



PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 22, 2022 MINUTES

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

Commission President Skip Novakovich called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: Skip Novakovich, President (via telephone)
Kenneth Hohenberg, Vice President (via telephone)
Thomas Moak, Secretary (via telephone)

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

PLEDGE OF ALLEGIANCE

Commissioner Hohenberg led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated February 17, 2022**
Direct Deposit and E-Payments totaling \$104,957.55
- B. Approval of Warrant Register Dated February 22, 2022**
Expense Fund Voucher Number 103541 through 103580 for a grand total of \$153,955.95
- C. Approval of Regular Commission Meeting Minutes February 8, 2022**
- D. Approval of Special Commission Meeting Minutes February 16, 2022**

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

OLD BUSINESS

A. Clover Island Housing Project – Due Diligence

Mr. Arntzen presented two draft letters (*Exhibit A*) prepared by attorney Taud Hume, who is assisting the Port with the due diligence for the Clover Island Inn proposal. Mr. Arntzen stated the first letter is to the hotel owners group regarding the current lease provisions and the second letter is to Fortify Holdings regarding the lease provisions with Clover Island Inn.

Commissioner Hohenberg clarified that the letter creates a pathway for the hotel group to move forward with the sale and for Fortify Holdings to negotiate a new lease with the Port.

Mr. Arntzen stated that is correct and by sending these letters, the Commission is not approving the sale or a lease transfer, nor is it denying anything, rather, the Port is starting the process.

Commissioner Novakovich is concerned that the letter to the Clover Island Inn hotel group does not have a response date and would like to see a date added.

Mr. Arntzen will work with Mr. Hume to add a response date to the Clover Island Inn hotel group letter.

Further discussion commenced regarding the CEO's Delegation of Authority.

It is the consensus of the Commission to revise the letter addressed to the Clover Island Inn Hotel Group and add a response timeframe; and for the CEO to send out the letters.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Kennewick Waterfront

1. The Willows Build Back Better Resolution 2021-06

Ms. Bader Inglima reported that she recently spoke with Leslie Wolff, an outreach specialist for the Department of Commerce Community Economic Revitalization Board (CERB). Ms. Wolff reported that CERB has funding available and inquired if the Port was still considering the J. Lieb project and The Willows infrastructure project in partnership with the Kennewick Housing Authority (KHA) as referenced in Resolution 2021-06 for the Build Back Better (BBB) Program application. Ms. Bader Inglima informed Ms. Wolff that the J. Lieb building was purchased by a private investor and that The Willows infrastructure project did not fit with the CERB requirements, nor did the BBB legislation pass. Ms. Bader Inglima inquired if the Commission would like to affirm the Port's commitment to a partnership with the KHA or provide new guidance for The Willows area. Additionally, does the Commission want staff to pursue grants that align with the adopted Work Plan and bring back opportunities for approval to pursue those grants.

Commissioner Novakovich believes staff does an excellent job and can vet the grants or

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proposals and determine what needs to come before the Commission.

Commissioner Hohenberg recalls that the City of Kennewick was working with the KHA on affordable housing on 10th Avenue.

Ms. Bader Inglima stated that is correct, and the City successfully worked with KHA for housing on 10th Avenue.

Commissioner Hohenberg agrees with Commissioner Novakovich's comments and stated Ms. Bader Inglima should pursue grants that fit within the Port's workplan.

Commissioner Moak does not believe CERB will ever be a source of any funding for the Port and agrees with Commissioners Novakovich and Hohenberg's comments about looking for grants that fit the Port's workplan and Vista Field and the Historic Kennewick Waterfront Master Plans.

B. Vista Field

1. Team Approach

Mr. Arntzen presented the team for the Vista Field redevelopment (*Exhibit B*).

Commission and staff discussed the Vista Field Team.

2. Property Owner's Association Update

Mr. Peterson stated before the Commission are the following documents:

- Vista Field Frequently Asked Questions (FAQ);
- Vista Field Declarations Overall (entire site);
- Vista Field Declarations Commercial;
- Vista Field Association Assessment Structure
- Vista Field Association of initial registered agent and officers

Mr. Peterson stated the Commission passed Resolution 2020-22, which approved these documents and presented a memo for consideration (*Exhibit C*). Mr. Peterson introduced Ben Floyd and Doris Goldstein, who have been working on the governing documents and declarations.

Mr. Floyd stated the FAQ will be a living document meant for developers as well as potential residential owners which gives a brief orientation of Vista Field and the purpose of the development. Mr. Floyd stated the Articles of Incorporation and Bylaws need Commission support for approval of the makeup of the Boards for the overall association and the commercial association.

Ms. Goldstein stated there have not been very many changes to the documents since it was last presented. Ms. Goldstein worked with Lizz Plater Zyberk of DPZ Partners to ensure that the design guidelines and the managing documents are consistent throughout both sets of documents.

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Mr. Peterson presented the current declarations and covenants and the assessment mechanism for the neighborhood which is \$650 annually. The Commission approved the homeowner assessment which includes items such as maintenance of the water features, shared residential, landscaping, public park and common parking. Additionally, the Articles of Incorporation and By-Laws for the neighborhood require a Registered Agent and an initial slate of officers. Mr. Peterson suggested that Port Counsel Lucinda Luke serve as the Registered Agent and Mr. Peterson, Ms. Hanchette and Mr. Boehnke serve as the board members for the two Associations. Mr. Peterson stated the board members will make decisions on items such as landscaping contractors and purchasing of material.

Commissioner Hohenberg is fully supportive of the documents presented and the initial assessment of \$650 annually seems very reasonable, especially when you look at the amenities.

Commissioner Moak is supportive as well and with the Board Members. Commissioner Moak inquired if the Commission needs to formally appoint the Board.

Mr. Floyd stated once the Articles of Incorporations form is submitted, that becomes the initial board. Once the Board is established, you could add other members as desired.

It is the Consensus of the Commission to approve the following:

- *Concur with the documents presented are acceptable for the intended purposes;*
- *Concur with the initial assessment of \$650 annually per allocated interest;*
- *Concur with Lucinda Luke acting as the Registered Agent;*
- *Concur with Mr. Peterson, Ms. Hanchette and Mr. Boehnke serving as Board Members for the two Vista Field Associations.*

C. Frequency of Budget Presentations

Mr. Kooiker stated we are currently closing out 2021 and he is preparing a mid-biennial budget update for the Commission. Historically, budget updates were given semi-annually; however, at the request of one former Commissioner, Mr. Kooiker started giving quarterly budget updates. Mr. Kooiker inquired if the Commission would like to see budget updates quarterly or semi-annually.

Commissioner Novakovich stated Mr. Kooiker has proven himself as an excellent CFO for the Port and if anything comes up regarding finances, he trusts that Mr. Kooiker will advise the Commission. Commissioner Novakovich sees no reason to continue with quarterly budget updates and is fine with semi-annual updates.

Commissioner Hohenberg believes the Mr. Arntzen or Mr. Kooiker would inform the Commission if there are any variances in the approved budget or work plan. Commissioner Hohenberg is fine with every six months and has confidence and trust in our staff, and knows staff will advise us if we are approving something we cannot afford.

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Commissioner Moak prefers the quarterly budget updates, but his fellow Commissioners would rather it be every six months.

It is the Consensus of the Commission that the CFO presents semi-annual budget updates.

Mr. Kooiker stated if any Commissioner would like to have more frequent updates, he would be happy to meet with him at any time to review the budget.

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

Commissioners reported on their respective committee meetings.

E. Non-Scheduled Items

Mr. Arntzen stated he appreciates the Commission and team keeping the Meeting under two hours, while getting things done.

Mr. Arntzen was invited by Marie Mosley, City Manager, to give a joint presentation to the Kennewick City Council, similar to the presentation presented during the February 8, 2022 Meeting. Mr. Arntzen and Ms. Mosley will provide the same information that the Port received and will ask the City Council if they would like to authorize a Memorandum of Understanding for identification of potential joint projects produced in the near future.

Commissioner Hohenberg agrees with Mr. Arntzen's comments regarding the Meeting length and appreciates a timely and efficient meeting, which goes back to being properly prepared. Commissioner Hohenberg appreciates the thorough information we receive in our Agenda packet, and he appreciates the opportunity to have regularly scheduled meetings with Mr. Arntzen to discuss items and not delay the process when we are in a public meeting. Commissioner Hohenberg does not believe a long meeting is good for the Port and does not think it is good for people listening in, nor is it efficient. Commissioner Hohenberg has five more days as the Kennewick Police Chief and is looking forward to the transition. Commissioner Hohenberg will attend the City Council Meeting for his last workshop meeting, which he has been attending since 2001, when he was the Assistant Chief. He has worked with a lot of great Council Members over that time and is looking forward to the transition after almost 44 years. Commissioner Hohenberg is excited about our opportunities in the future.

Commissioner Novakovich offered his congratulations to Commissioner Hohenberg and stated he has done a wonderful job at the City of Kennewick and for the entire community. Commissioner Novakovich stated it has been an honor to have Commissioner Hohenberg join this Commission and hopes going forward, he will enjoy his time on the Port Commission.

Commissioner Novakovich attended the Washington Public Ports Association (WPPA) Legislative Committee Meeting and one item on their list of priorities is the .09 program extension. WPPA would like to see that program extended to 2054.

PUBLIC COMMENTS

No comments were made.

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Commissioner Novakovich anticipates the Executive Session will last approximately 15 minutes, Potential Litigation, per RCW 43.30.110(1)(i) with no action expected. Commissioner Novakovich asked the public to notify Port staff if they will return after the executive session so staff can advise if the session concludes early.

RECESS FOR EXECUTIVE SESSION

Commissioner Novakovich recessed the Regular Commission Meeting at 3:23 p.m. for a 15-minute Executive Session. The Regular Meeting will reconvene, or the public will receive an update at 3:38 p.m.

EXECUTIVE SESSION

A. Potential Litigation per RCW 43.30.110(1)(i)

At the direction of the Commission President, Ms. Schumacher extended the Executive Session for 10 minutes at 3:38 p.m.

Commissioner Novakovich adjourned the Executive Session at 3:48 p.m. with no action.

Commissioner Novakovich reconvened the Regular Commission Meeting at 3:49 p.m.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:51 p.m.

APPROVED:

PORT of KENNEWICK

BOARD of COMMISSIONERS

DocuSigned by:

Skip Novakovich

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Skip Novakovich, President

DocuSigned by:

Kenneth Hohenberg

89F77EAC8921416...

Kenneth Hohenberg, Vice President

DocuSigned by:

Thomas Moak

A35176A2D2CD413...

Thomas Moak, Secretary



TAUDD A. HUME
 thume@workwith.com
 509.252.5659

February __, 2022

Clover Island Development Company
 c/o _____
 [ADDRESS]

Re: *Clover Island Inn: Assignment of Lease*

Dear _____:

I am writing to you on behalf of the Port of Kennewick (the "Port") in relation to the Port's understanding of your desire to explore an assignment of the December 11, 2012 lease between the Port and Clover Island Development Company (the "Lease"). Section 12 of the Lease states:

Lessee shall neither transfer nor assign this Lease nor sublet the premises, or any part thereof, nor grant any interest, privilege or license whatsoever in connection with this Lease without the prior written permission of the Port; provided, however, that no such permission shall be arbitrarily withheld, and in the event of any transfer, Lessee shall remain responsible for all of the covenants and terms herein.

The purpose of this letter is to draw your attention to the language above that gives the Port broad authority to accept or reject any proposed assignment. Please understand that the Port has an obligation as a public entity to fully vet any assignment requests, and it is uncertain at this time, without conducting further due diligence, whether such a request would be granted.

To the extent that Clover Island Development Company would like to propose an assignment, the Port requests that you submit an official written request for the Port's consideration. Such a request should include the name and contact information for the proposed assignee, as well as

A Professional Limited Liability Company

601 West Main Avenue, Suite 714
 Spokane, Washington 99201-0677
 Telephone: (509) 455-9077
 Facsimile: (509) 624-6441
 Toll Free: (866) 903-9912

PETER A. WITHERSPOON
 GARY D. BRAJCICH
 JAMES A. MCPHEE[†]
 PETER E. MOYE^{†*}^Δ
 BRIAN M. WERST[†]
 TAUDD A. HUME
 ROBERT J. BURNETT
 BRYCE J. WILCOX[†]

LAWRENCE W. GARVIN
 JESSICA C. ALLEN[†]
 THADDEUS J. O'SULLIVAN[†]
 DEANNA M. WILLMAN

[†]Also Admitted in Idaho
^ΔAlso Admitted in Oregon
^{*}Also Admitted in California
^Δ Certified Specialist
 Estate Planning, Trust & Probate Law
 California State Board of Legal Specialization

your permission for the Port to reach out directly to that party for the purposes of undertaking our necessary due diligence.

Should you have any questions or concerns please do not hesitate to contact myself or Tim Arntzen at the Port of Kennewick.

Very Truly,

A handwritten signature in black ink, appearing to read 'T. Hume', with a stylized, flowing script.

TAUDD A. HUME
WITHERSPOON BRAJCICH MCPHEE, PLLC

cc: Tim Arntzen
Port of Kennewick, Chief Executive Officer



TAUDD A. HUME
 thume@workwith.com
 509.252.5659

February __, 2022

[NAME]
 [ADDRESS]

Re: *Clover Island Inn: Assignment of Lease*

Dear _____:

I am writing to you on behalf of the Port of Kennewick (the "Port"). The Clover Island Development Company (the "CIDC") formally notified the Port that it desires to assign its interest in a December 11, 2012 lease of the Clover Island Inn property (the "Lease") to you. Section 12 of the Lease states:

Lessee shall neither transfer nor assign this Lease nor sublet the premises, or any part thereof, nor grant any interest, privilege or license whatsoever in connection with this Lease without the prior written permission of the Port; provided, however, that no such permission shall be arbitrarily withheld, and in the event of any transfer, Lessee shall remain responsible for all of the covenants and terms herein.

Pursuant to the language above, the Port has broad authority to accept or reject any proposed assignment. As a public entity the Port has an obligation to fully vet any assignment requests. CIDC indicated that the Port has its permission to seek further information from you as a putative Assignee under the Lease.

Accordingly, attached to this letter is a due diligence questionnaire soliciting certain information relating to your company and your proposed use of the Port's property. Please fill out and return this questionnaire to the Port in support of your request for an assignment of the Lease.

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^oAlso Admitted in Oregon
 *Also Admitted in California
 Δ Certified Specialist
 Estate Planning, Trust & Probate Law
 California State Board of Legal Specialization

www.workwith.com

Should you have any questions or concerns regarding this questionnaire or the assignment in general, please do not hesitate to contact myself or Tim Arntzen at the Port of Kennewick.

Very Truly,

A handwritten signature in black ink, appearing to read "T. Hume", with a stylized, flowing script.

TAUDD A. HUME
WITHERSPOON BRAJCICH MCPHEE, PLLC

Enclosures

cc: Tim Arntzen,
Port of Kennewick, Chief Executive Officer

DUE DILIGENCE QUESTIONNAIRE

The Port of Kennewick requests the following information to assist with its due diligence efforts. Please be as thorough as possible to give us enough information to understand both your proposed use of Port property and you as a financially viable partner in the work the Port is undertaking on Clover Island. Please understand that the Port of Kennewick is a public agency and any information supplied pursuant to these requests is subject to the Washington State Public Records Act – Chapter 42.56 RCW.

1. Name and address of the proposed Tenant/Assignee.
2. Names and professional backgrounds of any owners, directors, officers of the proposed Tenant/Assignee.
3. Name and address of any corporate entity that is a member of the proposed Tenant/Assignee (a “Related Entity”).
4. Names and professional backgrounds of any owners, directors, officers of a Related Entity.
5. Describe the operating proposal of the Tenant/Assignee in the following terms:
 - a. Generally describe the Tenant/Assignee’s proposed use and operation of the Clover Island Inn property, including the type of uses and the square footage dedicated to each type of use (e.g. residential, commercial, retail etc.).
 - b. What specific improvements would be made to the exterior of the building?
 - c. What specific improvements would be made to the land?
 - d. How much of the site would remain open to the public?
 - e. What is the timing of the proposed improvements?
 - f. What are the parking requirements for the proposed use?
 - g. Describe how the proposed use and operation fit into and support the Clover Island Master Plan, the City’s zoning ordinances, the City’s Shoreline Master Program and the federal McNary Shoreline Management Plan.
 - h. Describe the permits or licenses the Tenant/Assignee needs to effectuate the operation of its proposal.

6. Please provide the following information for the proposed Tenant/Assignee and/or Related Party:
- a. Audited or certified financial statements for the past five (5) years of the Tenant/Assignee.
 - b. The charter documents (including the operating agreement) of the proposed Tenant/Assignee.
 - c. A description of other similar projects undertaken by the Tenant/Assignee.
 - d. Provide the name and state of registration for any subsidiaries of Tenant/Assignee.
 - e. Provide the names and addresses of the security holders (holders of options, preferred stocks, warrants etc.) of the Tenant/Assignee.
 - f. Please identify all sources of initial capital used to renovate, maintain and operate the Clover Island Inn.
 - g. What is the nature of any threatened litigation involving the Tenant/Assignee or any Related Party?
 - h. Please identify by name, cause number and jurisdiction any litigation in which the Tenant/Assignee has been a party within the past five (5) years.
 - i. Please identify by name, cause number and jurisdiction any litigation in which any of the owners, directors or officers of Tenant/Assignee has been a party within the past five (5) years.
 - j. Please identify by name, cause number and jurisdiction any litigation in which any Related Party has been a party within the past five (5) years.
 - k. Please identify by name, cause number and jurisdiction any litigation in which any of the owners, directors or officers of Tenant/Assignee has been a party within the past five (5) years.
 - l. Are there any governmental proceedings currently pending against the Tenant/Assignee or a Related Party?
 - m. Has the Tenant/Assignee or any Related Party declared bankruptcy in the past ten (10) years? If so, please provide the cause number and jurisdiction for such bankruptcy proceedings.

MEMORANDUM

To: Commission

From: Tim Arntzen, CEO

Date: 02/22/2022

Re: *Vista Field Implementation Approach (Vista Field Team)*

Now that the port's New Urbanism town center site has basic infrastructure, with lots soon ready to be sold, I am planning to assemble a team for Vista Field administration (the Team). The Team would respond to nearly all Vista Field related issues, including fielding all inquiries related to the site; property purchases; information requests; property tours; media information; processing of development proposals for commission consideration; additional planning and site revisions, etc.

Some of the tasks in support of creation of the Team, including our internal staff reorganizations and associations with contractors, identified below have been implemented. Some have not. At least at this point in time.

The overall goal is to get ready for land sales this summer. I only need as much of a team in place to effectively respond to that. Let's get it open with the team in place we need; we can adjust as we go along. That's the overarching principle!

1. Project Manager.

The project needs a "Point Person" to meet with realtors, builders and others expressing interest in the project. Amber Hanchette, port Director of Real Estate & Operations, is that point of contact related to Vista Field inquiries. This addition to her duties now requires her to spend more time on Vista Field matters. It would also limit the time she can spend pursuing her existing duties which include all phases of port operations and maintenance. She has a staff of three employees and several contract part-time personnel.

Thus, this change in Ms. Hachette's duties has created a need for "backfilling" in order to cover the duties she transferred to other qualified individuals within the organization. Specifically, Ms. Hanchette has transferred some of her duties to current Maintenance Supervisor Mike Boehnke. This phased transfer began in October of 2020 and is now complete. In administering her Vista Field related tasks, Ms. Hanchette will utilize the services of other staff and contractors as necessary (planning; administrative services, etc.) and would not be viewed a stand-alone asset. Rather she would be a part of a team as described below.

2. Maintenance Supervisor.

In reference to Item 1 above, current Maintenance Supervision, Mike Boehnke has assumed the spillover tasks from Ms. Hanchette, effective mid-February 2021.

We have experience with these two transitions. They are working well.

3. Maintenance Technician(s): New Hire.

Because of the overall increase in the number of port-owned properties, including Vista Field, I have identified a need to hire an additional entry-level maintenance technician. Part of the need is to provide for potential realignment within this department. Even though the port will eventually contract out much of the Vista Field maintenance to a private management firm, utilizing funding from the Property Owners Association (POA), staff will still be needed to provide oversight (i.e., ensuring contract compliance) and to perform emergency and priority maintenance matters on site; in addition to increasing maintenance demands from newly developed port properties and construction projects. It is anticipated that the cost of salary and benefits is estimated at \$90,000 annually.

In the meantime, we have been using temporary laborers, and until a hire of a permanent employee has been carried out, we will continue with the temporary workers. Additionally, temporary labor will continue to be utilized in place of Coyote Ridge Correctional Facility labor crews which are currently restricted due to Covid-mandates.

4. Project Planner/Coordinator.

Larry Peterson, port Director of Planning and Development will serve as the coordinator with the port's long-standing architectural advisors, DPZ, as well as Town Architects and Town Engineers (referenced below) related to the development of Vista Field.

5. Town Architect.

DPZ partner, Matt Lambert of Portland, Oregon has worked with the port from the early days of the Vista Field project and is a known commodity. He is willing to fulfill the role of town architect to provide detailed planning assistance with any additional improvements or alterations needed to Phase I of the project. He will also assist staff evaluating project proposals that the port receives through the collaborative design process. Matt will work as an independent contractor and will bill the port on an hourly basis for time expended on each task assigned. The port Director of Planning will assist and manage the DPZ efforts, ensuring the best value for time spent.

It should be mentioned that the day-to-day contact with the DPZ "mothership" from Miami is past. We now have the skillset internally and with the contractors mentioned in this memo to spread our own wings, so to speak. However, we are just a phone call away if we need the assistance of Lizz and Andreas. And Senen.

6. Governance & Management Advisors.

The port is currently in a contractual relationship with Ben Floyd (planner) and Doris Goldstein (New Urbanism attorney) to provide set-up of the property owner's association. This is anticipated to be a multi-year task with initial set up and continued monitoring and implementation advice and assistance (through a portion of Phase I).

7. Town Engineer(s).

Gary Hall of Hall Engineering and Darren Sandeno of Parametrix will provide engineering support for review of private sector projects and integration into established and planned infrastructure. They will bill on an hourly basis.

8. Construction Management.

I will contract with on-call construction management services on an as-needed basis to assist the port in review of construction proposals and to assist with review of construction progress.

It should be noted that when sales and site visits increase, I would like to think about transitioning Kandy to Amber's assistant. She has expanded her role into marina manager and is doing an exemplary job there. Should she pick up the duties of Amber's assistant, we would need to backfill at the office front desk. And with the office "closed" during Covid, I am unsure what level of front desk support we need. As I stated earlier in this memo, we will figure the rest out as we go. But most importantly, we are moving ahead so we can sell lots this summer. Exciting!

Memorandum

To: Tim Arntzen, Executive Director
 From: Larry Peterson
 Date: February 22, 2022
 Re: Vista Field Policy Issues & Commission Decisions/Reaffirmations Needed

The remaining policy decisions/confirmations pertain to the Vista Field Owners Associations...the "creatures" that will require compliance with the approved design standards and assess the property owners for the perpetual maintenance of the non-City elements at Vista Field. At the next meeting concurrence will be sought on the package of documents and specifically the initial assessment rates and officers. Many of the documents have been previously approved and most of the others have very little subjective matter. The package of documents are attached in (number order) and it is encouraged that documents (1) and (2) be reviewed as those documents provide a summary of the overall intent.

❖ AGENDA & SCHEDULE OF POLICY ISSUES

JANUARY 25, 2022 Meeting

[Commission Reaffirmed via Consensus vote]

- ✓ Initial Marketing Area
- ✓ Initial Parcel Offer Prices

FEBRUARY 8, 2022 Meeting

[Commission Reaffirmation sought via Consensus vote]

- ✓ Joint-Use Parking areas initially provided by the Port {inherent role of the developer}
- ✓ Project Reinvestments triggered by initial development {inherent role of the developer}

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(Commission Reaffirmation sought via Consensus vote)

- (2) Vista Field Introduction to Governing Documents {helps to explain the regulatory pieces}
- (3) Vista Field Declarations-Overall {applies to entire site, regardless of use}
- (4) Vista Field Declaration-Commercial {2nd layer for commercial uses}
- (3 & 4) Vista Field Association Assessment Structure {actual costs to owners based upon use}
- (5 & 6) Vista Field Association Appointment of initial Registered Agent & Officers

(Shared with Commission for information but formal approval not required)

- (1) Vista Field Frequently Asked Questions {complementary document-helps explain VF}
- (5) Vista Field Association Articles of Incorporation-Overall {non-subjective/State form}
- (6) Vista Field Association Articles of Incorporation-Commercial {non-subjective/State form}
- (7) Vista Field Association By-Laws-Overall {non-subjective, dictated by State law}
- (8) Vista Field Association By-Laws-Commercial {non-subjective, dictated by State law}

❖ **POLICY ISSUES for February 22, 2022 meeting**

(Commission Reaffirmation sought via Consensus vote)

(2) Vista Field Introduction to Governing Documents

(3) Vista Field Declaration of Covenants-Overall

(4) Vista Field Declaration of Covenants-Commercial Property

(3 & 4) Vista Field Association Assessment Structure

(5 & 6) Vista Field Association Appointment of initial Registered Agent & Officers

The purpose, wording and implications of these documents were discussed in detail in mid to late 2020 resulting in the passage of Resolution 2020-22 on October 27, 2020, which approved the introduction and both the overall and commercial area declarations. Since that time minor grammatical changes have been made to both documents, primarily to assure consistency with the recently approved Design Standards.

These documents legally established the design review requirements and establish a mechanism to assess and collect funds from the future Vista Field owners to offset maintenance responsibilities for the common area elements. There are two layers to the design, oversight and assessment with those being the overall neighborhood of which every owner is a “member”; and a commercial association which allows for the commercial properties to decided collectively which activities above and beyond the baseline are worthy to fund. This separate layer is crafted to intentionally exclude the residential use from the commercial uses; and excludes the residential from both the commercial decision process and more importantly the commercial assessments.

During the summer and fall of 2021 much consideration was given to establishing an equitable means of assessment for those maintenance costs, which is based upon the “allocated interest” {think share}. A draft maintenance budget at both the current phase 1 state and buildout was developed and then the costs applied to various property types to yield an actual monthly/yearly assessment number. The budget was established with the intent the assessment would not need to be increased for the first 5 years {although the covenants would allow for adjustments if needed}. Bottom line being the overall neighborhood assessment for each **“Allocated Interest”** would be **\$650 annually** {slightly under \$55 month}. A single-family home over 1,000sf = 1 allocated interest and 1,000sf of commercial space = 1 allocated interest. So, a **single-family home** would pay **\$55 per month** and a 2,000sf restaurant would pay \$110 per month.

Following a brief refresher from Doris S. Goldstein, Attorney on the previously approved declarations for the overall Vista Field neighborhood and specific commercial areas, and a presentation of the actual assessments by type and size of use; an approval/acceptance action by the Commission would be sought.

QUESTION: Does the Commission concur the documents as presented are acceptable for the intended purposes and the initial assessment of \$650 annually per Allocated Interest is deemed reasonable?

Vista Field Association Appointment of Registered Agent and Initial Officers

The Articles of Incorporation and By-Laws for both the Overall neighborhood and the 2nd tier for the Commercial properties are forms and formats strictly dictated by state law, so there are few subjective matters to discuss. The two decisions that really need to be made/confirmed are who will be the “registered agent” and who will be the initial members on the “board of directors.” Both these decisions can be changed as the project evolves and the parties change. Typically, the attorney for the developer is listed as the “registered agent” and employees for the developer serve as the initial board members.

The boards for the Overall & Commercial Associations are charged with decisions such as approving contracts for maintenance work and material purchases for that maintenance work. These boards are not involved with the design review process and/or review of development proposals; that is a task overseen by the Port selected Town Architect. This board is a legal requirement and members will evolve as the development progresses and typically transitions from the developer’s employees to those that have a major stage in the development. At present, and for at least the first 5-years, the Port will have a predominate number of the allocated interests/shares, so it is typical for the developer to control the board when the developer has a majority of the financial responsibility to pay the assessments.

These documents have not been recorded yet, therefore could easily be changed; however, at present the Port’s Attorney Lucinda Luke is listed as the registered agent and the board of directors are listed as Michael Boehnke, Amber Hanchette and Larry Peterson.

QUESTION: Does the Commission concur with the proposed registered agent and initial slate of officers for the Vista Field overall and commercial associations?

(Shared with Commission for information but formal approval not required)

(1) Vista Field Frequently Asked Questions {complementary document}

(5) Vista Field Association Articles of Incorporation-Overall

(6) Vista Field Association Articles of Incorporation-Commercial

(7) Vista Field Association By-Laws-Overall

(8) Vista Field Association By-Laws-Commercial

The above documents are included to provide a complete “package”; however, there is no subjective material involved, except for the questions posed directly above regarding the initial registered agent and board of directors. The Frequently Asked Questions (FAQ) document is not a required document, however this was crafted with the intent to help all involved, whether they be Port staff, Commissioners, developers, realtors or citizens.

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