

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.

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:** 307-500-949

AGENDA

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

Tuesday, August 11, 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 August 4, 2020
 - B. Approval of Warrant Register Dated August 11, 2020
 - C. Approval of Regular Commission Meeting Minutes July 28, 2020
- VII. EMERGENCY DELEGATION UPDATE** (TIM)
- VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Vista Field
 - 1. Construction and Task Status Update (LARRY)
 - B. Clover Island/Columbia Drive
 - 1. Kennewick Waterfront Master Plan Update (LARRY)
 - C. Buy Back Clauses; Resolution 2020-15 (AMBER)
 - D. 2021-2022 Work Plan and Budget Discussion (TIM)
 - E. Communications with Public (TANA)
 - F. Director Reports (TANA/NICK/LARRY/AMBER/LUCINDA/TIM)
 - G. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - H. Non-Scheduled Items
- IX. PUBLIC COMMENT** (*Please state your name and address for the public record*)
- X. ADJOURNMENT**

PLEASE SILENCE CELL PHONES





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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 15, 2020**
Direct Deposit and E-Payments totaling \$62,047.18
- B. Approval of Warrant Register Dated July 28, 2020**
Expense Fund Voucher Number 102258 through 102283 for a grand total of \$96,789.53
- C. Approval of Regular Commission Meeting Minutes July 14, 2020**

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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. *Center Parkway Infrastructure, Richland Public Works Director Pete Rogalsky*

Mr. Arntzen stated City of Richland has been working on the Center Parkway project for nearly twenty years and Pete Rogalsky, Richland Public Works Director is here today to update the Commission on that project and discuss a potential partnership. Mr. Arntzen stated there is an opportunity for the Commission to assist the City of Richland by potentially adding a line item to the 2021-2022 Budget or partnering on a Rural County Capital Funds (RCCF) joint application. Mr. Arntzen relayed that the City of Richland has lined up several partners to see this project come to fruition.

Mr. Rogalsky stated the City of Richland and the City of Kennewick signed an Interlocal Agreement (ILA) twenty years ago to improve property access and access to State Route 240, Center Parkway and Tapteal Drive. During that time, the City worked with the three major railroads to resolve any rail obstacles. Mr. Rogalsky stated the project will bring in approximately \$52,000,000 in economic development, improve the street system and create additional retail opportunities. The City of Richland has support from the City of Kennewick, the Washington State Transportation Improvement Board, Benton Franklin Council of Governments and the Washington State Utilities and Transportation Commission rail crossing authorization. Mr. Rogalsky stated the City needs \$2,650,000 to complete the project and there is a funding gap. The City intends to put forth an RCCF application for the Center Parkway project for their share of the funds. Mr. Rogalsky stated the City has also discussed partnerships opportunities with Benton County, Port of Benton, City of Kennewick, and Port of Kennewick, either utilizing RCCF funding or another means of funding, with each agency determining what option fits best. Mr. Rogalsky stated the City would utilize the funds for property acquisition and construction. Mr. Rogalsky, Mr. Floyd, and Mr. Arntzen discussed a potential contribution of \$400,000, if the Commission deems the project partnership valuable.

Commissioner Novakovich expressed his support for the request and stated the Port is preparing the 2021-2022 Budget and could spread the contribution over two years. Commissioner Novakovich believes this would be a very prudent move for the Commission to approve.

Commissioner Moak thanked Mr. Rogalsky for the presentation and supports moving this project forward.

Commissioner Barnes believes this project would improve the access to the property along SR 240 and would be desirable for economic development and he looks favorably upon this request.

Mr. Rogalsky thanked the Commission for their time and expressions of support. Additionally, Mr. Rogalsky reported that the Richland City Council will be considering an agreement with the rail lines to fix the intersection of Steptoe and Tapteal Drive.

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B. Washington Street, Kennewick City Manager Marie Mosely

Mr. Arntzen stated improving the connectivity on Washington Street has been a topic of discussion for several years. Recently, Mr. Arntzen and City Manager Marie Mosely discussed potentially partnering on an RCCF application to improve Washington Street. Mr. Arntzen reiterated that the Port will be working on the 2021-2022 Budget and could commit to a level of funding and add as a line item in the Budget, provided the Commission favors the project and partnership. Mr. Arntzen introduced Chief Ken Hohenberg, who will be speaking for Ms. Mosely today.

Chief Hohenberg thanked the Commission for the opportunity to speak for Ms. Mosely and read her statement into the record:

I wanted to take this opportunity to thank the Port Commission and staff for the tremendous partnership we have. During the State of the Cities Chamber luncheon, Mayor Britain discussed the many projects in Kennewick and mentioned the importance of the partnership with the Port.

We are excited about the future of Kennewick and our partnership with the Port will continue to be very important. Recently we discussed the Port projects with Ben Floyd and reaffirmed the importance of leveraging taxpayer dollars in partnership with the Port. We are hoping to be able to continue to use the Rural County Capital Funds in partnership with the Port and Benton County to bring the visions for Vista Field, Columbia Gardens, and Clover Island to reality.

The City has a \$500,000 Complete Streets Grant that we will be using to improve the east side of Washington Street to begin the connection from the Waterfront to the Downtown. We want to continue to work with the Port on the connectivity to make Clover Island, Columbia Gardens and the Downtown more vibrant. We are hoping to be able to work with the Port of Kennewick on investment in this project, leveraging the \$500,000 grant dollars to begin this connection.

In addition, we want to continue to work with the Port on implementing the vision that the community developed for Vista Field. We are beginning with the building of Fire Station #3 that is currently under construction. The road connection that the Port has developed is a tremendous step towards making this a destination location. We encourage the Port to continue to stay the course on implementation of the vision and making this a unique destination location. We would like to work with the Port on the next project that will begin implementing this vision and potentially collaborating with our Rural County Capital Funds.

In alignment with our partnership, we want to continue to work with the Port on Vista Field and connecting the Waterfront to the Downtown and continuing to provide unique destination opportunities for our community. We are excited about our future collaboration and appreciate the partnership we have developed over the years.

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Chief Hohenberg stated the connection over the railroad on Washington Street towards Clover Island is very cumbersome and believes enhancing Washington Street will make the area much more walkable and allow for easier access to the downtown, Clover Island, and Columbia Drive. Chief Hohenberg thanked the Port for installing unique projects such as the clock tower and the lighthouse and stated the amenities have a natural attraction and stated he is proud to be associated with Port staff.

Commissioner Barnes thanked Chief Hohenberg for his gracious remarks and stated on behalf of the Port, we value the relationship that we have developed with the City of Kennewick.

Discussion ensued amongst the Commissioners regarding the Washington Street connectivity project.

Mr. Arntzen thanked Chief Hohenberg for his comments and filling in for Ms. Mosely. Mr. Arntzen stated the Commission could make an appropriate contribution to the Washington Street project in the amount of \$250,000 per year, for two years. Mr. Arntzen believes it would be prudent to add a line item to the 2021-2022 Budget; however, he would like to confer with staff and bring back the financing at a future meeting.

Commissioner Barnes looks favorably upon this approach and would like to defer any final decisions until we are refining the Budget.

Commissioner Moak asked about the plan for Washington Street.

Mr. Arntzen has not seen the documents and stated the most recent proposal will not complete the Street. The bulk of the work will take place on the East side because there are less barriers and Mr. Arntzen believes the plan is to make the area visibly appealing, safe, and functional.

C. Vista Field Hangar Project, Strategic Construction Management, David Robison

Mr. Arntzen stated the Commission asked staff to produce a report of development strategies for the Vista Field Corporate Hangars, which includes potential uses and finance options. Mr. Arntzen introduced David Robison of Strategic Construction Management (SCM), who will be presenting the Hangar Report. Mr. Arntzen stated the action staff is requesting today is that the Commission receive the Hangar Report and he understands there will be additional discussion on how the Port moves forward after receiving the report.

Mr. Robison thanked the Commission for taking the time today to discuss the Hangar Remodel Report and thanked Port staff and Kim Harvey of SCM for all of their work on the Report. Mr. Robison stated the detailed Hangar Remodel Report (Exhibit A) was developed pre-COVID; and is still relevant.

Mr. Robison outlined the following:

- Best and highest use for hangars;
- Challenges of hangars;
- Potential opportunities;

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- Lease rate opportunities;
- Possible tenants and tenant improvements;
- Concept drawings;
- Budget and finance options; and
- Development timeline.

Commissioner Moak thanked Mr. Robison for the report and inquired if he got a feel from the realtors about what would be more desirable, whether to renovate or tear down?

Mr. Robison stated no one indicated whether the Port should tear them down or renovate them; however, everyone did say, as a gateway to Vista Field, the Port has an opportunity to make them something special. Whatever the Commission decides, we need to look seriously at the opportunity for entry and what the curb appeal will look like.

Commissioner Novakovich read a portion of an email (Exhibit B) staff received from DPZ regarding the Hangars, which states the Hangars should be retained.

Commissioner Barnes appreciates Commissioner Novakovich's remarks and stated his take-away from the email was the word "lean" and the Hangar Report is far from that.

Commissioner Novakovich thanked SCM and staff for providing the Hangar Report and stated staff is only asking the Commission to accept the report.

Commissioner Barnes stated only two redevelopment scenarios are presented in this report and inquired if any consideration was given to a leaner approach, somewhere in between renovating the Hangars or demolishing them.

Mr. Arntzen stated the goal was to complete an architectural and engineering analysis for the Hangars, together with an estimated budget and draft financing plan for Commission consideration. Mr. Arntzen stated the report provided information on remodeling and when staff saw the direction of the finances, added demolition as an alternative for the Commission to consider. Mr. Arntzen viewed that the directive from the Commission was to provide an analysis that would not only bring the Hangars up to code, but provide design features that DPZ and the community thought were important. Mr. Arntzen stated having seen the Report, he thinks it could be valuable for future discussion to create a phase 2 of the Report that discusses value engineering or other alternatives.

Commissioner Barnes believes there is an opportunity for a private/public partnership that could utilize the Opportunity Zone designation at Vista Field, where the Port is protected without spending \$800 per square foot. Commissioner Barnes cannot support that amount of money for the Hangar Remodel and is in favor of staff exploring DPZ's lean approach for repurposing the Hangars at the gateway.

Mr. Arntzen believes the objective has been achieved, to complete the architectural and engineering analysis of the Hangars with a budget estimate and potential finance plan. Mr.

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Arntzen stated the report was a crucial tool for staff and although the numbers in the Report are staggering, it does not make the Report insufficient. Mr. Arntzen thinks staff turned in a Report that was directed by the Commission and he did not believe it was appropriate to include other alternatives. Mr. Arntzen is in favor of a working on a phase 2 of the report that could discuss additional alternatives.

Commissioner Barnes hears what Mr. Arntzen is saying; however, he is frustrated because we have known for over a year of what the potential costs would be. Commissioner Barnes stated it is a fine Report and SCM did excellent work, but he cannot support a Port funded remodel with these numbers. Commissioner Barnes is asking staff to explore a leaner approach that DPZ has been advocating and report back at a later date.

Commissioner Novakovich understands Commissioner Barnes comments and the numbers shocked him as well; however, the Commission is being asked to receive the Report, which gives us information to work with. Commissioner Novakovich believes we should give staff the opportunity to look at additional options such as value engineering.

Commissioner Moak stated CKJT Architects did a great job on the renderings; however, the buildings still look like hangars and does not believe they present the greatest face for the South face of Vista Field. Commissioner Moak mulled if there could be something different in that location where the Port could utilize the design standards and the collaborative design process to rebuild.

Mr. Peterson added additional comments regarding the Hangar Remodel Report.

Commissioner Moak is not in favor of staff discussing the Hangars with DPZ because we do not have a Commission consensus. Commissioner Moak believes there needs to be more discussion to figure out where we want to go and some consensus about how we are going to get there.

Mr. Arntzen requested that the Commission approve receiving the report and stated receiving the report does not endorse any of the findings nor does it say the Port will allocate the funds to the project.

PUBLIC COMMENT

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick does not think the discussion emphasized what the hangars truly represent, large, sheltered spaces that are readily accessible because of the large hangar door. Mr. Burdick believes there are two possible uses for the hangars that could be used for short to medium term that would satisfy the objective of being lean and creating:

- Transient tenant use where specific events are held on certain days of the week, for example, a farmer's market, a flea market, and even a Christmas market.
- Create a dirty art space which includes sculpture, metal art, or pottery.

Mr. Burdick feels this would provide something that is not available in the community now.

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Ken Hohenberg, 211 West 6th Avenue, Kennewick. Chief Hohenberg stated one of the good things about retaining those buildings is that the Port retains control and decides what goes in there and how it is used. Chief Hohenberg stated looking back at everything the Port has done, the Port always does it right. Chief Hohenberg understands the struggles with cost and the decisions on where the funding will go, but at the end of the day, he is sure the Port will do the right thing and create a nice amenity.

No further comments were made.

MOTION: Commissioner Novakovich moved to approve Resolution 2020-13, accepting the Hangar Report produced by Strategic Construction Management. Commissioner further moves to approve goal #11 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.

Discussion:

Commissioner Moak thanked Mr. Robison for the Report and many other good pieces of work for the Port. Mr. Robison provided the information that the Commission requested and even though the answers were not what we expected, it gives us something to mull over. Clearly, the Commission is not happy about what direction to take or how to move forward, but as Mr. Robison stated, the Report has done its job by illuminating some discussion. Commissioner Moak thinks Mr. Burdick's comments seemed in-line with some of the comments made by Lizz Plater-Zyberk of DPZ in terms of the lean aspect, but that is another issue. Commissioner Moak stated the mission is to approve the report, which, based on the discussion, has been very effective and he is proud to support it.

Commissioner Novakovich listened to the CEO's comments and agrees with his stance and his frustration on the fact that we are accepting the report that provided a lot of discussion and comments. Furthermore, he agrees with Commissioner Moak's comments and supports accepting this report as presented.

Commissioner Barnes stated the Motion does not just accept the report, which he has no qualms about, but it also approves goal #11 for our CEO's goals and objectives. Commissioner Barnes believes that goal #11 has to do with development strategies for the hangars. Commissioner Barnes expressed his frustration and disappointment that there are only two redevelopment strategies and neither are lean. Commissioner Barnes has no qualms with the report or what it says, and does not like the numbers, which he believes he made very clear. The Port of Kennewick has gone to great pains to design the Phase 1 infrastructure to be compatible with the existing three hangars. That is, the narrow entrance road that goes between two hangars and the Port built-out Phase 1 infrastructure with a water feature. For the Port of Kennewick to now decide to demolish the hangars now that we made all of the effort and design work to weave them into the design, would bring great criticism upon the Port of Kennewick and he is not in favor of that. Nor is he in favor of spending this level of funding to invest in the hangars. Commissioner Barnes' level of disappointment has to do with the strategies that came forward

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and he was hoping there would be more than just the two strategies. Commissioner Barnes will vote in favor of this Motion and reiterated that his disappointment that there were only two redevelopment strategies and neither are close to the budget or lean. Commissioner Barnes believed we had an excellent opportunity to explore other options.

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

RECESS

Commissioner Barnes called for a recess for at 4:27 p.m. until 4:35 p.m.

Commissioner Barnes reconvened the meeting at 4:35 p.m.

EMERGENCY DELEGATION UPDATE

A. *Carbitex Rent Deferral and Lease Addendum*

Mr. Arntzen reported as a result of the Commission discussion regarding the rent deferral for Carbitex at the last meeting, staff reached out to Mr. Boninger and relayed the Commission's concerns.

Ms. Hanchette reached out to Mr. Boninger and was able to reach a potential repayment structure that lessens the Port's risk for the requested rent deferral. Ms. Hanchette presented the new lease terms with the repayment option for the rent deferral for Carbitex.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-12, granting July, August and September rent deferral to Port tenant Carbitex and lease addendum to amortize deferred rent equally over fifteen (15) months (October 1, 2020 through December 31, 2021) 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.*

Discussion:

Commissioner Moak stated this was before the Commission two weeks ago and the tenant requested more of the burden to be put on the landlord. Staff worked with Mr. Boninger to come up with a fair resolution for an important tenant of the Port. There is still some risk involved anytime you defer rent; however, we have made those concessions for other tenants during this time of COVID. Staff did a good job minimizing the risk for the Port and he is happy to support the Motion.

Commissioner Novakovich reiterated Commissioner Moak's comments and agrees with him. Commissioner Novakovich congratulated Ms. Hanchette for negotiating a fair and equitable solution for the Port of Kennewick.

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Commissioner Barnes thanked Ms. Hanchette for her work on this and stated these are exceptionally difficult times for many businesses and when the Port can work with a valued tenant that is trying to create jobs and trying to grow and to be a good citizen. If the Port can help them, then Commissioner Barnes thinks it is a win/win and benefits the relationship long term and he hopes that it continues. Commissioner Barnes thanked Ms. Hanchette and Ms. Luke on their work with this.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field

1. *Interlocal Agreement with City of Kennewick re: Fire Station #3*

Mr. Arntzen stated before the Commission is an Interlocal Agreement between the Port of Kennewick and the City of Kennewick regarding Fire Station #3, which is located on the boarder of Vista Field. The City has agreed to incorporate the design elements from the Vista Field design and the Port would contribute \$125,000 for street improvements.

Discussion ensued between staff and Commission related to the specifics of the Interlocal Agreement.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved to approve 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; Commissioner Moak seconded.*

Discussion:

Commissioner Novakovich thinks this is a great opportunity that shows the City of Kennewick that we really appreciate what they do for us. The Port is looking at a lot of expenses at Vista Field and we have a partner that is willing to join in on some that expense. Commissioner Novakovich is in favor of this and thinks it is a great benefit to the Port and Vista Field.

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

2. *Construction and Task Status Update*

Mr. Peterson reported that the water features at Vista Field were turned on July 13-17. They were filled, operated, and tested and there was a very minor correction, which Total Site Services (TSS) is repairing and working towards substantial completion.

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B. Clover Island/Columbia Drive

1. Kennewick Waterfront Master Plan Update

Mr. Peterson stated Makers architecture and urban design continues to hold telephone interviews with stakeholders regarding the Kennewick Waterfront Master Plan. Mr. Peterson stated additional names have been added to the list for interviews, as recommended by some of the initial stakeholders.

C. 2021-2022 Budget & Work Plan Ideas

Mr. Arntzen recently shared five budget ideas with the Commission and would like to get additional feedback and Commission comments:

1. Should the new budget take into account the Coronavirus?

Commissioner Barnes stated generally speaking yes but he would like to acknowledge that the Budget that Mr. Kooiker and Ms. Fine produce presently, is very conservative and Mr. Kooiker recently provided some comments that he was thankful we had allowed for a conservative approach. When the pandemic started, the Port of Kennewick was in excellent shape with the Budget. Commissioner Barnes would see this question as “should there be additional reserves for the pandemic?” Commissioner Barnes stated Mr. Kooiker and Ms. Fine’s approach has been satisfactorily until this point because it has served the Port very well through the first half of this year, which has been the height of the pandemic to present.

Commissioner Moak read this question as to whether there might be stimulus that the Port needs to provide to our various development and that we are providing assistance to our tenants during the pandemic. Commissioner Moak stated we need to take into account the pandemic because we are still in the middle of it. We do not know when it is going to end or what it is going to be like for our tenants or for the Port. Commissioner Moak thinks as we go forward, if staff can identify Coronavirus impacts, the Commission can make certain determinations in terms of how much to add to the budget. Commissioner Moak appreciates Commissioner Barnes’ comments that we may have a sufficient cushion, but it is unknown if it is enough. Commissioner Moak understands the problem and thinks we need to look at what we can do to address it, maybe through the Budget or other means.

Commissioner Novakovich thinks we need to remain flexible because there are too many unknowns and believes that is what Commissioner Moak was alluding too.

2. Should the Port place emphasis on finishing projects currently queued up as opposed to filling the budget with new projects?

Commissioner Novakovich thinks we would be doing the public a disservice if we started taking on new projects and didn’t pay attention to the ones we already have. The public looks to the Port for a very high level, not only the projects that we undertake and complete but how we maintain them. Commissioner Novakovich thinks if we were to let that go and not move forward with positive maintenance and upkeep of Port projects, we may lose some credibility. Commissioner Novakovich stated we need to continue being flexible and believes new projects may be a mistake and maintain what we have.

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Commissioner Moak loves these projects and he does not disagree with Commissioner Novakovich; however, he believes if anyone has ideas for new projects, we should consider them. Commissioner Moak thinks we should be open to new ideas and thoughts and then figure out where they fit within the priorities of the Port. Commissioner Moak would not want his words to be misconstrued, he supports these projects, but believes the Port should be open to looking at potential projects, even though there aren't any new projects to consider at this time.

Commissioner Barnes is in favor of finishing up the queued-up projects and thinks it is important to watch for new projects and opportunities. For Budget purposes, the emphasis should be on existing projects.

3. *Should the Port shift from maximizing construction of new projects to adequately funding operations activities?*

Commissioner Moak stated some of these are short term problems and the Coyote Crew may be back once the pandemic is over, but we don't know when that will be. Vista Field will eventually have an owner's association in place, in addition to Mr. Boehnke taking on more administrative duties. Commissioner Moak thinks temporary labor will be sufficient until we have a better idea of when the Coyote Crew will return. If the question is if the Port needs a more robust maintenance program because of additional work, then the answer would be yes.

Commissioner Novakovich thinks we need to take care of what we have and agrees with Commissioner Moak's comments about filling in with temporary labor to take care of our properties. Commissioner Novakovich stated we need to budget for taking care of what we have, as he has stated previously.

Commissioner Barnes agrees with Commissioners Moak and Novakovich's comments and stated we need to budget for what we have and take care of our properties.

4. *Overall philosophy: Should the Port identify one major project (ie Vista Field) or a bunch of small projects?*

Commissioner Barnes stated in this case, we need to strike a balance where we focus on Vista Field, but at the same time, be mindful of other opportunities that are within our budget means and make a significant difference with our jurisdictional partners. At this meeting, we have discussed Fire Station #3 and the Washington Street project with the City of Kennewick and the Center Parkway project with the City of Richland.

Commissioner Moak is not sure he agrees with the overall philosophy as it is presented. The Port is allocated .45 cents per \$1,000 and we are running at about 60% of that. Commissioner Moak believes we are at less than \$.30 cents per \$1,000. Commissioner Moak believes there is another option and does not think the Port should continue to stay at 60%, which is going down all the time, in order to do the kind of work that the Port of Kennewick has done. We have done some great projects and Commissioner Moak thinks we should continue to do great projects. He does not think we should ask to do very little

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because of the situation. The Port has built this on savings, on RCCF funds, which will eventually go away, and on property sales. The Port does not have a lot left to go on if we are going to continue to do the kinds of projects we have done in the past. In some ways, Commissioner Moak rejects the idea that that is our only option of what Mr. Arntzen has presented. This is a policy decision of the Board and the CEO has to work with what he is given and Commissioner Moak stated from a policy perspective, he is not sure he agrees with it.

Commissioner Novakovich thinks what is presented makes sense and we should focus on one large project and make sure we do it right and work on smaller projects. Commissioner Novakovich stated if Commissioner Moak is suggesting that we raise our taxes, he thinks this Commission has made it very clear to the public on numerous occasions that we were not going to do that. The Commission has stated we were going to develop our projects without raising taxes and Commissioner Novakovich would be opposed to going down that road right now. Commissioner Novakovich stated that may not be the case in the future, but to even bring it up at this time, is not the right thing to do.

5. *The Hangar project will be a major decision point.*

Commissioner Moak is concerned with putting all of the discretionary funds into the Hangar project. This is what he referred to in his previous comments, the Port does not have any money left for any projects and we are depending on our Levy. Commissioner Moak expressed his concern over putting all of our funds into one project and stated the Commission needs to decide what to do with the Hangars. Commissioner Moak appreciates Mr. Arntzen's comments about additional ideas, but until we can agree, it will be continue to be a lengthy discussion.

Commissioner Barnes stated the Commission was presented with two hangar scenarios and he did not like the costs associated with either option. Commissioner Barnes reiterated his request of exploration and development of further scenarios that include lean development. He does think there are other things that can be done at the hangars and believes the Port could still control those uses, either through leases or other transactions.

Commissioner Novakovich agrees with Commissioner Barnes' comments and he would like to give staff an opportunity to discuss comments made today with DPZ or other consultants and report back to the Commission at a later date with a lean approach or other viable options.

D. Communications with Public

Ms. Bader Inglima conveyed her recent communications with the public, the media, consultants and the US Army Corps of Engineers. Additionally, Ms. Bader Inglima stated that PS Media is finalizing the television spots featuring Clover Island and Columbia Drive, which will start airing in August.

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E. Director Reports

Mr. Kooiker reported that he is working on the second quarter financial update, which will be presented at the August 25, 2020 Commission Meeting. In addition to the budget update, staff continues to work on the draft 2021-2022 Budget.

Ms. Hanchette stated the Clover Island Marina is the busiest it has ever been and the island is thoroughly being enjoyed by public. Last weekend, our guest moorage was full and included a 70-foot yacht from Mercer Island. The owners were very excited that there were amenities within walking distance.

Ms. Luke is updating the current moorage agreement and working with staff on the return to office protocols during COVID -19 and what it might look like.

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

Commissioners reported on their respective committee meetings.

G. Non-Scheduled Items

Commissioner Barnes stated staff recently mentioned a report on Port properties subject to buy back clauses would be forthcoming. Commissioner Barnes realizes that staff has been busy and there are a lot of things to work on, but he is looking forward to receiving that report.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated besides the concepts of lean building and vibrancy, one other thing that has been discussed by the Commission and staff is the idea of pop-up retail. It is his feeling that the Hangars might provide a few possibilities that include pop-up retail in the near future. Mr. Burdick stated the hangar could act as a kiosk and/or food court, similar to what you see in Columbia Center Mall.

No further comments were made.

COMMISSION COMMENTS

No comments were made.

**PORT OF KENNEWICK
REGULAR COMMISSION MEETING**

JULY 28, 2020 MINUTES

DRAFT

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 5:48 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary



AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Real Estate & Operations

MEETING DATE: 8/11/2020

AGENDA ITEM: Buyback Clause Review (2003-2019)

I. REFERENCE(S): CEO memo to commission dated 8/11/2020
Resolution 2020-15

II. DISCUSSION:

Port staff researched nearly 70 resolutions from 2003 through 2019 that related to land sales within the Port of Kennewick district. Resolutions related to addendums such as revising terms of the sale or extending closing dates were filtered from the final document. The result is a summary of 61 resolutions.

Perfected Sales (terms of sale met):	34
No Buyback Clause:	13
Buyback Clause Released by Port Commission:	3
Other (No Sale, Land Swap, Expired):	5
Open (3 transactions/6 resolutions):	<u>6</u>
Total	61

Port staff found two transactions with open buyback clauses and one transaction with a portion of the property not perfected.

#1) Three Rivers Acquisition (Buyer)

- Property Location: Oak Street Industrial Park
- PSA approved by commission on 4/24/2018, Resolution 2018-07
- Extension on closing date approved by commission on 6/25/2019, Resolution 2019-12
- Deed Recorded: 6/28/2019

Deadline to construct: 12/28/2020

PSA Language:

10. REPURCHASE OPTION.

10.1 Obligation to Construct Light Industrial Business Park. The parties agree that the Purchaser's use of the Property shall be to construct a light industrial business park with anticipated tenants' industries ranging from heavy equipment leasing, warehousing/logistics, custom door and molding manufacturing, online retail for heavy equipment sales and parts, and construction. The light industrial business park will be built in accordance with the following conditions:

10.1.1 Construction is to commence no later than eighteen (18) months from the date the deed is recorded transferring the Seller's title to this land to Purchaser;

10.1.2 Commencement of construction will be evidenced by issuance of all required building/ construction permits and approvals together with actual commencement of on-site construction; and,

10.1.3 Seller shall have the right to approve all aspects of building design, which approval shall not be unreasonably withheld or delayed.

10.2 Failure to Construct and Right to Repurchase. Subject to force majeure, the parties agree that in the event construction of the light industrial business park or some other mutually agreed upon utilization of the Property, has not begun (evidenced as set forth in 10.1.2 above) Seller shall have the right to repurchase the Property at the same agreed upon price per square foot paid by Purchaser, with all closing costs and real estate taxes paid by Purchaser, payable in cash at closing. Seller must give Purchaser written notice of its intent to repurchase the property within sixty (60) months of the date deed is recorded transferring the Seller's title to this land. In the event this repurchase provision is invoked, payment for improvements made to the site by the Purchaser which benefit the future development of the Property shall be made by Seller. Value of improvements which benefit the Property shall be established, unless otherwise agreed by the parties, from the average of two appraisals (one obtained by Seller and one obtained by Purchaser) performed to determine the residual value of site improvements made by the Purchaser.

Closing for the repurchase of the Property shall occur in accordance with the terms of paragraph 9 above, except that Purchaser shall bear all closing costs unless otherwise agreed between the parties, and closing shall occur no later than fifteen (15) days after delivery of the Seller's written notice. Upon closing, Purchaser shall immediately vacate and redeliver possession of the Property to the Seller. At closing, the Purchaser will execute a statutory warranty deed re-conveying the Property to Seller and this Agreement shall be void and of no further force or effect.

#2) JMAC/Pronghorn (Buyer)

- Property Location: Twin Tracks Industrial Park
- PSA approved by commission on 6/13/2017, Resolution 2017-11
- Deed Recorded: 9/13/2017
- Deadline to construct: 3/13/2019
- Extension: Obligation to construct and repurchase option extend 2 years by commission on 4/23/2019, Resolution 2019-08

Deadline to construct: 4/23/2021

PSA Language:

10. REPURCHASE OPTION.

10.1 Obligation to Commence Cement Batch Plant Business. The parties agree that the Purchaser's use of the Property shall be to construct and operate a cement batch plant. The cement batch plant shall be built in accordance with the following conditions:

10.1.1 Construction of facilities required for the cement batch plant shall commence no later than eighteen (18) months from the date the deed is recorded transferring the Seller's title to this land to Purchaser;

10.1.2 Commencement of construction will be evidenced by issuance of all required building/construction/business permits and approvals together with actual commencement of on-site construction;

10.1.3 Seller shall have the right to approve all aspects of the site design, which approval shall not be unreasonably withheld or delayed.

10.2 Failure to Construct and Right to Repurchase. Subject to force majeure, the parties agree that in the event construction of the cement batch plant facilities, or some other mutually agreed upon utilization of the Property, has not begun (evidenced as set forth in 10.1.2 above) Seller shall have the right to repurchase the Property at the same agreed upon price (\$154,000.00), with all closing costs and real estate taxes paid by Purchaser, payable in cash at closing. Seller must give Purchaser written notice of its intent to repurchase the property within sixty (60) months of the date deed is recorded transferring the Seller's title to this land. In the event this repurchase provision is invoked, payment for improvements made to the site by the Purchaser which benefit the future development of the Property shall be made by Seller. Value of improvements which benefit the Property shall be established, unless otherwise agreed by the parties, from the average of two appraisals (one obtained by Seller and one obtained by Purchaser) performed to determine the residual value of site improvements made by the Purchaser.

Closing for the repurchase of the Property shall occur in accordance with the terms of paragraph 9 above, except that Purchaser shall bear all closing costs unless otherwise agreed between the parties, and closing shall occur no later than fifteen (15) days after delivery of the Seller's written notice. Upon closing, Purchaser shall immediately vacate and redeliver possession of the Property to the Seller. At closing, the Purchaser will execute a statutory warranty deed re-conveying the Property to Seller and this Agreement shall be void and of no further force or effect.

#3) Southridge Village (Buyer)

- Property Location: Southridge / Dickerson Industrial Park
- PSA approved by commission on 6/13/2006, Resolution 2006-23
- Deed Recorded: 6/30/2006. No deed restrictions.

Deadline to construct: 6/30/2021

Staff comment: Property (225 acres) has been subdivided. It appears that all parcels are now held in new companies. 8.5 acres returned to the port. Not all parcels have been developed.

Real estate contract language – 6/28/2005

by the presiding judge for Benton County Superior Court at the request of either party. The mandatory arbitration rules, as implemented in Benton County Superior Court, shall be binding as to procedure. The prevailing party in any such dispute shall be entitled to recover reasonable attorney fees. Seller's option to buyback pursuant to this paragraph 6 shall not apply to any parcel of property released to Seller, or its successor or assigns, pursuant to the provisions of paragraph 7 below. Seller shall not assign it rights pursuant to this option to buyback without Purchasers written consent.

6. Use of Property/Option for Buyback. This sale is intended as a vehicle through which the Seller can further its stewardship of Port property, stimulate economic development, enhance job creation, and provide long term advantage to its rate payers. This sale is not for made for speculative purposes. To that end, Purchaser agrees to commence the site development process within 120 days from the date hereof and shall substantially complete the site development process within 15 years from date of closing. If the Purchaser has not substantially completed the site development process within said 15 years from date of closing, Seller shall have the option to buy back any of the property that has not undergone site development review at its then fair market value. Seller's exercise of the option shall be made in writing within 180 days following the end of said 15 years from date of closing. Closing shall be within 30 days thereafter. The purchase price shall be paid in cash on the date of closing. In the event of any claims or disputes arising out of this buy back option, the parties hereby agree to submit the same to binding arbitration at a location to be mutually agreed upon in Benton County, Washington. In the event the parties are unable to agree upon an arbitrator within seven days, the same shall be selected

III. ACTION REQUESTED OF COMMISSION:

Discussion on the topic of buyback clauses and direction to port staff.

Motion to Approve: I move approval of Resolution 2020-15 authorizing the Port's Chief Executive Officer to execute all necessary documentation associated with buyback clause releases for Southridge Village, JMAC/Pronghorn and Three Rivers Acquisition and to take all other action necessary to finalize these transactions; and further ratifies and approves all action by port officers and employees in furtherance hereof.

MEMORANDUM

To: Port Commission

From: Tim Arntzen, CEO

Date: 8/11/20

Re: Buyback Clauses

The commission has asked the port CEO to prepare a brief report related to the port's use of buyback clauses. As part of this review, the CEO will report on those properties the port has sold in the recent past which had buyback clauses and which are developed pursuant to terms of the sale agreement (i.e. those properties whereby the seller has fully complied with the terms of the buyback clause).

The CEO will also report on those properties which have sold in the recent past and the development has not yet occurred (i.e. which are still subject to port repurchase). For these properties, the commission may wish to determine whether it desires to repurchase the property, or to formally waive the buyback provision.

Finally, the CEO will present thoughts from staff and legal counsel related to the current buyback clause language the port inserts into sales agreements; and proposed changes which the commission may wish to consider. Also a discussion related to the commission's philosophy will be encouraged.

Background

A buyback clause is a provision in a land sales contract that allows the seller of property the right or opportunity to repurchase the property under stated conditions. The port has substantial history of inserting buyback clauses in its real estate sales agreements. Because the port usually sells property in furtherance of economic development, part of the port's rationale for selling property is based on the beneficial use of the property by the proposed purchaser. This is usually demonstrated by the significance of the development, the contribution of the development to the local, state or national economy, usually evidenced by the number of jobs created or services offered (or other similar positive economic benefits to be derived by the port selling the property). And the port generally does not sell property for speculative purposes. In short, the port sells the land only if it is of more benefit to the community to have a party other than the port own the land.

As part of most land sales, the port sells for a stated purpose, i.e. a restaurant. The port commission realizes the restaurant use will benefit the quality of life in the community, will create taxable revenue and will create jobs and vibrancy. The port welcomes these perceived benefits and has an expectation that the purchaser will be diligent in developing the project. And the port desires to avoid a purchaser "sitting" on the purchased property rather than immediately developing it. Thus, the necessity of buyback clauses.

However, in a few cases the port has not wanted to repurchase property it sold. One instance included selling land, knowing the party would need to hold it to allow land value to increase over time (Southridge). In this case the port needed the revenue from the sale to fund construction of vital infrastructure at Vista Field. Hence, the commission determined that a buyback clause was not necessary or desirable. In at least one other case, the port commission sold land that no longer fit its mission (Verizon/MS Shemali). Thus land was sold for a positive economic use, but no buyback clause was utilized in that case as the port simply did not want the land back (i.e. the port wanted the revenues for other development projects which would benefit the community and the land being sold was not an important part of the port's portfolio).

Philosophy

The commission likely will want to discuss when to use buyback clauses. As has been the custom in the past, the commission may be judicious in its use of buyback clauses. Perhaps the commission would choose to limit their use to land sales where development according to the sales document is critical. A great example would be in the case of a bare land sale at Vista Field where the developer promises to build a certain type of project, utilizing New Urbanism principles, promising to build according to the design guidelines, etc. and to build in a timely manner. Because of the critical nature of Vista Field, a project that languishes or promises to be inconsistent could be terminated via the port's exercise of a buyback clause, thus protecting community values. Staff would suggest the use of buyback clauses in all Vista Field land sales.

Columbia Drive might be another area for the use of the provisions.

Potential Buyback Clause Provisions

Buyback Clauses should be straightforward so that both the seller and the buyer know exactly what each is required to do. The term for performance should be reasonable. Currently the port provides for 18 months in which to complete a project. The port has, in the past, provided extensions for good cause shown.

It might appear to the commission that a 12 month provision, with a 6 month extension for good cause is supportable. The port should also have a defined time frame in which to exercise its right to repurchase, say 12 months from the

expiration of the time of performance (Exhibit A). In addition, commission may wish to retain proceeds from land sales subject to buyback clauses in order to have funds available should the commission desire to exercise a repurchase.

Recent Port Use of Buyback Clauses

Summary found in attached Real Estate agenda report.

Action

Staff wishes to present this topic to the commission for consideration, direction and possible action. It would be appropriate for this matter to be finalized by this fall in order to prepare for upcoming Vista Field land sales in 2021.

EXHIBIT A

PROPOSED LANGUAGE FOR VISTA FIELD BUYBACK CLAUSE:

10. REPURCHASE OPTION.

10.1 Obligation to Construct [_____]. The parties agree that the Purchaser's use of the Property shall be to construct _____. The _____ will be built in accordance with the following conditions:

10.1.1 Construction is to commence no later than twelve (12) months from the date the deed is recorded transferring the Seller's title to this land to Purchaser;

10.1.2 Commencement of construction will be evidenced by issuance of all required building/construction permits and approvals together with actual commencement of on-site construction; and,

10.1.3 Seller shall have the right to approve all aspects of building design, which approval shall not be unreasonably withheld or delayed.

10.2 Failure to Construct and Right to Repurchase. Subject to force majeure, the parties agree that in the event construction of the _____ or some other mutually agreed upon utilization of the Property, has not begun (evidenced as set forth in 10.1.2 above) Seller shall have the right to repurchase the Property at the same agreed upon purchase price (\$_____) paid by Purchaser, with all closing costs and real estate taxes paid by Purchaser, payable in cash at closing. Seller must give Purchaser written notice of its intent to repurchase the property within thirty (30) months of the date deed is recorded transferring the Seller's title to this land. In the event this repurchase provision is invoked, payment will be made by Seller to Purchaser for improvements made to the Property by the Purchaser which, in Seller's determination and sole discretion, benefit the future development of the Property. Value of improvements which benefit the Property shall be established, unless otherwise agreed by the parties, from the average of two appraisals (one obtained by Seller and one obtained by Purchaser) performed to determine the residual value of improvements made by the Purchaser.

Closing for the repurchase of the Property shall occur in accordance with the terms of paragraph 9 above, except that Purchaser shall bear all closing costs unless otherwise agreed between the parties, and closing shall occur no later than _____ (____) days after delivery of the Seller's written notice. Upon closing, Purchaser shall immediately vacate and redeliver possession of the Property to the Seller. At closing, the Purchaser will execute a statutory warranty deed re-conveying the Property to Seller and this Agreement shall be void and of no further force or effect.

Resolution	Description	Commission Action	Commission Approval	Property Location	Buyback Clause (y/n)	Buyback Clause Action	Details
2003-08	Authorizing the Sale of Property at Vista Field to Quail Development, LLC (Terry Blankenship)	3/25/2003	Approved	VISTA FIELD INDUSTRIAL PARK		OTHER - NO SALE	NO SALE
2003-18	Authorizing the sale of property at Vista Field to <u>Jesse C. and Yvonne M. Kadinger - Jesse's Landscape</u>	8/26/2003	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Commercial Building
2004-05	Authorizing a Purchase and Sales Agreement Between the Port of Kennewick and <u>ESA Services, Inc. (extended stay america)</u>	1/27/2004	Approved	SPAULDING BUSINESS PARK		OTHER - NO SALE	NO SALE
2004-13	Authorizing a Contract for the Sale of Port Owned Real Property (Amera Bldg) <u>Ivey</u>	4/13/2004	Approved	VISTA FIELD INDUSTRIAL PARK	Y	RELEASED	Commission Resolution 2019-02
2004-24	Authorizing the Sale and Option of Property at Vista Field to <u>Richard L. Larson</u>	5/11/2004	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Industrial Building
2005-38	Authorizing a Purchase and Sales Agreement with <u>River Walk Village, LLC</u>	10/25/2005	Approved	SPAULDING BUSINESS PARK	Y	PERFECTED	Re-Sold; Constructed Commercial Building
2006-19	KGH	4/17/2006	Approved	SOUTHRIDGE	N	OTHER - LAND SWAP	LAND SWAP
2006-23	<u>Southridge Village</u> land sale	6/13/2006	Approved	SOUTHRIDGE	Y	OPEN	225 acres. Transaction closed 6/30/2006; Parcel has been subdivided and resold. 15 year buyback clause found in real estate contract expires 6/30/2021. No deed restriction. Repurchase at Fair Market Value. Some vacant ground still not developed.
2006-24	Authorizing a Land Sale with <u>A. Lee Celski</u>	6/13/2006	Approved	SPAULDING BUSINESS PARK	Y	PERFECTED	Commercial office building
2006-25	Authorizing a Land Sale with <u>Ashley-Bertsch Group, LLC</u>	6/13/2006	Approved	SPAULDING BUSINESS PARK	Y	PERFECTED	Subdivided; sold parcel 2010 constructed commercial building; sold balance of parcel to TC Chaplaincy 2019
2006-26	Authorizing a Land Sale with <u>Robert F. and Laura S. Ogata</u>	6/13/2006	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Commercial Building
2006-29	Authorizing a Purchase & Sale Agreement with <u>Columbia River Family Care, LLC (Kishore Varada)</u>	6/27/2006	Approved	SPAULDING BUSINESS PARK	Y	PERFECTED	Constructed Medical Building
2006-30	Authorizing a Purchase & Sale Agreement with <u>3 Rivers Properties, LLC-davenport - Dennis Gisi</u>	6/27/2006	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Industrial Building
2006-31	Approval of Land Sale to <u>Rick Havs (Paradise Water</u> at Vista Field)	7/11/2006	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Industrial Building

Resolution	Description	Commission Action	Commission Approval	Property Location	Buyback Clause (y/n)	Buyback Clause Action	Details
2006-42	Authorizing a Purchase and Sales Agreement with <u>Thomas M. O'Brien</u> (in Vista Field)	9/26/2006	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Industrial Building
2006-48	Authorizing a Purchase and Sale Agreement with <u>Wayne Penttila</u>	10/24/2006	Approved	HOVER	N	NO BUYBACK CLAUSE	Surplus
2006-49	Authorizing Purchase and Sale Agreement with <u>Value Place Real Estate Services, LLC</u>	10/24/2006	Approved	SPAULDING BUSINESS PARK	Y	PERFECTED	Constructed Medical Building
2006-51	Authorizing a Purchase and Sale Agreement with <u>Gary and Shirley Branson (inland empire drywall)</u>	11/14/2006	Approved	OAK STREET INDUSTRIAL PARK	Y	PERFECTED	Constructed Industrial Building
2006-52	Authorizing a Purchase and Sale Agreement with the <u>ARC of Tri-Cities</u>	11/14/2006	Approved	SPAULDING BUSINESS PARK	Y	PERFECTED	Constructed Commercial Building
2007-03	Authorizing a Purchase and Sale at <u>Oak Street Industrial Park with KIST, LLC</u>	1/9/2007	Approved	OAK STREET INDUSTRIAL PARK	Y	PERFECTED	Constructed industrial laydown yard for pools
2007-12	Authorizing a Purchase and Sale Agreement with <u>JRW Spaulding, LLC (Ashley-Bertsch)</u> at Spaulding Business Park	6/12/2007	Approved	SPAULDING BUSINESS PARK	Y	OTHER-EXPIRED	Seller's right to repurchase expired 2012
2007-14	Authorizing a Purchase & Sale Agreement with <u>City of Kennewick</u> (For expansion of the sewer treatment plant)	6/26/2007	Approved	OAK STREET INDUSTRIAL PARK	N	NO BUYBACK CLAUSE	Surplus
2007-20	Authorizing a Purchase and Sale Agreement in the Vista Field Industrial Park (<u>Kadinger</u>) <u>Jesse's Landscape</u>	8/28/2007	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Commercial Building
2007-21	Authorizing a Purchase and Sale Agreement in the Vista Field Industrial Park (<u>Riggle</u>)	8/28/2007	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Commercial Building
2007-22	Authorizing a Purchase and Sale Agreement with <u>Tillamook Light (Consolidated Supply)</u> at Vista Field Industrial Park	9/11/2007	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Commercial Building
2007-31	Authorizing a Purchase and Sale Agreement w/ <u>Richard and Barbara Larson</u> in Vista Filed Industrial Park	10/9/2007	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Commercial Building

Resolution	Description	Commission Action	Commission Approval	Property Location	Buyback Clause (y/n)	Buyback Clause Action	Details
2007-37	Authorizing a Purchase and Sale Agreement at Vista Field Industrial park (<u>Chevenne Electric – Andrew Hunt</u>)	11/13/2007	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Commercial Building
2007-47	Authorizing Purchase and Sale Agreement in Vista Field (<u>O'Brien</u>)	12/11/2007	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Industrial Buildings
2007-48	Authorizing a Purchase and Sale Agreement with <u>Providence Group Investments, LLC (Kishore Varada)</u>	12/11/2007	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Medical Building
2008-09	Authorizing an Extension for <u>South Ridge Village, LLC</u>	1/22/2008	Approved	SOUTHRIDGE	Y	OPEN	See Resolution 2006-23
2008-11	Authorizing a Purchase and Sale Agreement with <u>Selland Construction, Inc.</u>	2/12/2008	Approved	FINLEY	N	PERFECTED	Borrow pit for 397 roadway project.
2008-37	Approving Land Sale to Vista Field <u>Industrial Park II, LLC (Tom O'Brien)</u> in Vista Field	8/12/2008	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Industrial Buildings
2008-41	Approving Land Sale to <u>Providence Group, Limited (Kishore Varada)</u> in Spaulding Business Park	8/26/2008	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Medical Building
2008-49	Authorizing a Purchase and Sale Agreement with <u>Tri-Cities Chaplaincy</u> (Spaulding Business Park-)	10/1/2008	Approved	SPAULDING BUSINESS PARK	Y	PERFECTED	Constructed Commercial Building
2009-29	Approval of Land Sale in West Richland (<u>Teff</u>)	8/25/2009	Approved	WEST RICHLAND	Y	PERFECTED	Constructed Commercial Building
2009-43	Approving a Land Sale in Oak Street Industrial Park (<u>BFHS</u>)	12/8/2009	Approved	OAK STREET INDUSTRIAL PARK	Y	PERFECTED	Constructed Commercial Building
2011-17	Authorizing a Land Sale with <u>Pacific Cataract & Laser Institute, Inc.</u>	6/14/2011	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Medical Building
2011-18	Authorizing a Land Sale with Vista Field Industrial Park II (<u>Thomas M. O'Brien</u>)	6/14/2011	Approved	VISTA FIELD INDUSTRIAL PARK	Y	PERFECTED	Constructed Industrial Buildings
2011-31	Authorizing Land Sale with <u>Willamette Dentail SBP</u>	7/21/2011	Approved	SPAULDING BUSINESS PARK	Y	PERFECTED	Constructed Medical Building
2011-52	Land Sale: <u>Blair Sampson</u> (Spaulding Business Park)	12/13/2011	Approved	SPAULDING BUSINESS PARK	Y	PERFECTED	Constructed Medical Building
2012-12	Approval of Land Sale to <u>Donald & Pamala Becker</u>	3/27/2012	Approved	OAK STREET INDUSTRIAL PARK	N	NO BUYBACK CLAUSE	Existing building on property

Resolution	Description	Commission Action	Commission Approval	Property Location	Buyback Clause (y/n)	Buyback Clause Action	Details
2013-22	Approval of PSA <u>Julie Luke</u> Oak Street (Roth Parcel) 2013-09-011	9/11/2013	Approved	OAK STREET INDUSTRIAL PARK	Y	PERFECTED	Existing building on property; buyback for landscape improvements.
2013-32	Approval of Purchase and Sale Agreement with <u>Ron Tennis and Lisa Tennis</u> -5.8 Acres Finley Industrial Park	12/10/2013	Approved	FINLEY	N	NO BUYBACK CLAUSE	Residence on property
2014-05	Approval of Purchase and Sale Agreement for .09 acres with <u>Julie Luke</u> in the sum of \$3,800.00 at the Oak Street Industrial Area	3/11/2014	Approved	OAK STREET INDUSTRIAL PARK	N	NO BUYBACK CLAUSE	Boundary Line Adjustment
2014-15	Approval of a Land Sale to <u>Agrium US Inc.</u>	6/24/2014	Approved	FINLEY	N	NO BUYBACK CLAUSE	Surplus
2014-21	Authorizing the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the Land Sale transaction with <u>Kennewick Game Farm LLC</u> (Finley)- AKA MERCER	8/12/2014	Approved	FINLEY	N	NO BUYBACK CLAUSE	Surplus
2014-26	Authorizing the PSA with <u>Ag Reserves</u> . 94.32 acres for \$265,000	9/14/2014	Approved	PLYMOUTH	N	NO BUYBACK CLAUSE	Surplus
2015-27	Approval of Purchase and Sale Agreement for .83 acres with <u>SARC</u> in the sum of \$180,774.00 at Spaulding Business Park	11/10/2015	Approved	SPAULDING BUSINESS PARK	Y	PERFECTED	Constructed Commercial Building
2016-13	Approval of Purchase and Sale Agreement with <u>Rocking River</u> (Hedges property)	4/12/2016	Approved	HEDGES	Y	RELEASED	Aggregate Stockpile, Land Improvements Commission Resolution 12/12/2017
2016-14	Approval of Purchase and Sale Agreement with <u>Mike Shemali and MS Properties</u> (Verizon Property)	4/12/2016	Approved	VISTA FIELD INDUSTRIAL PARK	N	NO BUYBACK CLAUSE	Surplus
2016-15	Approval of Purchase and Sale Agreement with <u>Blaine Tamaki</u> (Spaulding property)	4/26/2016	Approved	SPAULDING BUSINESS PARK	Y	OTHER - NO SALE	NO SALE
2017-04	Approval of PSA with Red Mt. Wine Estates for 12 acres for \$149,364.60	2/28/2017	Approved	WEST RICHLAND	N	NO BUYBACK CLAUSE	Existing building on property
2017-06	Approval of Purchase and Sale Agreement with Spaulding Business Land Sale- <u>Tri-Cities Chaplaincy</u>	3/28/2017	Approved	SPAULDING BUSINESS PARK	Y	RELEASED	Commission Resolution 2019-11
2017-11	Approval of Purchase and Sale Agreement with Twin Track Industrial Park Land Sale - <u>JMAC) Pronghorn LLC</u>	6/13/2017	Approved	TWIN TRACKS INDUSTRIAL PARK	Y	OPEN	Extended 2 years. Resolution 2019-18

PORT OF KENNEWICK

RESOLUTION No. 2020-15

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING
THE RELEASE OF BUYBACK CLAUSES FOR SOUTHRIDGE VILLAGE, (JMAC)
PRONGHORN, AND THREE RIVERS ACQUISITION**

WHEREAS, the following land sales were approved through commission action:

Buyer: Southridge Village – approved by port commission 6/13/2006, Resolution 2006-23

Buyer: JMAC/Pronghorn – approved by port commission 6/13/2017, Resolution 2017-11

Buyer: Three Rivers Acquisitions – approved by port commission 6/25/2019, Resolution 2019-12
and;

WHEREAS, a condition in each purchase and sale agreement allows the Port of Kennewick an option to repurchase the property should the Purchaser not develop the property within a designated time; and

WHEREAS, the Port Commission finds that said properties are outside the scope of the Port’s current economic redevelopment efforts and releases such repurchase options from said properties.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorize the Port’s Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the release of the repurchase options as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 11th day of August 2020.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: _____
DON BARNES, *President*

By: _____
SKIP NOVAKOVICH, *Vice President*

By: _____
THOMAS MOAK, *Secretary*