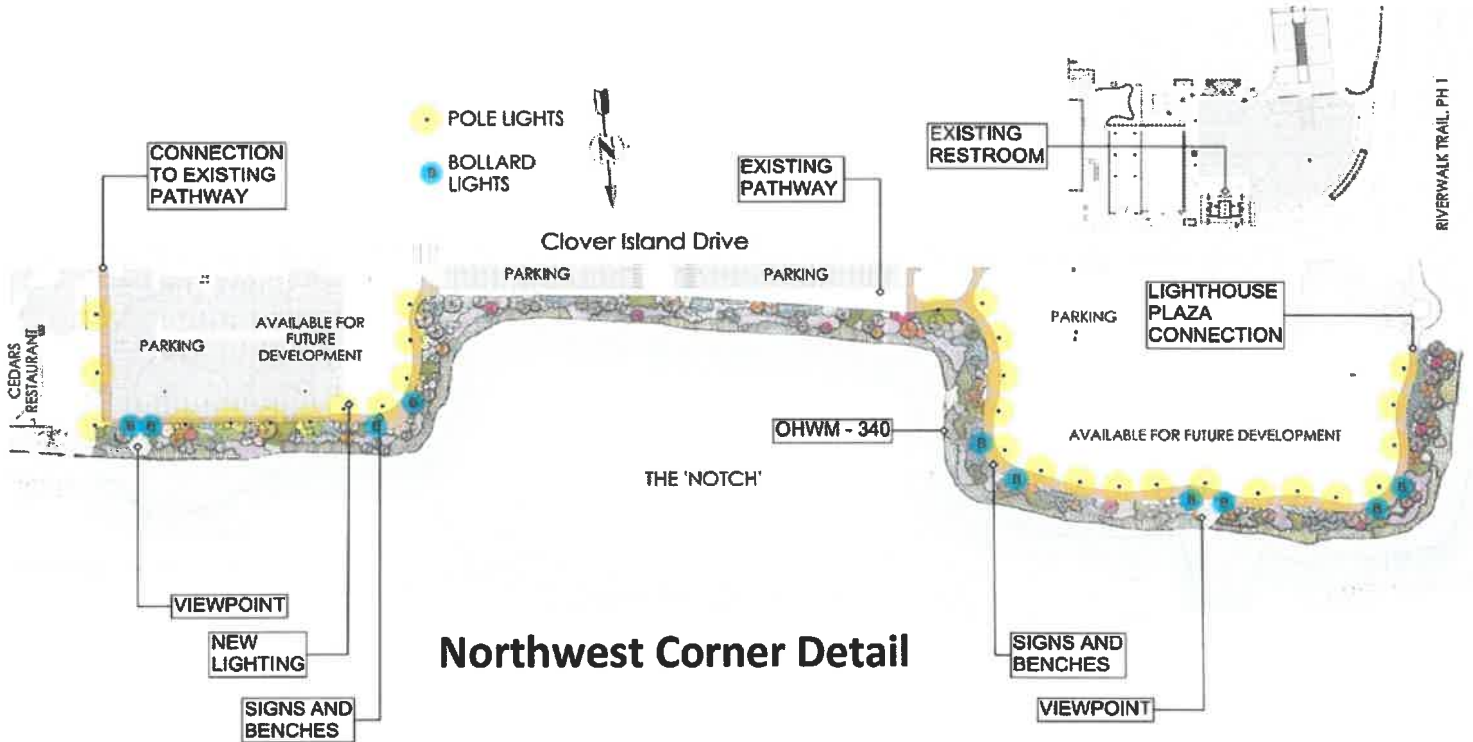
## Clover Island 1135 Project Improvement Area





# Exhibit C-2

## Clover Island 1135 Project



# PORT OF KENNEWICK

## RESOLUTION No. 2017-32

### ***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING CEO TO SIGN AN INTERLOCAL AGREEMENT WITH THE CITY OF KENNEWICK REGARDING COLUMBIA GARDENS WINE VILLAGE PHASE II-B DEVELOPMENT; CLOVER ISLAND AND PHASE I VISTA FIELD DEVELOPMENT***

**WHEREAS**, the Port of Kennewick and City of Kennewick are working to advance progress related to the Port of Kennewick's Columbia Gardens, Clover Island, and Vista Field, all located in City of Kennewick; and

**WHEREAS**, the City of Kennewick has approved an Interlocal Agreement whereby they would provide \$200,000 in funding for Columbia Gardens Phase II-B, and \$1M to support Clover Island Shoreline Improvements to leverage Port funding for Vista Field Phase I development; and

**WHEREAS**, this partnership will redevelop an economically distressed area of Columbia Drive, revitalize Clover Island; ensure a meaningful initial infrastructure investment at Vista Field; and

**WHEREAS**, the port and city recognize that successful and timely redevelopment of Columbia Gardens, Clover Island, and Vista Field benefits the economic and social welfare of the city, county, and the surrounding region; and represents an opportunity for the citizens of Kennewick and Port District; and

**WHEREAS**, this agreement serves the public interest by leveraging the port and city's previous investments and collaborative efforts at Clover Island, Columbia Gardens, and Vista Field.

**NOW, THEREFORE; BE IT RESOLVED** that the Port of Kennewick Board of Commissioners hereby approves the attached Interlocal Agreement between Port of Kennewick and City of Kennewick; 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 including amending the 2017-2018 capital budget to reflect this change.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick this 12th day of December, 2017.

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

By:   
SKIP NOVAKOVICH, President

By:   
THOMAS MOAK, Vice President

By:   
DON BARNES, Secretary