

AGENDA

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

Tuesday, May 24, 2016
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. APPROVAL OF THE AGENDA**
- IV. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- V. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments Dated May 17, 2016
 - B. Approval of Warrant Registers Dated May 24, 2016
 - C. Approval of Warrant Registers Dated May 24, 2016 (PS Media)
 - D. Approval of Regular Commission Business Meeting May 10, 2016
- VI. PRESENTATION**
 - A. Columbia Drive, Terry Thornhill and David Robison (**LARRY**)
- VII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Vista Field
 - a. Guidelines for Development Proposals (**TIM**)
 - b. Transportation Study Impact Evaluation (**LARRY**)
 - c. Redevelopment Project Name (**TIM**)
 - B. Columbia Drive Update (**LARRY**)
 - a. Winery Tenant Selection Process (**TIM**)
 - C. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - D. Non-Scheduled Items
- VIII. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IX. ADJOURNMENT**

Action may be taken on any item on the Agenda.

PLEASE SILENCE CELL PHONES



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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 and Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Justin Raffa led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: *Commissioner Barnes moved to approve the Agenda, as published; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

PUBLIC COMMENT

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick thanked the Commission and staff for the get well card. Mr. Burdick stated at the April 26, 2016 meeting, there was discussion regarding the name and theme of Vista Field. Mr. Burdick is in favor of retaining the name Vista Field and theme and does not believe the Port needs to hire an expensive consultant. Mr. Burdick stated Vista Field is here and the community knows about it and it has history the Port can build from.

John Lindeman, 3205 West 46th Avenue, Kennewick. Mr. Lindeman commended the Port for their efforts on Columbia Drive, as evident by the amount of people that showed up for the Columbia Gardens ground breaking. Furthermore, Mr. Lindeman stated as he drove onto the island today, several bicyclists were photographing the entry and lighthouse. Mr. Lindeman stated momentum is growing and he is proud to be a part of it.

Davin Diaz, 5143 Owl Court, West Richland. Mr. Diaz stated if the Port were to change the name of Vista Field now, there may be an adverse effect. Mr. Diaz believes there is an identity with the location of Vista Field and encouraged the Commission to retain the name Vista Field. Mr. Diaz is very



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passionate about history and noted that we should honor our history, but not let it drive our actions, and always move forward.

Phil Lemley, 1857 McMurray, Richland. Mr. Lemley thanked the Commission and staff for the card and appreciates the gesture.

Justin Raffa, 1214 Gowan Avenue, Richland. Mr. Raffa congratulated the Commission and staff on a successful ground breaking. Mr. Raffa stated the community is encouraged when we see municipalities in partnership, working on collaborative projects. Mr. Raffa commended the Port for their work and encouraged the Commission to continue to move forward. Mr. Raffa, a former member of the Vista Vision Task Force, stated in all of the energy and conversations that have taken place since the Charrette process and the initial reexamination of Vista Field, he has not heard any objection to using the name Vista Field. He feels if the Commission were to consider changing the name, it would be a detriment to the project and would create confusion. Mr. Raffa stated the performing arts community is currently struggling with the confusion between the Kennewick Public Facilities District "Link" project and the Vista Arts Center. Informally speaking, Mr. Raffa believes Vista Field is relevant, cool, and hip and provides a sense of place and destination, and if the word Field is removed, the development would sound more like a retirement community. Mr. Raffa stated Vista Field is ingrained in the community and if the Commission does change the name and the development will still be referred to as Vista Field. Mr. Raffa encouraged the Commission to not spend a lot of time on the name and to continue moving forward and begin construction, and see the dream become a reality.

Derrick Stricker, 3709 West 40th Avenue, Kennewick. Mr. Stricker has been involved with the Vista Field project since before the Charrette process with the Young Professionals and was a member of the Vista Vision Task Force. Mr. Stricker stated Vista Field has been an intangible concept up to this point and the Port is now at a crossroads of intangible versus tangible. Mr. Stricker applauds the Port vision and tenacity to get to this point and the community is on brink of seeing the tangible. At this point, timing is of the essence for office and retail markets, for businesses looking for next spot to land, in a place that has synergy and encompasses all of the elements from the Charrette and Pattern Language. If the Commission is looking to reinvent the platform, that should have been addressed at the Charrette or in the early stages of planning. Mr. Stricker believes the community and the overall success of Vista Field does not need to wait for a rebranding effort and the Vista Field name should be retained. Mr. Stricker encouraged the Commission to keep moving forward and create the tangible that the community desires.

No further comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

A. Approval of Direct Deposit and E-Payments Dated May 3, 2016

Direct Deposit and E-Payments totaling \$63,447.31

B. Approval of Warrant Registers Dated May 10, 2016

Expense Fund Voucher Numbers 37872 through 37914 for a grand total of \$225,314.21

C. Approval of Commission Meeting Minutes Dated April 26, 2016

MOTION: Commissioner Moak moved for approval of the Consent Agenda, as presented;



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Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

PRESENTATIONS

A. *Latino Mural Project Update, Barb Carter and Davin Diaz*

Ms. Bader Inglima introduced Barb Carter, the Port's Art Liaison, and John Lindeman and Davin Diaz, members of the Latino Heritage Mural Committee, who have been working on the potential mural for the Columbia Gardens Wine and Artisan Village. Ms. Carter will present the Call to Artists process undertaken and Mr. Diaz will present the selection process.

Ms. Carter thanked the Commission for the opportunity to be involved with such an exciting project. Ms. Carter stated this is the first time she has been involved in planning a mural and stated the process has been educational and fun. Ms. Carter was confident that a mural could be created that honored and celebrated the Latino heritage, but also fulfilled the established criteria the Port has for public art. Ms. Carter stated the Committee provided content specifications, while she concentrated on the practical aspects, applicable to any mural subject. Ms. Carter researched murals extensively and addressed the Commission's concerns about longevity and damage. Ms. Carter sought recommendations on materials from artists, manufacturers and other agencies to find a quality material that would retain color and be resistant to damage. The mural will be placed on a di-bond panel system rather than placed directly onto the building walls. Furthermore, Ms. Carter utilized the Kennewick Arts Commission's experience to assist with the selection process. Ms. Carter stated the Kennewick Arts Commission is very supportive of the mural project and committed \$1,250 of their limited funds for the proposals from the five artists. Ms. Carter shared that the Kennewick Arts Commission is extremely supportive and appreciative of the Port's public art program and would like to help on this and future projects.

Ms. Carter stated the Artist Solicitation process included:

- Request for letter of interest and qualifications;
 - Professional;
 - Experience with di-bond panels and interaction with community groups;
 - Solicited nation-wide;
- Selected top five applicants and sent invitation to submit specific mural designs;
- Latino Heritage Committee and Kennewick Arts Commission considers design proposals and selects top artist to submit to the Port;
- Port Commission considers the selection.

Ms. Carter stated the Call to Artists brought in 29 letters of interest from artists around the United States, Canada and Spain. Invitations to submit design proposals were sent and accepted by the top five artists who reside in Oregon, Florida, Colorado and Pennsylvania. Ms. Carter stated the proposals are due by the end of August and the Committee and Kennewick Arts Commission would like to submit the finalist to the Commission by the end of October 2016. It is estimated the mural will be completed by September of 2017.



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Ms. Carter stated the Call to Artists was extremely extensive and the outreach included various State and Local Arts Commissions, newsletters, websites, and individual letters to all artists referred to by arts groups. Ms. Carter was extremely pleased with response and it was very difficult to make the selection, however; it was a unanimous selection.

Mr. Peterson inquired if the artist expects the di-bond panels will be shipped to their location.

Ms. Carter stated shipping the panels is not in the budget and the artist would need to ship the panels at their own expense. Ms. Carter's preference would be to have the mural painted locally and have the experience open to the community. Furthermore, the artist could take advantage of local artists to assist as apprentices.

Mr. Diaz, chairperson of the Latino Heritage Committee is extremely honored to be a part of such an important project in the Tri-Cities. Mr. Diaz stated the committee is made up of 12 members and each member had the opportunity to review and submit rankings based on Ms. Carter's criteria; however, six members make up the artist selection sub-committee. Additionally, the Committee looked for work representative of our Latino community and the accurate reflection of our values. The top five artists were agreed upon unanimously and were invited to send a formal proposal.

The committee will participate on a conference call with the five artists at the end of May, allowing the artists to ask questions of the committee, in an effort to submit a solid proposal. The committee would like to hold a reception for the muralist, once selected, later this year.

Mr. Moak is happy to see the project moving forward and whichever artist is selected, the mural will complement the development and be attractive to a wide audience. Mr. Moak thanked Ms. Carter, Mr. Diaz and Mr. Lindeman and the committee for their efforts.

Mr. Barnes is encouraged by the progress and enthusiasm of the Latino Heritage Committee and the Kennewick Arts Commission.

Ms. Bader Inglima thanked Ms. Carter and Mr. Diaz and the committee for their contributions. Ms. Bader Inglima feels the time Ms. Carter spent on the Call to Artists and the work with the Kennewick Arts Commission directly influenced the quality of responses the Port received.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Vista Field Update*

Mr. Peterson presented the Commission with a decision matrix (*Exhibit A*), which outlines a variety of policy decisions the Board will address in the near future to finalize the Master Plan. Mr. Peterson stated several items on the decision matrix have been previously discussed by the Commission and are near completion, however, Mr. Peterson asked for further direction regarding the Vista Field name.

Mr. Novakovich stated the Commission has been briefed all along on many of the items listed and that if the name needs to be reviewed, the project could be delayed; stating that the name wasn't



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identified as an issue by either the consultants or the community throughout the extensive public Charrette process.

Mr. Peterson confirmed the project would be delayed; however, it is important to get the elements of the development right.

Mr. Moak stated there has been adequate discussion regarding many of the items, however, he would like staff to speak with the architects regarding the name before the Commission makes any determination.

Mr. Barnes inquired if staff could discuss the name of Vista Field with DPZ and ask them for their thoughts and expertise. He believes that the Commission needs to make a decision regarding the name and looks forward to DPZ's input.

The consensus of the Commission is for staff to discuss the Vista Field name with DPZ and provide an update at the next meeting.

B. Columbia Drive Update

Mr. Peterson reported a ground breaking event was held Monday, May 9, 2016 for Phase I of the Columbia Gardens Wine and Artisan Village. Mr. Peterson stated Big D's Construction will begin prepping the land for the undergrounding of the utilities, with a completion date of August 26, 2016. Terrence Thornhill is finishing up the value engineering design to reduce the construction cost of the buildings, which will come before the Commission for approval. Mr. Peterson stated once the design is approved, Mr. Thornhill will create biddable documents for the bid process in September, with a potential contract award in October 2016, and completion by spring 2017.

Mr. Peterson stated based on cost estimating, Mr. Thornhill and Roen Estimating have reduced approximately \$650,000 from the building design and \$200,000 from the excavation and utility work, without losing the essence of the project.

Ms. Bader Inglima shared photos from the ground breaking and reported 120 people were in attendance. The ground breaking highlighted the Port's partnerships with the City of Kennewick, Benton PUD and Frontier Communications and how each entity is investing in the area.

Mr. Novakovich thanked Ms. Bader Inglima and staff for their excellent work on the ground breaking event.

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

Commissioners reported on their respective committee meetings.

D. Non Scheduled Items

1. Ms. Bader Inglima reported the Tri-City Regional Chamber of Commerce will hold the State of the Ports presentations on June 22, 2016.



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2. Mr. Arntzen was contacted by Russel Del Gesso, former President of Historic Downtown Kennewick Partnership Board, who is looking at forming a committee made up of groups interested in the Bridge to Bridge area and asked if the Port would like to have representation. Mr. Arntzen would like to attend the meeting and report back to the Commission at a later date.

Mr. Novakovich visited with Mr. Del Gesso as well and believes it would be great to be involved and learn more about the objective of the committee.

Mr. Arntzen stated the Port and City partnership is going well, however, it might be beneficial to get private parties involved too.

3. Mr. Arntzen reported Wallowa County in Oregon has reached out to the Nez Perce Tribe and is looking for opportunities to welcome the Tribe. Mr. Arntzen stated it is similar to the Port's relationship with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR). Mr. Arntzen believes it would be beneficial to sit down with Wallowa County and explore ideas.
4. Ms. Luke congratulated Ms. Bader Inglima and staff on the ground breaking and stated it was a wonderful event.
5. Mr. Peterson continues to work on the West Richland Raceway task-list identified in the 2015-2016 Work Plan and reported some minor adjustments have been made. Mr. Peterson stated the Master Plan for the Raceway property may come before the Commission this summer for further direction for the property.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated regarding the name change, the Richland Red Lion will always be the Hanford House to me regardless of the name. Mr. Burdick inquired if the developer meetings that were discussed at the April 26, 2016 meeting would be open to the public.

Mr. Peterson stated staff will be meeting with a small group of real estate agents and developers. Mr. Peterson stated the results of the meeting will be shared at a future Commission meeting.

John Lindeman, 3205 West 46th Avenue, Kennewick. Mr. Lindeman stated he recently spent a week at Providence Sacred Heart hospital in Spokane, which was started in the late 1800's by two Sisters of Providence. The word providence is revealing yourself to God and helping those who are in need. Mr. Lindeman believes the Port's mission statement should define the word Vista Field, and vista is view and field is something that can be creatively looked at as something you can do exciting things with. Mr. Lindeman stated the Port's mission statement defines Vista Field.

No further comments were made.

COMMISSIONER COMMENTS

No comments were made.



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ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 3:41 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS

Skip Novakovich, President

Thomas Moak, Vice President

Don Barnes, Secretary

MEMORANDUM

To: Port Commission

From: Tim Arntzen

Date: 05/24/2016

Re: Guidelines for Development Proposals; Winery Tenancy Policy

Included in this commission packet are two documents in draft form for commission review: Guidelines for Development Proposals; and Winery Tenancy Policy. The first document sets forth a procedure by which the port provides notice of development opportunities at Vista Field, and the process by which the port evaluates those developers who respond. Staff believes that a policy approved by the commission will establish a thorough, yet straightforward process by which the development community at large is notified of opportunities and by which the developers and their proposal are fully vetted and either approved or rejected by the port commission. Establishing a fair policy will demonstrate to the public that the port is adhering to the established development vision and that there is a fair evaluation process free of undue bureaucracy.

In a nutshell, the process establishes how the port notifies the world of development opportunities. It sets out very clearly what credentials a developer must possess in order to submit a proposal. It establishes an evaluation process which includes a thorough vetting of the proposal at the preliminary stage by the Town Architect, ending with ultimate approval of the project by the elected officials.

The second document addresses how the port will select tenants for its Columbia Gardens Wine Village. The port has two spaces for rent and currently there are more than two businesses interested in renting from the port. In selecting appropriate tenants, the port should conduct a substantial applicant review process, which would include some form of review of credentials and business and financial background. While this could certainly be done by the commission in an open meeting, a detailed review of business “details” in an open meeting by policy makers might appear unorthodox. It is suggested that the commission consider appointing a committee to review the details associated with each applicant, and perhaps even interview each applicant. The committee could then make recommendations to the commission related to each applicant, but the ultimate approval or denial of each application would rest with the commission. Additionally, if the selection committee possessed expertise in leasing and/or small wineries, that expertise could be useful to the commission.

Please review the included draft documents and provide staff with questions and comments. Staff will take all input and move forward accordingly.

PORT OF KENNEWICK
GUIDELINES FOR VISTA FIELD DEVELOPMENT PROPOSALS

DRAFT 05/20/2016

These guidelines identify the procedure by which the Port of Kennewick (Port) provides public notice of Vista Field development opportunities and the process by which the Port shall receive, evaluate and accept development proposals.

I. NOTICE OF DEVELOPMENT OPPORTUNITIES

In providing notice of opportunities for Vista Field development, the Port will prepare project information including a description of development-ready site(s); a description of the development types and styles desired; whether sites are for sale or lease; minimum price/terms; and reference to applicable Port planning documents (i.e. master plans, design standards, etc.).

The Port may post notice:

- A. On its website; on the “LoopNet” real estate site; on the MLS service for local real estate;
- B. In the Tri-City Herald; Tri-City Business Journal; the Spokane Business Journal; the Puget Sound Business Journal and other similar publications; and
- C. By other methods as appropriate, including making direct contact with potential developers.

II. RECEIPT OF DEVELOPMENT PROPOSALS

A developer wishing to develop available Vista Field property shall submit a Letter of Intent (LOI) describing the developer’s experience and the proposed development concept for the site. In describing its experience, the developer shall address its:

- A. Knowledge of the local planning and permitting processes;
- B. Knowledge of “New Urbanism”, “Smart Growth”, “Green Building” or similar development principles (if any);
- C. Financial capability, as evidenced by a letter of credit or other acceptable means, as confirmation of its ability to complete its proposed development, including a description of funding sources for property acquisition and construction of infrastructure and facilities;
- D. Relevant experience with similar development projects including:
 - 1. Project name, location, and description;
 - 2. Color images or other graphic material depicting the project;

3. Total project budget and budget per phase (if applicable);
 4. Budget funding sources – equity partner, development lender, permanent lender, etc.;
 5. Total duration of project development and details regarding whether project schedule was met;
 6. Brief description of the development process;
 7. Consultants and contractors utilized and the role of each; and
 8. Major tenants (if applicable).
- E. Price and terms offered;
- F. A list of developer's key personnel anticipated to participate in the development, including a summary of their relevant experience;
- G. A list and short description of all litigation and/or claims that the developer (or any entity or individual named in the developer's proposal) is currently or in the last 10 years was, a named party (if any), including a description of how the litigation and/or claim was resolved; and,
- H. A minimum of three references, one of which shall be a financial institution.

III. EVALUATION OF DEVELOPMENT PROPOSALS

LOIs will be reviewed by the Port CEO. If the LOI demonstrates that the developer possesses the relevant experience, that the development concept is likely to assist with the redevelopment of the property and that the price and terms are reasonable, then the CEO will arrange for the parties to participate in a preliminary collaborative design process described below. If more than one LOI is received by the Port, the CEO shall exercise his discretion as to which proposal(s), if any, shall be referred to the preliminary collaborative design process. The decision of the Port CEO on all matters shall be final and not subject to appeal or review.

- A. **Preliminary Collaborative Design Process.** The Port and developer (working through each party's design team) shall meet to refine the development concept described in the LOI. Initiation of the collaborative design process may be by telephone conference or other preliminary discussion. The preliminary collaborative design process shall consist of:
1. **Pre-Development Meeting.** A pre-development meeting shall take place in Kennewick, Washington (or other location mutually agreed upon) where the developer, its design team and principal(s) shall be interviewed, and where the initial project development concept will be reviewed. The parties will endeavor to produce rough project sketches and assemble precedent photographs and other illustrative materials.
 2. **Design Workshop.** Upon successful completion of the pre-development meeting, a design workshop will be conducted whereby the parties will refine the development concept and the rough sketches in order for the developer to produce a schematic design mutually acceptable to the parties.

B. Initial Evaluation by Port Commission. Upon successful completion of the preliminary collaborative design process, the CEO shall present all relevant project information to the Port Commission for evaluation. The Port Commission may evaluate the proposal utilizing the following criteria:

1. Quality of the project and consistency with Port planning documents;
2. Price and terms;
3. Knowledge, financial capability and references of the developer; and
4. Developer's recent experience with similar projects.

The Port Commission may take any action deemed appropriate with respect to proposal evaluation, including but not limited to requesting the parties to further refine the proposal through the final collaborative design process described below. In this case, the Port Commission shall grant the developer exclusive negotiating rights with respect to the proposal and site for a period of 90 days.

During the exclusive negotiating period, the Port will not accept any other proposal for the site. In the event that the parties are not able to negotiate a purchase and sale agreement for the site within the exclusive negotiating period, the LOI shall terminate and be of no further force and effect, and the Port shall have no further obligations to the developer. In consideration of providing the developer with the exclusive negotiating rights period, developer shall pay to the Port of \$2,500.00 which is intended to reimburse the Port for administrative and other costs.

C. Final Collaborative Design Process. Provided the parties enter into the final collaborative design process, the developer, at its sole expense, shall produce a set of drawings acceptable to the Port including site and representative floor plans with elevations for the major elements of the project. Schematic drawings shall also include exterior sections reflecting proposed architectural design and building materials. Substantial emphasis will be placed on exteriors, and especially, elevations facing streets and public spaces. The plans shall include a conceptual site plan and a description of specific noteworthy site features that will be preserved (i.e. trees, etc.). The plans should include a sample or conceptual planting plan for site vegetation. Additionally, the developer shall describe the components, planning tools and means of implementing the project to completion; the proposed schedule of development; and its ability to secure tenants and market the property to end-users. At this time, the developer shall also develop a project timeline (subdivided into phases, if necessary) identifying the estimated length of time to reach key development milestones, including: commencement and completion of design; financing; commencement and completion of construction; and availability for tenant occupancy. Any contingencies that may affect this timeline shall be identified by developer. The Port may request additional project information.

D. Final Presentation to Port Commission. Provided the parties successfully complete the final collaborative design process, the CEO shall report to the Port Commission related to the overall progress of the project. The Port Commission, in its sole discretion, shall either reject the development proposal or direct the CEO to negotiate a purchase and sale agreement (or ground lease) with the developer related to the site. If the parties are unable to execute a purchase and sale agreement within 45 days, the development proposal shall expire, the Port shall take no further action, and each party shall be relieved of all further obligations related to the proposed development.

IV. POST PURCHASE AND SALE AGREEMENT MATTERS

- A. Project Refinement. Upon execution of a purchase and sale agreement, the developer shall apply to the City of Kennewick (City) for project review and permitting, which shall be the sole and exclusive responsibility of the developer. Should the City require changes to the project, which in the sole discretion of the Port CEO, materially alters the proposed project, the parties will then attempt to negotiate the changes required in order for the developer to receive City approval of its project. If the parties are unable to negotiate changes required in order for the developer to receive City approval of its project within a 45 day period of commencing such negotiations, the development proposal shall expire, the Port shall take no further action and each party shall be relieved of all further obligations related to the proposed development. Any earnest money deposited by the developer shall be refunded to the developer, less any applicable administrative fee.
- B. Construction Progress. Reviewers specified by the Port CEO, will monitor construction and provide periodic updates to the Port Commission.

V. MISCELLANEOUS MATTERS

- A. All discussions between the parties are to explore the developer's qualifications and the viability of a development proposal. A binding obligation shall only be created by a written agreement setting forth all material terms and conditions of the proposed transaction, signed by the parties; and no agreement shall be binding except upon an affirmative vote by a majority of the Port Commission;
- B. The Port may arrange for further action including introducing the concept to the Port Commission or appropriate third parties in order to gather information, analyze proposal feasibility and cost, and to perform due diligence; the parties understand that complete confidentiality cannot be guaranteed;
- C. Each party shall be responsible for all costs it incurs with respect to this matter, including but not limited to professional and attorney's fees and costs;
- D. The Port makes no representations with respect to the property and the developer agrees to exercise all due diligence it deems necessary;
- E. Development proposals may be subject to disclosure under the Washington State Public Records Act. However, any information within a development proposal that is claimed to be proprietary or a trade secret may be marked as "confidential". Prior to disclosure of any such information, the Port will provide the developer statutory notice of developer's right to seek a court order to preclude such disclosure; and
- F. The Port reserves the right to verify developer credentials and to request supplemental information or documents at any time during the process that it determines the necessity therefore.

***PORT OF KENNEWICK
WINERY TENANCY POLICY***

I. GENERAL

A. This policy is intended to assist the port in selecting tenants for its Columbia Gardens Wine Village rental complex, Phase I which is situated on the former 421 E. Columbia Drive site. The commission shall evaluate the effectiveness of this policy over time and reserves the right to expand, amend or rescind this policy as appropriate.

B. The Port may enter into a landlord-tenant relationship in order to foster economic development opportunities. The port may lease to small businesses, whether existing or start-ups.

II. EVALUATION CRITERIA

Requirements for consideration as a tenant include:

- A. Demonstrating the ability to pay rent and/or other fees;
- B. Demonstrating a need for the facilities;
- C. Demonstrating strong commercial potential;
- D. Demonstrating the ability to provide strong community benefits, such as job creation and economic diversification opportunities; and
- E. Having well-qualified principals involved with the business.

Applicants for tenancy must provide a basic business plan which identifies product(s), markets, management, capitalization and financial projections. Additionally principals must agree to financial and criminal background checks and to a review of pertinent references.

III. SELECTION PROCESS

Applications received by the Port will be screened and evaluated through the following process:

The Port CEO or his designee shall screen applications to ensure completeness. Following screening, the CEO shall forward all complete applications to the selection committee, which shall review the applications based on the criteria set forth in Section II hereof. The committee, in its discretion, may interview the applicants.

Following review, the selection committee shall make recommendations to the Port commission regarding applicant qualifications. The Port commission shall select applicant(s) for tenancy in a Port commission meeting, with or without physical presence and presentations by the applicants. Once selected, the CEO shall negotiate a rental agreement with the selected applicant(s).

IV. LEASE TERM AND RENTAL RATE

The initial lease term may not exceed five years. If the tenant has fully complied with all terms of the lease, the tenant, at its option, shall have the right to extend the lease for one additional five year term as set forth in the lease agreement. The Port shall determine the market rate for any lease based upon local market conditions as determined by staff with the assistance of real estate professionals.

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