



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DECEMBER 12, 2017 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
Tana Bader Inglima, Deputy Chief Executive Officer
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, Chief Financial Officer/Auditor
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Nick Kooiker led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

Don Engleman, City of West Richland Councilmember. Mr. Engleman stated that he would like to see the City and the Port work to develop an Interlocal Agreement (ILA) for the former West Richland Racetrack property, similar to the ILA between the Port and the City of Kennewick.

Barb Carter, 3121 West 30th Avenue, Kennewick. Ms. Carter stated on behalf of the Kennewick Arts Commission, how pleased they are with the Port's willingness to support arts projects in both the Port and the City of Kennewick. Ms. Carter stated the City has agreed to alter some of the landscaping rules for new developers in order to have more art throughout the City. Ms. Carter reported that the Arts Commission has offered to help new developers locate art for their projects and passed out a developer project brochure and a map of public art. Ms. Carter thanked the Port for their support of the arts.

No further comments were made.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

DECEMBER 12, 2017 MINUTES

CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated December 4, 2017**
Direct Deposit and E-Payments totaling \$92,995.15
- B. Approval of Warrant Registers Dated December 12, 2017**
Expense Fund Voucher Numbers 39673 through 39714 for a grand total of \$233,381.46
- C. Approval of Regular Commission Business Meeting Minutes November 28, 2017**

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

NEW BUSINESS

A. Administrative Housekeeping; Resolution 2017-31

Ms. Luke reported the Port periodically reviews resolutions, policies and other documents in an effort to update or edit as necessary. Ms. Luke stated in 2010 the Port Commission approved Resolution 2010-47, which instituted a policy that the Port will waive its rights to the eminent domain process. Ms. Luke stated the Commission is allowed to set policy; however, those policies should not indicate that they will never use a method and may need in its "toolbox." Ms. Luke stated Resolution 2017-31 rescinds Resolution 2010-47.

Mr. Novakovich stated the previous Port Commission approved Resolution 2010-47 when it should not have and Resolution 2017-31 rescinds Resolution 2010-47. Mr. Novakovich stated Resolution 2017-31 does not say that the Port approves of eminent domain, but allows for the option.

PUBLIC COMMENTS

No comments were made.

MOTION: *Commissioner Moak moved for approval of Resolution 2017-31, rescinding Resolution 2010-47; Commissioner Barnes seconded.*

Discussion:

Mr. Moak stated it is important that the current Port Commission should be able to make our own decisions and it is essential that we not bind future Commissions.

Mr. Barnes agrees with Mr. Moak and stated situations can change and communities evolve. Mr. Barnes stated "never is forever" and it is important to return the tool to the "toolbox" for potential use, however, that does not mean the Port will use it.

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

- B. Interlocal Agreement with City of Kennewick- Columbia Gardens Wine Village Phase II-B Development; Clover Island & Phase I of Vista Field Development; Resolution 2017-32**

PORT OF KENNEWICK REGULAR COMMISSION MEETING

DECEMBER 12, 2017 MINUTES

Mr. Arntzen stated before the Commission is a proposed Interlocal Agreement (ILA) between the Port and the City of Kennewick, which has already been approved by City Council. The ILA states that the City supports the Port's efforts by providing \$1,200,000 of funding to be used as follows: Columbia Gardens Phase II-B, Clover Island Waterfront, and Vista Field Phase I development. The ILA pledges \$200,000 for additional parking at Columbia Garden and approximately \$1,000,000 for the Clover Island 1135 Shoreline Restoration Project, the Port's local match. This will allow the Port to utilize the allocated 1135 funds for Vista Field Phase I development. Mr. Arntzen stated over the past several years, the Port has looked to partner with jurisdictional partners to create joint projects for the community. Mr. Arntzen stated if the Port Commission approves the ILA, the City's total investment in Port projects will be \$3,600,000 over the past five years.

Mr. Novakovich inquired if the City will be utilizing the Rural Capital County Funds (RCCF).

Mr. Arntzen stated \$200,000 is directly from the City and the remainder will be from the RCCF.

PUBLIC COMMENTS

No comments were made.

MOTION: Commissioner Barnes moved for approval of Resolution 2017-32, adopting the Interlocal Agreement between the Port of Kennewick and the City of Kennewick and authorize the Port's Chief Executive Officer to execute the agreement and instruct the CEO to take all action necessary to implement the agreement, including amending the 2017-2018 capital budget, to reflect this change; Commissioner Moak seconded.

Discussion:

Mr. Barnes thanked Mr. Engleman for his comments and stated that he welcomes strong partnership with the Port's jurisdictional partners. At the same time, there becomes a priority list, as certain projects are ready for action. Mr. Barnes stated some projects, such as the former racetrack will be significantly enhanced and improved once the Red Mountain Interchange is constructed. Mr. Barnes stated the Port has been working on Vista Field for the past four years and to receive this kind of input from the City of Kennewick is a wonderful investment in our Port projects.

Mr. Moak stated a lot work has been done by Mr. Arntzen and Ms. Mosley, on behalf of the City, to move this ILA forward. Over the past several years, the Port and City have worked closely on projects that bring value to the community. Mr. Moak appreciates the efforts of Port and City staff which enabled the Port to move on to Phase II, after Phase I of Columbia Garden was just completed. Mr. Moak is pleased with this ILA because it will help create jobs and build this area of our district in ways that would have been difficult otherwise. Mr. Moak thanked Mr. Arntzen and the City for their partnership.

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

PORT OF KENNEWICK REGULAR COMMISSION MEETING

DECEMBER 12, 2017 MINUTES

C. Bruker AXS Handheld 60-Day Lease Extension; Resolution 2017-33

Ms. Hanchette stated Resolution 2017-33 is an administration request for a sixty day lease extension for Bruker AXS Handheld. Port staff is currently working with Bruker representatives on a lease renewal negotiations for the property located in Vista Field Development Facility A. Ms. Hanchette stated staff will bring the proposed lease renewal to the Commission for consideration and approval.

PUBLIC COMMENTS

No comments were made.

MOTION: Commissioner Moak moved for approval of Resolution 2017-33, approving a sixty-day lease extension with Bruker AXS Handheld to complete lease renewal negotiations; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Columbia Drive Update

1. Phase Two Wine Village 90% Construction Documents

Mr. Peterson presented project elements for Phase 2A and 2B for the Columbia Gardens Wine Village. Phase 2A construction will include:

- Loop Roadway: creating the loop between Date Street and Cedar Street;
- 30 additional parking spaces adjacent to the Wine Village;
- All necessary utilities will open up the site for development;
- Additional privacy block walls;
- Demonstration vineyard;
- Space for shipping container business;
- Artwork and bus shelter; and
- Plaza and six food truck spaces with utilities.

Mr. Peterson stated Phase 2B will consist of replacing the 211 Columbia Drive building, which collapsed in January 2017, and an additional 24 parking spaces to accommodate the growth in the development, including a potential custom crush facility.

Mr. Barnes inquired if the custom crush facility is a year round facility or utilized once a year and when it is not being used for crush, if that space be used for additional parking.

Mr. Peterson stated the custom crush building is modeled after Charlie Hoppes' custom crush facility in Richland. Mr. Peterson stated the crush facility would utilize the City's wine effluent and could support multiple wineries in one facility.

Mr. Moak inquired if the additional parking is due to code or demand, and mulled if the site needs that much parking with on-street parking available.

Mr. Peterson stated the current 22 spaces in the Wine Village meet the code requirements; however, each facility can hold up to 50 people and when the weather improves, there will be

PORT OF KENNEWICK

REGULAR COMMISSION MEETING

DECEMBER 12, 2017 MINUTES

more movement at the site. The additional 30 spaces will accommodate the new tasting room facility and the six food truck spaces.

Mr. Peterson believes Phase 2A will be ready to bid by February 2018 and construction completed summer of 2018. Mr. Peterson stated the Latino Heritage Mural will be placed after the parking lot is completed. Following the completion of Phase 2A, Phase 2B will be bid and completed spring of 2019.

Mr. Moak inquired if the custom crush building and site location are set in stone and if the Port will build the facility and lease the space or sell the property for that specific purpose.

Mr. Arntzen stated that is a policy decision for the Commission and staff is giving the Commission options for the site. Mr. Arntzen stated the custom crush is a placeholder; however, the site will have utilities for further investment. Mr. Arntzen has heard that a custom crush facility could be very beneficial for Columbia Gardens and spur additional development.

Mr. Moak inquired if the Port has the financial resources to construct a custom crush facility in the future. Additionally, the private sector could make the investment and build the facility as well.

Mr. Arntzen stated that is a good analysis and the Port has not allocated funding for additional buildings at Columbia Gardens over the next five years. At this time, the only building the Port will be constructing is the replacement building for the former 211 East Columbia Drive building because of the insurance proceeds.

Mr. Moak inquired if that space can be used as parking.

Mr. Peterson stated that area could be used as overflow parking until development occurs, while helping the Port determine how much parking is really needed for the development. Mr. Peterson stated when Gary Black of Integrated Structures Inc. (ISI) began working on the concept of the Wine Village, he spoke to the community and Commission, and determined that the development should function as a working wine village which included tasting rooms, the production facilities and a specialty food business. Furthermore, Mr. Black used the mass of the custom crush facility to break up the sound on Columbia Drive.

Mr. Barnes inquired if the loop road will allow for ingress and egress for occupants of the Columbia Drive Mobile Home Park.

Mr. Peterson stated there is currently a 20 foot easement between the Port's two vacant lots. The loop road will bring in a paved, two lane road with sidewalks and lighting to be used as a safe path for travel for those entering and exiting the mobile home park. Additionally, the loop road will be a private street similar to Clover Island Drive where the City maintains the main utilities (water/sewer lines) and the Port maintains the plowing and striping. Mr. Peterson stated there is the potential for the Port to create a Business Improvement District (BID) for the development, similar to the one we are creating for Vista Field.

PORT OF KENNEWICK

REGULAR COMMISSION MEETING

DECEMBER 12, 2017 MINUTES

Mr. Arntzen inquired if the Commission is comfortable with the proposed design plans for Phase 2A and 2B.

The consensus of the Commission is for staff to continue with the design plans for Columbia Gardens Phase 2A and 2B.

B. Vista Field Update

1. City of Kennewick Council Meeting Update

Mr. Arntzen reported that on December 5, 2017, the City of Kennewick amended the City's Comprehensive Plan, established the Urban Mixed Use (UMU) zoning for Vista Field and Columbia Drive and approved the Vista Field Master Plan and Developer's Agreement. The Port Commission decided to close the former airport in 2013 and since then, staff has worked diligently to bring the community plan to fruition. This is a significant milestone for the Port and the City, who rewrote many of their rules and documents, to move the Vista Field redevelopment forward. Mr. Arntzen is excited that the Port is able to move forward with Vista Field and stated 2018 will be a very busy year for the Port.

Ms. Bader Inglima reported the City Council will hold a workshop tonight at 6:30 p.m., where the Port is on the Agenda. City and Port staff invited the media to the City Council workshop tonight to celebrate the approval of the Vista Field Master Plan and the Port will present a plaque and memento to Council and staff observing the partnership. Ms. Bader Inglima stated the memento states, "*Vista Field Redevelopment Master Plan: Adopted October 24, 2017 Port of Kennewick and December 5, 2017 City of Kennewick. Recognizing the tireless efforts and vision in creating a truly unique urban town center for the region.*" Tonight is an opportunity to let the community know what the Port and City have accomplished thus far.

Mr. Novakovich stated this has been a long process and thanked staff for their persistence and keeping the vision going. Mr. Novakovich expressed his appreciation for staff and moving Vista Field forward.

Mr. Moak thanked the community and the Vista Vision Task Force, who attended meetings, wrote letters, and sat on committees on behalf of the Vista Field Master Plan.

Mr. Arntzen reported that the construction documents for Vista Field Phase I are 70% complete and staff will review the documents and present to the Commission along with a proposed implementation plan and financing plan in 2018. Mr. Arntzen understands the Commission would like an opportunity to share the plans with the community at a public event and believes the event will not be an opportunity to redraw the plans, but share graphically what the Port is planning for Vista Field.

Mr. Barnes stated the Port has been working on Vista Field since 2013 and he believes it is important give the community an opportunity to view the plans and let them know what the Port has accomplished over the past four years.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

DECEMBER 12, 2017 MINUTES

Mr. Moak believes it is important to let the community view the plans and voice their thoughts and the Commission should be able to decide if they want to make those changes. Mr. Moak stated it is time to update the community during this exciting time for the Port.

Mr. Arntzen recently spoke with Senen Antonio from Duany Plater-Zyberk (DPZ) and staff would like to have Lizz Plater-Zyberk involved; however, fees and schedules need to align. Mr. Arntzen stated at a minimum, he would like DPZ to review the construction documents, which they last viewed earlier this year. Mr. Arntzen thanked the Commission for their transparency and stated staff can disseminate any comments received from the community meeting. Mr. Arntzen stated Mr. Kooiker has been working on the finance plan and once the construction documents are completed, staff can sure up the budget.

Mr. Peterson stated the Port has been very consistent throughout the process and most of our consultants have been working on Vista Field since the 2014 Charrette. Mr. Peterson understands the Commission desires to include community comments; however, some items such as roadway alignment and sidewalks are fixed per the Transportation Analysis and the Development Agreement.

Mr. Novakovich stated it is important for the community to see our interpretation of their plan for Vista Field and celebrate their success.

C. 2018/2019 Committee Assignments

Ms. Scott reviewed the 2018-2019 Commission Committee Assignments and removed Trios Health Committee and the West Richland Economic Development Committee.

Mr. Novakovich asked Ms. Scott to add the Washington Public Ports Association PR/Marketing Committee to the list and that he would represent the Port.

Mr. Moak clarified that the Good Roads Committee is not affiliated with the Benton Franklin Council of Governments.

Ms. Scott will finalize the 2018-2019 Committee list and will place it on the January 9, 2018 Consent Agenda.

D. Election of 2018-2019 Officers

Mr. Arntzen stated as a reminder, the Commission will elect officers for 2018-2019 at the January 9, 2018 meeting.

Mr. Novakovich stated that although the Commission is not taking any action for Election of Officers until January, he would recommend Mr. Moak for Commission President and Mr. Barnes for Vice President.

E. City of Richland Rail Tour

Mr. Arntzen stated the City of Richland planned a rail tour for November 29, 2017; however, the Port could not attend due to the Tri-Cities Regional Chamber of Commerce State of the Ports lunch.

PORT OF KENNEWICK

REGULAR COMMISSION MEETING

DECEMBER 12, 2017 MINUTES

A third rail tour has been scheduled for December 19, 2017 from 12:00 p.m. to 2:00 p.m. and will begin at the Red Lion in Pasco. Mr. Arntzen stated that he would be attending, along with Mr. Barnes, Mr. Novakovich and Mr. Peterson.

F. Commissioner Meetings (formal and informal meetings with groups or individuals)
Commissioners reported on their respective committee meetings.

G. Non Scheduled Items

1. Mr. Moak responded to Councilman Engleman's earlier comments and stated he supports having an ILA with West Richland. Mr. Moak stressed the importance of timing regarding the West Richland Former Raceway property and the installation of the Red Mountain Interchange. Mr. Moak believes the Port and the City could develop the framework to move forward in West Richland and welcomes a partnership with the City. However, Mr. Moak believes timing and sequencing is everything in relation to the Former Racetrack Property. Mr. Moak would support meeting with the City and putting together a document that outlines the responsibilities based upon the Master Plan that was adopted earlier this year.
2. Mr. Novakovich recently spoke with Brent Gerry, City of West Richland Mayor, about the West Richland Former Raceway property and the Port's Rural Capital County Funds. Mr. Novakovich mentioned that the Port and City previously met and spoke in depth about the Former Raceway property and came to the conclusion that the development would be a long term goal. Mr. Novakovich indicated that the ILA between the Port and City of Kennewick would not affect the Former Raceway property. Mr. Novakovich reported that the Port continues to work on the Former Raceway property and recently purchased two Rubicon gates for \$75,000 and the Kennewick Irrigation District removed the inundation clause from the property. Mr. Novakovich welcomes a meeting with Mr. Gerry to review future joint economic development opportunities.

Mr. Arntzen recalls a series of joint economic development meetings and looked for ways to partner with the City on projects. Mr. Arntzen stated when it became apparent that RCCF funds would be available to the partners, he reached out to Mayor Gerry first, but the Mayor did not express a desire to partner on a project. Marie Mosley, City Manager for City of Kennewick expressed the City's desire to work on a joint project as did Cindy Reents, City Manager for City of Richland. Mr. Arntzen stated the Port has worked with West Richland for number of years, including investing approximately \$1,800,000 on the Former Raceway property and assisted the City with Futurewise to bring the property in to the Urban Growth Boundary.

Mr. Novakovich spoke with Sheri Armijo, Columbia Basin College Board of Trustees member, who stated CBC continues to build excitement for the culinary arts school. Mr. Novakovich stated the new president, Dr. Rebekah Woods came from an institution with a culinary arts school.

3. Ms. Scott reminded the Commission and the public that the meeting on December 26, 2017 has been cancelled in observance of the holiday.

PORT OF KENNEWICK

REGULAR COMMISSION MEETING

DECEMBER 12, 2017 MINUTES

-
4. Ms. Bader Inglima congratulated Mr. Novakovich and Esprit for being named Business of the Year by the Hispanic Chamber of Commerce.
 5. Mr. Arntzen thanked the Commission for their leadership which allowed the Port to be successful in obtaining the Vista Field Redevelopment Master Plan. Additionally, Mr. Arntzen expressed his appreciation for his staff and the consultants and stated their accomplishments have led to a highly successful year for the Port. Mr. Arntzen believes 2018 will be a very beneficial year.
 6. Ms. Luke congratulated the Commission and staff on the Vista Field Redevelopment Master Plan.
 7. Mr. Peterson stated 2017 has been the year of planning and development. The Port completed the master plans for the former West Richland Racetrack property and Vista Field. Furthermore, the Port constructed The Gathering Place, removed the old Port office and Ranney Collector building, and built three buildings at Columbia Garden. Mr. Peterson stated 2018 will be an eventful year as well, with construction for Phase 2A and 2B for Columbia Gardens and bidding for construction for Vista Field Phase I and multiple small works projects.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick complimented and thanked the Commission and staff for getting the Vista Field Redevelopment Master Plan approved. Mr. Burdick stated this is one more step that brings the Vista Arts Center closer to fruition.

Tom Kastner, 8180 West 4th Street, Kennewick. Mr. Kastner congratulated the Commission on their success.

No further comments were made.

COMMISSIONER COMMENTS

No comments were made.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

DECEMBER 12, 2017 MINUTES

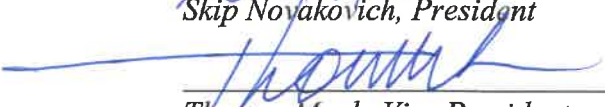
ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:44 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**


Skip Novakovich, President


Thomas Moak, Vice President


Don Barnes, Secretary

PORT OF KENNEWICK

Resolution No. 2017-31

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK RESCINDING RESOLUTION 2010-47

WHEREAS, On November 23, 2010 the Port adopted Resolution 2010-47 which states that the Port would not use eminent domain as a land acquisition method; and

WHEREAS, port staff periodically reviews resolutions, policies and other documents in an effort to update, edit or purge as necessary; and

WHEREAS, a municipal corporation (including a port) may adopt policy that it does not favor use of its power of eminent domain but may not waive its right to eminent domain; and

WHEREAS, it is the opinion of staff that this resolution should be rescinded.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby rescinds Resolution 2010-47.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 12th day of December, 2017.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

By:


SKIP NOVAKOVICH, President

By:


THOMAS MOAK, Vice President

By:


DON BARNES, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2017-32

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING CEO TO SIGN AN INTERLOCAL AGREEMENT WITH THE CITY OF KENNEWICK REGARDING COLUMBIA GARDENS WINE VILLAGE PHASE II-B DEVELOPMENT; CLOVER ISLAND AND PHASE I VISTA FIELD DEVELOPMENT

WHEREAS, the Port of Kennewick and City of Kennewick are working to advance progress related to the Port of Kennewick's Columbia Gardens, Clover Island, and Vista Field, all located in City of Kennewick; and

WHEREAS, the City of Kennewick has approved an Interlocal Agreement whereby they would provide \$200,000 in funding for Columbia Gardens Phase II-B, and \$1M to support Clover Island Shoreline Improvements to leverage Port funding for Vista Field Phase I development; and

WHEREAS, this partnership will redevelop an economically distressed area of Columbia Drive, revitalize Clover Island; ensure a meaningful initial infrastructure investment at Vista Field; and

WHEREAS, the port and city recognize that successful and timely redevelopment of Columbia Gardens, Clover Island, and Vista Field benefits the economic and social welfare of the city, county, and the surrounding region; and represents an opportunity for the citizens of Kennewick and Port District; and

WHEREAS, this agreement serves the public interest by leveraging the port and city's previous investments and collaborative efforts at Clover Island, Columbia Gardens, and Vista Field.

NOW, THEREFORE; BE IT RESOLVED that the Port of Kennewick Board of Commissioners hereby approves the attached Interlocal Agreement between Port of Kennewick and City of Kennewick; and authorizes the Port's Chief Executive Officer to execute the Agreement and instructs the CEO to take all action necessary to implement such Agreement including amending the 2017-2018 capital budget to reflect this change.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 12th day of December, 2017.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

By: 
SKIP NOVAKOVICH, President

By: 
THOMAS MOAK, Vice President

By: 
DON BARNES, Secretary

**INTERLOCAL AGREEMENT
REGARDING
COLUMBIA GARDENS WINE VILLAGE PHASE II-B
DEVELOPMENT, AND PHASE I VISTA FIELD DEVELOPMENT**

I. PARTIES

This Interlocal Agreement is entered into this 12 day of December, 2017, between the PORT OF KENNEWICK, a Washington municipal corporation ("Port"), and the CITY OF KENNEWICK, a Washington municipal corporation, ("City") referred to collectively as the "Parties". The Parties agree as follows:

II. RECITALS

2.1 Economic Development Authority. The Port and the City are authorized, including under Chapters 39.33 and 39.34 of the Revised Code of Washington, to contract with each other and other public agencies in order to effectively and efficiently operate, administer and carry out their programs and public projects.

2.2 Project Areas. The Port owns approximately 14 acres of undeveloped land in the City which it has begun developing as an urban wine and artisan village ("Winery Project Area"). Additionally, the Port owns approximately 103 acres of undeveloped land in the City in the Vista Field area which it intends to develop as a walkable, mixed use regional "town center" (the "Vista Field Project Area").

At the Winery Project Area, the Port intends to construct a tasting room of approximately 2,000 square feet for lease to a private sector winery. Together with existing buildings already built on site, the tasting room would be the Port's fourth building. Funding for the tasting room will be from insurance proceeds the Port is to receive from a building damaged by a winter 2017 snowfall event. Additionally, the Port intends to construct a 20+ stall public parking lot (the Cedar Street lot) to accommodate additional patrons to the Winery Project Area. The parties view the parking lot as a critical element to the tasting room's construction and to the overall success of the Winery Project Area.

At the Vista Field Project Area, the Port plans to invest \$5,000,000 to \$7,000,000 for the design and construction of backbone infrastructure. The backbone infrastructure includes, but is not limited to: constructing road and utility infrastructure across the former airfield from Grandridge Boulevard to Deschutes Avenue; mobilization/demobilization; traffic control; compaction; grading; asphalt pavement and striping; curbing, sidewalks, utilities and connections; water, sewer, and storm drainage systems; public plaza, tree-lined linear park with water feature; streetscape, landscaping, irrigation; street and pedestrian lighting; and signage.

The parties view this infrastructure as critical to attracting private-sector investment at the Vista Field Project Area.

The Winery Project Area including the Cedar Street public parking lot is as shown on Exhibit “A”; the Vista Field Project Area is as shown on Exhibit “B”; the Shoreline Enhancement Project Area is as shown on Exhibit “C”; all exhibits are incorporated into this Interlocal by reference herein.

2.3 Opportunity for Collaborative Development. The Parties recognize that successful economic development within the City benefits the economic and social welfare of the City and the surrounding area. The Parties understand the challenges related to both project areas, including but not limited to the fact that both areas are mostly undeveloped and have limited infrastructure. Nonetheless, the Parties, cognizant of the unprecedented opportunity for collaborative development by investing in redevelopment of challenging properties, hereby choose to move forward on the unique and visionary process for potential redevelopment of both project areas, which development will allow the Parties to attract major private sector investment.

III. OBLIGATIONS OF THE PARTIES

3.1 General Provisions Related to Construction.

The Port shall produce all drawings, plans and cost estimates for the improvements planned at both Project Areas; and the Port shall permit, design, engineer, bid, and oversee construction of the improvements. Construction shall proceed in a workmanlike manner and shall be completed with all due dispatch.

- (a) Winery Project Area. The Port shall use best efforts to bid the improvements by September 1, 2018. The City shall pay the Port \$200,000 to support parking and critical infrastructure in the project area; the Port will use its insurance proceeds for tasting room construction. City funding will be used for construction and the Port will pay the cost of design, bid, and construction management. Additionally, the Port agrees to take over the landscaping irrigation and maintenance of Duffy’s Pond southern trail (from The Willows through Columbia Gardens) from the City and also agrees to invest in an environmental review of Duffy’s Pond related to potential capacity and water quality enhancements to Duffy’s Pond.
- (b) Construction shall begin upon completion of other on-site improvements (roads, utilities, lighting, public plaza, food truck utilities, landscaping, transit shelter, artwork, and Date Street parking areas) funded under the Interlocal Agreement of May 9, 2017 between the City, Port and Benton County.
- (c) Vista Field Mixed Use Project Area. The Port will bid the Vista Field Mixed Use Project Area improvements *after* the Port has bid the Winery Project Area improvements described above.

3.2 Funding.

- (a) In order to assist with funding of the Port's Vista Field infrastructure, the Port shall redirect \$1,000,000 of its funds currently designated for Clover Island shoreline enhancements to the Vista Field infrastructure improvements.
- (b) The City shall provide the Port with \$1,000,000 from the City's allotment of Rural County Capital Funds to assist with funding Clover Island shoreline improvements upon completion of the Shoreline improvements and award of the bid for the Winery Project Area improvements noted in Section 2.2 above. The parties acknowledge that future commercial development on Clover Island is contingent upon completion of shoreline improvements. The City's financial contribution shall be used as match to USACE 1135 program funding. The completed shoreline enhancements will be consistent with the City's shoreline master plan, and upon completion of the shoreline improvements the Port will lease the Clover Island pad sites for private sector development which will bring substantial economic vitality and jobs to Kennewick's waterfront and which will further enhance the Columbia Gardens Winery Project Area.
- (d) The Port will request an additional \$1,000,000 investment from Benton County to assist with Vista Field infrastructure.
- (e) Should RCCF funding as set forth in 3.2(b) above not be provided by the City, the parties will continue to work cooperatively to explore other funding opportunities for the improvements described herein, and if no other viable sources of funding are available after due diligence, the parties obligations in 3.2 (a) and 3.2(b) above hereunder shall terminate.

IV. ADMINISTRATION

4.1 Responsibilities. This Agreement shall be administered by the City Manager or her designee and the Port Chief Executive Officer or his designee. Working in partnership and on behalf of their respective agencies these individuals shall be responsible for:

- (a) Establishing policies for implementing this Agreement;
- (b) Providing periodic progress reports;
- (c) Monitoring progress of the Parties and other agencies in the fulfillment of their respective responsibilities; and
- (d) Follow applicable City and Port bid and prevailing wage law policies and procedures when awarding bids for this project.

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

4.3 Expenses and Financial Contingency. Except as otherwise provided, the obligations of each Party shall be performed at the sole expense of said Party.

V. GENERAL

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

5.2 Governing Law. Each of the Parties has independent authority to contract; and, this Agreement is pursuant to that authority and shall be governed by, construed and enforced in accordance with the substantive laws of the State of Washington.

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

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

5.5 Agreement Term. The term of Agreement shall commence on its execution by both Parties and end December 31, 2020 ("Agreement Term").

5.6 Inspection of Records and Filing. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection by the Parties during the term of this Agreement and for three years after its termination. This Agreement shall be filed or listed pursuant to RCW 39.34.040.

5.7 No Separate Legal Entity. It is not the intention that a separate legal entity be established to conduct the cooperative undertaking nor is the joint acquisition, holding or disposing of real or personal property anticipated.

5.8 Severability. In the event any term or condition of this Agreement or application thereof to any person, entity or circumstance is held invalid, such invalidity shall not affect any other terms, conditions or applications of this Agreement which can be given effect without the invalid term, condition, or application. To this end, the terms and conditions of this Agreement are declared severable.

5.9 Defense and Indemnity. Each party shall indemnify, defend, protect, hold harmless, and release the other, its officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs or expense (including attorneys' fees and witness costs) arising from or in connection with or caused by any act, omission, or negligence of such indemnifying party.

5.10 Integration. With the exception of the Interlocal Agreements between the City of Kennewick and the Port of Kennewick for Columbia Gardens - Phase I executed on November 8,

2013, and amended on July 21, 2015; Interlocal Agreement for Columbia Gardens Wine Village Phase II executed on January 5, 2017 and Interlocal Agreement for Disbursement of Rural County Capital Funds dated May 9, 2017, this Agreement supersedes all prior agreements and understandings (whether written or oral) between the Parties with respect to the subject matter hereof.

5.11 Breach. In the event of a breach of this Agreement, the non-breaching Party shall retain all legal and equitable remedies against the breaching Party.

VI. EXECUTION AND APPROVAL

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

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

PORT OF KENNEWICK

Date: 12/12/17

By: 
TIM ARNTZEN, Chief Executive Officer

CITY OF KENNEWICK

Date: 12/5/17


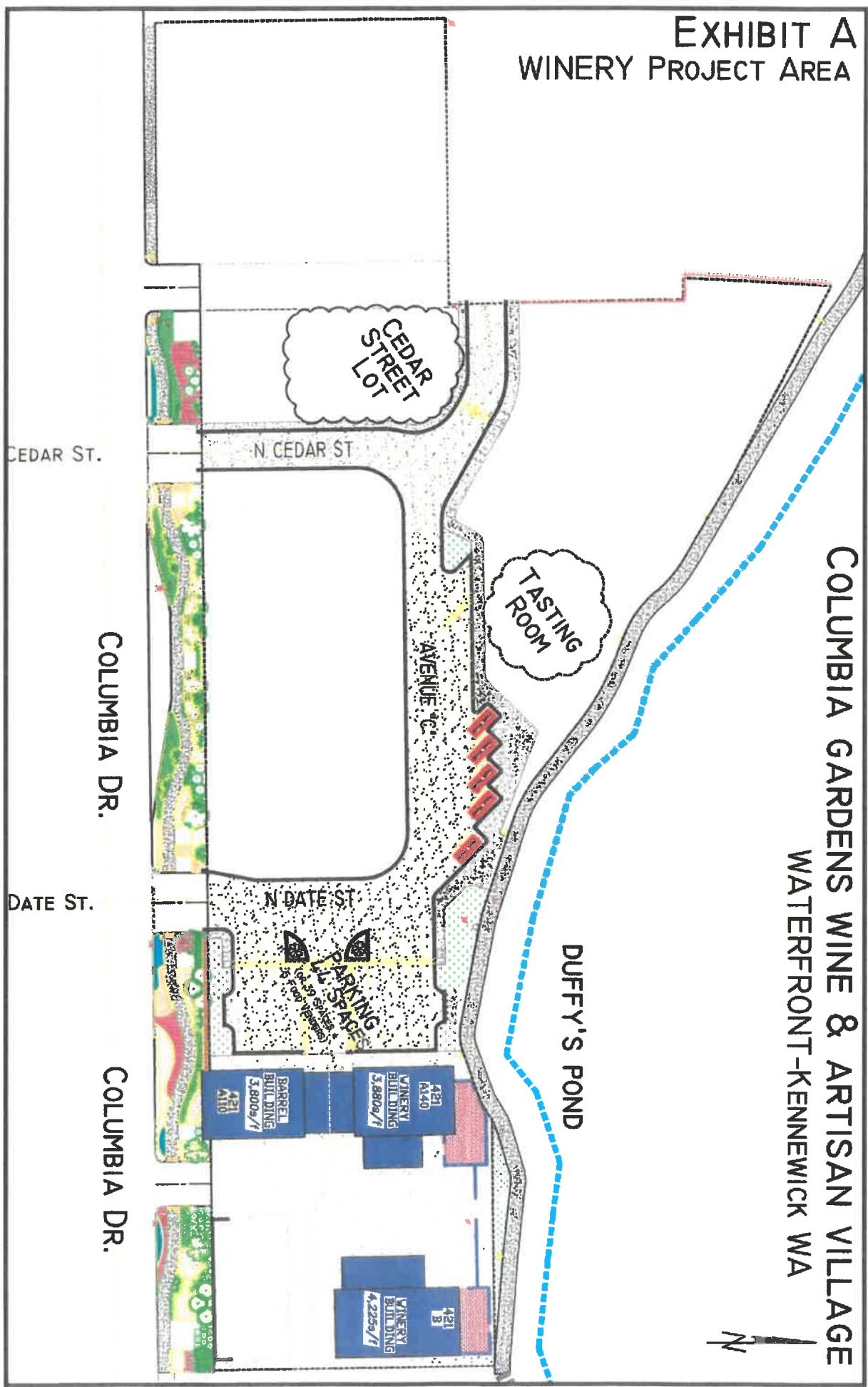
By: 
MARIE E. MOSLEY, City Manager

EXHIBIT A
WINERY PROJECT AREA



VISTA FIELD Project Area

Exhibit B



Grandridge
Intersection

Grandridge
Intersection

Deschutes
Intersection

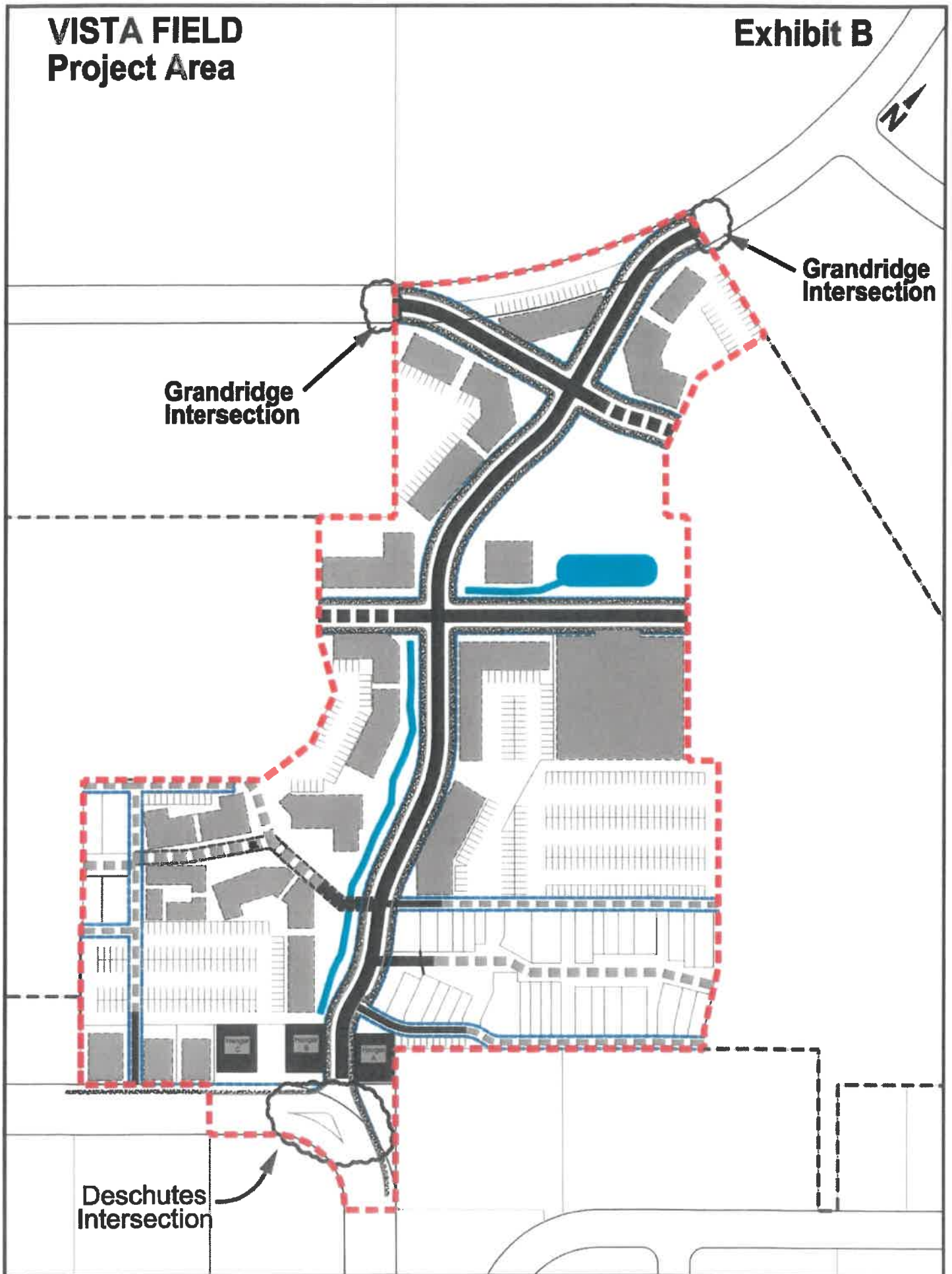
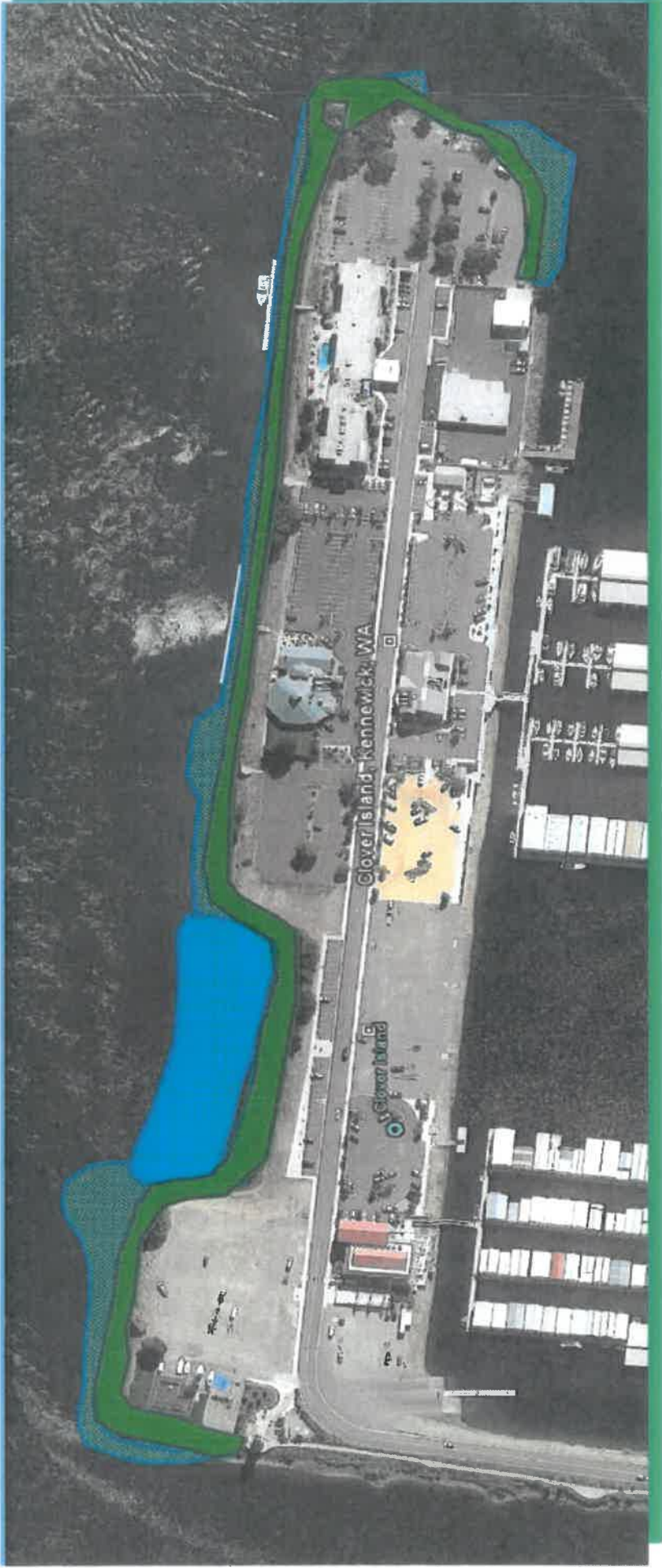




Exhibit C-1 Clover Island 1135 Project

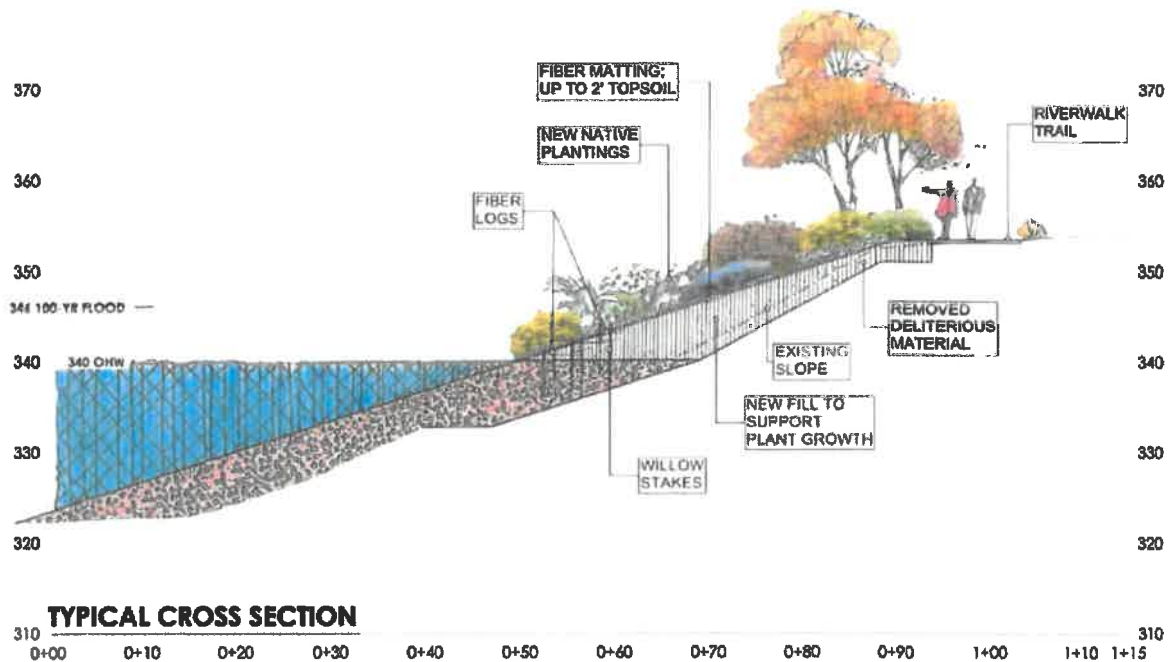
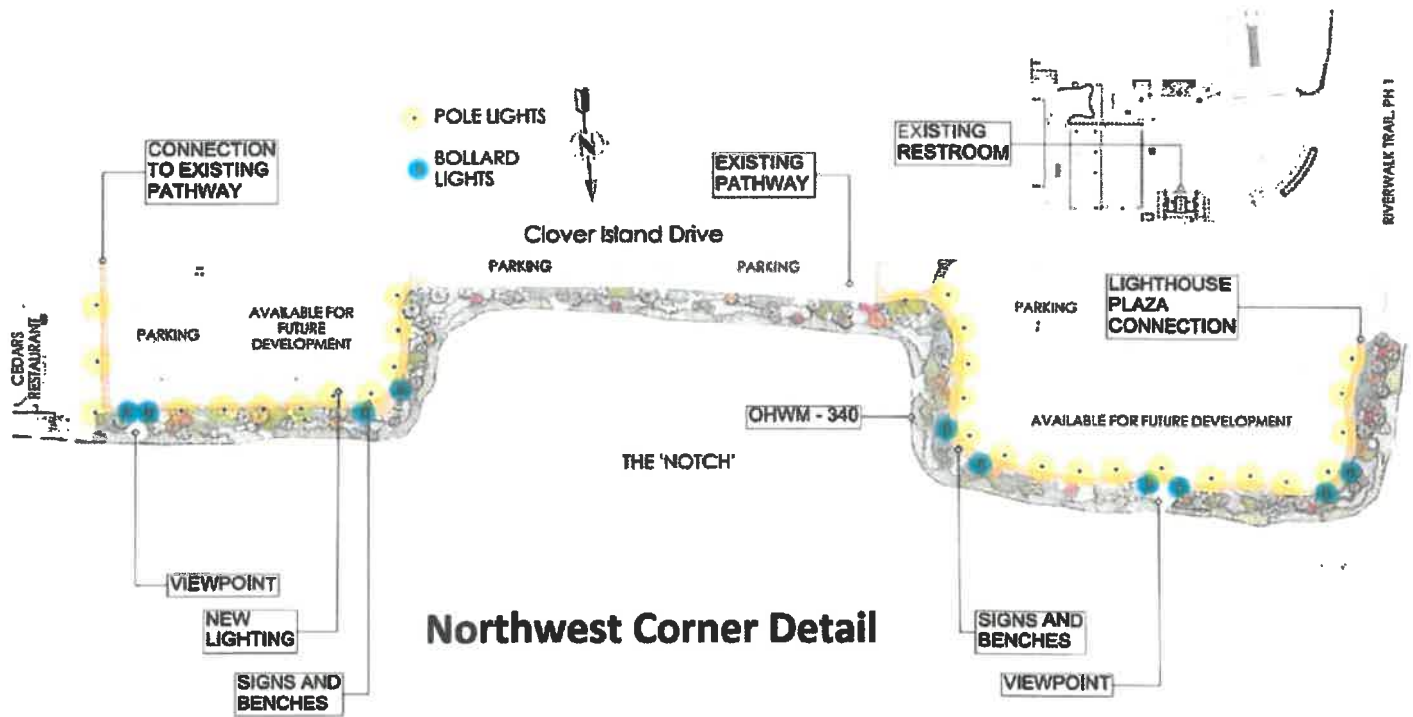


Clover Island 1135 Project Improvement Area



Exhibit C-2

Clover Island 1135 Project



PORT OF KENNEWICK

Resolution No. 2017-33

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING THE CHIEF EXECUTIVE OFFICER
TO EXECUTE AN AMENDMENT TO THE COMMERCIAL LEASE AGREEMENT WITH
BRUKER AXS HANDHELD INC.***

WHEREAS, the Port of Kennewick (Port) is authorized to enter into certain leases upon such terms as the Port Commission deems proper; and

WHEREAS, the current lease dated January 1, 2013 with Bruker AXS Handheld Inc. expires December 31, 2017; and

WHEREAS, port staff requests Commission approval for a sixty day (60) lease extension expiring on March 1, 2018 to complete lease renewal negotiations with Bruker AXS Handheld Inc.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves a sixty day (60) lease extension and authorizes the Chief Executive Officer to execute an amendment to the Commercial Lease Agreement with Bruker AXS Handheld Inc.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 12th day of December 2017.

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

By:


SKIP NOVAKOVICH, *President*

By:


THOMAS MOAK, *Vice President*

By:


DON BARNES, *Secretary*