



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

FEBRUARY 24, 2015 MINUTES

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 (excused absence)
Thomas Moak, Secretary

Staff Members: Tim Arntzen, Executive Director
Tana Bader-Inglima, Director of Governmental Relations & Marketing
Tammy Fine, Director of Finance/Auditor
Amber Hanchette, Director of Real Estate and Operations
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Mr. Chuck Eaton led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

The consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated February 18, 2015**
Direct Deposit totaling \$41,866.73
- B. Approval of Warrant Registers Dated February 24, 2015**
Expense Fund Voucher Numbers 36589 through 36619 and 36621 through 36637 for a grand total of \$188,882.67
- C. Approval of Warrant Registers Dated February 24, 2015**
Expense Fund Voucher Number 36620 for a grand total of \$3,602.86
- D. Approval of Regular Commission Meeting Minutes dated January 27, 2015**
- E. Approval to Purchase a 2010 Caterpillar Loader; Resolution 2015-07**

MOTION: Commissioner Moak moved for approval of the Consent Agenda, as presented; Commissioner Barnes seconded. With no further discussion, All in favor 2:0. Motion carried unanimously.



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NEW BUSINESS

A. *Vacant Lot on Keene Road, West Richland*

Ms. Hanchette stated the Port currently has two vacant, one acre parcels on Keene Road, located behind Black Herron Distillery. The current 2015-2016 Work Plan states once the Raceway property is successfully within the Urban Growth Area (UGA), to market and sell one of the vacant parcels. At this time, the Port has seen some interest from different businesses willing to purchase the vacant lots. Ms. Hanchette reported that the two lots are located within the West Richland Wine Effluent Boundary and have road access and are stubbed for utilities. Ms. Hanchette inquired of the Commission if there is a specific businesses type they would like to see in the vacant parcels.

Mr. Arntzen stated a light industrial business is interested in the property and asked Mr. Peterson to confirm if there were stipulations placed on the site.

Mr. Peterson stated there are not any covenants in place, however, the City of West Richland is investing \$2,500,000 on a Wine Effluent Treatment system, specific to the wine industry.

Mr. Arntzen inquired if the Commission would like to discuss property stipulations or would they like to discuss the property with the City of West Richland. Mr. Arntzen has had an informal discussion with Mayor Gerry, and the City would like the opportunity to discuss the options. Mr. Arntzen stated if the Commission's desire is to meet with the City, he asked if the process could be expedited, so staff can report back to the interested party. Mr. Arntzen asked how the Commission would like to proceed.

Mr. Barnes stated the Port has a strong, collaborative relationship with the City of West Richland, and it would make sense that we visit with the City to see what type of businesses they envision for the area.

Mr. Moak believes the Port and West Richland Joint Economic Development Committee is better suited to discuss this topic.

Mr. Arntzen confirmed with the Commission to reconvene the Joint Economic Development Committee to discuss the issue, as suggested by Mr. Moak. Staff will schedule the EDC meeting.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Vista Field*

1. *Connectivity*

Mr. Arntzen stated connectivity typically refers to roads and pathways, however, for Vista Field, the focus of connection has been the avenue from the entertainment district to the new town center to the east, as identified by Duany Plater-Zyberk (DPZ). By creating a small passage way for pedestrians and vehicles to travel through, we would be creating a vibrant area for the convention center, the coliseum and Vista Field. Connectivity in many developments is the bedrock on which communities are built and the community will thrive if you do it properly, however, if it is not done correctly, the development fails because there is no flow. Mr. Arntzen referenced the Moda Center in Portland; when the facility is hosting



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an event, the area is vibrant and bustling, but is often vacant shortly after the event. The objective of Vista Field is to create an avenue where both projects thrive and people want to stay around after the event. After the Charrette process, staff was informed that the City of Kennewick and the Kennewick Public Facility District (KPFD) had plans to build an extension on the north side, between the convention center and coliseum, which would create a barrier for pedestrians. Mr. Arntzen and City staff have met several times and are looking for an opportunity where both projects can be successful. Mr. Arntzen believes with a little creativity and leadership, we should be able to solve this issue where everyone will benefit.

Mr. Arntzen stated Michael Mehaffy of DPZ and Rustin Hall of A.L.S.C., the KPFD architect, have met several times and are looking at various alternatives for the area. Port staff had arranged for Mr. Hall, City staff and KPFD staff to see several successful models of connectivity during the Florida trip, however, Port staff was notified late last week that the City and KPFD would not be going on the trip. The City and KPFD decided to convene in Kennewick, to address the issue and try and come up with additional concepts. Mr. Arntzen stated the issue of connectivity is a foundational issue, if we don't get it right, we cannot accomplish what the community wants.

Mr. Peterson reported during the November Charrette, the community expressed their desire for a walkable community, which allows people to attend an event at the entertainment district and instead of leaving, walk to restaurants or other venues located in the new town center. The Port continues to address this issue, because it is important to the citizens and the region. DPZ has stated several times the key to the redevelopment of Vista Field is connectivity and collaboration, and without it, our development will not be as successful. Mr. Peterson stated, at this time, staff has only viewed the KPFD Convention Center expansion renderings, which creates a wall between the convention center and the new town center. Mr. Peterson stated every unique development is connected to other venues, which helps create a vibrant area, which is what our constituents want to see.

Mr. Arntzen offered several examples of opportunities to create the connectivity, either by sky-bridge or underground tunnels. In Seattle alone, there are five different sky-bridges or tunnels utilized near the Convention Center and Pike Street Market. Mr. Arntzen indicated the KPFD would like to stay at ground level, and does not wish to utilize sky-bridges, and believes tunnels would be too costly. Staff will continue looking for a common solution that will create an area of vibrancy for the community.

Mr. Barnes stated the Vista Field redevelopment is the most important community project, and the Port has hired a leading firm in the New Urbanism movement. He believes it is critical and essential, and the Port's best interest, to continue listening to DPZ and the community. Mr. Barnes explained the two projects would complement each other and will be mutually beneficial, if developed properly. It is imperative that the Port collaborates with our partners to create the connectivity within the development. Mr. Barnes would like to continue working on this issue with the City and KPFD and find a solution that works for everyone.



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Mr. Arntzen stated staff has been making every effort to find a solution and will continue to vet other alternatives to move the process forward.

Mr. Barnes suggested staff can share information from the Florida trip with the City and KPFD and continue the dialogue.

Mr. Moak is concerned about connectivity for the areas surrounding Vista Field, including the alley and the future North Wind Boulevard. Mr. Moak stated if the convention center wants to expand, the conversation should begin with why the expansion benefits the public, especially if they are asking the tax payers to fund the expansion. Mr. Moak stated, the Port cannot succeed in redeveloping Vista Field without our jurisdictional partners and believes the policy makers of the surrounding public entities need to come together and discuss how everyone succeeds, including the community.

Mr. Arntzen stated the chair has the option to entertain public comment at any time, and the public may want to weigh in on the discussion.

Mr. Barnes appreciates Mr. Moak's comments, and agrees that we need to reach out more to our jurisdictional partners and continue the dialogue. Mr. Arntzen has worked very hard, staff to staff, communicating the issues and challenges DPZ has raised.

Mr. Arntzen reported that Mayor Young recently gave a presentation to the Richland Rotary Club, where he was asked to comment on the two master plans, which do not align. Mayor Young indicated the KPFD should not be addressing the master planning issues, but the City and the Council should addressing the issue. The Mayor conveyed the critical importance of finding common ground with the KPFD's master plan and the Vista Field Master Plan, which was very encouraging. Mr. Arntzen was taken aback when the City cancelled the joint trip with the Port to Florida.

Mr. Arntzen stated when the Port started working on the renderings for the Yacht Club on Clover Island, the City only allowed a thirty-five foot building; however, persistence and determination paid off, and we were able to build up to ninety feet. The process to get something that benefits the community can sometimes seem insurmountable, and the public has already conveyed several times to get it right with Vista Field. Mr. Arntzen stated Vista Field will be amazing and other communities will want to emulate it, so we need to keep moving forward to create the vision.

Mr. Barnes stated the Commission has stated the intention with Vista Field is to get it right, not right now.

Mr. Moak stated the Commission has been united regarding Vista Field, and they aren't going to cut corners or tolerate ordinary, but strive to create a unique town center.

Mr. Barnes added, the Port does not want to sell the property to a developer and be done, the Port wants create a development that will benefit our community for years to come.



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Mr. Moak stated this is not only a Kennewick project, but a regional attraction. Vista Field is a special location that will benefit the entire community.

Mr. Barnes invited public comment.

PUBLIC COMMENTS

Kirk Williamson, 527 North Reed, Kennewick. Mr. Williamson is a citizen of Kennewick and pays taxes to each entity that has property around Vista Field. Mr. Williamson stated approximately 85% of the area surrounding Vista Field is owned by a public entity, which means, the citizens of Kennewick own the land that is critical to the redevelopment of the area. Mr. Williamson encouraged the Port to stay the course and create a successful development by doing it right, not right now.

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton would like to affirm that the community and the arts community, is very engaged in developing a functional plan that will benefit everyone. Mr. Eaton would like to see all the major players and stakeholders come together to create a solution where everyone prospers. Mr. Eaton applauds the efforts of Port, in seeking solutions that bring people together.

Ed Frost, 609 West Albany Avenue, Kennewick. Mr. Frost addressed the location of a Performing Arts Center Location and stated in the February 10, 2015 meeting, the Commission indicated it would be prudent if the arts advocates spoke with the City of Kennewick. Mr. Frost believes the anchor for Vista Field should be a Performing Arts Center, which will help the development thrive. He further stated, the City and the KPFD already have three large anchors and do not need another one. Mr. Frost believes if the Port gets the Performing Arts Center in the right location, there won't be an issue with connectivity, because there will be major anchors at each end of the development.

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick, President of Mid-Columbia Symphony and symphony representative on the Arts Center Task Force, echoes Mr. Frost's comments about the importance of having the Performing Arts Center as the anchor for Vista Field. As a private citizen, he indicated we would welcome the opportunity to purchase property at Vista Field.

No further comments.

Mr. Moak reiterated his desire for the policy makers to come together and discuss the issues and move forward. Mr. Moak inquired if another public meeting will be held once the Draft Charrette Report comment period is over.

Mr. Arntzen stated the Port has been very open during the entire process and stated the Vista Vision Task Force (V. V. T. F.) will be breaking up into subgroups to talk about the issues, including connectivity. Mr. Arntzen believes it is important to get additional public comment, based on the information we have received, and stated connectivity is so crucial, the Commission should consider a joint meeting with the City of Kennewick.

Mr. Moak agrees with Mr. Arntzen and would like hear the City's perspective on the issue.



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The Commission is in consensus to hold a joint meeting with the City Council to discuss the integration of the Vista Field and KPFD master plans and the connectivity with of the convention center to Vista Field.

Mr. Arntzen stated, the information we garnered from the public during the Charrette process, if implemented, will help the City and KPFD projects flourish. Mr. Arntzen sees it as a win for every entity.

2. *Vista Vision Meeting Updates*

Mr. Peterson stated the V. V. T. F. reconvened on February 9, 2015, where Mr. Mehaffy presented the Draft Charrette Report. Mr. Peterson stated at the March 16, 2015, the V. V. T. F. will break into smaller sub-groups to discuss specific topics, as outlined in Resolution 2015-04.

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

Commissioners reported on their respective committee meetings.

C. *Non-Scheduled Item*

1. Mr. Moak took the opportunity to address his perspective on the Performing Arts Center. The idea of a Performing Arts Center is now 75 days old, and he believes Mr. Frost is correct, Vista Field needs an anchor, which could possibly be a Performing Arts Center or something else fantastic. Mr. Moak expressed his desire for the Port to go on record, stating the Port would like to work with the Arts Center Task Force, however, if the Arts Center Task Force receives another offer, then we would support them in their endeavor. Mr. Moak stated he is not certain the KPFD has a proper venue for a Performing Arts Center and believes the Port Commission should take a formal stance and authorize staff to work with the Arts Center Task Force and the KPFD, to come up with a venue for the Performing Arts Center.

Mr. Arntzen indicated the KPFD will present a ballot measure in 2016, which include the expansion of the convention center with a performing arts space. Mr. Arntzen believes the arts community will work with the KPFD if the ballot passes.

Mr. Moak stated if the arts community desires to work with the KPFD, he would be fine with that prospect, however, he has not heard them express that desire.

Mr. Arntzen has asked for a legal opinion, from Foster Pepper, to determine what the Port can legally do regarding a Performing Arts Center and under what circumstances.

Mr. Moak would like staff to advance dialogue with the Arts Center Task Force regarding a Performing Arts Center.

Mr. Barnes stated the Port has available assets which could be contributed towards a stage one Performing Arts Center, such as building materials and land, but he is interested in hearing the legal opinion from Foster Pepper. Mr. Barnes explained the redevelopment will go through many steps and processes, and believes it is more important to get the master plan roughed out,



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which could allow for potential Performing Arts Center locations. Mr. Barnes stated he is supportive of staff working in parallel, by engaging in dialogue with the Arts Center Task Force while we resolve the connectivity issue and finalize the master plan.

Mr. Moak indicated the former FBO site would be the best site for a community space. If there was a particular site the Arts Center Task Force preferred, we could discuss it with DPZ.

Mr. Barnes believes DPZ will create a master plan that has a location for a Performing Arts Center, which will service both the arts community and the region. Mr. Barnes stated it would be prudent to discuss at a joint meeting with the City of Kennewick.

Mr. Arntzen stated when Mr. Peterson and DPZ get together, it is exciting to watch; and staff is not doing anything that would preclude finding a great location for a Performing Arts Center. Mr. Arntzen appreciates the Commission's comments and inquired if the Commission would like staff to work with the Arts Center Task Force.

Mr. Peterson stated the Performing Arts Center concept which was proposed at the Charrette was an idea, and now, we need to communicate with the Arts Center Task Force to garner their input and define the details of the space and location size. The area is generic enough to utilize the road layout, however, we need to go through the process of defining the details with the identified users, to ensure the site location would work.

Mr. Moak would like to approve staff to communicate with the Arts Center Task Force about their options, not preclude them from speaking to other entities.

Mr. Peterson explained, the arts community may like the idea of utilizing both the convention center and a performing arts center.

Mr. Moak would like the Commission to allow staff to enter into a dialogue with the Arts Center Task Force.

Mr. Barnes supports staff creating dialogue with the Arts Center Task Force. The idea was brought about by the Charrette and DPZ understanding the desires of the community, and the Commission should explore this opportunity. Mr. Barnes believes the Port can partner with the KPFD and the private sector, to make this happen.

Mr. Arntzen stated this is a new issue that is not included in the 2015-2016 Work Plan and Budget, and as managers, we need to be judicious in whatever the Port offers. Mr. Arntzen stated a commitment for land may be enough, and indicated his desire for private capital to be raised on behalf of a Performing Arts Center. Mr. Arntzen is optimistic and would love for a Performing Arts Center to be the catalyst for Vista Field.

Mr. Moak explained the arts community can't raise money unless they have a location or a commitment.



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Mr. Arntzen agrees with Mr. Moak and thanked the Commission for clarification concerning the Arts Center Task Force and a Performing Arts Center.

Mr. Moak wants to authorize Mr. Arntzen and staff to be open and transparent.

Mr. Barnes is very supportive of anything the Port can do, within its authority, to advance the cause. His only concern is Vista Field is an ambitious project, and will require all of the Port's resources, to execute well, and stated the Port has limited staff resources.

Mr. Moak stated the Port should look at their assets and help create the framework for a Performing Arts Center, but it is up to the Arts Center Task Force to construct and operate the Performing Arts Center.

Mr. Barnes stated it is the Commission consensus that staff begin communicating with the Arts Center Task Force in an open and transparent nature.

2. Ms. Scott reported a tentative date has been selected for a joint meeting with the Confederated Tribes of the Umatilla Indian Reservation. At this time, it has not been confirmed, however, once it is finalized, notices will be sent out and it will be advertised in the *Tri-City Herald* and on the website.
3. Ms. Bader-Inglima stated she attended the Washington Association of Wine Grape Growers (WAWGG) Convention and the Port received a tremendous amount of interest in our projects on Columbia Drive, the Racetrack, and Vista Field. We were able to speak to a variety of businesses, including wineries and wine developers.

Ms. Badger-Inglima added, it was recently reported by *Building Vancouver*, that the work the Aquilini Investment Group has been doing on Red Mountain and Horse Heaven Hills will have wide range of impacts for the area. The article stated Red Mountain is completing a number of significant projects and hopes the Aquilini's will be able to help foster tourism and bring other amenities to the area. Ms. Bader Inglima stated the photo on the article was a rendering by DPZ of Vista Field, who also had had a hand in the early stages of planning for Vancouver's East Fraserlands development.

4. Mr. Arntzen stated he met with Barry Olivier, president of Aquilini Brands in October, to primarily discuss the property in West Richland. Mr. Arntzen explained that the Wine Village in Vista Field was mentioned and Mr. Olivier invited Mr. Arntzen to meet with the Aquilini Development Group to discuss the redevelopment.

Mr. Arntzen presented a memo to the Commission, from Mr. Mehaffy, which summarizes the connectivity options for Vista Field.

5. Mr. Arntzen stated he received a letter from Mayor Gerry, asking if the Port could write a letter of support for the transportation package that is currently in front of the legislature. Mr. Arntzen presented a letter which was used by the Chamber and inquired if the



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Commission has interest in writing a similar letter.

Mr. Moak supports sending a letter, but would like to discuss the issue at a later date, if it is the intention of the Port to ask the legislature to raise taxes.

Mr. Barnes would like to revisit this issue once we have completed the non-schedule items.

6. Mr. Arntzen stated staff has been working on the West Richland entitlements and would like assistance from City staff on the annexation petition paperwork. Mr. Arntzen indicated Mayor Gerry would like for the Port to complete the paperwork.

Mr. Peterson received an email from Ms. Stickney, West Richland City Planner, on February 4, 2015, requesting a copy of the short plat and a letter from the Port Commission, requesting permission to proceed with the annexation for the City. Staff brought forth the letter to the Commission at the February 10, 2015 meeting.

Mr. Arntzen will continue to communicate with the Mayor.

Mr. Moak inquired if there is a time line for the annexation, other than what has been identified in the 2015-2016 Work Plan. Furthermore, he asked if it would be advantageous to complete additional items prior to 2016.

Mr. Peterson stated it is helpful to the City to get into the city limits boundary, so they can start designing the infrastructure. Mr. Peterson further stated, there is also a benefit to get the zoning established on the property, so we are able to proceed further with the zoning entitlements.

7. Ms. Fine stated that Clifton Larson Allen is completing the final review of the Port's financial statement. Ms. Fine reported that she and Ms. Luke are working on standardizing specific contract language, such as, standard lease language and purchase and sale agreement. We are striving to have standardized contract language for all our contracts and purchases.
8. Mr. Moak reported on March 6, 2015, the Port will celebrate the centennial of the vote which created the Port of Kennewick District.

Ms. Bader Inglima stated the Port of Kennewick Commission held their first meeting on April 12, 1915. To honor and commemorate the Port's centennial anniversary, we will hold a Special Commission Meeting at the Visit Tri-Cities! Bechtel Board Room on April 14, 2015, from 4:00 p.m. to 6:00 p.m. We will be sending out invitations, advertising in the *Tri-City Herald* and providing information on our website regarding the Special Commission Meeting. Ms. Bader Inglima further stated we will be working all year long to commemorate the Port's history and showcase key milestones in the community.



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PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated it is important to recognize that the business of the Three Rivers Convention Center is to hold conventions. When there aren't any conventions being held, there may be space that could be used as a Performing Arts Center. The important fact regarding the stage one and stage two Performing Arts Center, is that they are a dedicated Performing Arts Center, which will always be available to the arts community.

No further comments were made.

COMMISSIONER COMMENTS

Mr. Barnes stated there are several projects listed in the transportation package, some of which are in the Port of Kennewick jurisdiction:

- Red Mountain I-82 Interchange;
- Lewis Street Bridge, Pasco;
- Duportail Bridge, Richland to West Richland;
- U.S. Highway 395, Ridgeline intersection, Kennewick;
- Completion of the U.S. Highway Corridor between Tri-Cities and Walla Walla.

Ms. Bader Inglima stated the current list of items were on the 2014 list, and Mr. Novakovich spoke at the 2014 Committee Hearings meeting in support of the projects.

Mr. Moak would like to discuss the transportation package at the March 10, 2015 Commission Meeting, in an effort to give the public an opportunity to speak on the proposed projects.

Mr. Barnes asked staff to add the West Richland request to the March 10, 2015 agenda.

No further comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 4:09 p.m.


APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS


Don Barnes, President


Skip Novakovich, Vice President


Thomas Moak, Secretary

PORT OF KENNEWICK

RESOLUTION 2015-07

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING
THE PURCHASE OF A 2010 CATERPILLAR LOADER**

WHEREAS, the Board of Commissioners of the Port of Kennewick met this 24th day of February, 2015, a quorum of the Commissioners being present; and

WHEREAS, the Port Commission approved through Resolution 2014-35, capital budget allocation of \$75,000.00 for replacement of a 1986 John Deere loader for operation and maintenance uses; and

WHEREAS, Resolution 2015-01 deemed said 1986 John Deere loader to be surplus; and

WHEREAS, a 2010 Caterpillar loader has been located at Western States Equipment Company and is available for purchase at a cost of \$69,938.40, after trade-in allowance and sales tax.

NOW, THEREFORE, BE IT RESOLVED, the Board of Commissioners of the Port of Kennewick hereby authorize the Port Executive Director to purchase a 2010 Caterpillar loader for \$69,938.40.

ADOPTED by the Board of Commissioners of Port of Kennewick this 24th day of February 2015.

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


DON BARNES, *President*

 Absent
SKIP NOVAKOVICH, *Vice President*


THOMAS MOAK, *Secretary*



SALES AGREEMENT

DATE Jan 22, 2015

WESTERN STATES EQUIPMENT COMPANY, 500 E.OVERLAND ROAD, MERIDIAN, ID 83642

PURCHASER		PORT OF KENNEWICK	
STREET ADDRESS		350 N. CLOVER ISLAND DR STE.200	
CITY/STATE		KENNEWICK, WA	COUNTY BENTON
POSTAL CODE		99336	PHONE NO. 509-586-1186
EQUIPMENT		MIKE MELIA	
PRODUCT SUPPORT		MIKE MELIA	
INDUSTRY CODE:		CITY/LOCAL GOVERNMENT (PS93)	PRINCIPAL WORK CODE
CUSTOMER NUMBER		NON-DBS	Sales Tax Exemption # (if applicable) N/A
CUSTOMER PO NUMBER		F.O.B. AT: Pasco Main	
PAYMENT TERMS: (All terms and payments are subject to Finance Company - OAC approval)			
NET PAYMENT ON RECEIPT OF INVOICE <input checked="" type="checkbox"/>		NET ON DELIVERY <input type="checkbox"/>	FINANCIAL SERVICES <input type="checkbox"/> CSC <input type="checkbox"/> LEASE
CASH WITH ORDER \$69,938.40		BALANCE TO FINANCE	CONTRACT INTEREST RATE
PAYMENT PERIOD		PAYMENT AMOUNT	NUMBER OF PAYMENTS
			OPTIONAL BUY-OUT
DESCRIPTION OF EQUIPMENT ORDERED / PURCHASED			
MAKE: CATERPILLAR		MODEL: 930H	YEAR: 2010
STOCK NUMBER: UT00915		SERIAL NUMBER: DHC01733	
930H WHEEL LOADER		TIRES, 20.5-25	
FENDERS, STANDARD		QUICK COUPLER, STANDARD	
ENCLOSURE, STANDARD		PRECLEANER, DUSTBOWL	
STEERING, STANDARD		LINKAGE, STANDARD, VERSALINK	
CAB, DELUXE HID		HYDRAULIC, 3V 1L, INTEG 3RD	
SEAT, COMFORT, AIR SUSPENSION		3.7 CYD - GP BUCKET	
MIRRORS, REARVIEW, INTERNAL		MACHINE ID# UT00915	
RADIATOR, WIDE FIN SPACING			
FAN, REVERSING			
DIFFERENTIAL, LS, REAR			
COUNTERWEIGHT, 2394LB			
INSTRUCTIONS, ANSI, NACD			
MANUAL, OPER. MAINT. ENGLISH			
HEATER, ENGINE COOLANT, 120V			
RIDE CONTROL			
YEAR	TRADE-IN EQUIPMENT	SERIAL NO.	Sell Price
1986	544D - JOHN DEERE (JD)	512140	\$82,400.00
			Less Gross Trade Allowance (\$18,000.00)
			Net Balance Due \$64,400.00
			Sales Tax (8.6%) \$5,538.40
			After Tax Balance \$69,938.40
ALL TRADE-INS ARE SUBJECT TO EQUIPMENT BEING IN "AS INSPECTED CONDITION" BY VENDOR AT TIME OF DELIVERY OF REPLACEMENT MACHINE PURCHASE ABOVE.			
GROSS TRADE ALLOWANCE			
PAYOUT TO AMOUNT OWING			
CUSTOMER TO PAYOUT <input type="checkbox"/> WESTERN STATES CO. TO PAY OUT <input type="checkbox"/>			
PURCHASER HEREBY SELLS THE TRADE-IN EQUIPMENT DESCRIBED ABOVE TO THE VENDOR AND WARRANTS IT TO BE FREE AND CLEAR OF ALL CLAIMS, LIENS, MORTGAGES AND SECURITY INTEREST EXCEPT AS SHOWN ABOVE.			
<input type="checkbox"/> CATERPILLAR EQUIPMENT WARRANTY		INITIAL	<input type="checkbox"/> USED EQUIPMENT WARRANTY
The customer acknowledges that he has received a copy of the Western States Co./Caterpillar Warranty and has read and understood said warranty. Scheduled oil sampling (S.O.S.) is mandatory with this warranty. The customer is responsible for taking oil samples at designated intervals from all power train components and failure to do so may result in voiding the warranty. Warranty applicable including expiration date where necessary:			INITIAL
			All used equipment is sold as is where is and no warranty is offered or implied except as specified here:
			Warranty applicable:
<input type="checkbox"/> ALLIED WARRANTY		SIGNATURE	
CSA:			
NOTES:			

THIS AGREEMENT IS SUBJECT TO THE TERMS AND CONDITIONS ON THE REVERSE

WESTERN STATES EQUIPMENT COMPANY

PURCHASER

ORDER RECEIVED BY Aaron Hanson REPRESENTATIVE PORT OF KENNEWICK APPROVED AND ACCEPTED ON [Signature] PURCHASER

BY [Signature] SIGNATURE Executive Director PURCHASER

TITLE

Approved As To Form
X [Signature] 2-10-15
Lucinda Luke, Port Attorney

TF

TERMS AND CONDITIONS

1. METHODS OF ACCEPTANCE and TERMS OF AGREEMENT: This Machine Sales Order ("MSO") is an offer for the sale of the equipment and attachments described on the face hereof (referred to herein generally as "equipment" and "goods" interchangeably) to Customer under the terms and conditions specified herein. This offer may be accepted by (1) the execution of this MSO by a representative of Customer or (2) Customer's verbal or written authorizations or conduct consistent with prior course of dealing between the parts authorizing WSECO to take action to fulfill this order, or (3) the commencement of manufacture or shipment of the goods or services specified in this Order, whichever of the foregoing first occurs. Acceptance of this offer is limited to the express terms stated in this Order. Any proposal in Buyer's acceptance for additional or different terms or any attempt by Customer to vary in any degree any of the terms or any attempt by Customer to vary in any degree any of the terms of this offer is objected to and hereby rejected, but such proposals shall not operate as a rejection of this offer, unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods or services, but shall be deemed a material alteration of this Order and this offer shall be deemed accepted by Seller without said additional or different terms. Once accepted, this Order shall constitute the entire agreement between WSECO is not bound by any representation or agreements, express, or implied, oral or otherwise, which are not stated within this agreement or contained in a separate writing supplementing this agreement and signed by authorized agents of both WSECO and Customer.

2.TIME OF DELIVERY and SHIPPING: Orders for equipment are processed in the order of their acceptance by WSECO and WSECO will use its reasonable efforts to deliver the equipment to You on the scheduled delivery date on the face hereof. However, shipping and delivery dates are acknowledged to be estimates only and dependent upon many factors outside of WSECO's control including, but not limited to, the manufacturer's production schedule, material and labor shortages, shipping delays and various other unrelating factors. WSECO is not liable for delays or damages caused by delays in delivery or shipment of the equipment, unless stated on the face of this order to the contrary. You are responsible for all freight, shipping, loading and unloading costs.

3.To secure Customer's obligations under this agreement and to secure all of Customer's present or future debts, obligations or liabilities of whatever nature to WSECO, Customer grants to WSECO a security interest in the goods described on the reverse side hereof, together with any attachments or accessions thereto and proceeds from the sale or lease thereof. Customer agrees to deliver to WSECO, properly executed, any certificate of title or other document or instrument required by WSECO to perfect WSECO's security interest as created in this paragraph. Customer also authorizes WSECO to file financing statement(s) with respect to the security interest granted herein.

4.Risk of loss of the goods shall pass to Customer as soon as the goods are properly loaded on the carrier. WSECO's responsibility for shipment ceases upon delivery of the goods to a transportation company. Customer shall carry such fire and other insurance as necessary to protect its interest and the interest of WSECO. Any claim by Customer for shortage in shipment shall be made within fifteen (15) days after receipt of the shipment. It is specifically agreed that the risk of loss shall not be altered by the fact that the conduct of either party hereto may constitute a default or breach. The shortage in shipment notice must be in writing within fifteen (10) days and further, shortage in shipment is not deemed to constitute a nonconformity

5.Any notices pertaining to rejection or claims of nonconformity must be made in writing specifying in detail Customer's objections and such notices must be delivered within ten (10) days after delivery of the goods. It is agreed that in the event of rejection, Customer may in no event resell the goods, even in the absence of instructions from WSECO, and Customer will store the goods or reship the goods to WSECO. Should Customer sell the goods, such sale shall be deemed an unequivocal acceptance of the goods. If Customer accepts goods tendered under this agreement, such acceptance shall be final and irrevocable; no attempted revocation shall have any effect whatsoever.

6.No right or interest in this agreement shall be assigned by Customer without the written permission of WSECO, and no delegation of any obligation owed or of the performance of any obligation by Customer shall be made without written permission of WSECO. Any attempted assignment or delegation by Customer shall be wholly void and totally ineffective for all purposes unless made in conformity with this paragraph.

7.WSECO shall have all rights and remedies provided in the Uniform Commercial Code and in any other document executed in connection with this agreement. Customer agrees to pay all costs incurred by WSECO in enforcing this agreement or any of its provisions, including without limitation reasonable attorney's fees and costs and all costs of reclaiming the goods, whether or not legal action is commenced. In the event the goods are reclaimed, Customer agrees that WSECO may bid on the goods and that a commercially reasonable price for said reclaimed goods, a public sale, may be determined by WSECO based upon current national auction values, market trends relating to supply and demand, and related factor, for goods of similar type and condition.

8.CANCELLATION/TERMINATION: This Order may be canceled by Customer only with WSECO's written consent and then only upon such terms as will protect Seller from any loss. This Order may be cancelled by WSECO in the event of any default by Customer or in the event Customer fails, upon WSECO's request, to provide reasonable assurances of future performance.

9.PERMISSIBLE VARIATIONS: All goods shall be subject to the standard manufacturing and commercial variation and practices of the Manufacturer of the goods of WSECO. In the event of shipment of non-conforming goods, WSECO shall be given a reasonable opportunity to replace the goods with those which conform to the order.

10. FORCE MAJEURE: a) WSECO shall not be responsible or liable for any delay or failure to delivery any or all of the goods and/or performance of the services of such delay or failure is caused by any act of God, fire, flood, inclement weather, explosion, war, insurrection, riot, embargo, statute, ordinance, regulation or order of any government or agent thereof, shortage of labor, material fuel, supplies or transportation, strike or other labor dispute, or any other cause, contingency, occurrence or circumstance of any nature, whether or not similar to those herein before specified beyond WSECO's control, which prevents, hinders or interferes with manufacture, assembly or delivery of the goods or performance of the services. Any such cause, contingency, occurrence or circumstances shall release WSECO from performance of its obligations hereunder.

11. VENUE: Venue for any disputes between the parties will be in Ada County, Idaho and in state court for legal proceedings Purchasers waives right to remove any legal action from the court originally acquiring jurisdiction.

12. This machine may be equipped with a wireless data communication system, such as Product Link. In such case, I understand data reflecting the machine performance, condition and operation is being transmitted to Caterpillar/Western States Equipment Co. to better serve me and to improve upon Caterpillar products and services. This data may include, but is not limited to: fault codes, emissions data, fuel usage, service meter hours, software and hardware version numbers and installed attachments. Neither Caterpillar nor Western States Equipment Co. will sell, rent or share collected information to any other third party, and will exercise reasonable efforts to keep the information secure. Caterpillar Inc. and Western States Equipment Co. recognize and will respect customer privacy. I agree to allow this data to be accessed by Caterpillar and Western States Equipment Co. within normal, accepted business practices.

INITIAL HERE

TA

Amber Hanchette

From: Amber Hanchette
Sent: Friday, February 06, 2015 3:17 PM
To: Tammy Fine
Cc: Mike Melia
Subject: RE: Loader

Absolutely, Mike Melia will thoroughly inspect the new loader when it arrives. I did address the payment issue with Mike and he had already told WES that they would get a check upon delivery. Am including MM on this email so he can make arrangements for delivery after February 24th.

Mike has successfully navigated this entire process!! If it were up to me I would make sure the cab had air conditioning and that's about it. ☺

Happy weekend! Amber.

From: Tammy Fine
Sent: Friday, February 06, 2015 1:21 PM
To: Amber Hanchette
Subject: Re: Loader

I agree with your assessment and Lucinda's review was just words of caution.

However, please ensure the loader is properly inspected when it arrives and the new loader is added as soon as the contract is signed. Wait to remove the old loader until western states takes legal ownership. That way we ensure we are covered.

Did you address my payment concerns? Can we provide the check when they deliver? If so, we need to ensure the delivery date works with the payment run for each commission meeting so we can ensure a check is ready. Checks are already cut for next week meeting so if it can be delivered after the Feb. 24th, we can have a check ready.

Thanks as great job!

May your day be filled with peace and many blessings,

Tammy Fine, CPA, CFE, CGMA

On Feb 6, 2015, at 12:49 PM, Amber Hanchette <amber@portofkennewick.org> wrote:

Hi Tammy – although this came in an email and it technically isn't binding, I believe that Western States positive reputation in the community will help substantiate the salesman's responses. I am comfortable moving forward on the transaction if you feel the port is covered. We can discuss on Monday when you get back in the office.

Take care, Amber.

From: Mike Melia
Sent: Friday, February 06, 2015 12:23 PM

To: Amber Hanchette
Subject: Fwd: 930H Transaction Info

Sent from my iPhone

Begin forwarded message:

From: Aaron Hanson <AaronHanson@wseco.com>
Date: February 6, 2015 at 11:45:11 AM PST
To: Mike Melia <MMelia@portofkennewick.org>
Subject: 930H Transaction Info

Mike,

Here are the answers to the questions you brought up this afternoon....

- 1) Western States Equipment Company is confident that this machine is in good running condition as per our inspection. If there is a catastrophic failure (engine, transmission, torque converter, etc...), Western States will not "hang you out to dry" with repairs if a major failure occurs within 15 days of the delivery date.
- 2) Western States Equipment Company will be responsible for the machine until it is off-loaded in your yard at the marina or your shop.
- 3) Venue for legal action stating Ada County in Idaho is because our "Corporate Office" is located in Meridian, ID. The Pasco Office is considered a "branch store".
- 4) As for the "Wireless Data Communication System" it appears that there isn't one. If there is, it is not activated and there is no antenna to send/receive signals.

Thanks,
Aaron Hanson

Aaron Hanson
Western States Equipment Company
Sales Representative - Pasco, WA
509-290-8781 - Cell
509-543-2208 - Office
509-543-2235 - Fax
AaronHanson@wseco.com
www.westernstatescat.com
<http://safety.cat.com>

Amber Hanchette

From: Tammy Fine
Sent: Thursday, February 05, 2015 1:49 PM
To: Amber Hanchette; Mike Melia; Mike Boehnke
Subject: Fwd: Sales Agreement

May your day be filled with peace and many blessings,

Tammy Fine, CPA, CFE, CGMA

Begin forwarded message:

From: "Luke, Lucinda" <luke@carneylaw.com>
Date: February 5, 2015 at 1:37:55 PM PST
To: Tammy Fine <tfine@portofkennewick.org>
Subject: RE: Sales Agreement

Hi Tammy,

I note the following provisions that I want to bring to your attention:

1. The equipment is being sold "as is" and no warrantee is applicable; *we are ok with this and is standard*
2. The written agreement is the entire agreement of the parties and no discussions or other writing (emails, etc.) are part of the agreement of the parties; *we agree*
3. Risk of loss (or damage) to the equipment becomes the Port's responsibility as soon as the equipment is loaded on the carrier that is responsible for transporting the equipment. Therefore, confirm with the Port's insurance carrier that the equipment will be insured as soon as it is loaded for delivery; *we will add to Insurance upon signing agreement*
4. The Port may reject the equipment under certain circumstances but must do so in writing within ten days after the equipment is received. Therefore, the equipment should be carefully inspected upon delivery to confirm that it is what was represented when sold; *Note taken*
5. Venue for any legal action will be Ada County Idaho; and, *ok*
6. Although because of the age of the equipment this may not be applicable – there is mention that the equipment may have a wireless data communication system – and that such data may be communicated to Caterpillar/WSECO. It should be noted that this data could constitute records and may be subject to the Public Records Act. The Port should confirm whether or not this equipment has this type wireless data communication system. If so, the Port will need to advise WSECO of the Port's potential obligation to access the data. *NO Wireless data communication system*

Please let me know if you have any questions regarding the issues noted above or with any other provision of the agreement

Regards,
Lucinda