



REGULAR COMMISSION MEETING

PORT OF KENNEWICK

SEPTEMBER 27, 2016 MINUTES

CALL TO ORDER

Commission President Skip Novakovich called the Regular Commission meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

Board Members: Skip Novakovich, President
Thomas Moak, Vice-President
Don Barnes, Secretary

Staff Members: Tim Arntzen, Chief Executive Officer
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, Chief Financial Officer/Auditor
Larry Peterson, Director of Planning & Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Marie Mosely, Kennewick City Manager led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

Marie Mosely, 210 West 6th Avenue, Kennewick. Ms. Mosely, City of Kennewick City Manager, thanked the Commission for their foresight and leadership. Mr. Mosely stated the Commission recognized the opportunities on Columbia Drive by purchasing several parcels of property several years ago and is ready to bring those opportunities to reality. Secondly, Ms. Mosely thanked the Commission for their leadership, in bringing forward a stakeholders group and partners to create a vision and master plan for what the Columbia Drive property could actually be. Ms. Mosely thanked the Commission, as well as Mr. Arntzen and Port staff, for their partnership with the City of Kennewick. Port and City staff have had a phenomenal working relationship over the last several years and Ms. Mosely is very proud of that partnership. Ms. Mosely stated today is an exciting day, we have an opportunity to bring Phase I the of Columbia Drive project to a reality. Ms. Mosely encouraged the Commission to approve the bid award that is on the Agenda today, to make the vision a reality. The City and Port have worked closely to identify what the project was going to be and worked together. The City is committed to fulfilling their portion of project by constructing the wine effluent facility, completing the streetscape and completing the trail around Duffy's Pond. Ms. Mosley is very excited to keep the project moving making Phase I a reality; and looks forward to see what the Port and City can do for Phase II. Ms. Mosely looks forward to next year, when the Port and City can stand together at a ribbon cutting on the Columbia Gardens Wine Village.



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Mr. Novakovich appreciates Ms. Mosely's comments and stated they are well taken by Commission and staff. Furthermore, the Port of Kennewick truly appreciates the partnership with the City of Kennewick.

Dan Smith, 124 West Kennewick Avenue, Kennewick. Mr. Smith, executive director of Historic Downtown Kennewick Partnership, elaborated on Ms. Mosley's comments and stated the Partnership started a task force to revive the bridge to bridge, river to rail revitalization plan. The Partnership held their first meeting and invited partners from the Port, City, Benton Franklin Council of Governments and others to continue the revitalization plan. The meeting went well and we covered the plan to see what items have been accomplished and what needs to be accomplished. Mr. Smith hopes to have another meeting soon with the partners and other stakeholders to move the plan forward.

No further comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

A. Approval of Direct Deposit and E-Payments Dated September 19, 2016

Direct Deposit and E-Payments totaling \$48,558.63

B. Approval of Warrant Registers Dated September 27, 2016

Expense Fund Voucher Numbers 38298 through 38333 for a grand total of \$207,305.96

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

NEW BUSINESS

A. Bid Award: Columbia Gardens Wine Village Phase #1; Resolution 2016-22

Mr. Peterson presented Resolution 2016-22, authorizing a contract between the Port and Banlin Construction to construct three buildings in Columbia Gardens Wine Village. Following the bid opening of the Columbia Gardens Wine Village Phase #1 project in February 2016, the Port Commission rejected all bids due to exceeding available funds and directed the project be rebid. The site work was bid and awarded in spring 2016 and was recently completed by Big D's Construction of the Tri-Cities. The Port received 10 bids, with 9 bids very close to one another. The engineers estimate for the project was \$2,800,000. Due to the economy in the Tri-Cities, there are several large civil and commercial construction projects taking place at this time. Mr. Peterson stated because the bid amount is above the approved budget, Mr. Kooiker can address Commission concerns or questions regarding budget. Furthermore, Terrence Thornhill and David Robison are here to answer any Commission questions.

Mr. Kookier stated the bid came in approximately \$500,000 higher than expected; however, by having fewer change orders, which is currently forecasted at 10%, the cost savings can be reduced. Mr. Kooiker stated the finance department budgeted very conservatively, and currently, the Port has higher revenues and lower expenses than were forecasted. Mr. Kooiker assured the Commission that the Port has the extra funds to proceed with the contract for the Wine Village and can still proceed with the current capital projects that were budgeted.

Mr. Moak inquired about the Port's history with Banlin Construction.



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Mr. Peterson reported the Port has worked with Banlin Construction on three recent projects: the interior remodel of the Port Office, the Boat Ramp Project and the Vista Field Development Building A remodel. The Port has had a very good experience on each project with Banlin Construction and they complete the projects on time and are consistent with the standard paperwork and accounting.

Terrence Thornhill, 7510 West Deschutes Place, Kennewick. Mr. Thornhill stated minimizing the change orders should not be an issue because all of the unknowns were removed from the plans. Mr. Thornhill stated while the buildings were redesigned, the essence, the intent, the performance, and the vision of buildings did not change.

David Robison, Strategic Construction Management, 3601 North 20th Avenue, Pasco. Mr. Robison elaborated on Mr. Peterson's comments regarding Banlin Construction. Mr. Robison is excited to work with Banlin Construction and stated SCM surveyed local contractors and found that Banlin Construction is a solid, local business. It is our recommendation to the Commission, on behalf of staff that the contract with Banlin Construction be approved.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Moak moved for approval of Resolution 2016-22, authorizing the Port's Executive Director to execute the contract with Banlin Construction, LLC for the construction of three (3) buildings at the Columbia Gardens Wine Village Phase #1 site on Columbia Drive for the sum of \$3,434,671.00, plus applicable tax; Commissioner Barnes seconded.

Discussion:

Mr. Barnes appreciates Ms. Mosely's comments regarding the history of the Port's efforts around Columbia Drive and Duffy's Pond. The Port began with ambitious plans and designs, and an innovative technique utilized in California, however, this design was not well received. Mr. Barnes appreciates the value engineering completed by Mr. Thornhill and Mr. Robison and how the design aesthetic was not compromised. Mr. Barnes is pleased the Port received 10 responses, which indicates a good plan and design. It is always frustrating when a project does not come within budget, however, a budget is based on estimates and we cannot forecast the market. Mr. Barnes believes it is in the best interest of the Port to proceed with the contract and the Port has the available funds, because of a fiscal management plan, and is in favor of moving forward with the Wine Village Project.

Mr. Moak stated over last 10 years the Port of Kennewick has invested millions of dollars into the Kennewick Waterfront, on and off Clover Island. Mr. Moak stated this is not just an economic development project, but a community development that will help spur change in East Kennewick. The Port, the City, other entities and the private industry has a chance to work together and do what is best for this area of the Tri-Cities. The work that Port staff and our consultants have completed and what our contractor will do with this project, will help be a beacon for moving forward on other projects and will benefit a lot of people. This is exciting and Mr. Moak looks forward to a positive vote on Resolution 2016-22. Everybody can take a lot of credit for the work that has gone on and the work that is to come.



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Mr. Novakovich is very excited about this project because the waterfront development has been in the works since 2000. Mr. Novakovich is excited to report to Peter Batchelor, who led the Urban Design Assistance Team in 2003, what was accomplished today. Mr. Novakovich is very happy that we did not give up any aesthetics on this project through the value engineering. Mr. Novakovich thanked Port staff and consultants Mr. Thornhill and Mr. Robison for an amazing job and the Port is known for completing first class projects and this will be another one. It will be a project that will represent how projects need to be done around Columbia Drive and Clover Island. Mr. Novakovich would like to move forward and do something great for this community.

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

Mr. Peterson stated the notice to proceed is expected to be issued on October 10, 2016.

OLD BUSINESS

A. Amend Resolution 2016-20 Guidelines for Vista Field Development Proposals; Resolution 2016-23

Mr. Arntzen stated, as previously discussed at the September 13, 2016 meeting, Resolution 2016-20, the Guidelines for Vista Field Development Proposals was intended to assist the Port during the collaborative design process for Vista Field. While working with the Arts Center Task Force, staff recognized the need to define the design team to include the principal or developer and a licensed architect for larger projects. Mr. Arntzen stated before the Commission is Resolution 2016-23, rescinding Resolution 2016-20 and adopting the amended Guidelines for Vista Field Development Proposals.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Moak moved of Resolution 2016-23, rescinding Resolution 2016-20; approving and adopting the amended Guidelines for Vista Field Development Proposals as attached in Exhibit A; and directing the Chief Executive Officer (CEO) to take all action necessary to implement these procedures; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field Update

Mr. Peterson stated Parametrix, the civil engineering firm that has been working on Vista Field, performed a drone site survey on September 21, 2016. The drone was able to capture necessary data for Phase IA construction documents.

Mr. Moak inquired if the Port owns the data product.

Mr. Peterson confirmed the Port owns the data and photographs.

Mr. Moak asked Mr. Peterson to add some aerial photographs of Vista Field to the Port website.



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B. Landscaping and Vegetation Management

Ms. Hanchette reported the operations department has a year round landscape management plan for Port properties and beginning early spring through late fall, maintenance includes: mowing, pruning, edging, weeding, irrigation and fertilizing. Port staff and the Coyote work crew maintain the following Port properties:

- Clover Island: Washington Street and Clover Island Drive, Willows and Duffy's Pond, the West Causeway, the Lighthouse Plaza and Public Boat Launch, the main Port office and West Marina Professional building and the parking lots;
- Columbia Gardens and Cable Greens;
- Oak Street Industrial Park;
- Vista Field Development Building B and the former FBO building and corporate hangars;
- West Richland properties and the Tri-City Raceway.

In addition to the current properties, the operations team will add the Wine Village, Columbia Drive streetscape and the 1135 shoreline enhancement to its list of properties once completed. The operations team has had a few challenges this year with irrigation failures and will be replacing trees in the east parking lot of Cedars and retrofitting irrigation lines on the west causeway to avoid future issues. Ms. Hanchette is working with Arthur Job, a landscape contractor, who has worked with the Port and provided a great deal of insight for vegetation on the Island and other properties. Mr. Job will be assisting the Port on water management, fertilizer treatments and identifying trees and plants that work best on Port properties. Furthermore, Mr. Job will be reviewing projects prior to planting to ensure the plants will have a better chance of survival.

Port staff continues to work with the City of Kennewick Parks and Recreation Department to identify Phase II of Duffy's Pond clean up. For Phase I, the Port created a vegetation management strategy for the area around Duffy's Pond, near the Willows. The US Army Corps of Engineers owns the land and shoreline, however, the City leases and maintains the area; and in a cooperative effort, the Port facilitated cleanup efforts. Ms. Hanchette has received positive feedback on Phase I and the clean-up improved accessibility to Duffy's Pond, cleared visibility, and increased safety. Phase II will include additional clearing further down the trail towards Columbia Gardens and will take place from December 2016 to February 2017.

Mr. Moak inquired if the Port had a drought plan in place.

Ms. Hanchette and Mr. Job created a standard list for plants that are native and drought tolerant, for example, the Purple Russian Sage requires low to medium watering.

Mr. Moak appreciates the work of Ms. Hanchette and the operating staff and contractors and inquired if Ms. Hanchette increased the operations budget in consideration of the upcoming projects that will be completed in the next two years.

Ms. Hanchette has taken the upcoming projects into consideration and increased the operations and maintenance budget for 2017-2018.

The Commission thanked Ms. Hanchette and the operations staff for their work and stated it is in very capable hands.



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C. Columbia Drive Update

Mr. Peterson reported Big D's Construction recently completed the underground utility project and excavation at Columbia Drive to ready the property for construction of the three winery buildings. The project was completed in time for 2F Construction to begin work on the City's streetscape project which includes landscaping, sidewalks and a bus pull-out area.

Mr. Barnes thanked Mr. Peterson for his coordination efforts on the multitude of projects taking place on Columbia Drive, while ensuring access to Columbia Gardens.

D. 2017-2018 Budget and Work Plan Schedule

Mr. Kooiker presented the timeline for the 2017-2018 Budget and Work Plan adoption:

- October 11, 2016: Planning Workshop;
- October 11, 2016: Preliminary 2017-2018 Budget Workshop;
- October 12, 2016 and October 19, 2016: Legal advertisements placed in the *Tri-City Herald*;
- October 25, 2016: Final 2017-2018 Budget Hearing and Adoption and Approval of 2017-2018 Work Plan;
- November 30, 2016: Final 2017-2018 Budget due to Benton County Clerk.

The Commission is in consensus with the presented 2017-2018 Budget and Work Plan schedule.

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

Commissioners reported on their respective committee meetings.

F. Non Scheduled Items

1. Mr. Novakovich attended the 50th anniversary celebration of the Benton Franklin Council of Governments and they presented a plaque to the Port of Kennewick.
2. Mr. Arntzen thanked our partners from the City, Ms. Mosely and Evelyn Lusignan for their comments and how important our efforts are to the neighborhood. Ms. Mosley has been a good friend to the Port and this project would not have happened not for the substantial commitment from the City.

Mr. Arntzen recently attended the Washington Public Ports Association (WPPA) Legislative Committee in Olympia and it was discussed whether WPPA should be supportive of high tech fiber access. The Port of Whitman County made a presentation on high tech fiber and the WPPA decided to recommend legislation to address this issue and make it more favorable for ports to facilitate the fiber options. WPPA will put together a sub-committee of ports, including Port of Whitman County to address fiber.

Furthermore, Mr. Arntzen and Ms. Bader Inglima attended the Affiliated Tribes of the Northwest Indians Convention, sponsored by the Tulalip Tribes. The three day convention was held at the Tulalip Resort and Casino and 25 tribes were in attendance. It was an opportunity for the Port to interface with the CTUIR and other tribes.



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3. Mr. Peterson reported the next project the Port will bid is the Gathering Place (formerly Village at Island Harbor). The bid will include the Gathering Place, with alternates featuring a speed bump and demolition of the old port office and raney collector. The bid will be available in October and will be opened November 3, 2016 and presented to the Commission for consideration on November 8, 2016.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick reported Saturday, October 1, 2016 marks the 72nd season of the Mid-Columbia Symphony, featuring Beethoven's "Fifth Symphony." On September 30, 2016, and October 2, 2016 the Mid-Columbia Symphony and the Mid-Columbia Mastersingers will perform at the B Reactor National Historic Landmark in celebration of the 100th Anniversary of the National Park system. The Symphony's program features Copland's "Fanfare for the Common Man," and Grofe's "Grand Canyon Suite."

Chuck Eaton, 2309 Davison Avenue, Richland. Mr. Eaton wanted to elaborate on Mr. Burdick's comments but within specific reference to the Port's role. The concert at the B Reactor is the first ever concert held in a decommissioned nuclear reactor, which was also the first full scale nuclear reactor. Mr. Eaton stated the Arts are transformative in very interesting ways, not only transforming the B Reactor into a symphony hall, but transforming our understanding of science in relation to art and history. The concert will include poetry by Kathleen Flenniken, former Washington State poet laureate, who worked as an engineer at Hanford before prior to becoming a poet. Ms. Flenniken will read her poetry, which is set to music, and the performances included in the program are set by the internationally known, but local composer, Reg Unterseher. Mr. Eaton stressed that absolutely unique arts events are happening in the Tri-Cities and congratulates the Port for its support of the arts and its focus on creating a home for arts at Vista Field.

No further comments were made.

Mr. Arntzen thanked staff and Mr. Kooiker, who served as acting director while he was traveling. Furthermore, Mr. Arntzen reported that Ms. Bader Inglima is still representing the Port at the ATNI Convention in Tulalip.

COMMISSIONER COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:18 p.m.



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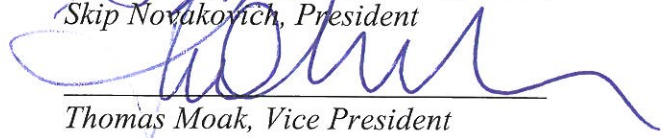
APPROVED:

PORT of KENNEWICK


BOARD of COMMISSIONERS



Skip Novakovich, President



Thomas Moak, Vice President



Don Barnes, Secretary

PORT OF KENNEWICK

Resolution No. 2016-22

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK ACCEPTING AND AWARDING A BUILDING CONSTRUCTION CONTRACT FOR THE COLUMBIA GARDENS WINE VILLAGE PHASE #1 PROJECT ON COLUMBIA DRIVE TO BANLIN CONSTRUCTION LLC

WHEREAS, a request for bids for the construction of three winery buildings and site improvements at the Columbia Gardens Wine Village Phase #1 site on Columbia Drive was properly advertised with the approved plans and specifications being made available to prospective bidders; and

WHEREAS, construction bids have been received and staff and the project architect have certified that the bids received are in compliance with the plans and specifications; and

WHEREAS, the staff and the project architect have certified that the low bidder for the project is Banlin Construction LLC in the amount of \$3,434,671.00, plus applicable tax, and that such bid is in compliance with the plans and specifications; and

NOW THEREFORE, BE IT RESOLVED that the Port of Kennewick Commission does hereby accept the bid of Banlin Construction for the construction of the Columbia Gardens Wine Village Phase #1 buildings as the low bidder in the amount of \$3,434,671.00, plus applicable tax, and hereby awards the construction contract to said low bidder.

BE IT HEREBY FURTHER RESOLVED that the Chief Executive Officer is authorized to enter into a contract between the Port of Kennewick and Banlin Construction LLC for the Columbia Gardens Wine Village Phase #1 buildings on Columbia Drive, and that the Chief Executive Officer is further authorized to proceed with all necessary procedures required to complete construction of the project.

BE IT HEREBY FURTHER RESOLVED, that the Chief Executive Officer is authorized to amend the 2015-2016 capital budget to reflect the actual bid cost of the project.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 27th day of September, 2016.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: 
SKIP NOVAKOVICH, President

By: 
THOMAS MOAK, Vice President

By: 
DON BARNES, Secretary

PORT OF KENNEWICK

RESOLUTION 2016-23

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PORT OF KENNEWICK RESCINDING RESOLUTION 2016-20 AND APPROVING THE AMENDED GUIDELINES FOR VISTA FIELD DEVELOPMENT PROPOSALS

WHEREAS, the Board of Commissioners of the Port of Kennewick approved Resolution 2016-20 on July 26, 2016 approving the policy providing the procedure by which the Port of Kennewick (Port) shall provide public notice of Vista Field development opportunities and the process by which the Port shall receive, evaluate and accept development proposals; and

WHEREAS, the collaborative design process within the Guidelines needs to be amended to define the design team to include the principal or developer, and a licensed architect for the larger projects; and

WHEREAS, the Commission shall continue to evaluate the effectiveness of this policy over time and reserves the right to expand, amend or rescind this policy as appropriate.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby rescinds Resolution 2016-20.

BE IT FURTHER RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby approves and adopts the amended Guidelines for Vista Field Development Proposals as attached in Exhibit A, and directs the Chief Executive Officer (CEO) to take all action necessary to implement these procedures.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 27th day of September, 2016.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By:


SKIP NOVAKOVICH, *President*

By:


THOMAS MOAK, *Vice President*

By:


DON BARNES, *Secretary*

PORT OF KENNEWICK
GUIDELINES FOR VISTA FIELD DEVELOPMENT PROPOSALS

These guidelines identify the procedure by which the Port of Kennewick (Port) provides public notice of Vista Field development opportunities and the process by which the Port shall receive, evaluate and accept development proposals. The Port Commission shall evaluate the effectiveness of this policy over time and reserves the right to expand, amend or rescind this policy as appropriate.

I. NOTICE OF DEVELOPMENT OPPORTUNITIES

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

The Port may post notice:

- A. On its website; on the “LoopNet” real estate site; on the MLS service for local real estate (if applicable);
- B. In the Tri-City Herald; Tri-City Business Journal; the Spokane Business Journal; the Puget Sound Business Journal and other similar publications;
- C. With specialty listing services, including:
 - 1. "Bidsync" (<https://www.bidsync.com/>);
 - 2. Urban Land Institute’s “Marketplace” (<http://uli.org/programs/marketplace/>);
 - 3. “Findrfp.com” (<https://www.findrfp.com/State-RFP-Bid/Government-RFPS-bids-Washington-WA.aspx>);
 - 4. RFP Database (<http://www.rfpdb.com/>); and
- D. By other methods as appropriate, including making direct contact with potential developers.

II. RECEIPT OF DEVELOPMENT PROPOSALS

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

- A. Demonstrated experience with municipal planning and permitting processes;
- B. Demonstrated experience with “New Urbanism”, “Smart Growth”, “Green Building” or similar development principles (if any);

- C. Financial capability, as evidenced by a letter of credit or other acceptable means, as confirmation of its ability to complete its proposed development, including a description of funding sources for property acquisition and construction of infrastructure and facilities;
- D. Relevant experience with similar development projects including:
 - 1. Project name, location, and description;
 - 2. Color images or other graphic material depicting the project;
 - 3. Total project budget and budget per phase (if applicable);
 - 4. Budget funding sources – equity partner, development lender, permanent lender, etc.;
 - 5. Total duration of project development and details regarding whether project schedule was met;
 - 6. Brief description of the development process;
 - 7. Consultants and contractors utilized and the role of each; and
 - 8. Major tenants (if applicable).
- E. Price and terms offered;
- F. A list of developer's key personnel anticipated to participate in the development, including a summary of their relevant experience;
- G. A list of design team members, including the principal or developer, and a licensed architect;
- H. A list and short description of all litigation and/or claims that the developer (or any entity or individual named in the developer's proposal) is currently or in the last 10 years was, a named party (if any), including a description of how the litigation and/or claim was resolved;
- I. A list of past community, charitable and/or civic contributions; and
- J. A minimum of three references, one of which shall be a financial institution.

III. EVALUATION OF DEVELOPMENT PROPOSALS

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

- A. Preliminary Collaborative Design Process. The Port and developer (working through each party's design team) shall meet to refine the development concept described in the LOI.

Initiation of the collaborative design process may be by telephone conference or other preliminary discussion. The preliminary collaborative design process shall consist of:

1. **Pre-Development Meeting.** A pre-development meeting shall take place in Kennewick, Washington (or other location mutually agreed upon) where the developer, its design team and principal(s) shall be interviewed, and where the initial project development concept will be reviewed. The parties will endeavor to produce rough project sketches and assemble precedent photographs and other illustrative materials.
 2. **Design Workshop.** Upon successful completion of the pre-development meeting, a design workshop will be conducted whereby the parties will refine the development concept and the rough sketches in order for the developer to produce a schematic design mutually acceptable to the parties.
- B. **Initial Evaluation by Port Commission.** Upon successful completion of the preliminary collaborative design process, the CEO, together with appropriate staff and the Town Architect, shall present all relevant project information to the Port Commission for evaluation. The Port Commission may evaluate the proposal utilizing the following criteria:
1. Quality of the project and consistency with Port planning documents;
 2. Price and terms;
 3. Knowledge, financial capability and references of the developer;
 4. Developer's recent experience with similar projects; and
 5. Other factors including but not limited to the developer's past community, charitable and/or civic contributions.

The Port Commission, in its discretion, may interview a developer as part of the review process.

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

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

- C. **Final Collaborative Design Process.** Provided the parties enter into the final collaborative design process, the developer, at its sole expense, shall produce of a set of drawings acceptable to the Port including site and representative floor plans with elevations for the major elements of the project. Schematic drawings shall also include exterior sections reflecting proposed architectural design and building materials. Substantial emphasis will be placed on exteriors,

and especially, elevations facing streets and public spaces. The plans shall include a conceptual site plan and a description of specific noteworthy site features that will be preserved (i.e. trees, etc.). The plans should include a sample or conceptual planting plan for site vegetation. Additionally, the developer shall describe the components, planning tools and means of implementing the project to completion; the proposed schedule of development; and its ability to secure tenants and market the property to end-users. At this time, the developer shall also develop a project timeline (subdivided into phases, if necessary) identifying the estimated length of time to reach key development milestones, including: commencement and completion of design; financing; commencement and completion of construction; and availability for tenant occupancy. Any contingencies that may affect this timeline shall be identified by developer. The Port may request additional project information.

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

IV. POST PURCHASE AND SALE AGREEMENT MATTERS

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

V. MISCELLANEOUS MATTERS

- A. All discussions between the parties are to explore the developer's qualifications and the viability of a development proposal. A binding obligation shall only be created by a written agreement setting forth all material terms and conditions of the proposed transaction, signed by the parties;

and no agreement shall be binding except upon an affirmative vote by a majority of the Port Commission;

- B. The Port may arrange for further action including introducing the concept to the Port Commission or appropriate third parties in order to gather information, analyze proposal feasibility and cost, and to perform due diligence; the parties understand that complete confidentiality cannot be guaranteed;
- C. Each party shall be responsible for all costs it incurs with respect to this matter, including but not limited to professional and attorney's fees and costs;
- D. The Port makes no representations with respect to the property and the developer agrees to exercise all due diligence it deems necessary;
- E. Development proposals may be subject to disclosure under the Washington State Public Records Act. However, any information within a development proposal that is claimed to be proprietary or a trade secret may be marked as "confidential". Prior to disclosure of any such information, the Port will provide the developer statutory notice of developer's right to seek a court order to preclude such disclosure; and
- F. The Port reserves the right to verify developer credentials and to request supplemental information or documents at any time during the process that it determines the necessity therefore.
- G. The Port Commission, in its discretion, may waive any of the requirements set forth herein for small scale developments including the sale of individual residential lots or developments where the total project value, including land price, is expected to be less than \$1,000,000.