

AGENDA

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

Tuesday, October 22, 2013
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IV. CONSENT AGENDA**
 - A. Approval of Direct Deposit and Warrants Dated October 15, 2013
 - B. Approval of Warrant Registers Dated October 23, 2013
- V. PRESENTATION**
 - A. Denver Artwork / Columbia Drive Artisan Incubator, Barb Carter
- VI. NEW BUSINESS**
 - A. Inter-Local Agreement with City of Kennewick for the Columbia Gardens Wine Village, Phase I; Resolution 2013-24
- VII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Vista Field Citizens Advisory Committee
 - B. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - C. Non-Scheduled Items
- VIII. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IX. EXECUTIVE SESSION, if necessary** *(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)*
 - A. Personnel, per RCW 42.30.110(1)(g)
- X. ADJOURNMENT**

PLEASE SILENCE CELL PHONES

PORT OF KENNEWICK

Resolution No. 2013-24

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING AN INTER-LOCAL AGREEMENT WITH THE CITY OF KENNEWICK RELATED TO THE COLUMBIA GARDENS WINE VILLAGE, PHASE I

WHEREAS, on October 1, 2013, the Port of Kennewick Board of Commissioners and the City of Kennewick City Council met to discuss recommendations to advance progress related to the Columbia Gardens area of the Bridge-to-Bridge area located in the City of Kennewick; and

WHEREAS, there is public benefit in a comprehensive development strategy for Port property holdings located within the City, including properties in and around Port properties on Clover Island, adjacent to Columbia Drive. The properties are located in an area bordered by Clover Island on the north; North Washington Street/North Clover Island Drive to the west; Columbia Drive on the south; and North Elm Street (extended) to the east (the "Project Area"); and

WHEREAS, the Port's established development programs focus publicly-funded resources (including Port fiscal and staff resources) on Port real property holdings within the City limits. Those development programs require substantial public involvement to provide a foundation for further private and public investment to facilitate new development or redevelopment; and

WHEREAS, the Port and the City recognize that successful and timely redevelopment of the Project Area benefits the economic and social welfare of the City and the surrounding area, and represents an opportunity for the citizens of Kennewick. Collaboration and shared resources will best serve the public interest through leveraging the unique resources of each party. The Port and the City will work collaboratively in order to identify, evaluate and implement objectives in a timely and effective manner to assist redevelopment of the Project Area; and

WHEREAS, wineries have shown interest in facility development in the Project Area because of its central location, access and exposure.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick adopts the attached Interlocal Agreement between the Port of Kennewick and City of Kennewick related to the Columbia Gardens Wine Village, Phase I, and instructs the Executive Director to take all action necessary to implement such Interlocal Agreement.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 22nd day of October, 2013.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

By: _____
SKIP NOVAKOVICH, President

By: _____
DON BARNES, Vice President

By: _____
GENE WAGNER, Secretary

**CITY OF KENNEWICK AND PORT OF KENNEWICK
AGREEMENT REGARDING
COLUMBIA DRIVE ECONOMIC DEVELOPMENT
COLUMBIA GARDENS – PHASE 1**

1. **AGREEMENT.** This Agreement Regarding Columbia Drive Economic Development, Columbia Gardens – Phase 1 (“Agreement”) is between the Port of Kennewick (“Port”) and the City of Kennewick (“City”). The City and Port are Washington municipal corporations and each a “Party,” and collectively the “Parties,” to this Agreement. The Parties agree as follows.

2. RECITALS

2.1 Economic Development Authority. The City has express statutory authority to engage in economic development programs. RCW 35.21.703. And, the Legislature has specifically declared “the public purpose for all port districts to engage in economic development programs.” See RCW 53.08.245.

2.2 Project Area. There is public benefit in a comprehensive development strategy for certain Port real property holdings located within the City, including properties in and around Port properties on Clover Island, adjacent to Columbia Drive. The properties are located in an area bounded by Clover Island on the north; North Washington Street/North Clover Island Drive to the west; Columbia Drive on the south; and, North Elm Street (extended) to the east (the “Project Area”).

2.3 Development Programs and Opportunities. The Port’s established development programs focus publicly-funded resources (including Port fiscal and staff resources) on Port real property holdings within the City limits. Those development programs require substantial public involvement to provide a foundation for further private and public investment to facilitate new development or redevelopment.

2.4 Coordinated Resources. The Port and the City recognize that successful and timely redevelopment of the Project Area benefits the economic and social welfare of the City and the surrounding area and represents an opportunity for the citizens of Kennewick. Collaboration and shared resources will best serve the public interest through leveraging the unique resources of each Party. The Parties seek to work collaboratively in order to identify, evaluate and implement objectives in a timely and effective manner to assist redevelopment of the Port properties

2.5 Winery and Related Development. Wineries have shown interest in facility development in the Project Area because of its central location, access and exposure. The general depiction of the planned development and related improvements are set forth in Exhibit A, prepared for the Port by ISI Architecture (“Site Plan”).

2.6 Purpose and SEPA. The purpose of this Agreement is to provide a framework for the ongoing and integrated study and planning and development efforts of the Port and the City for redevelopment of the Port's properties and related economic development projects in the vicinity of the Project Area. The Port shall be the lead agency under the State Environmental Policy Act, Chapter 43.21C RCW ("SEPA") for any Port development projects in the Project Area. This Agreement shall not be construed as limiting actions or alternatives for development within the Project Area. The commitments in this Agreement are preliminary to and contingent upon SEPA compliance.

3. PORT BUILDINGS AND IMPROVEMENTS

3.1 421 Building. The Port shall design, permit and construct improvements (renovation and retrofit) to the Port's existing building located in the Project Area at 421 Columbia Drive. The 421 Building improvements are to facilitate (if feasible), wine-related activities, including production, storage, distribution and sales (including tasting room), or other use compatible with development in the Project Area for wine-related commerce including but not limited to farmers' market and art-related business.

3.2 New Building. The Port shall design, permit and construct a new building in proximity to the 421 Building. The New Building shall be not less than 7,500 square feet. The New Building shall be designed for wine-related activities, including production, storage, distribution and sales (including tasting room).

3.3 211 Building. The Port, in coordination with the City, shall determine whether a portion of the Port's existing building at 211 Columbia Drive will accommodate the installation of a City wastewater treatment facility for the purpose of treating winery effluent. In any case the Port shall reserve an appropriate portion of the property for the City for installation of the treatment facility. Port intends to utilize the remaining portion of the building to house winery and/or farmers' market and art-related businesses.

3.4 Financial Contingency. The Port agrees to spend between \$1 and \$1.3 million on this Phase 1 of the Columbia Gardens project. If following Port improvements to the 421 Building and 211 Building, funding does not permit the construction of the new building described Section 3.2, the Port reserves the right to construct a smaller structure or to erect approximately 115 linear feet of wall along the frontage of 421 Columbia Drive to provide screening and security for the tenant of the 421 Building.

4. WINERY EFFLUENT PROJECT

4.1 Bio-Treatment Project. Currently, the City wastewater treatment plant cannot accommodate untreated loadings from winery effluent. To remedy this situation, the City has contracted with ISI to determine what technology can be employed. ISI has concluded that one option for pre-treatment technology, known as a "Bio-Treatment" can pre-treat winery effluent, and after pre-treatment, the effluent could be discharged into the City sewer system for treatment

in common with other wastewater or other method. The final determination of the method of treatment shall be at the discretion of the City.

4.2 City Facility. The City shall design, permit and install a winery effluent treatment plant (the “Plant”) with ancillary infrastructure sufficient to serve the project area. The Plant shall have capacity to treat wine production necessary for approximately 50,000 cases annually. The details of the effluent treatment plant and ancillary infrastructure will be outlined in a separate Memorandum of Understanding (MOU). The MOU will address the rate structure necessary to reimburse the City utility for capital costs and maintenance and operation of the facility.

4.3 Financial Contingency. The City agrees to spend no more than \$800,000 for the completion of the effluent treatment plant. The City’s investment is contingent upon funding being available, if funding is not available the City reserves the right to construct a smaller capacity pre-treatment facility.

5. DEVELOPMENT ELEMENTS

5.2 Extension of Nature Trail. The City shall extend the nature trail from its current start point in “cable greens” to the western border of the project Area abutting the “Isaacson’s” parcel. The trail improvements are to include underground conduit crossings for future path lighting and decorative brick or pavers as determined by the City. Completion of the trail is contingent upon approval by the Corps of Engineers, and City securing appropriate easements.

5.3 Parking and Pads. The City shall pave approximately eighteen thousand (18,000) square feet of parking and driveway in an area that is agreed to between the City and Port and located on Port owned property. The details of the Parking shall be outlined in a separate MOU between the City and Port.

5.4 Monument Signage. The Port, with input from the City, shall design, construct, and maintain the monument signage features for the Project Area.

5.5 Street Scape. The City shall install high quality streetscape on the north side of East Columbia Drive. The starting point will be the eastern most boundary of Port-owned property at 421 East Columbia Drive and the terminus will be at the western-most boundary located at 211 East Columbia Drive. The details of the street scape section will be established in a separate MOU between the City and Port.

5.6 Financial Contingency. The City agrees to invest no more than \$500,000 for the completion of the development elements assigned to the City in Sections 5.2, 5.3 and 5.5 above. The City’s investment is contingent upon funding being available, if funding is not available the City reserves the right to modify the scope of each development element.

5.7. The parties agree to work cooperatively to secure grant funding for projects identified within this interlocal.

6. LAND USE AND PLANNING

6.1 Development Regulations. The City shall process such amendments to the City Code, including zoning and other development regulations for the Project Area to specifically allow the construction and operation of the Plant, and all wine-related business including, but not limited to, production, storage, sale and distribution, tasting and food service including use for farmers' market. Such amendments may include, but are not limited to text amendments, overlay zone or other changes.

6.2 Phased Development.

The Parties recognize the substantial investment of resources by both Parties under this Agreement. It may be some time before the capacity of the Plant is reached. The Plant and supporting utility rates are best supported by full use of the Plant. As a result, the City and Port commit to concentrating their respective resources toward developing, promoting, marketing, and enhancing the Project Area for boutique wine production; and in order to foster a competitive advantage for this specific revitalization area, neither the City nor Port will fund construction of a wine effluent treatment system including but not limited to lift station, sewer lines, trunk lines, sewer connections, or utility infrastructure which competes directly with the Project Area until the Plant has reached capacity. This limitation shall not prevent the Port from participating in, selling, or leasing land and/or constructing development buildings related thereto in other areas of the Port district.

7. ADMINISTRATION

7.1 General. Following SEPA review, the City shall promptly process all necessary zoning and building approvals for the development in the Project Area. The City shall expedite processing, review, and approval of all short plat, binding site plan, boundary line adjustment, building permit and all other land use, planning, and site reconfiguration applications relative to the Project Area. The Port and the City will explore options to create development predictability and incentives to further attract private investment within the Project Area.

7.2 Timeframes and Staffing for Processing and Review. In recognition of the importance of timely processing and review of permits, approvals and discretionary actions ("approvals"), the City agrees to work with the Port to establish time frames for processing and reviewing such further agreement(s) and approvals that may be necessary to further this Agreement. Furthermore, the City shall expedite all requests by the Port for approvals, if any. Improvements identified in Sections 3, 4 and 5 shall be completed by the respective parties no later than April 30, 2015. This date may be extended for time necessary to satisfy SEPA compliance or other unanticipated delays that are beyond the control of the Port or City.

7.3 Cooperation And Implementation. Upon satisfactory completion by Port of all required preliminary actions and payment of applicable processing fees, including the fee for processing this Agreement, the City shall commence and diligently process all required steps necessary for the implementation of this Agreement and development of the Project Area in accordance with the terms of this Agreement. Port shall, in a timely manner, provide the City with all documents, plans, fees and other information necessary for the City to carry out its processing obligations under this Agreement.

7.4 Cooperation In The Event Of Legal Challenge. In the event of any judicial or administrative action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the Parties shall affirmatively cooperate in defending said action.

7.5 Operating Agreement. The provisions of this Agreement require a close degree of cooperation between the City and Port. During the Agreement Term, clarifications to this Agreement may be appropriate from time to time with respect to the details of performance of the City and Port. When necessary or appropriate, the Parties shall provide for such clarification through operating memoranda approved in writing by the City and Port. After execution by both Parties, each operating memoranda shall be attached hereto and become part of this Agreement and the same may be further clarified from time to time as necessary with future written approval by the City and Port. Operating memoranda are not intended to and cannot constitute an amendment to this Agreement or allow a subsequent Discretionary Action but are ministerial clarifications, therefore no additional process is contemplated. The City Manager and Port Executive Director shall be authorized to determine whether a requested clarification may be effectuated pursuant to this Section 7.5; or whether the requested clarification is of such character as to require an amendment to the Agreement. The authority to enter into such operating memoranda is hereby delegated to the City Manager and Port Executive Director, who are hereby authorized to execute any operating memoranda hereunder without further approval.

7.6 Staffing. To the extent necessary, the Port and the City will make the best efforts to provide staff and financial resources as necessary to accomplish the purposes of this Agreement. The Port and the City anticipate using existing staff, augmented by outside consultants, to accomplish the purposes of this Agreement.

7.7 Cooperation with Regulatory Agencies. The Port and the City will cooperate and support one another's efforts with regulatory agencies to accommodate the development and redevelopment efforts in the Project Area.

7.8 Document Review. The Parties shall further cooperate by sharing all relevant information, including planning, financial and environmental documents, to the extent allowed by law.

8. GENERAL

8.1 Additional Acts. The Port and the City recognize and expect that additional acts will be required to achieve the intent of this Agreement. Therefore, to the extent authorized by law, the Port and the City commit to take whatever additional acts that may be reasonably required to achieve the purposes of this Agreement.

8.2 Neutral Authorship. Each provision of this Agreement has been reviewed and negotiated, and represents the combined work product of the Port and the City. No presumption or other rules of construction that would interpret the provisions of this Agreement in favor of or against the Port or the City shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement.

8.3 Amendment. This Agreement shall not be altered or varied except in writing signed by each Party.

8.4 No Third Party Interest. It is the intent of the parties that this Agreement is for the benefit of the Port of Kennewick and the City of Kennewick as public entities and that no third party interest is created hereby.

8.5 Governing Law. Each of the Parties have independent authority to contract; and, this Agreement is pursuant to that authority and not under Chapters 39.33 or 39.34 RCW. This Agreement shall be deemed to have been made in and shall be construed under the laws of the State of Washington.

8.6 Venue. The venue for any action arising out of this Agreement shall be the Superior Court for Benton County.

8.7 Non Waiver. Nothing in this Agreement and no actions taken pursuant to this Agreement shall constitute a waiver or surrender of any rights, remedies, claims or causes of action a Party may have against the other Party or others under any provision of this Agreement or any provision of law.

8.8 Agreement Term. The term of Agreement shall commence on its execution by both Parties and end December 31, 2015 ("Agreement Term").

8.9 Termination. Either Party may terminate this Agreement prior to the end of the Agreement Term, by giving written notice to the other Party at least six (6) months prior to the date of termination.

9. EXECUTION AND APPROVAL

9.1 Warranty of Authority. Each Party to this Agreement warrants that it has the authority to enter into this Agreement.

9.2 Execution. The person executing for the Party has been duly authorized to and does execute the Agreement on behalf of the Party.

IN WITNESS WHEREOF, the Board of Commissioners signed this Agreement this 22nd day of October, 2013.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____
SKIP NOVAKOVICH, President

By: _____
DON BARNES, Vice President

By: _____
GENE WAGNER, Secretary

IN WITNESS WHEREOF, the City Council signed this Agreement this 22nd day of October, 2013.

CITY OF KENNEWICK

Attest:

STEVE YOUNG, Mayor

LINDA SPIER, City Clerk

Approved as to Form:

LISA BEATON, City Attorney

EXHIBIT A (Site Plan)

Includes:

Map of Port-Owned Property on Columbia Drive
Integrated Structures Incorporated (ISI) Schematics for:
Willows Wine Village & Columbia Gardens



**Port of Kennewick
Owned Properties**

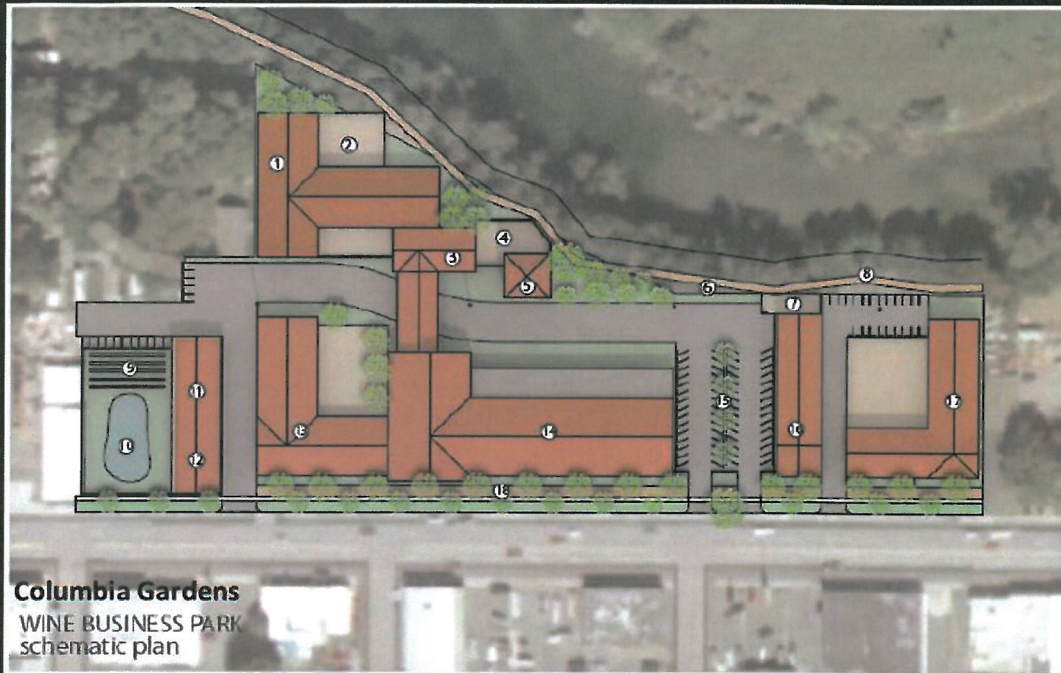


WILLOWS WINE VILLAGE legend



- | | | |
|--|---|---|
| 1 Heritage Trail Bike Shop & Cafe | 9 Public Square | 11 Restaurant & Trail Shop
Parking - 25 Spaces |
| 2 Gated Resident Parking | 10 Ground Floor Retail
27,000 sqft | 12 Accessible Green |
| 3 Retail Anchor, Accessible Parking | 11 Food Court - Market of Many Shops | 13 Nature Trail |
| 4 Residential - Living Above Retail
35,600 sqft | 12 5 Wine Incubators, Offices, Tasting Rooms
10,000 sqft | |
| 5 Retail Anchor | 13 Winery Incubator Parking - 60 Spaces | |
| 6 Restaurant - Rooftop Terrace
2000 sqft | 14 Winery Incubator Courtyards | |
| 7 Main Retail Parking - 110 Spaces | 15 Tasting Room Courtyards, Access to Offices | |





WINE BUSINESS PARK LEGEND

Columbia Gardens



- 1 50,000 case / yr winery
- 2 Tasting Courtyard
- 3 Wine Professional Offices
- 4 Tasting Courtyard
- 5 Cluster of Tasting Rooms / Professional Offices
- 6 Nature Trail Access
- 7 Tasting Courtyard
- 8 Nature Trail
- 9 Demonstration Vineyard
- 10 Constructed Wetland / Winery Waste Polish
- 11 Winery Waste Treatment
- 12 Education Center / Open Leasable Space
- 13 50,000 case / year Winery
- 14 WINE WORKS: Two 50,000 case / year Variable Configuration Wineries
- 15 Parking - 65 cars
- 16 Phase bldg: Adaptive Reuse Phase 1: 18,000 case / yr Winery
- 17 Adaptive Reuse Phase 2: 32,000 case / yr Winery
- 18 36' Deep Greenway Along Columbia Drive

