

The Governor's Proclamation 20-28 regarding the Open Public Meetings Act and Public Records Act temporarily prohibits in-person public attendance at meetings subject to the OPMA.

This proclamation is in effect through August 1, 2020, unless extended beyond that date.

A GoToMeeting has been arranged to enable the public to listen and make public comments remotely.

To participate remotely, please use the following call-in information: **1-866-899-4679 Access Code: 983-396-045**

AGENDA

Port of Kennewick

Regular Commission Business Meeting

Port of Kennewick Commission Chambers (via GoToMeeting)

350 Clover Island Drive, Suite 200, Kennewick, Washington

Tuesday, July 28, 2020

2:00 p.m.

I. CALL TO ORDER

II. ANNOUNCEMENTS AND ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. APPROVAL OF AGENDA

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

VI. CONSENT AGENDA

- A. Approval of Direct Deposit and ePayments Dated July 15, 2020
- B. Approval of Warrant Register Dated July 28, 2020
- C. Approval of Regular Commission Meeting Minutes July 14, 2020

VII. PRESENTATIONS

- A. Center Parkway Infrastructure, Richland Public Works Director Pete Rogalsky (**TIM**)
- B. Washington Street, Kennewick City Manager Marie Mosely (**TIM**)
- C. Vista Field Hangar Project, David Robison; Resolution 2020-13 (**TIM**)

VIII. EMERGENCY DELEGATION UPDATE (**TIM**)

- A. Carbitex Rent Deferral & Lease Addendum; Resolution 2020-12 (**AMBER**)

***Port of Kennewick
Regular Commission Business Meeting***

PRELIMINARY AGENDA

Tuesday, July 28, 2020

Page 2

IX. REPORTS, COMMENTS AND DISCUSSION ITEMS

- A. Vista Field
 - 1. Interlocal Agreement with City of Kennewick re: Fire Station #3; Resolution 2020-14 (**TIM**)
 - 2. Construction and Task Status Update (**LARRY**)
- B. Clover Island/Columbia Drive
 - 1. Kennewick Waterfront Master Plan Update (**LARRY**)
- C. 2021-2022 Budget & Work Plan Ideas (**TIM**)
- D. Communications with Public (**TANA**)
- E. Director Reports (**TANA/NICK/LARRY/AMBER/LUCINDA/TIM**)
- F. Commissioner Meetings (formal and informal meetings with groups or individuals)
- G. Non-Scheduled Items

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

XI. ADJOURNMENT

PLEASE SILENCE CELL PHONES





PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

JULY 14, 2020 MINUTES

Commission Meeting recordings, with agenda items linked to corresponding audio, can be found on the Port's website at: <https://www.portofkennewick.org/commission-meetings-audio/>

Commission President Commissioner Don Barnes called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: Commissioner Don Barnes, President (via telephone)
Skip Novakovich, Vice-President (via telephone)
Thomas Moak, Secretary (via telephone)

Staff Members: Tim Arntzen, Chief Executive Officer (via telephone)
Tana Bader Inglima, Deputy Chief Executive Officer (via telephone)
Amber Hanchette, Director of Real Estate and Operations (via telephone)
Nick Kooiker, Chief Finance Officer (via telephone)
Larry Peterson, Director of Planning and Development (via telephone)
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant (via telephone)
Lucinda Luke, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

A. Approval of Direct Deposit and E-Payments Dated July 2, 2020

Direct Deposit and E-Payments totaling \$82,967.92

B. Approval of Warrant Register Dated July 14, 2020

Expense Fund Voucher Number 102206 through 102257 for a grand total of \$106,957.31

C. Approval of Regular Commission Meeting Minutes June 23, 2020

PORT OF KENNEWICK REGULAR COMMISSION MEETING

JULY 14, 2020 MINUTES

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

PRESENTATION

A. Rural County Capital Funds (RCCF) and Opportunity Zone Analysis: Ben Floyd of White Bluffs Consulting & Derek Moody & Travis Adamson of Blodgett, Mickelsen & Adamson

Mr. Arntzen stated the Commission asked staff to provide an analysis on the Rural County Capital Funds (RCCF) (Exhibit A), which staff has been working on. Included in the RCCF analysis is the application of the Opportunity Zone (OZ) analysis, which was been drafted by Mr. Kooiker and the CPA firm of Blodgett, Mickelsen & Adamson. Mr. Arntzen is asking for Commission acceptance of the Rural County Capital Funds (RCCF) and Opportunity Zone (OZ) Analysis.

Mr. Arntzen outlined the three topics of the RCCF Funding analysis:

1. **RCCF Balance:** As of May 31, 2020, the Port has a balance of \$1,469,432 (unencumbered); however, there is an additional \$500,000 from the City of Kennewick for The Willows project for infrastructure for Columbia Basin College's Culinary School which is no longer a viable option. Additionally, there is approximately \$1,316,000 from the sale of the former West Richland Racetrack to the City of West Richland. The funding is contingent on Benton County approving the fund transfer as part of a project-specific application.
2. **Current Projects Under Consideration:** Based on Commission comments and the strong recommendation of DPZ Partners, staff has been reviewing the possibility of remodeling the Corporate Hangars at Vista Field. Staff enlisted the help of David Robison from Strategic Construction Management (SCM). Mr. Robison has produced a detailed report on the Hangar Remodel, which will be presented at the next Commission Meeting; however, based on a preliminary review of the report, the Hangar Remodel exceeds the RCCF funding amount significantly.
3. **Future RCCF Funding:** The Port accrues funding at the rate of approximately \$480,000 annually (varies based on County accruals) and estimates the Port will have approximately \$1,440,000 for capital projects by the program sunset date of June 30, 2023. The Port hired Ben Floyd of White Bluffs Consulting to meet with jurisdictional partners about potential project partnerships (Exhibit B). Mr. Floyd provided a summary of the discussions from our partners regarding RCCF partnerships.

Discussion ensued between the Commission and staff regarding potential partnerships.

Mr. Kooiker stated if a potential project is under \$200,000, it would be more cost effective to create a line item in the Capital Budget and use the RCCF funding for one large project.

Commission Moak recalls the Port assisted Benton City on their waterfront master plan and asked staff to share the final report at the next Commission Meeting. Additionally, Commissioner Moak is more interested in leveraging RCCF funds in ways that make the most sense and would like to see combining our funding with those that have a similar vision.

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Mr. Arntzen stated Mr. Floyd's report lets the Commission know where are partners are philosophically and believes this will allow staff to create a process in which to identify specific projects.

Mr. Kooiker enlisted help from Derek Moody and Travis Adamson of Blodgett, Mickelsen & Adamson on the Opportunity Zone (OZ) Analysis (Exhibit C). Mr. Moody and Mr. Adamson summarized their findings on the three Hangars in relation to the OZ tax benefits, which included: selling the properties, leasing the properties, and investing money into the properties.

Mr. Moody and Mr. Adamson answered Commissioner questions regarding the OZ stipulations and the Vista Field Hangars.

Mr. Arntzen concluded the discussion on the OZ and asked the Commission to consider accepting the RCCF and OZ Analysis report. Additionally, Mr. Arntzen requested continued discussion with the City of Richland regarding the City's Center Parkway project.

Commissioner Barnes encouraged Mr. Arntzen to maintain communication with the City of Richland.

Commissioner Barnes noted that he would be more comfortable seeing the SCM Hangar report prior to accepting the RCCF and OZ Analysis report.

MOTION: Commissioner Novakovich moved to approve Resolution 2020-11, accepting the Rural County Capital Fund and Opportunity Zone Analysis. Commissioner Novakovich further moves to approve goal #12 of the CEO's goals and objectives and further move that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the port Chief Executive Officer is authorized to take all action and to pay all expenses necessary in furtherance hereof; Commissioner Moak seconded.

PUBLIC COMMENT

No comments were made.

Discussion:

Commissioner Novakovich stated the Commission is only accepting this analysis, which he thinks was done very well and approving number twelve (12) of the CEO's goals and objectives. Commissioner Novakovich thinks the discussion on what might happen in the future with the hangars is a separate discussion and is not part of this motion.

Commissioner Moak agrees with Commissioner Novakovich's comments and thinks the Commission will discuss the RCCF and OZ analysis at the next Commission Meeting related to the hangar remodel. Both topics are subject to significant policy decisions that will be made by the Commission in the future. We asked for this report and the Commission will make any decisions as to what we are going to do with those reports after we receive the report from SCM. And as Mr. Arntzen stated, it may be sometime after we accept the reports that we actually make policy determinations. Commissioner Moak does not believe in holding up any acceptance of

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the reports based on another report, because both of them will involve significant discussion on the part of the Commission. Commissioner Moak supports accepting the Resolution, which accepts the Rural County Capital Fund and Opportunity Zone Analysis report.

Commissioner Barnes read the Resolution and listened to the reports and is pleased with report content and stated it was very informative. Commissioner Barnes would like to see the SCM report on the hangar remodel prior to accepting this Resolution and stated if this Resolution is delayed by a mere two weeks, it is not clear to him how that damages anything, only that it provides additional information. If it is the will, the majority of the Commission is to approve the report today, knowing that we have another report coming from SCM in two weeks, then that is the will of the Commission and he will not fight that. Commissioner Barnes stated it was an excellent presentation and the information and material was very informative; however, we are looking at something that is a wow factor. Mr. Arntzen indicated that the preliminary budget for the hangar remodel is well in excess of the RCCF funds that we have available now and Commissioner Barnes would feel more comfortable with this Resolution if he had all of the information from the hangar remodel report.

With no further discussion, motion carried. All in favor 2 Ayes (Commissioners Moak and Novakovich): 1 Nay (Commissioner Barnes).

RECESS

Commissioner Barnes called for a recess for at 3:50 p.m. until 4:00 p.m.

Commissioner Barnes reconvened the meeting at 4:00 p.m.

EMERGENCY DELEGATION UPDATE

A. Carbitex Rent Deferral

Ms. Hanchette reported that Oak Street Industrial Park tenant, Carbitex was shut down for over two months based on the Governors Stay Home Order. Carbitex had zero revenue during this time, yet with the assistance of a PPP loan, they were able to keep all of its 40 employees on payroll and continued to pay rent to the Port plus other expenses. The PPP loan has now been exhausted so Carbitex is funding all operations and additional expenses of COVID-19 on its own. Carbitex is requesting a rent deferral of three months (July, August, and September) of lease payments to pay at the end of their current lease with the Port. Should the deferral be granted by the Commission, the Lease Addendum would have an expiration of March 31, 2022?

Commissioner Moak confirmed that Carbitex is requesting a rent deferral and nothing will be paid back until 2022 and inquired if that was standard lease terms to defer rent.

Ms. Luke reviewed several options being used by various ports across states to help tenants and rent deferral is one of those tools that have been used. Ms. Luke stated it is an option to add the rent deferral to the end of the lease; however, there are other alternatives but this is the alternative that has been requested by Carbitex. Ms. Luke would protect the Port as much as it can be protected, but noted there is risk with these extensions/deferrals.

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Commissioner Moak inquired if it is the staff recommendation to accept the rent deferral.

Mr. Arntzen stated there is risk on the part of the Port commission and as CEO, he does not endorse or recommend the proposal.

Commissioner Novakovich cannot support the rent deferral and stated there are risk factors that could affect the Port cash flow.

Commissioner Moak does not object to a rent deferral and asked if staff could work with Carbitex.

Commissioner Barnes confirmed that Carbitex was not asking for rent forgiveness, but that they would extend their lease three months and repay their deferral during the period of January-March 2022. Additionally, the Port would normally include an increase on a new lease period.

Ms. Hanchette confirmed that Carbitex was not asking for rent forgiveness, but would amend their lease and extend it through March 2022. Ms. Hanchette stated the Port could include a certain percentage increase as part of that amendment. Ms. Hanchette believes the tenant will ask for the current rent lease.

Ms. Luke stated the rent would be deferred, not forgiven and there would be an addendum to extend the current lease and reiterated that there is risk to the Port that we may not collect all of the deferred rent.

Commissioner Barnes suggested exploring renegotiating the lease terms with Carbitex, possibly beginning in as early as October 2020 through December 31, 2021, in order to alleviate the Port's risk and the doubled rent payments for Carbitex in January, February, and March of 2022.

Ms. Hanchette believes Carbitex would be open to other ideas on how to spread the Port's risk and will explore those options with Mr. Boninger.

Further Commission and staff discussion ensued regarding the rent deferral request.

It is the Consensus of the Commission to not approve the rent deferral request and asked staff to relay the Port concerns to Carbitex and discuss other viable options.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. 2021-2022 Budget & Work Plan Ideas

Mr. Arntzen will pose questions to the Commission to capture their thoughts on the draft 2021-2022 Budget and Work Plan over the next few meetings to help staff with the draft Budget and Work Plan.

Mr. Arntzen summarized the first five questions for the Commission to consider:

1. Should the new budget take COVID-19 into account, for example, future financial impacts, building and development slow down, and the impacts to Vista Field and Columbia Gardens? Should the budget offer flexibility in the ever-changing environment;

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2. Should the Port place emphasis on finishing projects currently queued up as opposed to starting new projects;
3. There may be an impending shift from maximizing construction of new projects to funding more operational activities. Instead of investing in capital projects, the Port may need to finance more towards operations to maintain properties we have redeveloped, such as Vista Field and Columbia Gardens;
4. Does the Port have an overall philosophy that identifies one major project that is head and shoulders above other projects? If the budget were to reflect capital activities, should it focus on Vista Field or be spread around the district;
5. Should the Commission move forward with the Hangar Remodel project, how would it be funded or would it be prudent to wait and see what happens with COVID-19?

The Consensus of the Commission is to receive the information in email form regarding the first five questions from Mr. Arntzen and to add it to the Agenda for future discussion.

B. Vista Field Implementation Team Update

1. Construction Status Update

Mr. Peterson reported that construction of Phase 1A of Vista Field is 99% completed. Total Site Services continues clean up the site and will be filling the water feature for testing and operation later this week.

C. Clover Island/Columbia Drive

1. Kennewick Waterfront Master Plan Update

Mr. Peterson reported that Makers architecture and urban design have been reaching out to the stakeholders in our community. Mr. Peterson and Ms. Hanchette have had the opportunity to participate in some of these phone calls, including Clover Island tenants, the City of Kennewick and Columbia Basin College. Mr. Peterson stated the Clover Island tenants are very appreciative of how the Port has continued to maintain Clover Island and Columbia Drive throughout the Stay at Home order.

2. 1135 Project Status Update

Ms. Bader Inglima reported that the U.S. Army Corps of Engineers (USACE) continues to work on the 1135 habitat restoration project. In 2019, the USACE hired a contractor to prepare biddable documents for the restoration and staff and A&E consultant, John Fetterolf have been working closely with the contractor and providing information and assistance. The documents are approximately 90% complete and Port staff submitted their comments on July 2, 2020. We are currently waiting for USACE to schedule the design review meeting. USACE continues to move forward and anticipates bidding the project in late August - September, with the intent to utilize the in-water work window in November – February, with upland work to continue into June or July of 2021. Ms. Bader Inglima stated we are on track, but the project will depend on the USACE finalizing the documents and receiving fiscal funding. The Port has yet to receive the cost estimates on the 90% design and Ms. Bader Inglima stated there may be possibility that a budget line item may need to be added.

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D. District Wide Project Timelines

Mr. Peterson presented the Commission with a memo regarding the major project timeline/sequence- 2020 detailed and 2020-2021 summary memo (Exhibit D). Mr. Peterson stated this is our best guess at this time, not knowing what the impacts of COVID-19 will be to timing and the uncertainty of the response from the private sector and lending institutions. Mr. Peterson stated DPZ Partners continues to work on the list of questions posed early this year and the information will be provided to the Commission at future meetings. Mr. Peterson outlined the memo and the task timelines and reiterated that the information is a best guess scenario due to COVID-19. The summary timeline covers the next 18 months (2020-2021) and the four areas: Vista Field, Columbia Drive, Clover Island and District-wide matters.

E. Communications with Public

Ms. Bader Inglima continues to communicate with the public regarding Port projects and our progress and what we are doing during this interesting time. Ms. Bader Inglima reported that the Port Newsletter has gone to the printer; however, it will be distributed differently this time via direct link via a number of social media outlets as well inserted in the *Journal of Business* and the *Senior Times*. The newsletter addresses the Port's recent improvements announcing the food truck plaza businesses and the winery patios reopening. Additionally, the Port coordinated a media release announcing Beus Brothers farm market joining the wineries and food trucks at Columbia Gardens. Ms. Bader Inglima reported staff is assisting Makers with the Waterfront Master Planning Process, by creating a webpage on our website which allows the public to sign up to be part of the online email exchange with Makers as the planning process moves forward. Lastly, Ms. Bader Inglima stated the Port television advertisement is nearly complete and should start running in August.

F. Director Reports

Ms. Hanchette reported in February, the Port entered into a Purchase and Sale Agreement with Santiago Estates for 26 acres with an extended due diligence period. Santiago Estates requested a Comprehensive (Comp) Plan Amendment from the City of Kennewick to rezone the area; however, the City did not pass the Comp Plan Amendment. Therefore, the Port will be returning the escrow as soon as the paperwork is finalized.

Mr. Kooiker has been gathering many sources of information from staff, from ports, and from other government entities related to COVID-19. The Commission has always passed a conservative budget and these are the times when it is paying off. For example, the Port lost two Coyote work-crews in March due to COVID-19, but staff was able to purchase a few small equipment items to do more work with less people. The Port had the ability to make the necessary adjustments in the budget cycle because of the conservative budget that was passed in 2018. Mr. Kooiker stated there could be a delayed affect to our tenants and potentially more operating costs to our properties. Mr. Kooiker asked the Commission to review the Port's budget philosophy and reminded them that the 2021-2022 Capital Budget contains \$900,000 in loan payments for Vista Field Phase 1A. If the Commission is unsure about the future, one possibility is to pay off the debt sooner. Mr. Kooiker stated of the \$900,000 in payments to the bank, \$250,000 is interest. Mr. Kooiker stated there are several different scenarios to look at for the 2021-2022 budget and stated the Port is in a fortunate position because they passed a conservative budget.

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JULY 14, 2020 MINUTES

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

Commissioners reported on their respective committee meetings.

H. Non-Scheduled Items

Commissioner Novakovich reported that the Benton Franklin Council of Governments is in the process of moving locations and he came across a report from 1965 from the Port of Kennewick. The report addressed industrial locations and stated Vista Field was located three miles west of Kennewick at that time and Clover Island property could be leased from the Port for water-oriented enterprises.

PUBLIC COMMENTS

No further comments were made.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 5:31 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

Center Parkway

Port of Kennewick Commission
July 28, 2020

Why Does Richland Want the Project?

- Economic Development
 - \$52 million in private property improvements
- Street System Improvement
 - Efficient circulation
 - Reduces load on Columbia Center Boulevard and Steptoe
- Comprehensive Plan Fulfillment
 - Right development in the right place

Tapteal Business Park



Railroad Opposition

- UPRR, BNSF, TCRR originally exchange rail cars at this location, opposed to street
- 2011 Agreements with BNSF and UPRR eliminated rail car exchange and BNSF and UPRR opposition to project
- 2020 Agreement with TCRR resolved their opposition to project

Project Support

- City of Kennewick / Richland interlocal agreement partnering to complete project
- Transportation Improvement Board grant funding
- Benton Franklin Council of Governments grant funding
- Washington State Utilities and Transportation Commission rail crossing authorization

Funding Need

- \$2.65 million needed to complete project
- Benton County Rural County Capital Fund strong alignment with project purpose
 - Strategy is to assemble multi-agency partnership
- Transportation Improvement Board contribution capped at existing level
- BFCOG funding in strong demand and focused on purely transportation purposes

Schedule to Complete

- Depends on funding
- 2021 property acquisition
 - 4 acquisitions, one a complete parcel acquisition
- 2021 engineering design
- 2022 construction

Questions?



VISTA**FIELD**

HANGAR BUILDING ANALYSIS

Prepared by:

Port of Kennewick staff and
Strategic Construction Management

EXISTING CONDITIONS

The buildings are identified from east to west as A, B and C. They are identified as follows:

Hangar A

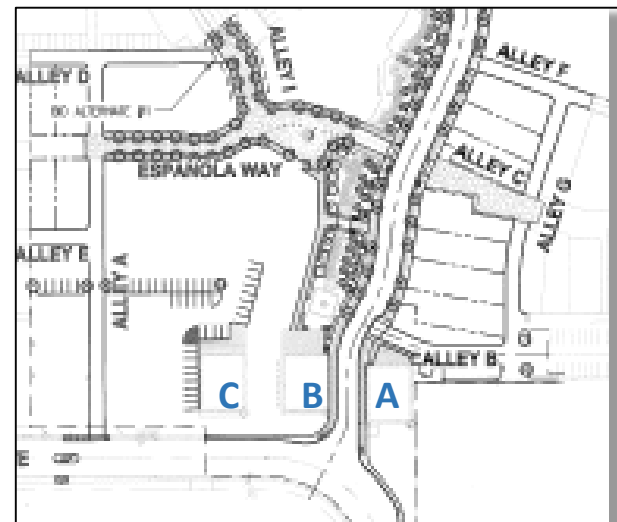
Located east of Crosswind Boulevard, this building sits adjacent to the future Vista Field amenities including a triangular patio area, two (2) electric vehicle charging stations and twelve (12) parking spaces.

Hangar B

Located west of Crosswind Boulevard, this building sits adjacent to the main fountain for the Vista Field stream, a large rectangular patio area, temporary food truck cluster, and 24-40 shared parking spaces are positioned nearby.

Hangar C

Located west of Hangar B, this building sits adjacent 24-40 shared parking spaces, the temporary food truck cluster, and within 120' of the Alley A/Deschutes access road to the Vista Field Development.



BEST AND HIGHEST USE

Strengths

- Located adjacent to a main throughway. Crosswind Blvd. connects Canal Drive to Deschutes and abuts Hangars A & B.
- All hangars abut Deschutes.
- Adjacent to the future Vista Field Food Truck Park.
- Few constraints due to the availability of utilities to each structure.
- Per the City of Kennewick, no preconceptions for use.
- Due to master plan language, no re-zoning required.
- Easily dividable to smaller footprints.

Challenges

- Cost of compliance with applicable building codes including Washington State Energy Codes.
- Converting buildings designed for storage into public venues.
- Parking constraints.
- Delivery issues.
- Infrastructure costs.
- Daytime traffic vs nighttime traffic in the near term.

Opportunities

- Branding opportunity to tie to former airport location and set the facilities apart.
- Ideal square footage in the current market is 1,500 sf.



TENANT MENU

Professional

Attorney
Accountant
Real Estate office
Computer/Tech store
Phone store
Bank

Services

Hair Salon
Barber shop
Nail Salon

Fitness

Gym
Yoga
Massage/Spa

Food & Beverage

Coffee Shop
Bakery
Sandwich Shop
Small grocery retail
Wine Bar
Restaurant

Medical Office Space

Chiropractor
Eye Clinic
Vet Clinic
Urgent Care

Specialty

Specialty Pet store
Ice Cream store
Convenience store
Police Substation

Mixed Use

Antique Mall
Common/shared space
(rentable open space for
events, meetings, etc)
Food Hall
Recreational Courts –
Basketball, volleyball, etc.



LEASE RATE OPPORTUNITY

Lease rates vary largely depending upon the use type. Recommendations include:

- Developing spaces as vanilla box
- Providing discount to draw the right tenant mix that adjusts based on Vista Field Development growth and market stability

Rates in the current market fall in the following ranges:

Vanilla Box (eg Brewery)	\$13psf
Office Space	\$15 psf
Retail	\$9 - \$12 psf

Based on the overall goals for the project, the Port of Kennewick can anticipate rates of \$9 - \$15 psf.



TENANT IMPROVEMENTS

Restaurant, Kitchen, and Dining Area

Proposed square footage: 3,500 square feet

Budgeted cost per square foot: \$250 - \$350 psf

Office, Conference/Open Office Area

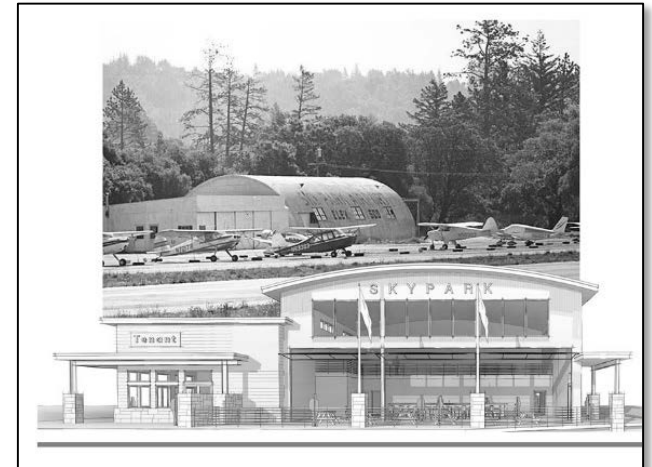
Proposed square footage: 120 to 425 square feet

Budgeted cost per square foot: \$150 - \$250 psf

Mixed Use – Food Hall, Market, Small Shops

Proposed square footage: 80 to 600 square feet

Budgeted cost per square foot: \$125 - \$350 psf



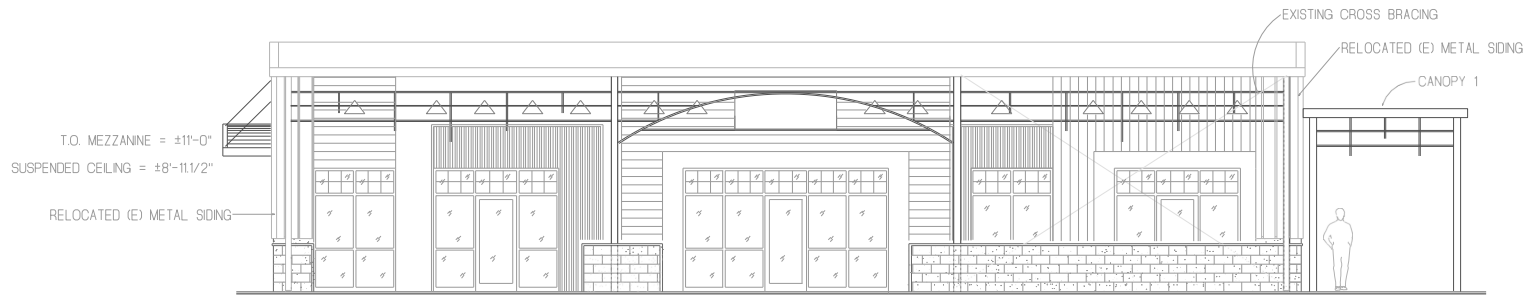


ckjt architects, pllc
128 Vista Way Kennewick WA (509) 783-5444

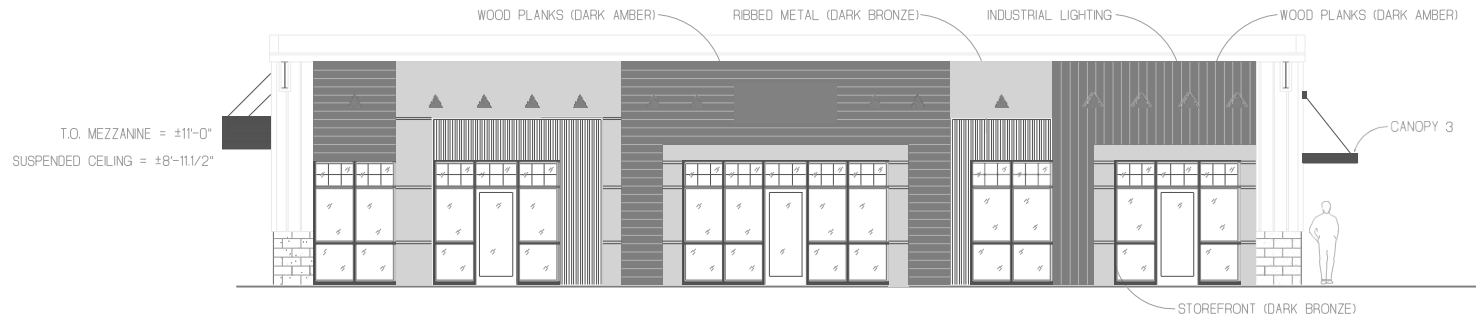
CONCEPT DRAWINGS



DESCHUTES AVENUE ELEVATION



CROSSWIND BLVD BUILDING ELEVATION



CROSSWIND BLVD WALL ELEVATION

VISTA FIELD HANGAR 'B' - OPTION 1

ckjt architects, pllc

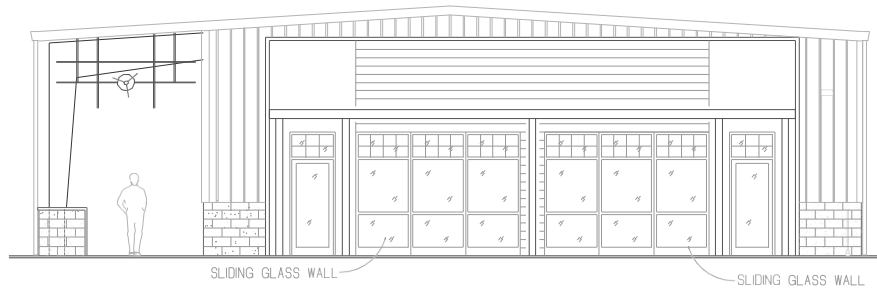
226 Vista Way | Appleton, WI 54912 | 920.763.5444



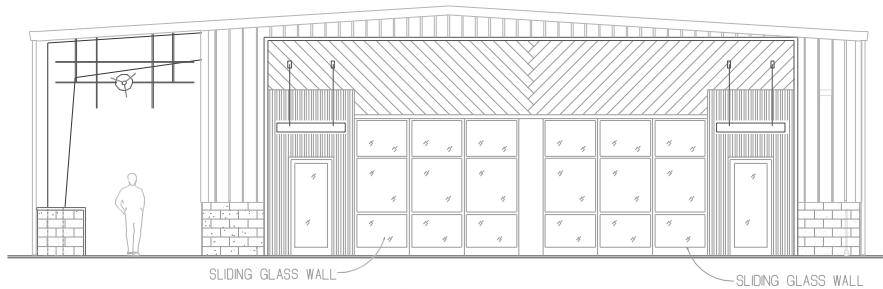
ELEVATION 1 NORTH



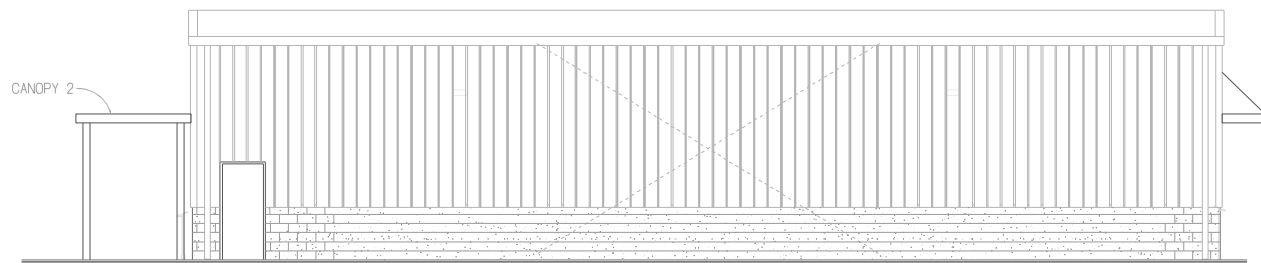
ELEVATION 3 NORTH



ELEVATION 2 NORTH



ELEVATION 4 NORTH



ELEVATION WEST

VISTA FIELD HANGAR 'B' - OPTION 1

ckjt architects, pllc

120 Vista Way | Appleton, WI 54912 | 920.783.5444

BUDGET COMPARISON

	Option	Budget	Use
1	Building Renovation - Hangar B	\$ 3,900,430	Restaurant
2	Building Renovation - Hangars A & B	\$ 6,928,751	Restaurant and Office
3	Building Renovation - Hangars A, B, & C	\$ 11,389,526	Restaurant, Office, and Market
4	Demolish Hangars B Rebuild 1 Building	\$ 4,666,113	Restaurant
5	Demolish Hangars A & B Rebuild 2 Buildings	\$ 8,496,265	Restaurant and Office

FINANCIAL PLAN

Unencumbered Funds	
Southridge Land Sale	\$ 1,300,000
West Richland Raceway Sale	\$ 500,000
Total Unencumbered	\$ 1,800,000
Encumbered Funds	
Rural County Capital Funds (RCCF) - Current Balance	\$ 1,400,000
Willows (RCCF)	\$ 500,000
West Richland (RCCF Balance)	\$ 700,000
Total Encumbered	\$ 2,600,000
Total Possible Funding	\$ 4,400,000
2021/2022 Capital Budget	To Be Determined

DEVELOPMENT TIMELINE

Task	Day	Time Allotted
Decision to proceed	1	
Design services sought with contract negotiated and awarded	45	44
Project submitted for permits	165	120
Project advertised for bid	195	30
Bid opening	225	30
Notice to proceed issued	255	30
Construction	495	240
Substantial completion	525	30
Tenant move-in	555	30



AGENDA REPORT

TO: Port Commission

FROM: Tim Arntzen, Chief Executive Officer

MEETING DATE: July 28, 2020

AGENDA ITEM: Resolution 2020-13; Vista Hangars

- I. REFERENCE(S):** Resolution 2020-13 attached; Hangar Report attached
- II. FISCAL IMPACT:** As stated in below referenced report; potential line item in 2021-22 Budget.
- III. DISCUSSION:**
- The Commission has directed that staff present development strategies with respect to the Vista Hangars. The hangar project (if authorized by the Commission under separate, official action) may consist of remodeling one or more of the hangars to create vibrancy for Vista Field. This project is detailed in a report produced on the Port's behalf by Strategic Construction Management (see attached Hangar Report). Because the hangar remodel strategy has been referenced in great detail in the "Hangar Report", this memo will not repeat the information contained in the report. It should also be noted that the Commission directed the completion of development strategies which are contained in the report, not the commencement of construction via biddable documents. This distinction is important, as the report contains detailed information related to a complex and costly project which will likely require much Commission consideration in the near future. Additionally, should the Commission seek to pursue the hangar project, it would need to marshal its assets which might consist of RCCF funding, land sales proceeds, future budget contributions and possibly funding from development partners. Thus, upon completion of the Commission directive (production and delivery of the Hangar Report) the Commission will need to embark on a new journey – determining what, if any, implementation action to take. That action could include determining to proceed with hangar remodeling and associated budgeting; selling the hangars; demolishing and re-building anew; or pausing while considering the mostly unknown impacts that Coronavirus might have on all future construction at Vista Field overall.

The full remodel for all three hangars exceeds current Port funding significantly. However, according to the financing strategy contained in the report, the Commission has alternatives in the event it desired to undertake the remodel of the hangars. With that being said, a

more affordable option for the Commission to consider might be remodeling two of the hangars in the near future, with the remodel of the third at a later date as additional funding is identified (perhaps through future RCCF accruals). Value engineering could also be undertaken. Or, partial deconstruction to make lean outdoor spaces could be considered. Additional funding could be provided in the upcoming budget and jurisdictional partner(s) may offer to participate. Or, as stated above, the Commission could choose other options instead of full or partial remodel.

IV. STAFF RECOMMENDATION:

Consider Resolution 2020-13, acknowledging the Hangar Report produced by Strategic Construction Management.

V. ACTION REQUESTED OF COMMISSION:

Motion: I move approval of Resolution 2020-13, accepting the Hangar Report produced by Strategic Construction Management. I further move approve of goal #11 of the CEO's goals and objectives. I further move that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the port Chief Executive Officer is authorized to take all action and to pay all expenses necessary in furtherance hereof.

PORT OF KENNEWICK

Resolution No. 2020-13

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK ACKNOWLEDGING THE RECEIPT OF THE HANGAR REPORT

WHEREAS, The Commission directed that staff present development strategies with respect to the Vista Hangars; and

WHEREAS, The Port CEO, working with the Port CFO, Port Planner and others, including an outside construction management firm has researched this matter and has provided detailed information; and

WHEREAS, The Commission-directed task has been concluded and the results are hereby presented to the Commission for consideration; and

WHEREAS, Staff recommends that the Commission acknowledge the receipt of the Vista Hangar Report as detailed in Exhibit A.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby acknowledge the receipt of the Vista Hangar Report.

BE IT FURTHER RESOLVED the Commission acknowledges Goal 11 of the CEO's 2019-20 Goals and Objectives to "Complete architectural and engineering analysis for the Vista Hangars, together with estimated budget and draft financing plan for commission consideration" is complete.

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further, the port Chief Executive Officer is authorized to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 28th day of July, 2020.

***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: _____
DON BARNES, *President*

By: _____
SKIP NOVAKOVICH, *Vice President*

By: _____
THOMAS MOAK, *Secretary*



VISTAFIELD

HANGAR BUILDING ANALYSIS

Prepared for:
Port of Kennewick

July 20, 2020
Final

Prepared by:
Port of Kennewick staff and
Strategic Construction Management

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EXECUTIVE SUMMARY

As the Phase #1A—Infrastructure--of the Vista Field Development nears completion, the Port of Kennewick enlisted Strategic Construction Management to analyze the best use opportunity for the three former hangar buildings located at the edge of the Phase #1A buildout. The report will offer recommendations by local real estate professionals for the best and highest use of the hangar buildings for both the current and anticipated future needs of the community. This includes suggested renderings and budgets to prepare the hangar buildings for use within the next 12 – 18 months. Further, the report provides a comparative analysis to assist the Port of Kennewick in determining whether remodeling the existing buildings or demolishing and rebuilding are in the best overall interests of the project.

Working with the Port of Kennewick team, a timeline and finance plan have also been developed to provide a path forward. Using this plan, the Port of Kennewick's real estate team will be empowered to work with potential tenants for immediate occupancy upon completion of the hangar building remodels.

NOTE: This analysis was initiated in February 2020. Since this was prior to the world changes resulting from the COVID-19 pandemic , it is important to note that the market conditions including demand and cost reflect conditions prior to April 2020. The short and long-term economic impacts are still unknown as the effects of the pandemic continue to change daily, so this report does not attempt to speculate or predict the impacts.



SCOPE OF WORK

OBJECTIVES

The analysis of the three hangar buildings in the Vista Field development will address the following:

- Hangar Use Opportunities
 - Best and highest use evaluation based on recommendations from local, commercial real estate experts.
 - City of Kennewick and State of Washington requirements or restrictions that may impact development.
- Design options based on best and highest use opportunities.
- Budget based on conceptual drawings and current market rates.
- Comparative analysis of remodeling existing structures versus demolish structures and rebuild.
- Financing pathway for development.
- Timeline for development.

EVALUATION RESOURCES

David L. Robison, CCM, LEED AP Principal, Strategic Construction Management, Inc.

Kim Harvey, Strategic Construction Management, Inc.

Larry Peterson, Port of Kennewick

Amber Hanchette, Port of Kennewick

Nick Kooiker, Port of Kennewick

Terrance Case, CKJT Architects

Mike Marley, CKJT Architects

Chris O'Neill, O'Brien Construction

Bill & Ruth Dingfield, Coldwell-Banker Realty

Terry Blankenship, Eastside Commercial Real Estate

Vicki Montegeaudio, NAI Tri-Cities

Dirk Stricker, NAI Tri-Cities

Kirt Shaffer, Tippetts Company

David Robison and Kim Harvey of Strategic Construction Management served as point of contact for the project.

HANGAR USE ANALYSIS

EXISTING STRUCTURES

Overview

The Port of Kennewick owns three metal buildings located at 6600 W. Deschutes. These former aircraft hangar buildings were part of the Vista Field Airport, and they serve as one of the main entry points to the Vista Field Development site.

These buildings were constructed in 2000 and 2002 under type VN status (non-rated storage), and they are approximately 50' x 90' with interior beam clearances. Each building offers bi-fold hangar doors on the N/NW walls.

The center (B) and western (C) buildings each currently include the following amenities:

- 1 restroom
- Office space
- Office/conference space

The eastern building (A) is open without interior improvements.

HANGAR USE ANALYSIS

EXISTING STRUCTURES

The buildings are identified from east to west as A, B and C. They are identified as follows:

Hangar A

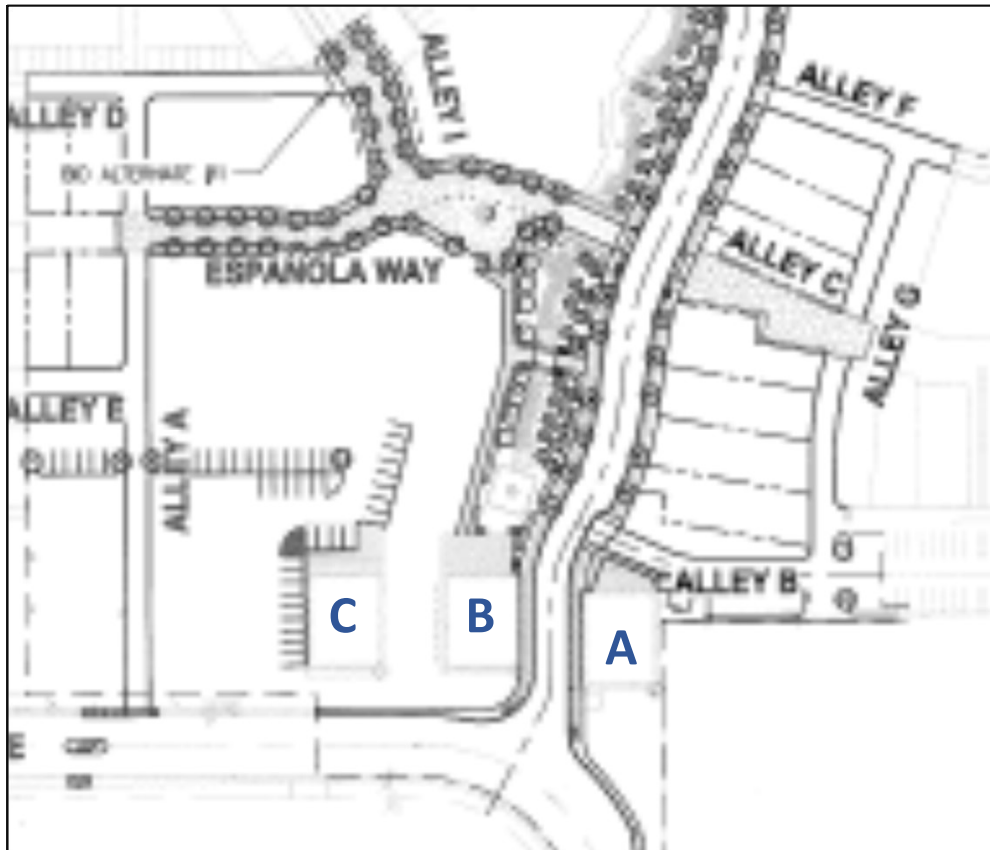
Located east of Crosswind Boulevard, this building sits adjacent to the future Vista Field amenities including a triangular patio area, two (2) electric vehicle charging stations and twelve (12) parking spaces.

Hangar B

Located west of Crosswind Boulevard, this building sits adjacent to the main fountain for the Vista Field stream, a large rectangular patio area, temporary food truck cluster, and 24-40 shared parking spaces are positioned nearby.

Hangar C

Located west of Hangar B, this building sits adjacent 24-40 shared parking spaces, the temporary food truck cluster, and within 120' of the Alley A/Deschutes access road to the Vista Field Development.



HANGAR USE ANALYSIS

BEST AND HIGHEST USE

Overview

The Vista Field Development will incorporate a new urbanism model – a neighborhood-scale planning approach focused on mixed-uses, vibrant public spaces, multi-modal access, pedestrian-scale streets, and a density of development not typically found in other areas of the Tri-Cities. The hangar buildings reside in a prominent location on the site.

Per the Vista Field Redevelopment Master Plan 2017 in coordination with the City of Kennewick:

The Urban Mixed Use (UMU) district allows mixing of residential, commercial and entertainment uses, both vertically and horizontally, while requiring all off-street parking to be located behind the buildings. All rules, regulations and covenants are crafted with the focus on placemaking. Building height and setback restrictions are intentionally relaxed to allow greater flexibility, while assuring vehicle parking demands are addressed.

This collaboration creates the opportunity to develop these buildings using different models over time to best serve the overall development.

Strengths

- Located adjacent to a main throughway. Crosswind Blvd. connects Canal Drive to Deschutes and abuts Hangars A & B.
- All hangars abut Deschutes.
- Adjacent to the future Vista Field Food Truck Park.
- Few constraints due to the availability of utilities to each structure.
- Per the City of Kennewick, no preconceptions for use.
- Due to master plan language, no re-zoning required.
- Easily dividable to smaller footprints.

Challenges

- Cost of compliance with applicable building codes including Washington State Energy Codes.
- Converting buildings designed for storage into public venues.
- Parking constraints.
- Delivery issues.
- Infrastructure costs.
- Daytime traffic vs nighttime traffic in the near term.

Opportunities

- Branding opportunity to tie to former airport location and set the facilities apart.
- Ideal square footage in the current market is 1,500 sf.

HANGAR USE ANALYSIS

TENANT MENU

The hangar spaces lend themselves to multiple use types; however, the uses should be congruent with the overall Vista Field direction which will result in a walkable neighborhood with entertainment and shopping venues. The Vista Field Development will incorporate an active community with moderate density housing and loft living.

Based on feedback from local, commercial real estate professionals, a mix of the following use types are ideal.

Professional

Attorney
Accountant
Real Estate office
Computer/Tech store
Phone store
Bank

Services

Hair Salon
Barber shop
Nail Salon

Fitness

Gym
Yoga
Massage/Spa

Food & Beverage

Coffee Shop
Bakery
Sandwich Shop
Small grocery retail
Wine Bar
Restaurant

Medical Office Space

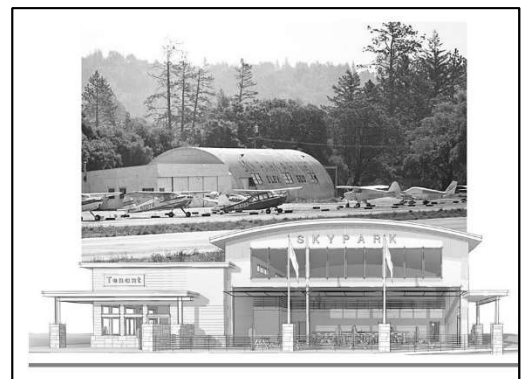
Chiropractor
Eye Clinic
Vet Clinic
Urgent Care

Specialty

Specialty Pet store
Ice Cream store
Convenience store
Police Substation

Mixed Use

Antique Mall
Common/shared space (rentable open space for events, meetings, etc)
Food Hall
Recreational Courts – Basketball, volleyball, etc.



The Hangar at Sky Park

HANGAR USE ANALYSIS

LEASE RATE OPPORTUNITY

Lease rates vary largely depending upon the use type. Recommendations include:

- Developing spaces as vanilla box
- Providing discount to draw the right tenant mix that adjusts based on Vista Field Development growth and market stability

Rates in the current market fall in the following ranges:

Vanilla Box (eg Brewery)

\$13psf

Office Space

\$15 psf

Retail

\$9 - \$12 psf

Based on the overall goals for the project, the Port of Kennewick can anticipate rates of \$9 - \$15 psf.



Hangar 2 Lowry

HANGAR USE ANALYSIS

MARKETING

For the overall success of the project, bringing in the right tenant mix initially will be key. Consider the following options when developing the plan to market the buildings to the community.

Incentives

While the prominent Vista Field Development location is a substantial incentive for developers and renters, the Port may consider offering rent incentives appropriate for the use type. Local brokers indicate a willingness to work with the Port to assist in finding the right tenant mix, but they will need to understand the full range of options available to the right tenant and entice their clients to this property.

Branding

While these buildings may not be ideal for corporate franchises, industrial chic is en vogue. Tenants interested in becoming the next gathering space or flex space within a chic environment that has a compelling local story—Vista Field Airport—will find interest in these facilities.

Community

Prior to the current COVID-19 pandemic, developments that foster a sense of community were gaining traction, and as we emerge from the social isolation required in the current environment, this will be a stronger pull. Tie the overall hangar opportunities to the overall Vista Field community development concept including the proximity to the food truck park, the gathering spaces, and the other amenities of the development that foster community.



CONCEPTUAL DESIGNS & BUDGET

ARCHITECTURAL OPPORTUNITIES

In 2017, CKJT developed several concepts based on the current structures for the Port of Kennewick. These are preliminary shelf designs based on initial input from the DPZ team. These designs maximize the use of the current structures as designed.

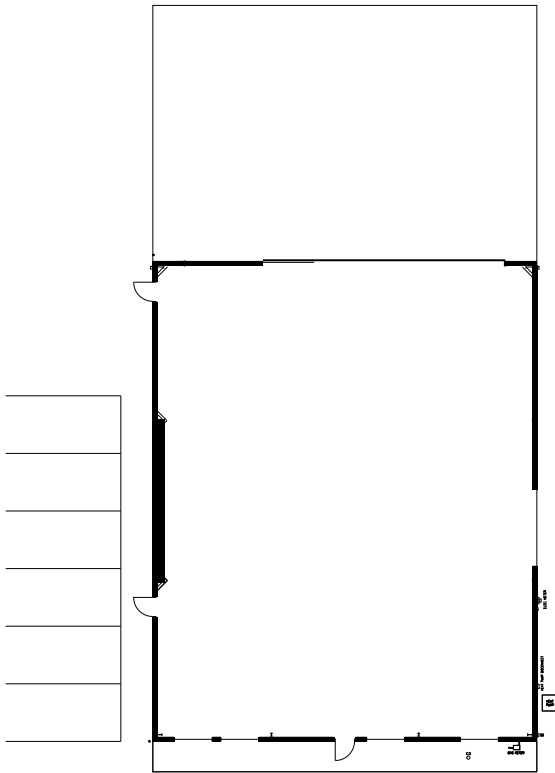
The buildings incorporate an “arcade” at the exterior of two of the buildings to provide a well-lighted, covered, open-air concept conducive for outdoor dining. Walk paths will also be incorporated for moving between vendor storefronts.

Additionally, the team created multiple floor plan options using Building B as the base. Each floor plan details options for subdividing. Of course, there are endless other options.

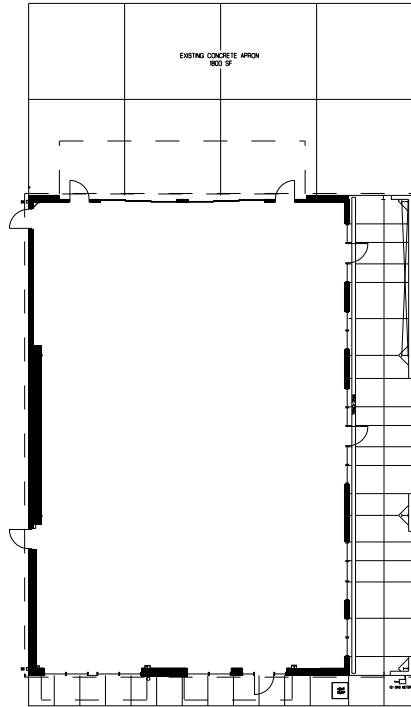
Further, the designs depict options that either maintain the existing office areas on the east side of the building or remove that existing space. Maintaining the existing offices offers a lower cost for tenant improvements because the mechanical mezzanine is above these office areas.

The proposed improvements to the buildings are as follows and noted on the plans.

- Use of existing conditions such as the exterior roof, metal panel siding, modifying only the areas between existing steel columns with storefront glazing, entry, and sliding glass doors to the exterior courtyard. Canopies are an added element of interest and weather protection.
- Enhancement of the exterior elevations with simple ribbed metal panels to add an architectural element of interest.
- Brick, stone, and wood planks at the façade will also enhance the look as well as add a sense of permanence and purpose.
- Exterior wall lighting sconces will add both ambiances as well as lighting the pathways to vendor storefront entries.

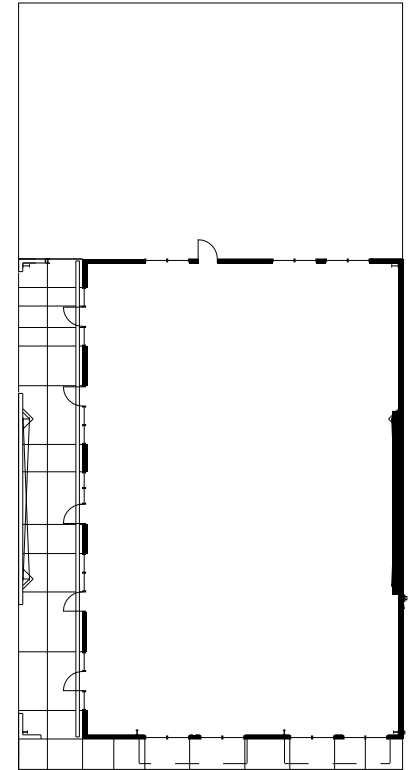


BUILDING 'C'



BUILDING 'B'

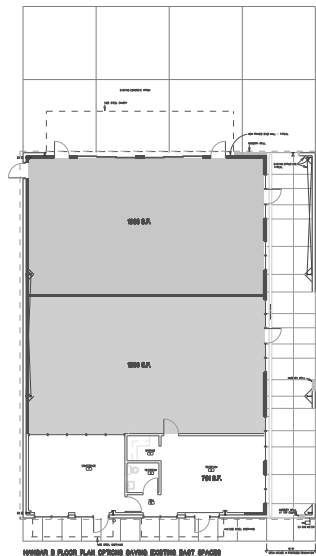
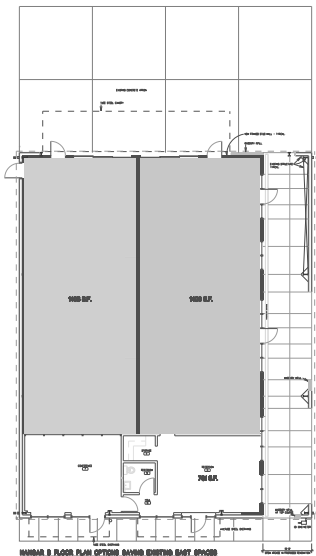
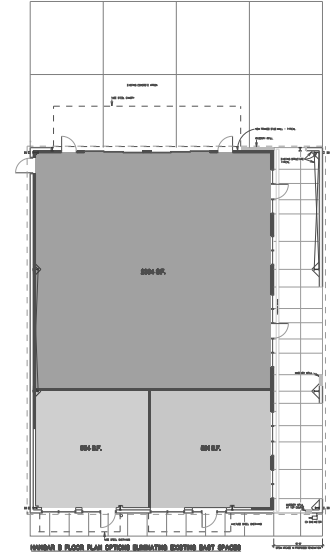
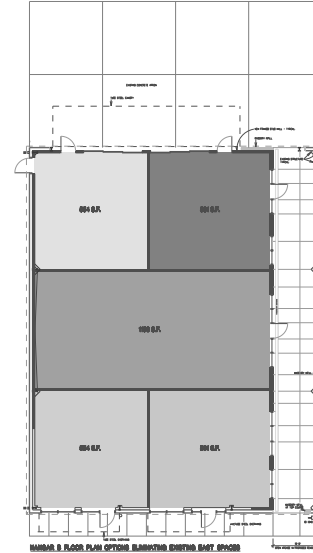
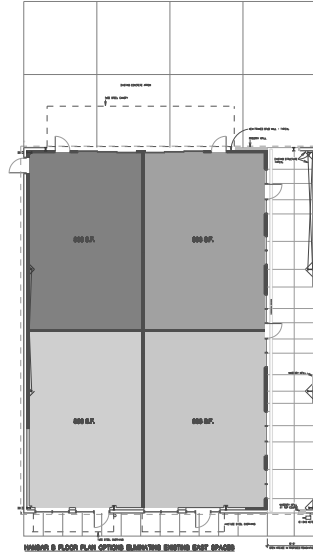
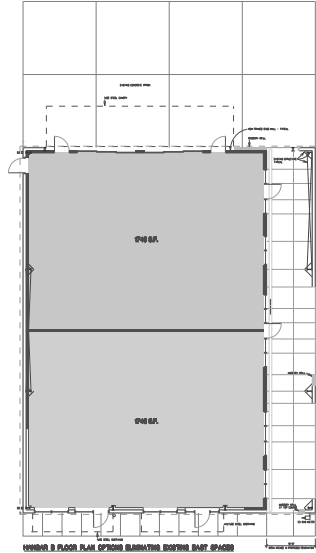
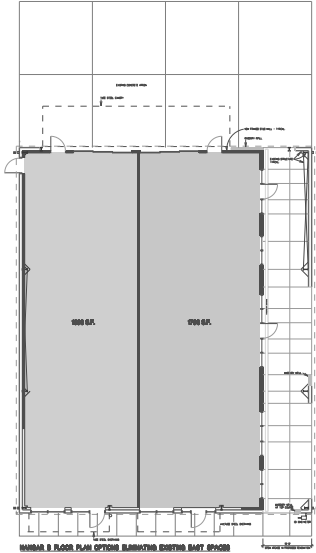
CROSSWIND BOULEVARD



BUILDING 'A'

WEST DESCHUTES AVENUE

"B"



CONCEPTUAL DESIGNS & BUDGET

Tenant Improvements

The hangar buildings can be divided to best fit the available tenant mix and the highest use. To provide the Port of Kennewick with the maximum flexibility in determining next steps, the tenant improvement estimates are provided below separate from the building renovation estimates.

Restaurant, Kitchen, and Dining Area

Proposed square footage: 3,500 square feet

Budgeted cost per square foot: \$250 - \$350 psf

Restaurant uses will require Type I Hood, commercial kitchen equipment, fire suppression, refrigeration, and freezers as well as heating, ventilation air conditioning, and lighting.

Office, Conference/Open Office Area

Proposed square footage: 120 to 425 square feet

Budgeted cost per square foot: \$150 - \$250 psf

Tenant improvements consist of typical multi-tenant improvements with independent resources such as heating, ventilation and air conditioning, electrical metering, and restroom cores. Entry to the building would be through card key access, and all offices could be private or combined in a lease transaction.

Mixed Use – Food Hall, Market, Small Shops

Proposed square footage: 80 to 600 square feet

Budgeted cost per square foot: \$125 - \$350 psf

- This area within the building offers few unique options. The leasehold improvements could be limited to the simple demarcation of leasable space, and each vendor would be responsible for bringing in prepared foods either from their primary restaurants, food trucks, or outside kitchen facilities.
- Tenant improvements would consist of restroom core, heating, ventilation, and air conditioning as well as lighting. Flooring would be polished concrete while wall finishes would be the exposed structural steel and gypsum board with a color selected food-grade sheet goods as the wall finish.

CONCEPTUAL DESIGNS & BUDGET

Conceptual Master Budget

Three budget scenarios were developed which included 1, 2, and 3 buildings from which the individual cost of any one building can be assessed.

The conceptual budget includes all anticipated costs from soft costs such as design, permitting, and construction oversight to construction costs and Washington State sales tax. Contingencies are also included in anticipation of the bid climate and escalation due to timing.

Vista Field
Metal Hangar Buildings

Conceptual Budget
One Building Renovation

	Description	Budget	\$ psf (4,500 sf)	Comments
1	Soft Costs			
2	A/E Design & Construction Services	\$ 262,706.84	\$ 58.38	11% of Subcontract Costs
3	CM Services	\$ 71,647.32	\$ 15.92	3% of Subcontract Costs
4	Permits & Fees Allowance	\$ 45,000.00	\$ 10.00	Utility connections fees excluded
5	Geotech	\$ -	\$ -	Remodel not new construction, so Geotech services will not be required
6	HVAC Commisioning	\$ 4,000.00	\$ 0.89	
7	Builders Risk Insurance	\$ 11,941.22	\$ 2.65	
8	Special Inspections/Testing/Survey	\$ 2,500.00	\$ 0.56	
9	Subtotal Soft Costs	\$ 397,795.38	\$ 88.40	
10	Sitework/Building Renovations	\$ 1,163,244.00	\$ 258.50	Hangar B - 4,500 sf shell
11	Tenant Improvements	\$ 1,225,000.00	\$ 350.00	Restaurant space at 3,500 sf - \$350 psf
12	Subtotal Direct Subcontract Costs	\$ 2,388,244.00	\$ 530.72	
13	Inflation/Escalation	\$ 59,706.10	\$ 13.27	One year of inflation at 2.5%
14	Subcontract Bonds	\$ 24,479.50	\$ 5.44	1% of Subcontract Costs
15	Total Contract Cost (TCC)	\$ 2,472,429.60	\$ 549.43	
16	WSST	\$ 212,628.95	\$ 47.25	8.60%
17	Total Contract Cost (TCC) plus WSST	\$ 2,685,058.55	\$ 596.68	
18	FFE			FFE by tenant.
19	Subtotal Total Contract Cost & Soft Cost	\$ 3,082,853.93	\$ 685.08	
20	Construction Contingency (30%)	\$ 805,517.56	\$ 179.00	Contingency includes sales tax
21				
22	TOTAL	\$ 3,888,371.49	\$ 864.08	Includes soft costs

Vista Field
Metal Hangar Buildings

Conceptual Budget
Two Building Renovation

	Description	Budget	\$ psf (9,000 sf)	Comments
1	Soft Costs			
2	A/E Design & Construction Services	\$ 467,663.68	\$ 51.96	11% of Subcontract Costs
3	CM Services	\$ 127,544.64	\$ 14.17	3% of Subcontract Costs
4	Permits & Fees Allowance	\$ 69,724.40	\$ 7.75	Utility connections fees excluded
5	Geotech	\$ -	\$ -	Remodel not new construction, so Geotech services will not be required
6	HVAC Commisioning	\$ 8,000.00	\$ 0.89	
7	Builders Risk Insurance	\$ 21,257.44	\$ 2.36	
8	Special Inspections/Testing/Survey	\$ 5,000.00	\$ 0.56	
9	Subtotal Soft Costs	\$ 699,190.16	\$ 77.69	
10	Sitework/Building Renovations	\$ 2,326,488.00	\$ 258.50	Hangar A - 4,500 sf shell & Hangar B - 4,500 sf shell
11	Tenant Improvements Hangar A - Office	\$ 700,000.00	\$ 200.00	Office space - \$200 psf
12	Tenant Improvements Hangar B - Restaurant	\$ 1,225,000.00	\$ 350.00	Restaurant space at 3,500 sf - \$350 psf
13	Subtotal Direct Subcontract Costs	\$ 4,251,488.00	\$ 472.39	
14	Inflation/Escalation	\$ 106,287.20	\$ 11.81	One year of inflation at 2.5%
15	Subcontract Bonds	\$ 43,577.75	\$ 4.84	1% of Subcontract Costs
16	Total Contract Cost (TCC)	\$ 4,401,352.95	\$ 489.04	
17	WSST	\$ 378,516.35	\$ 42.06	8.60%
18	Total Contract Cost (TCC) plus WSST	\$ 4,779,869.31	\$ 531.10	
19	FFE			FFE by tenant.
20	Subtotal Total Contract Cost & Soft Cost	\$ 5,479,059.47	\$ 608.78	
21	Construction Contingency (30%)	\$ 1,433,960.79	\$ 159.33	Contingency includes sales tax
22				
23	TOTAL	\$ 6,913,020.26	\$ 768.11	Includes soft costs

Vista Field
Metal Hangar Buildings

Conceptual Budget
Three Building Renovation

	Description	Budget	\$ psf (13,500 sf)	Comments
1	Soft Costs			
2	A/E Design & Construction Services	\$ 768,875.03	\$ 56.95	11% of Subcontract Costs
3	CM Services	\$ 209,693.19	\$ 15.53	3% of Subcontract Costs
4	Permits & Fees Allowance	\$ 114,632.28	\$ 8.49	Utility connections fees excluded
5	Geotech	\$ -	\$ -	Remodel not new construction, so Geotech services will not be required
6	HVAC Commisioning	\$ 12,000.00	\$ 0.89	
7	Builders Risk Insurance	\$ 34,948.87	\$ 2.59	
8	Special Inspections/Testing/Survey	\$ 7,500.00	\$ 0.56	
9	Subtotal Soft Costs	\$ 1,147,649.36	\$ 85.01	
10	Sitework/Building Renovations	\$ 3,489,773.00	\$ 258.50	Hangar A - 4,500 sf shell, Hangar B - 4,500 sf shell, Hangar C - 4,500 sf shell
11	Tenant Improvements Hangar A - Office	\$ 700,000.00	\$ 200.00	Office space - \$200 psf
12	Tenant Improvements Hangar B - Restaurant	\$ 1,225,000.00	\$ 350.00	Restaurant space at 3,500 sf - \$350 psf
13	Tenant Improvements Hangar C - Market	\$ 1,575,000.00	\$ 350.00	Mixed use/market at 4,500 sf - \$350 psf
14	Subtotal Direct Subcontract Costs	\$ 6,989,773.00	\$ 517.76	
15	Inflation/Escalation	\$ 174,744.33	\$ 12.94	One year of inflation at 2.5%
16	Subcontract Bonds	\$ 71,645.17	\$ 5.31	1% of Subcontract Costs
17	Total Contract Cost (TCC)	\$ 7,236,162.50	\$ 536.01	
18	WSST	\$ 622,309.97	\$ 46.10	8.60%
19	Total Contract Cost (TCC) plus WSST	\$ 7,858,472.47	\$ 582.11	
20	FFE			FFE by tenant.
21	Subtotal Total Contract Cost & Soft Cost	\$ 9,006,121.84	\$ 667.12	
22	Construction Contingency (30%)	\$ 2,357,541.74	\$ 174.63	Contingency includes sales tax
23				
24	TOTAL	\$ 11,363,663.58	\$ 841.75	Includes soft costs

ALTERNATIVE BUILDING APPROACH

DEMOLISH AND REBUILD

The existing metal hangar buildings at Vista Field may hold a nostalgia for the community. The location acts as the gateway for the Vista Field Development and create the first impression for visitors and future residents.

The following pages of this section will develop estimates to replace rather than remodel the buildings to offer an alternative option. For this analysis, we reviewed the cost per square foot for five recent public projects in the Tri-Cities area. Each project incorporates elements that may be found in buildings constructed to replace the hangar buildings.

	Project Location	Project Name	Construction costs based on project bid or budgeted cost	Project Square Footage	\$ psf	Project Description
1	City of Kennewick	Fire Station 63	\$ 4,538,577	13,045	\$ 347.92	8,000 sf apparatus bay, 2,612 sf of living quarters with full kitchen
2	City of Kennewick	Golf Clubhouse	\$ 1,101,911	2,500	\$ 440.76	Single-use facility with full kitchen, bar, and seating area
3	Port of Kennewick	Columbia Drive Phase #2B	\$ 1,527,411	2,568	\$ 594.79	Split into two facilities with small wet bar kitchen area and restroom cores
4	City of Pasco	Fire Station 83	\$ 4,730,616	10,612	\$ 445.78	4,298 sf apparatus bay, 8,747 sf of living quarters with full kitchen
5	City of Pasco	Fire Station 84	\$ 7,526,306	16,663	\$ 451.68	8,000 sf apparatus bay, 2,616 sf of living quarters with full kitchen, and 6,047 sf of Fire Administration Building
					\$ 456.19	Average Construction Cost PSF

The table reflects average construction cost per square foot excluding soft costs, sales tax, and contingency to develop an average cost per square foot. That will be used in the following pages to create a construction cost and develop a master budget estimate for the alternative approach. Further, we will assume the following:

- Demolish the three existing structures—Hangars A, B & C
- Base construction costs on average psf from the table above
 - Structure shells anticipated as wood frame, wood, and metal-clad siding with storefront glazing similar to the CKJT Plans developed for the remodels. All rough plumbing, electrical and HVAC systems will be in place in preparation for distribution.
 - Structure size to be 3,500 sf per building
 - Replacement structures would lie on either side of Crosswind Blvd to welcome guests to the Vista Field community
 - Tenant Improvements completed in only one building initially
- Base soft costs on estimates developed for the conceptual hangar building
- Incorporate 30% contingency – the new build option incorporates a contingency 5% higher than the conceptual budgets for the remodels due to the potential for unforeseen conditions created with demolition of existing structures

Vista Field
Metal Hangar Buildings

Budget Estimate
One New Building

	Description	Budget	\$ psf (3,500 sf)	Comments
1	Soft Costs			
2	A/E Design & Construction Services	\$ 317,751.24	\$ 90.79	11% of Subcontract Costs
3	CM Services	\$ 86,659.43	\$ 24.76	3% of Subcontract Costs
4	Permits & Fees Allowance	\$ 35,000.00	\$ 10.00	Utility connections fees excluded
5	Geotech	\$ 12,000.00	\$ 3.43	
6	HVAC Commisioning	\$ 12,000.00	\$ 3.43	
7	Builders Risk Insurance	\$ 28,886.48	\$ 8.25	
8	Special Inspections/Testing/Survey	\$ 7,500.00	\$ 2.14	
9	Subtotal Soft Costs	\$ 499,797.14	\$ 142.80	
10	Sitework/Building Construction	\$ 1,596,647.63	\$ 456.19	One 3,500 sf shell
11	Demolition	\$ 67,000.00	\$ 14.89	Demolition of one 4,500 sf metal hangar buildings
12	Tenant Improvements Restaurant	\$ 1,225,000.00	\$ 350.00	Restaurant space at 3,500 sf - \$350 psf
13	Subtotal Direct Subcontract Costs	\$ 2,888,647.63	\$ 825.33	
14	Inflation/Escalation	\$ 43,329.71	\$ 12.38	One year of inflation at 1.5%
15	Subcontract Bonds	\$ 29,319.77	\$ 8.38	1% of Subcontract Costs
16	Total Contract Cost (TCC)	\$ 2,961,297.12	\$ 846.08	
17	WSST	\$ 254,671.55	\$ 72.76	8.60%
18	Total Contract Cost (TCC) plus WSST	\$ 3,215,968.67	\$ 918.85	
19	FFE			FFE by tenant.
20	Subtotal Total Contract Cost & Soft Cost	\$ 3,715,765.81	\$1,061.65	
21	Construction Contingency (30%)	\$ 964,790.60	\$ 275.65	Contingency includes sales tax
22				
23	TOTAL	\$ 4,680,556.41	\$1,337.30	Includes soft costs

Vista Field
Metal Hangar Buildings

Budget Estimate
Two New Buildings

	Description	Budget	\$ psf (7,000 sf)	Comments
1	Soft Costs			
2	A/E Design & Construction Services	\$ 577,752.48	\$ 82.54	11% of Subcontract Costs
3	CM Services	\$ 157,568.86	\$ 22.51	3% of Subcontract Costs
4	Permits & Fees Allowance	\$ 70,000.00	\$ 10.00	Utility connections fees excluded
5	Geotech	\$ 24,000.00	\$ 3.43	
6	HVAC Commisioning	\$ 24,000.00	\$ 3.43	
7	Builders Risk Insurance	\$ 52,522.95	\$ 7.50	
8	Special Inspections/Testing/Survey	\$ 15,000.00	\$ 2.14	
9	Subtotal Soft Costs	\$ 920,844.29	\$ 131.55	
10	Sitework/Building Construction	\$ 3,193,295.26	\$ 456.19	Two 3,500 sf shells
11	Demolition	\$ 134,000.00	\$ 14.89	Demolition of two 4,500 sf metal hangar buildings
12	Tenant Improvements Restaurant	\$ 1,225,000.00	\$ 350.00	Restaurant space at 3,500 sf - \$350 psf
13	Tenant Improvements Office	\$ 700,000.00	\$ 200.00	Office space at 3,500 sf - \$200 psf
14	Subtotal Direct Subcontract Costs	\$ 5,252,295.26	\$ 750.33	
15	Inflation/Escalation	\$ 78,784.43	\$ 11.25	One year of inflation at 1.5%
16	Subcontract Bonds	\$ 53,310.80	\$ 7.62	1% of Subcontract Costs
17	Total Contract Cost (TCC)	\$ 5,384,390.48	\$ 769.20	
18	WSST	\$ 463,057.58	\$ 66.15	8.60%
19	Total Contract Cost (TCC) plus WSST	\$ 5,847,448.06	\$ 835.35	
20	FFE			FFE by tenant.
21	Subtotal Total Contract Cost & Soft Cost	\$ 6,768,292.35	\$ 966.90	
22	Construction Contingency (30%)	\$ 1,754,234.42	\$ 250.60	Contingency includes sales tax
23				
24	TOTAL	\$ 8,522,526.77	\$1,217.50	Includes soft costs

FINANCIAL PLAN

Developed by the Port of Kennewick team

Bank Financing

This form of financing requires the Port to provide collateral, but due to regulations, the Port of Kennewick may not collateralize public property such as the hangar buildings or the wine village buildings. As a public entity, the Port may collateralize tax revenues; however, this is a significant process that requires state involvement and approval. Additionally, the process to secure a \$5 million loan would cost a minimum of \$30,000.

Further, bank financing for hangar buildings would also be subject to tax because the properties will ultimately be leased to private parties. This would result in the Port paying a higher interest rate than otherwise required.

Unencumbered Funds

These funds are derived from budget surplus, land sale, budget earmarks or budget savings. In the ensuing table, that includes:

- Southridge Land Sale – This is a sale of land, so funds are immediately available.
- West Richland Raceway Sale – The amount including in the table constitutes the down payment for the sale of the raceway to the City of West Richland.



FINANCIAL PLAN

Developed by the Port of Kennewick team

Encumbered Funds

These funds have contingencies attached that may or may not make their use available for the project. It is recommended that these funds be used first in development of the hangar buildings to preserve the unencumbered position of the Port of Kennewick.

In the ensuing table, that includes:

- Rural County Capital Funds – Use of these funds require Benton County approval. It is important to note that the funding in the table notes the amount available as of this report date, but this amount does increase monthly.
- Culinary School (Willows) – The Port of Kennewick earmarked \$500,000 from the Rural County Capital Funds to be used in the development of a culinary school in coordination with the City of Kennewick and Columbia Basin College. To date, plans for this facility have not moved forward which may make these funds available pending future plans.

Unencumbered Funds	
Southridge Land Sale	\$ 1,300,000
West Richland Raceway Sale	\$ 500,000
Total Unencumbered	\$ 1,800,000
Encumbered Funds	
Rural County Capital Funds (RCCF) - Current Balance	\$ 1,400,000
Willows (RCCF)	\$ 500,000
West Richland (RCCF Balance)	\$ 700,000
Total Encumbered	\$ 2,600,000
Total Possible Funding	\$ 4,400,000
2021/2022 Capital Budget	To Be Determined

DEVELOPMENT TIMELINE

With the presentation of this report to the Port of Kennewick Commissioners, the team seeks direction from the Commissioners prior to proceeding. If directed to proceed, the next step for the Port is securing architectural design services.

After the design team is chosen, design for the redevelopment of the hangars would proceed with staff actively participating in the process and providing Commissioners with timely updates. We anticipate the design process will require four months to complete. Near the close of design, the design team will submit plans to the City of Kennewick for permit (60 days) and begin developing the bid documents.

The bidding process typically involves 21 – 30 days for initial advertising to bid opening, and historically, bid opening taking place from mid-January through the end of April yields the greatest number of bidders and the most competitive prices.

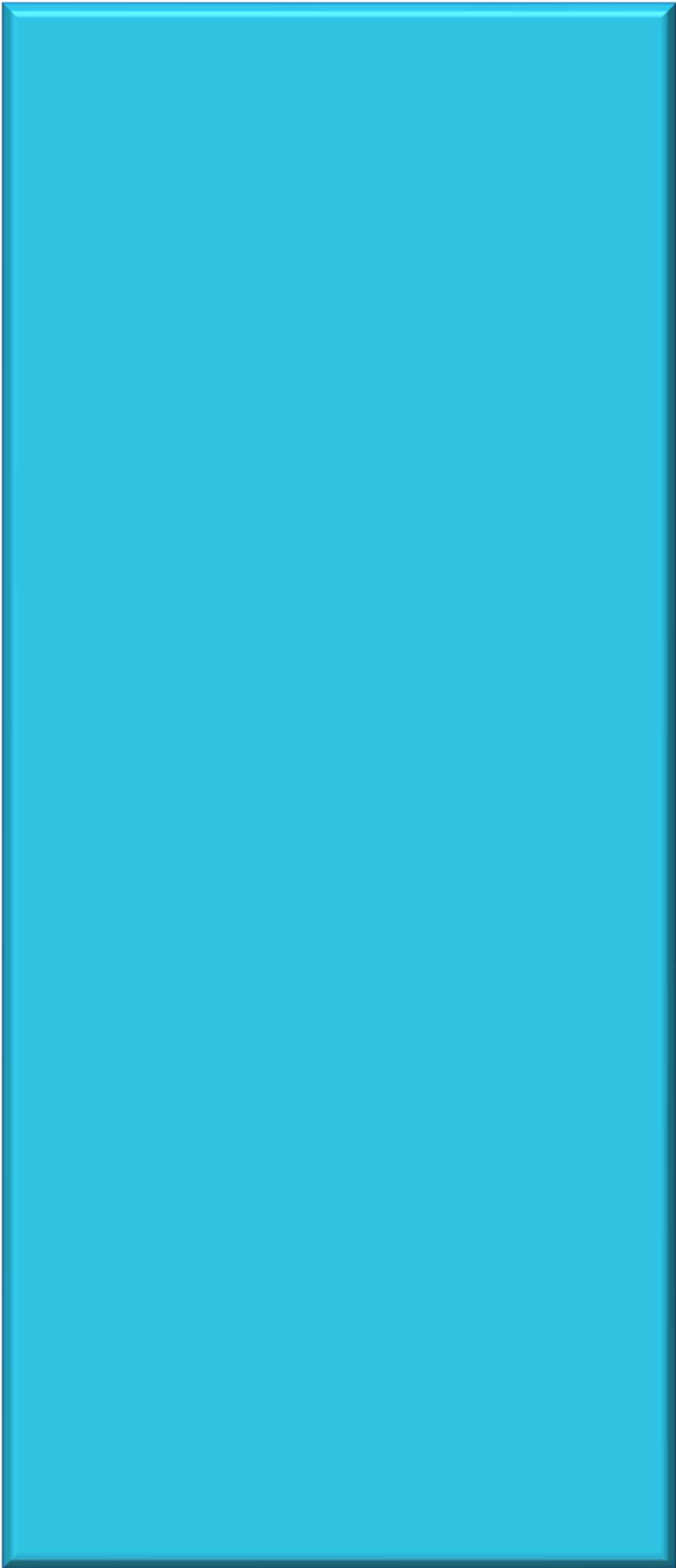
The Commission approval process timeframe from the bid opening date to Commission approval and contractual routing to issuance of the notice to proceed is allocated 30 days. Then, the construction process timeframe from the notice to proceed to substantial completion will be allotted 240 days.

While the design and construction process take place, staff will concurrently begin developing and RFQ/RFP process for leasing then begin tenant selection.

Ideally, new tenants will occupy the redeveloped hangar buildings as some of the first occupants of Vista Field by March 2022.

The overall timeline has been afforded 18 months for completion from the time Commission directs staff to begin the process.

Task	Day	Time Allotted
Decision to proceed	1	
Design services sought with contract negotiated and awarded	45	44
Project submitted for permits	165	120
Project advertised for bid	195	30
Bid opening	225	30
Notice to proceed issued	255	30
Construction	495	240
Substantial completion	525	30
Tenant move-in	555	30



APPENDIX

MASTER BUDGET

Overview

After conceptual design, the master budget is the first step in the process. It is important to note that maintaining the master budget is a collaborative effort for each project that involves the architect, cost estimators, engineering teams, construction manager, and owner. The process begins with the master budget development and follows through with design management, pre-construction services, and ultimately, construction.

Soft Costs

The costs for planning, property preparation, design, permitting, builder's risk insurance, and relevant testing—geotechnical, special inspections, commissioning, asbestos, lead—form the soft costs for a construction project.

For the purposes of this budget, please note the following sources:

- A/E Design & Construction Services costs were estimated at an order of magnitude level for the project based on recent public bids in Kennewick, Richland, and Pasco and the estimated square footage of each hangar building.
- Permits & Fees were estimated by the City of Kennewick based on the anticipated construction cost.
- Geotech will not be required as this is remodel only.
- HVAC Commissioning has been estimated based on recent public projects. HVAC is based on permitting under the current code—the new code will not be adopted in Washington until November 2020.
- Builders Risk Insurance estimates for one year of construction were estimated based on recent projects. When the Port of Kennewick is ready to move forward with the projects, a quote will need to be procured from the Port of Kennewick's insurance provider – Basin Pacific.
- Special Inspections/Testing has been estimated based on recent public projects.

Subcontract Costs

More commonly known as construction costs, these costs incorporate sitework, demolition (where applicable), building construction, tenant improvements (where applicable), alternates, and allowances.

Alternates are used during the value engineering process after the initial master budget is adopted to create add-on opportunities based on the bids and available remaining budget. Allowances are tracked outside the construction cost as well because these constitute items where details have not yet been determined. For example, asbestos abatement might be included as an allowance in a budget prior to the asbestos survey completion.

MASTER BUDGET

Contingency

In a Master Budget, several forms of contingency are included, and as the project progresses, these are reduced as more detail develops for the project.

Design/Estimating Contingency is set early in the design process while plans are still in a conceptual stage. As the design moves from schematic to design to construction documents, this contingency reduces accordingly.

Inflation/Market Escalation is critical in the current construction market. While market conditions are included in the new construction budget, this line item anticipates further challenges to the budget such as market changes, prevailing wage, tariff threats, natural disaster rebuilding from other areas of the country that adds pressure to resources, or CDL law changes driving this cost.

Subcontract Bonds are a part of every project, and these are typically considered at 1% of the subcontract costs added to the design contingency and inflation.

Risk Contingency accounts for the items that are difficult to anticipate. These may include unforeseen conditions during construction/demolition, weather delays like the winter of 2016/2017, or other issues that arise during construction.

Construction Contingency accounts for all other circumstances that cannot be predicted at the early stages of a budget process.

WSST

Washington State sales tax is included in the budget process to cover all areas of construction.

FFE

Furniture, fixtures and equipment accounts for items typically procured outside the construction bidding process. Based on the entity's requirements, these may be acquired by RFP, direct purchase, or other processes.

Other

Other line items cover items custom to a specific project. For example, marketing materials, branding, artwork may be incorporated into the Other line item.

MASTER BUDGET

Construction

The hangar building budget estimates renovation for the three hangar buildings to the point that they can become leasable space. Tenant improvements are included as separate line items in this version of the master budget to provide the Port of Kennewick with the flexibility to develop the spaces based on the right tenants.

Construction estimates are based on a concept and the requirements provided by Port of Kennewick staff only. To refine the estimates for a thorough master budget, schematic design documents and the review of a licensed estimating company are required.

This includes:

- Considering building code requirements but may not represent all code requirements
 - Completing site improvements to create a complementary aesthetic to the overall Vista Field Development vision
 - Develop exterior improvements to create a unique offer in the community
 - Adding windows
 - Installing multiple and different entry points
 - Create a restroom core for each building
 - Provide all utilities to support multiple functions for each building
-

RESOURCES

Real Estate Professionals

In developing this report, Strategic Construction Management interviewed the following commercial real estate professionals to assess current market conditions and potential for the Vista Field Development.

Terry Blankenship
Eastside Commercial Real Estate

Vicki Montegeaudio & Derrick Stricker
NAI Tri-Cities

Bill & Ruth Dingfield
Coldwell Banker

Kirt Shaffer
Tippett Company

Architects

In 2017, the Port of Kennewick contracted with CKJT Architects to determine the viability of repurposing the hangar buildings as well as the code requirements. These renderings and assessments were used in developing the master budget estimate.

Photo Reference Links

<http://stanleymarketplace.com/about/>
<https://thelongbeachexchange.com/>
<https://hangar2lowry.com/>
<https://www.hangaratskypark.com/>



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Pop-Up Stores Offer Reprieve to Retail Owners, Say Ancillary Retail Expo Panelists

February 11, 2020

Published in [Conference Coverage](#), [Entertainment](#), [Features](#), [Louisiana](#), [Pop-Up Retail](#), [SCBlog](#) [Permalink](#)



Cynthia Czech, senior vice president of specialty leasing and business development for Pacific Retail Partners, leads a panel discussion on income enhancement at the Ancillary Retail Expo in New Orleans. Not pictured are the panelists: Craig Herkimer, managing member, KevaWorks; Ted Fagenson, senior vice president of business development, Volta Charging; and John Merenda, vice president of sales and marketing, Innovative Vending Solutions.

New Orleans — As legacy retailers continue closing stores and mall and mixed-use developers face the prospect — and reality — of vacant store spaces, specialty leasing and business development teams are becoming more important. The millennial consumer, who can buy almost anything online, needs a good reason to visit a property. Malls and shopping centers that will thrive in this climate will deliver exceptional ancillary retail experiences and come up with new reasons to attract visitors.

“Ancillary” can mean pop-up stores, sponsorships, events or any other revenue sources outside of traditional long-term leasing. Ancillary retail can also include any programming that increases foot traffic or retains visitors at properties.

But pop-ups are the clear superstars of ancillary retail today. During a town hall session at France Media’s Ancillary Retail Expo, where attendees could ask questions to a panel of developers and retailers, moderator Joe Purifico, general counsel and principal for JBC & Associates, noted how important pop-ups have become.

“The pop-up store industry has grown from virtually nothing 30 years ago to approximately \$25 billion a year in terms of retail sales and rental revenue to mall developers,” said Purifico. “Ten percent of developers’ revenue comes from the pop-up industry. We are no longer the little sister of the industry — we are here.”

The Ancillary Retail Expo is the only conference dedicated to helping retail property owners increase revenue through nontraditional sources. The two-day conference ran from Monday, Feb. 3 through Tuesday, Feb. 4 at the New Orleans Marriott in the French Quarter. In addition to a bustling exhibit hall and multiple networking events and opportunities, educational sessions covered trends in automated retail, sponsorships, out-of-home media, digital brand incubation, sourcing the right pop-up for the right property and more.

The ancillary retail sector is becoming more sophisticated and evolving rapidly past the carts and kiosks of yesteryear that were virtual afterthoughts during the heyday of the shopping mall. Ancillary retail is a direct answer to many questions about the health of the retail real estate industry today.

Malls are welcoming established retailers who want to test new concepts through short-term stores. But most of the time, landlords are finding themselves leasing turnkey spaces to up-and-coming, online-only merchants and helping them realize success and brand exposure through brick and mortar. For many, brand incubation is a key to survival.

Commercial real estate giant Unibail-Rodamco-Westfield (URW) is a big believer in digital incubation. The company presented during a session devoted to the retail owner’s several pop-up success stories from the recent past, including the Holiday Market and Verishop. Amy Alyeshmemi, vice president of asset strategy and innovation, and Matt Diaz, vice president of specialty leasing, also previewed an upcoming pop-up program called “The Capsule Collection,” a new network of pop-up spaces launching later this year.

REBusinessOnline will release more information on next year’s event in coming weeks. Click [here](#) to receive the latest updates on the 2021 Ancillary Retail Expo.

— Lynn Peisner



Food Halls Spice Up Mixed-Use Projects

March 26, 2019 Published In [Entertainment](#), [Features](#), [From The Magazine](#), [Restaurants](#)
[Permalink](#)



Time Out Market in Boston's Fenway neighborhood will feature 16 curated food offerings as well as two bars.

Developers turn to unique eateries as ammunition in the 'amenities arms race.'

By David Cohen

In order to outpace their mixed-use office and multifamily projects against the threat of e-commerce competitors, developers are increasingly incorporating food halls into their properties to attract tenants.

According to Cushman & Wakefield, 61 percent of adults say they would prefer to spend money on experiences, including eating out at restaurants, over purchasing an item from a store.

Measuring Success

A successful food hall, according to Welles, is located in a high-traffic area and has plentiful seating. A curation of the mix of cuisines is also critical. "You need to have a good cross-section of options, from fresh and healthy to the exotic, from Korean to Mediterranean," he says.

In order to analyze financial success, a food hall should be judged by the dollars per square foot it generates relative to the rest of the development as well as by the overall impact it has on the greater project, explains Welles. A quality food hall will strengthen the landlord's ability to lease office and other retail space as well as impact the quality of those leases in terms of tenant creditworthiness and the amount of rent tenants are willing to pay.

"The financial success is still case by case based on the individual food hall operation," adds David LaPierre, vice chairman at CBRE in New York City. "If they're successful, they bring traffic to a project. And bringing traffic hopefully leads to more sales, which in turn can translate to better returns. Developers of food halls have learned that things need to be adaptable, authentic and of the highest quality to compete for the customer's dollar. When it connects right, a food hall can transform a project."

As an example of the tremendous value that a successful food hall can create, Google recently purchased Chelsea Market in Manhattan for \$2.4 billion. Opened in 1997, the nearly 1.2 million-square-foot development was one of the first modern food halls and now features office and retail space in addition to the ground-floor food hall.

Overbuilt in Manhattan?

Amid the intensifying demand for food hall offerings, there is also trepidation that the concept is being overbuilt in some markets.

Some of the concern is in New York City, where there are now more than 25 active permanent food halls and an additional 10 under construction or in development, according to Cushman & Wakefield.

But the firm notes that not a single permanent food hall project has failed in New York City to date. In fact, only four food hall projects throughout the United States have closed in the past two years, and one of those was a temporary project. Of the three that did fail, two were in San Francisco and one was in Portland, Oregon.

In New York City that will feature a food hall include Brookfield's highly anticipated Manhattan West mega project, as well as the Essex Crossing development on the Lower East Side. Essex

"Food halls are the latest and greatest in the amenities arms race," says Aaron Jodka, research director at Colliers International in Boston. "While most buildings are able to find ways to add bike storage, a gym, conference spaces or game rooms, not everyone can accommodate a food hall. It's a unique differentiating factor in the marketplace, and we are starting to see that really expand."

There isn't a single accepted definition of a food hall, but most agree that it is a collection of local artisan restaurants and other boutique food-oriented retailers under one roof. Some are large and include 30 or more vendors, others are smaller or specialize in only one type of cuisine. Some food halls are more bar-centric and include a variety of drink offerings, others focus more on the dining aspect.

Above all, a food hall can be differentiated from the traditional mall food court by the uniqueness of culinary offerings. A food court typically includes a number of chain restaurants while a food hall characteristically consists of all local or unique artisan concepts.

Trending Up

In 2019, the trend is still going strong, and a number of food halls have sprouted up over the past several years across the nation.

There are currently approximately 180 food halls in existence in the U.S., according to Cushman & Wakefield. The firm predicts that by the end of 2020 that number could reach upwards of 300.

Oftentimes, diners flock to food halls for a vast array of authentic and quality culinary options at a variety of price points. Food halls are also an opportunity for up-and-coming chefs and restaurateurs to build a following in a new market because startup costs are lower than opening a stand-alone concept due to a variety of factors, including common seating areas, smaller square footage and reduced staffing costs. There is also built-in foot traffic.

In urban areas, food halls have become popular with office workers who can get in, grab a quick lunch and get back to the office. Landlords and developers of office and mixed-use space have been quick to respond to the trend by adding food halls to new and existing projects.

"The era of sitting down to a served lunch is behind us," says Chase Welles, senior broker with SCG Retail in Manhattan. "Today's workers want super tasty food, and they want it now. Often the lunch hour has become a shorter lunch jaunt. A conveniently located, well-curated food hall can cater to the needs of a group popping out for a quick bite."

For dinner crowds, the food hall is an experience meant to last a bit longer. The most successful food hall appeals to the senses with appealing visuals, inviting spaces and enticing aromas. Vendors are upscale. Culinary options are almost always focused on authenticity and freshness.

Crossing, a 2 million-square-foot project being developed by Delancey Street Associates, will feature the Essex Street Market and Market Line. When completed, the 150,000-square-foot market and food hall will be the largest market in the city.

Outside Manhattan in Queens, a 1.2 million-square-foot mixed-use development is nearing completion that will include a 25,000-square-foot food hall. Named Tangram, after the Chinese puzzle, the project is on track to be completed by 2020.

Japan Village, a 20,000-square-foot Japanese food and drink marketplace, celebrated its grand opening in November at the 6 million-square-foot Industry City mixed-use complex in Brooklyn.



Japan Village, a 20,000-square-foot Japanese food and drink marketplace, celebrated its grand opening in November at the 6 million-square-foot Industry City mixed-use complex in Brooklyn.

The food hall, which was curated by owners Tony and Takuya Yoshida, features a specialty Japanese grocer, 11 food stalls and a traditional Japanese pub. It is the only all-Japanese food hall in New York City.

"Having all of these different elements of Japanese cuisine come together under one roof is a truly compelling offering," says Jim Somoza, director of development for Industry City. "Typically, there will be one place that specializes in ramen, another in tempura, and another still that specializes in soba and udon. At Japan Village, you can find all of that and much more in one place."

Industry City consists of 16 buildings spread across 35 acres on the waterfront of Sunset Park, Brooklyn. The complex is currently home to around 7,500 workers and is projected to grow to more than 20,000 in the next several years.

The ownership group, which includes Belvedere Capital, Jamestown and Angelo Gordon & Co., has invested more than \$250 million in infrastructure improvements to the property, including the addition of courtyards, experience-driven dining and retail as well as event programming.

It is at Industry City generates traffic for the other retail tenants and helps build community. JG Retail, which represents Industry City. "It keeps the area active and vibrant, generating the type of environment many companies seek to keep their employees engaged, stimulated and creative."

Japan Village was designed to make visitors feel as though they have stepped foot inside a traditional Japanese village square.

The food hall will be divided into four sections: Japanese grocery store Sunrise Market; food stalls with a variety of authentic Japanese vendors; Wakuwaku, a traditional Japanese restaurant and cocktail bar; and Kuraichi, a Japanese liquor store.

"Our goal is to share everything we love about Japan with our local community in a fun and authentic way," says Tony Yoshida of Japan Village. "Working with Industry City allows us to provide a space where anyone can immerse themselves in Japanese culture through traditional foods, interactive seminars, and family-friendly events."

Philly's Foodie Connection

Philadelphia is home to one of the nation's oldest food halls, the Reading Terminal Market. Originally opened in 1893, the open-air market has gone through various incarnations over the years. Today the location serves as a popular culinary destination for tourists and locals alike.

Offerings at the Reading Terminal Market include traditional Philly-influenced foods like cheesesteaks, roast pork sandwiches and Amish-style soft pretzels as well as more varied selections like shawarma, pad thai, po'boys, and chicken tikka masala.

"The Reading Terminal Market was the original food hall," says Michael Barmash, senior managing director at Colliers International in Philadelphia. "It's one of the top tourist destinations in the city. When visitors come to Philadelphia they want to go there. It has been upgraded and run very successfully over the last 20 years."

But the City of Brotherly Love has much more to offer than just cheesesteaks and soft pretzels. In recent years, Philadelphia's burgeoning foodie scene has blossomed.

In 1990, only one out of every 26 people in Philadelphia worked at a restaurant or bar. Today that number is 1 in 13, according to research from CBRE.

"This boom has been going on in Philadelphia for years now," says Ian Anderson, director of research at CBRE in Philadelphia. "The food and beverage industry has been growing and growing. It's an indication of a long-term change in people's eating habits."

A short stroll away from the Reading Terminal Market, another historic building was recently transformed. Washington, D.C.-based developer MRP Realty. Completed in 1895, the 123-year-old building was the first commodities exchange in the United States as well as one of the first steel-framed buildings ever constructed.

In November, the Bourse Food Hall officially opened with 30 artisanal food and retail vendors. Tenants at the market include Hawaiian-inspired Abunal Poke, Indian street food concept Chaat and Chal, breakfast food purveyor Grubhouse, Chinese fare Pinch Dumplings, and Marino Brother's Cheesesteaks.

"The thing about food halls is that there has been a shift away from some of the branded, commoditized food offerings," says Anderson. "It's beyond people eating healthier. It's people venturing out to more interesting, innovative and local cuisines as well. You want local flavor, something authentic and something with a variety of foods. That's what's driven the success of places like Chelsea Market in Manhattan, and I think that's what is going to drive the success of the Bourse building too."

For a taste of local flavor, a number of Philadelphia foodie institutions have set up stalls in the revitalized space, including gourmet grilled cheese outfit Mighty Melt, ice cream shop Scoop DeVille and sticky bun baker Barry's Buns.

MRP Realty's \$40 million renovation of the Bourse building also includes nine floors of office space above the food hall.

"The group that bought the Bourse had to do something to put it back on the map," says Barmash. "It's a key location right in the historical district and now that it's open they are going to get pretty wide recognition. It's a home run, frankly."

Fenway's Foodie Paradise

Boston's first successful large-scale food hall project, Eatlry Boston, which opened in 2016 in the city's Back Bay neighborhood, has led to two more food hall projects set to open this year.

The first, High Street Place in Boston's financial district, will span more than 18,000 square feet with room for more than 20 food stalls. The project will unite two office buildings at 180 Federal Street and 100 High Street, which are both owned by real estate private equity firm Rockpoint Group.

The second, Time Out Market in Boston's Fenway neighborhood, will feature 16 curated food offerings as well as two bars. The 21,500-square-foot food hall will be housed in the former Landmark Center at 401 Park Drive, an Art Deco designed structure that was built in 1929 as a Sears, Roebuck and Co. warehouse.

The addition of Time Out Market is only part of Boston-based developer Samuels & Associates strategy to expand and renovate 401 Park Drive.

Besides the food hall, the redevelopment project will include more than two acres of publicly accessible dining space and a new 14-story, 500,000-square-foot office and lab building. The building's existing 978,000-square-foot office and retail component will also be renovated.

"Boston is new to the food hall scene," says Peter Sougarades, principal at Samuels & Associates. "I think that Time Out is slightly different in that it is a unique brand. It's really about curating this high level of food service, food quality and not creating a cookie-cutter experience."

Time Out is a media group that provides entertainment, food and drink recommendations to an international audience. The company currently operates in 108 cities across the world. At each Time Out Market, food editors sample local restaurant offerings and invite restaurant concepts to be part of the market. This results in a uniquely curated dining and entertainment concept.

Time Out Market Boston, which replaces a former Best Buy location at 401 Park Drive, will be the fourth such food hall project Time Out has launched. Time Out Market Lisbon opened in Portugal in 2014 and locations in Miami and New York are both in development. In 2017, more than 3.6 million people visited Time Out Market Lisbon.

Samuels & Associates is particularly active in the Fenway neighborhood with a number of projects under development or recently completed. Some of its notable projects include Pierce Boston, a mixed-use tower built to house 349 residential units and 20,000 square feet of retail space; and the Van Ness, a mixed-use complex that features 172 residential units, office space and more than 200,000 square feet of retail space.

"Samuels has done a phenomenal job bringing the Fenway neighborhood up as a destination for office, retail and residential where historically it's where you go to see a baseball game," says Jodka of Colliers. "Adding the food hall to Landmark Center will continue to differentiate it in the neighborhood."

"The addition of Time Out Market is really going to be a nice transition in the next phase of Fenway's foodie paradise," adds Sougarades. "There's been so much positive change in the neighborhood recently, and Time Out is only going to add to that and usher Fenway into this new phase in terms of what kind of food and experiences that Fenway has to offer."

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This article originally appeared in the February 2019 issue of Shopping Center Business magazine.



Ancillary Retail Expo Panel Talks Sponsorship and Experiential Marketing

February 25, 2020 Published In [Ancillary Retail](#), [Conference Coverage](#), [Operations](#), [SCBlog](#) [Permalink](#)

Creativity is the name of the game when it comes to designing and selling sponsorships and experiences at America's shopping malls.

That was the subject of a panel discussion, "Sponsorship and Experiential Marketing Trends," at the InterFace Conference Group's Ancillary Retail Expo 2020, held Feb. 3 and 4 at the New Orleans Marriott. Panelists detailed how sponsorships can bring added revenue to retail centers both large and small, and the best ways to do so in today's retail world.

Editor's note: InterFace Conference Group is a division of France Media Inc., publisher of Shopping Center Business and Ancillary Retail. [Click here to subscribe](#) to receive email alerts when the 2021 Ancillary Retail Expo is announced.

The six-member panel featured several industry leaders Lisa DeBow, principal at Cloudburst Advisory Group; Kirsten Dodwell, vice president of marketing at Global Mall Media; Sarah Williams, senior director of partnership marketing at The Irvine Co.; Debbie Milhouse-Sokol, director of business development at CBL & Associates Properties; and Heidi Kempf, director of partnership marketing at PREIT. Bill Ingraham, Centennial's senior vice president of business development, served as moderator.

Ingraham first asked panelists to talk about sponsorship spend and the growing "experience economy."

"We all want something to give us a little bit more connection," Ingraham said. "We're connected here on our phones, but there's something special that you get, or that a brand can get, from an engagement with an actual human being in a meaningful way. That's what sponsorship and event marketing can deliver for our advertising partners."

It's a growing field. IEG has predicted that sponsorship revenues will continue to grow 4 percent year over year, just as they have for the past five years. It's a \$24 billion business, mostly through sporting and entertainment venues. Event marketing spend is also on the rise, with most chief marketing officers dedicating at least 20 percent of their budget to event marketing and experiences.

For just one example of a successful partnership, Williams said Irvine has a long-term relationship with Hoag Health Network in Orange County, California, and the panel agreed that non-profit health systems tend to make for great marketing relationships — especially because a presence in the mall engages the hospital with the wider community.

"Healthcare is, I think, one of the easiest categories for us to tackle because they do see the benefit of a long-term relationship," Williams said. "It's a really lucrative category."

The group also shared success stories with experiential marketing. Kempf, a former journalist, talked about how a local casino called Sugarhouse started an app when New Jersey legalized online gambling and wanted people to sign up.

"They have a mascot, King Cash, who came to the mall; they did a prize wheel and we had music," she said. "It was all about the engagement. That's an example of where they really needed to get people to sign up and they gave them I think \$50 or \$100 to spend if they first went in and gambled. It was a way for them to introduce the app to the market and create a splash around it."

Ingraham noted that casinos can also be strong marketing partners because they are willing and able to spend on out-of-home media.

Dodwell shared a success story involving a new Reebok shoe that was launched with an in-store event at retailers like Foot Locker.

"They showed the new leather shoe and told everyone where to get it," said Dodwell. "They had music going on and a guy with an airbrush decorating the shoe. It was a good way to tie in to something that's available to purchase at the shopping center."

So, how does one approach revenue generation? Is it through dedicated inventory, through sizzle reels and marketing materials, or just through rolling up the sleeves and going for it?

Milhouse-Sokol said CBL has been fortunate to have really good support from its marketing team.

"They'll assist us in putting together templates," she said. "They can be customized for each individual, whether it's mall walkers or holiday sponsorships with Santa sets. A lot of it starts with building your list. You have to have a good list, plus you have to have a good toolbox to make sure that you have all the assets and are ready to go after it."

Everyone on the panel agreed that it's important to research clients ahead of time in order to know what they're looking for, and to listen to their needs during the negotiation process.

Some research on your clients to make sure you know what their objective is," said DeBow. "From a hospital standpoint, what's their specialty? If it's not children, I wouldn't pitch a play area. But there are other

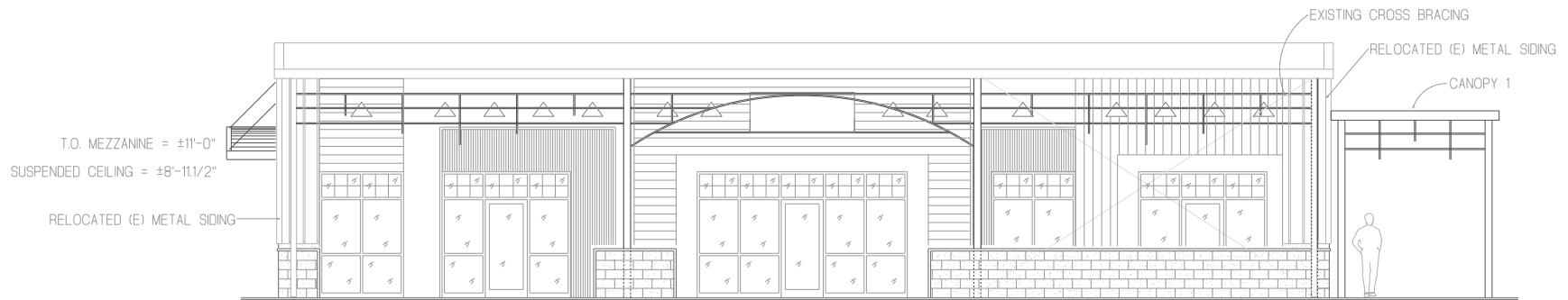


ckjt architects, pllc
128 Vista Way Kennewick WA (509) 783-5444

CONCEPT DRAWINGS



DESCHUTES AVENUE ELEVATION



CROSSWIND BLVD BUILDING ELEVATION



CROSSWIND BLVD WALL ELEVATION

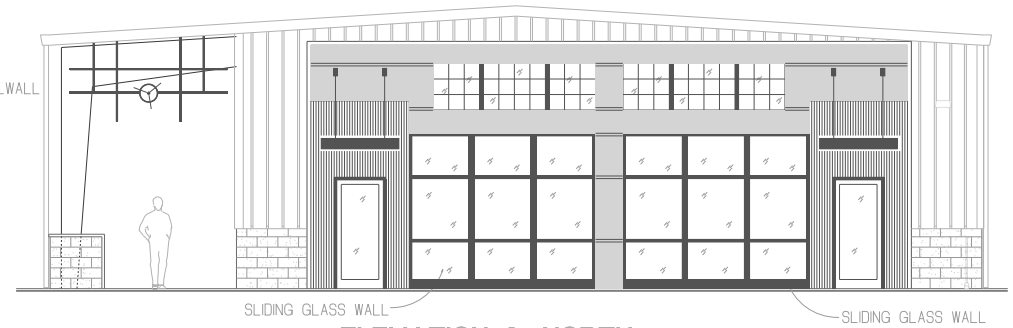
VISTA FIELD HANGAR 'B' - OPTION 1

ckjt architects, pllc

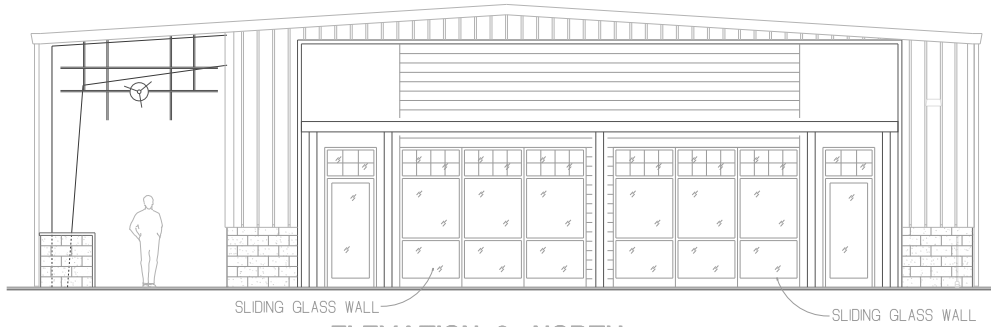
128 vista way | kennewick, wa 99336 | 509.783.5444



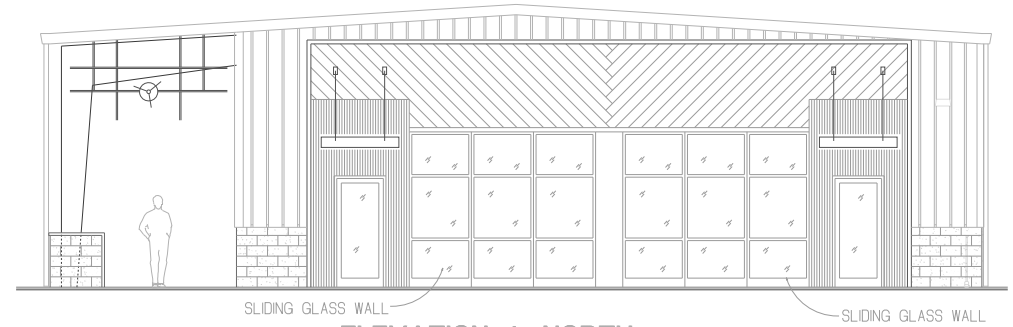
ELEVATION 1 NORTH



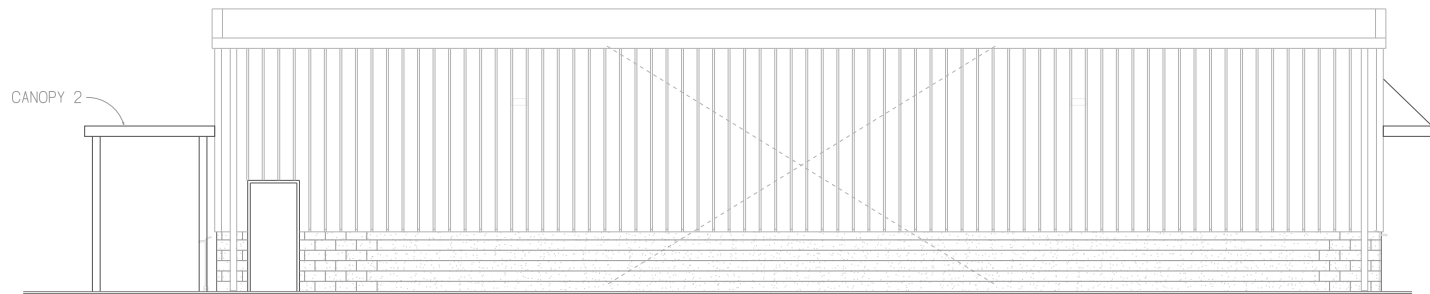
ELEVATION 3 NORTH



ELEVATION 2 NORTH



ELEVATION 4 NORTH



ELEVATION WEST

VISTA FIELD HANGAR 'B' - OPTION 1

ckjt architects, pllc

128 vista way | kennett, mo 69336 | 509.783.5444

T.O. MEZZANINE = ±11'-0"
SUSPENDED CEILING = ±8'-11 1/2"



DESCHUTES AVENUE ELEVATION

T.O. MEZZANINE = ±11'-0"
SUSPENDED CEILING = ±8'-11 1/2"



CROSSWIND BLVD BUILDING ELEVATION

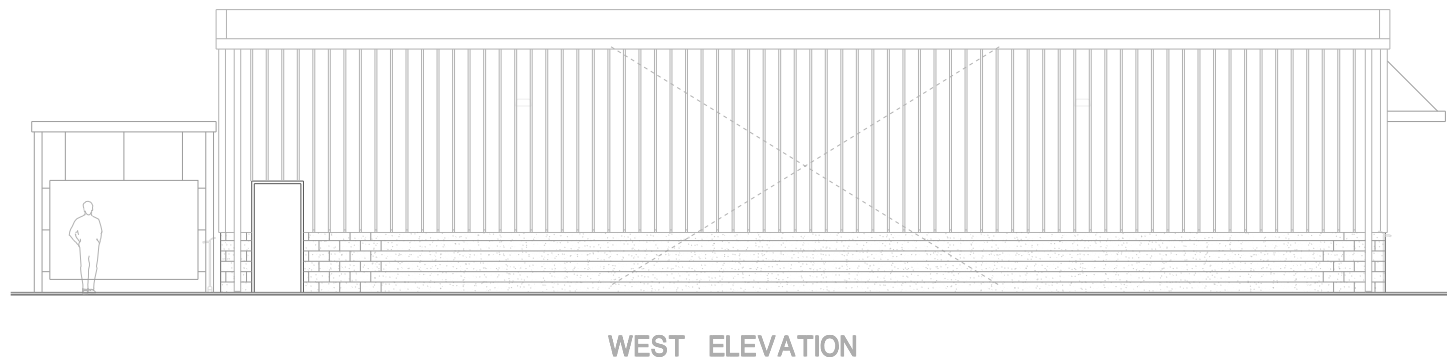
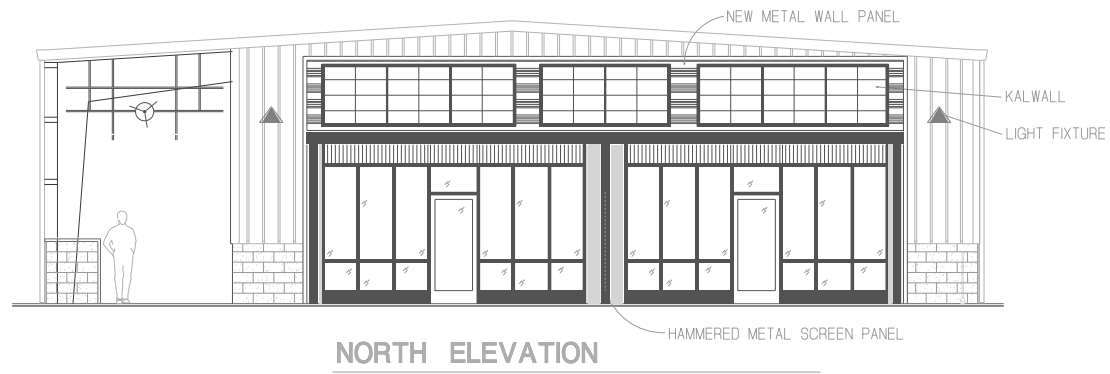
T.O. MEZZANINE = ±11'-0"
SUSPENDED CEILING = ±8'-11 1/2"



CROSSWIND BLVD WALL ELEVATION

VISTA FIELD HANGAR 'B' - OPTION 2

ckjt architects, pllc
128 vista way kennewick, wa 99036 509.783.5444



VISTA FIELD HANGAR 'B' - OPTION 2

From: Elizabeth Plater-Zyberk <epz@dpz.com>

Date: 7/24/20 1:57 PM (GMT-08:00)

To: Larry Peterson <LPeterson@portofkennewick.org>

Cc: "Senen Antonio (senen@dpz.com)" <senen@dpz.com>, "Matthew Lambert (matt@dpz.com)" <matt@dpz.com>

Subject: Re: Vista Field Redevelopment - DPZ input (Specifically on Hangar Reuse)

Dear Larry,

Your description of the cost of renovation for the hangars may be somewhat shocking, but the reconsideration of a master plan component such as this during implementation should not be surprising. The goal is to accommodate changing conditions while maintaining the intent and principles that formed the plan.

Of the possible actions to take in response to the construction cost estimates, we would endorse maintaining the hangars in place, with lesser adjustments to allow for their use as protection (from sun, wind and rain) for programming and temporary uses. They provide a setting for early activities to take place on the site as the first vertical development gets underway. Like Wynwood Yard, providing space for open air markets, eateries, artists at work, pop-up performances, they could be a venue for early activation.

The hangars play an important role in Vista Field's first phase - as gateway structures to the new street on the site, and as a background against which new buildings will appear to be adding to an existing place and space, thus multiplying the Impact of new construction. The hangars are the initial vertical identity for the site, a significant presence that establishes and contains the space of the first street.

Their removal would open the space and views to the surrounding area in a way that would diminish the focus on the foreground - the street, park and water-course where a significant investment has just been made. And while removal may have the upside of no maintenance after the initial expense, it also precludes the possibility of the benefit of returns from their use in the future when such an investment is deemed to be appropriate.

Thus, for several reasons, we believe that the hangars are important components of early place-making at Vista Field, and respectfully suggest that their 'lean' re-use as outdoor spaces be considered.

I hope this is an adequate response to your considerations. Please let us know if further elaboration would be useful.

Lizz Plater-Zyberk

Elizabeth Plater-Zyberk, FAIA CNU
Partner DPZ CoDESIGN
1023 SW 25th Avenue
Miami, FL 33135

PORT OF KENNEWICK

RESOLUTION 2020-12

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK AUTHORIZING EMERGENCY RENT DEFERRAL TO CARBITEX, LLC
RELATED TO COVID-19 IMPACTS**

WHEREAS, Carbitex LLC is a tenant in the Oak Street Industrial Park leasing 16,600 square feet of light industrial office and warehouse space and employing over 40 people; and

WHEREAS, Carbitex LLC operations were shut down with no revenue generation for over two months due to Washington State Governor Inslee's Stay Home Order; and

WHEREAS, Carbitex received federal Payroll Protection Program assistance. However, as that funding is coming to an end, operational expenses and COVID-19 compliance measures are straining financial resources until customer orders pick back up; and

WHEREAS, Pursuant to state law, tenants shall remain liable for leasehold excise tax which is payable to the state and cannot be waived; and

WHEREAS, the Port Commission has been fully briefed by staff related to this matter; and

WHEREAS, the Port Commission deems it prudent to authorize temporary emergency rent deferral for July, August and September 2020 to be repaid by end of calendar year 2021;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby grants emergency rent deferral for Carbitex, LLC as follows:

- (1) Rent deferral for July, August and September 2020; and
- (2) Addendum to amortize deferred rent equally over 15 months (October 1, 2020-December 31, 2021); and
- (3) Pursuant to state law, tenants shall remain liable for leasehold excise tax.

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further the port Chief Executive Officer is authorized to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 28th day of July, 2020.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____
DON BARNES, *President*

By: _____
SKIP NOVAKOVICH, *Vice President*

By: _____
THOMAS MOAK, *Secretary*

LEASE ADDENDUM NO. 1

THIS FIRST ADDENDUM TO LEASE is entered into this ___ day of July, 2020 between the **PORT OF KENNEWICK**, a Washington municipal corporation hereinafter referred to as (“Landlord” or “Port”), and **CARBITEX, LLC**, a Washington limited liability company hereinafter referred to as (“Tenant”);

W I T N E S S E T H

WHEREAS, Landlord and Tenant are parties to that certain commercial lease dated January 1, 2020 and covering the following described premises:

Light manufacturing and administrative offices

WHEREAS, the Parties recognize the extraordinary circumstances and unexpected downturn in revenue experienced by Port tenants during the current COVID-19 pandemic;

WHEREAS, the Port understands the need of its tenants to address this temporary uncertainty and loss of revenue and wishes to assist its tenants through various available means;

WHEREAS, the Port has identified that it may assist its tenants by temporarily deferring rent payments, waiving late fees, and waiving finance charges;

WHEREAS, the Tenant has requested rent deferral for the months of July, August and September 2020 (\$8,241.83 per month / \$24,725.49);

WHEREAS, the Parties understand that the deferred rent must be repaid by end of calendar year 2021;

WHEREAS, the Port has received notice from the Washington State Department of Revenue that due to the unforeseen circumstances with COVID-19, the Department of Revenue has provided some temporary additional guidance when rent has been temporarily deferred. The Department notified the Port that if contract rent payments are deferred for a few months, the leasehold tax payments can be delayed until the tax payment is received by the Port. The Department further stated that this delay of leasehold tax payments applies where the deferral is short-term in nature.

NOW THEREFORE IT IS HEREBY AGREED to amend certain basic lease provisions as follows:

1. Article 3.1: Base Rent and Leasehold Tax are deferred for the months of July, August & September 2020.
2. Article 4.1 (a) (b): Late fees and finance charges are waived July, August & September 2020.
3. Repayment of deferred rent and deferred leasehold taxes shall be paid to the Port pursuant to the schedule attached hereto and incorporated herein by reference as Schedule 1.

IN ALL OTHER ASPECTS, except as modified herein, the Parties confirm the terms, conditions, provisions, covenants and promises contained in the above-referenced original lease agreement and agree they remain in full force and effect and agree to be bound by the same.

IN WITNESS WHEREOF, the Parties hereto have set their hands the day and year first above written.

By Authority of the
Board of Commissioners

PORT OF KENNEWICK

CARBITEX, LLC

By: _____

By: _____

Tim Arntzen, Chief Executive Officer

Ron Boninger, President

Reviewed:

Approved as to form:

By: _____

By: _____

Title: Nick Kooiker, Port CFO

Title: Lucinda Luke, Port Legal Counsel

STATE OF WASHINGTON

ss.

COUNTY OF _____

I certify that I know or have satisfactory evidence that Tim Arntzen is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Chief Executive Officer of the Port of Kennewick, a Washington municipal corporation, to be the free and voluntary act of such municipal corporation for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 2020.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington, residing at

My appointment expires _____

STATE OF WASHINGTON

ss.

COUNTY OF _____

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ [Title] of _____ [Name of Corporation/LLC], a Washington [corporation or limited liability company], to be the free and voluntary act of such [corporation or limited liability company] for the uses and purposes mentioned in the instrument.

Dated this ____ day of _____, 2020.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)
Notary public in and for the State of Washington, residing at

My appointment expires _____

SCHEDULE 1

DEFERRED RENT AND LEASEHOLD TAX REPAYMENT SCHEDULE

Deferred Rental Amount:

July 2020	\$8,241.83
August 2020	\$8,241.83
September 2020	<u>\$8,241.83</u>
Total Deferred Rental:	\$24,725.49

Repayment Time Period: 15 months. Beginning October 1, 2020 through December 31, 2021.

Amortization Calculation: $\$24,725.49 / 15 = \$1,648.37$ per month in addition to regular rental amount due.

New rental payment due beginning October 1, 2020:

Regular Rental Amount -	\$8,241.83
Deferred Rent Payment -	\$1,648.37

Monthly Rental Amount Due beginning October 1, 2020 - \$9,890.20



AGENDA REPORT

TO: Port Commission

FROM: Tim Arntzen, CEO

MTG. DATE: July 28, 2020

AGENDA ITEM NO.: Resolution 2020-14 Interlocal Agreement with the City of Kennewick for Fire Station #3

I. REFERENCE(S): Port of Kennewick Resolution 2020-14 and Interlocal Agreement and Exhibit A (attached).

II. FISCAL IMPACT: up to \$125,000

III. DISCUSSION: The Port owns approximately 103 acres of land in the Vista Field area of Kennewick, Washington. The Port is developing the land under the principles of New Urbanism and according to the Master Plan and Development Agreement the Port has in place with the City of Kennewick. The City is building a new fire station in the Vista Field area which will enhance public safety within the area and the City at large. The Parties recognize that successful development of the fire station described herein benefits the economic and social welfare of the City and the Port district.

The City is in the process of constructing Fire Station Number 3 on a site adjacent to Vista Field. Concurrent with construction, the City will build an access street with accompanying landscaping and utilities on the Northwest side of the project as shown on Exhibit "A" (the Street), attached hereto. Because the Street will benefit future Port activities at Vista Field, the Port agrees to pay one-half of actual construction costs of the Street, up to \$125,000, including a \$7,000 design and construction management fee. Prior to commencement of construction, the Port shall dedicate the Street to the City and the City shall accept said dedication.

The Parties recognize that successful economic development of the Project Area benefits the economic and social welfare of the City and the surrounding area. The Parties seek to memorialize their understanding related to street trees and landscaping which will be located in the public right of way adjacent to future Fire Station #3. The street trees and landscaping shall be as set forth on Exhibit "A" hereof. The term "street trees" shall refer to plants, trees, tree grates, tree lights and underground utilities supporting trees such as irrigation lines and electrical lines.

IV. STAFF RECOMMENDATION: Approve Resolution 2020-14, adopting the Interlocal Agreement between the Port of Kennewick and City of Kennewick for the access street to Fire Station #3 located near the Vista Field Development.

V. ACTION REQUESTED OF COMMISSION: *Motion: I move approval of Resolution 2020-14, adopting the Interlocal Agreement between the Port of Kennewick and the City of Kennewick related to the access street for Fire Station Number 3, located near Vista Field; and to take all other action necessary to close this transaction; and further ratifies and approves all action by port officers and employees in furtherance hereof.*

PORT OF KENNEWICK

Resolution No. 2020-14

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING THE PORT CHIEF EXECUTIVE
OFFICER TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE CITY OF
KENNEWICK FOR STREET FUNDING FOR FIRE STATION NUMBER 3
NEAR VISTA FIELD***

WHEREAS, the City of Kennewick is building a new fire station in the Vista Field area, which will enhance public safety within the area and the City at large; and

WHEREAS, the City will concurrently build Fire Station Number 3 and an access street and the Port has agreed to pay one-half of the actual construction costs of the Street, up to \$125,000; and

WHEREAS, the Port and City have outlined the general provisions, landscaping, and dedication of said street in the Interlocal Agreement.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick approves the Interlocal Agreement and instructs the Port CEO to execute the Interlocal Agreement, and take all action necessary to implement the Interlocal Agreement.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 28th day of July, 2020.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____
DON BARNES, President

By: _____
SKIP NOVAKOVICH, Vice President

By: _____
THOMAS MOAK, Secretary

**INTERLOCAL AGREEMENT
BETWEEN PORT OF KENNEWICK AND CITY OF KENNEWICK
REGARDING FIRE STATION No. 3**

I. PARTIES

This Interlocal Agreement (Agreement) is entered into this ____ day of _____, 2020, 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 Overview of Project Areas. The Port owns approximately 103 acres of land in the Vista Field area of Kennewick, Washington. The Port is developing the land under the principles of New Urbanism and according to the Master Plan and Development Agreement the Port has in place with the City of Kennewick. The City is building a new fire station in the Vista Field area which will enhance public safety within the area and the City at large. The Parties recognize that successful development of the fire station described herein benefits the economic and social welfare of the City and the Port district.
- 2.3 City Fire Station Construction. The City is in the process of constructing Fire Station Number 3 on a site adjacent to Vista Field. Concurrent with construction, the City will build an access street with accompanying landscaping and utilities on the Northwest side of the project as shown on Exhibit “A” (the Street), attached hereto. Because the Street will benefit future Port activities at Vista Field, the Port agrees to pay one-half of actual construction costs of the Street, up to \$125,000, including a \$7,000 design and construction management fee. Prior to commencement of construction, the Port shall dedicate the Street to the City and the City shall accept said dedication.
- 2.4 Opportunity for Collaborative Development. The Parties recognize that successful economic development of the Project Area benefits the economic and social welfare of the City and the surrounding area. The Parties seek to memorialize their understanding related to street trees and landscaping which will be located in the public right of way adjacent to future Fire Station #3. The street trees and landscaping shall be as set forth on Exhibit “A” hereof. The term “street trees” shall refer to plants, trees, tree grates, tree lights and underground utilities supporting trees such as irrigation lines and electrical lines.

III. ADMINISTRATION

- 3.1 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 entities in the fulfillment of their respective responsibilities; and
 - d. Following applicable City and Port bid and prevailing wage laws, policies and procedures when awarding contracts for this project.
- 3.2 Port Obligation. The Port shall, at its expense, maintain all street trees and associated irrigation systems and power systems to the tree wells as referenced in Exhibit “A” and shall perform all ordinary maintenance and repair thereof.
- 3.3 City Obligation. The City shall grant the Port the right of ingress to and egress from the public right of way in order for the Port to perform its obligations under this Agreement.
- 3.4 Document Review. The Parties shall cooperate by sharing all relevant information, including planning, financial and environmental documents, to the extent allowed by law.
- 3.5 Expenses and Financial Contingency. Except as otherwise provided, the obligations of each Party shall be performed at the sole expense of said Party.

IV. GENERAL

- 4.1 Amendment. This Agreement shall not be altered except in writing signed by each Party.
- 4.2 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.
- 4.3 Venue. The venue for any action arising out of this Agreement shall be the Superior Court for Benton County.
- 4.4 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.

- 4.5 Agreement Term. The term of this Agreement shall commence on its execution by both Parties and end December 31, 2040 ("Agreement Term"). By mutual agreement, the Parties may elect to renew the Agreement on mutually agreeable terms and conditions.
- 4.6 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.
- 4.7 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.
- 4.8 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.
- 4.9 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.
- 4.10 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.

V. EXECUTION AND APPROVAL

- 5.1 Warranty of Authority. Each Party to this Agreement warrants that it has the authority to enter into this Agreement.
- 5.2 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: _____

By: _____
TIM ARNTZEN, Chief Executive Officer

Approved as to Form:

LUCINDA LUKE
Attorney for Port of Kennewick

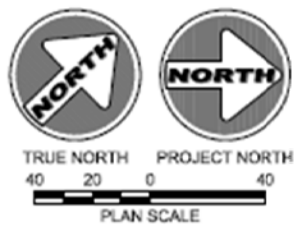
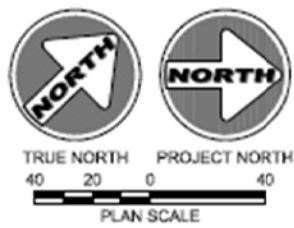
CITY OF KENNEWICK

Date: _____

By: _____
MARIE E. MOSLEY, City Manager

Approved as to Form:

LISA BEATON, City Attorney



MEMORANDUM

To: Port Commission

From: Tim Arntzen, CEO

Date: 7/22/2020

Re: Budget Ideas

Commission, here are the bullet points I discussed with you in the July 14, 2020 commission meeting. As you requested, we could discuss them in the commission meeting of 7/28. Thank you.

I. Budget

A. General Questions

1. **Should the new budget take into account the Coronavirus?** What financial impacts might we experience? Will building and development slow? Will Vista Field and the Wine Village languish? Should the new budget offer flexibility for an ever-changing game plan to address unique issues surrounding Covid?
2. **Should the port place emphasis on finishing projects currently queued up as opposed to filling the budget with new projects?** Would the commission place emphasis on the magnitude of current/near future projects and commitments such as:
 - a. Completing Clover Island 1135 shoreline restoration & recreation improvements
 - b. Partnering on Columbia Drive traffic calming/and activating on-street parking
 - c. Marketing and property sales activities: Vista Field, Columbia Drive, The Willows
 - d. Implementing the Kennewick Historic Waterfront District master plan
 - e. Continuing publicly-supported and expected standards of maintenance
3. **Should the port shift from maximizing construction of new projects to adequately funding operations activities?** How do we continue to meet the public's expectation of quality maintenance for the significantly expanded investments and improvements we've made to properties we own and operate? These properties include Clover Island, the Wine Village and Vista Field? Given the current restrictions on Coyote Ridge crews, do we need to hire a new full-time maintenance person? Additional temp labor?
4. **Overall philosophy: Should the Port identify one major project (e.g. Vista Field's 103 acres) or a bunch of small projects?** If Vista Field is a top priority would the majority of funds be allocated there, with limited funds directed to the Kennewick waterfront? Should the Port assist City of Richland with funding for projects they identified as important in the RCCF report from White Bluffs Consulting?
5. **The hangar project will be a major decision point.** Should the commission wish to pursue a hangar project, how would that project be funded? Budget line item? Wait and see post Coronavirus?