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AGENDA

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

August 27, 2024
2:00 p.m.

- I. CALL TO ORDER**
- II. ANNOUNCEMENTS AND ROLL CALL**
- III. PLEDGE OF ALLEGIANCE**
- IV. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- V. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments August 19, 2024
 - B. Approval of Warrant Register Dated August 27, 2024
 - C. Approval of Regular Commission Meeting Minutes August 13, 2024
- VI. ACTION ITEM**
 - A. BlueChart 60-day Extension; Resolution 2024-16 (AMBER)
 - B. Cedar's Dock Update; Resolution 2024-17 (TIM)
- VII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Vista Field
 - 1. Southern Gateway Project Update (DAVID)
 - B. Kennewick Waterfront
 - 1. Speed Humps (MICHAEL)
 - 2. Metz Family Plaza (TIM/MICHAEL)
 - C. CEO Report (if needed) (TIM)
 - D. Commission Meetings (formal and informal meetings with groups or individuals)
 - E. Non-Scheduled Items
(LISA/BRIDGETTE/TANA/NICK/MICHAEL/DAVID/CAROLYN/TIM/KEN/TOM/SKIP)
- VIII. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IX. ADJOURNMENT**

**PLEASE MUTE YOUR MICROPHONE UNLESS YOU ARE SPEAKING
AND SILENCE ALL NOISE MAKING DEVICES**



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

AUGUST 13, 2024 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.

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: Skip Novakovich, President
Kenneth Hohenberg, Vice President
Thomas Moak, Secretary

Staff Members: Tim Arntzen, Chief Executive Officer
Tana Bader Inglima, Deputy Chief Executive (via telephone)
Nick Kooiker, CFO/ Deputy Chief Executive (via telephone)
Larry Peterson, Director of Planning and Building (via telephone)
Amber Hanchette, Director of Real Estate (via telephone)
Michael Boehnke, Director of Operations (via telephone)
Bridgette Scott, Executive Assistant (via telephone)
Lisa Schumacher, Special Projects Coordinator
David Phongsa, Marketing/Capital Projects Coordinator (via telephone)
Carolyn Lake, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

Commissioner Novakovich led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated August 2, 2024**
Direct Deposit and E-Payments totaling \$110,425.24
- B. Approval of Warrant Register Dated August 13, 2024**
Expense Fund Voucher Number 106118 through 106169 for a grand total of \$187,047.54
- C. Approval of Regular Commission Meeting Minutes July 23, 2024**

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

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PRESENTATION

A. *Succession Planning Update*

Mr. Arntzen introduced Ann Allen, Attorney, who has been assisting the Port for several years with human resources activities and policies. Recently, Ms. Allen has been working on the succession planning for all Port positions.

Ms. Allen gave a brief overview of what the succession plan will look like for the Port over the next seven years (*Exhibit A*). Ms. Allen asked to meet with each Commissioner to discuss their goals and intents for the Port.

The Commission agreed to speak with Ms. Allen and Ms. Scott will reach out to schedule phone appointments.

ACTION ITEMS

A. *Kennewick Waterfront*

1. *Kittson Property Exchange*

Ms. Lake stated before the Commission is Resolution 2024-15, which approves a land exchange with the Kittson family. Because the properties are nearly equal in square footage, this would be a straight exchange (*Exhibit B*). The land exchange would provide for greater connectivity for the Port and a parking area for KIE. The Resolution declares the property as surplus and approves a purchase and sale agreement with the Kittson family. The Port contracted with Rogers Surveying for surveys, legal descriptions, and boundary line adjustments and Oneza for planning. The Port is proposing to cover most of the costs and the City will have final approval of the boundary line adjustment request.

Commission and staff discussed the details of the Kittson property exchange.

MOTION: *Commissioner Hohenberg moved to approve Resolution 2024-15 authorizing the exchange of property with the Kittson Family; and further authorizing the Port's Executive Director to execute all subsequent documents necessary; Commissioner Moak seconded.*

PUBLIC COMMENTS

No comments were made.

Discussion:

Commissioner Hohenberg agrees with the CEO that this is a great opportunity for the public, as well as the Kittson family. Commissioner Hohenberg stated he was at a ribbon cutting with Mr. Arntzen when Mr. Kittson asked Commissioner Hohenberg about the property. Mr. Arntzen followed up with Mr. Kittson and because of that, we are here today. Commissioner Hohenberg believes this is a great opportunity and appreciates the flexibility of the Port to get this done.

Commissioner Moak appreciates the photos that were presented, which help him see what we are looking at and what will be in the future. It wasn't long ago we weren't in agreement on what would happen on Columbia Drive. Commissioner Moak stated it wasn't until both sides

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recognized a need that this was able to happen. Commissioner Moak appreciates the Port's flexibility and stated this benefits both parties and the public. The challenge to the Port in the future is to connect the Port properties to allow connectivity to Columbia Gardens. Commissioner Moak believes this is a great first step, and appreciates the work of Mr. Arntzen, Ms. Lake and staff.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field Update

1. Proposal Updates

Ms. Hanchette updated the Commission on the current Vista Field proposals (*Exhibit C*).

Commission and staff commented on the Vista Field proposals.

Mr. Peterson and Ms. Hanchette will be meeting with the City of Kennewick departments of Public Works, Fire, and Planning related to the next two phases of infrastructure (west and east). We will be working on various details so the design can move forward and the commitments that are being discussed with BlueChart Homes can be met. Additionally, the DPZ Summer newsletter is out and Vista Field and BlueChart Homes is mentioned <https://www.dpz.com/dpz-summer-newsletter-2024/> .

2. Southern Gateway Project Update

Mr. Peterson reported on the Southern Gateway project and stated the project is currently on time and under budget (*Exhibit D*).

B. Kennewick Waterfront

1. Vibrancy Events & Marketing

Ms. Bader Inglis shared new advertising videos for Columbia Gardens and Clover Islands located on www.PortofKennewick.org .

Mr. Phongsang reported that every third Friday of the month, Columbia Gardens has live music, and in July, we showcased opera on the vine. Friday, August 16, 2024, the music act will be Sturgeons Unplugged, who will be playing on the Monarcha Winery patio from 5:00 to 8:00 p.m. Additionally, the wineries host their own events, which the Port helps promote on our social media pages.

2. Cedar's Dock Update

Mr. Peterson is working on a scope of work with Moffat & Nichol regarding the Cedar's dock issues to help us with timing, cost, and general improvements that would be necessary if the Port were to potentially replace the dock. It was discovered that the Port would not be eligible to apply for a grant by simply replacing what is there, as it does not meet the American with Disabilities Act (ADA) compliance. In addition to replacing the dock, the Port would need to

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make it accessible per ADA compliance. Mr. Peterson stated the first step is to assess the life span of the remaining piles.

Ms. Bader Inglima reported that a State Boating Facilities grant is currently open; however, before applying for the grant, the Port would need to determine the cost of replacing/improving the dock and public access, and the timeline, to see if we should pursue the grant. Once the Port has all the information, per Port policy, the Commission could approve a resolution to submit a grant application and determine the match of 25% or more. Ms. Bader Inglima stated the Recreation Conservation Office (RCO), through their boating facilities program assisted the Port in constructing the transient/guest moorage on the southside, which she believes is preferred by boaters because there is no wake.

Commissioner Moak thinks too much time and effort has been expended and believes it should be removed and the transient/guest moorage might be the answer. This is a lot of public money to expend for the benefit of one business and he has not heard if the business is interested in contributing to the cost. With all the facts presented over the past several meetings, it does not seem like constructing a new dock is the right direction for the Port and Commissioner Moak believes we should be looking at other ways to address the needs.

Mr. Arntzen stated Commissioner Moak raises several very important observations that are on point. Mr. Arntzen stated it is a dock for a private business and if the Port were to pursue a grant, we may score lower because of that. Generally, the State looks at who receives the biggest benefit if they are investing taxpayer money. Then, most local jurisdictions removed their open water docks because of safety concerns and maintenance. This dock has required a lot of maintenance due to age and the constant boat wake activity, which puts a lot of stress on the dock. The question is, does the Port invest a large amount of public funding for something that will get beat up by the river. The Port does have a plan B if the dock were removed completely. Mr. Arntzen has discussed the possibility of removing the dock with the ownership group and suggested renegotiating the lease to remove a modest portion for the loss of the dock. Mr. Arntzen stated if the Port were to apply for grant funding, the replacement dock would be less seaworthy and not as sturdy. And, to make it ADA accessible, some of the new shoreline work would be removed as well as losing one or more parking spaces.

Commissioner Hohenberg inquired if there was an opportunity to explore options or are we better off utilizing what we have and mitigating the risk by moving forward quickly. Commissioner Hohenberg thanked Mr. Arntzen for keeping the ownership group apprised of the situation and understands that the boaters will be the most upset by the removal of the dock. Commissioner Hohenberg asked Mr. Arntzen if he had any thoughts or recommendations.

Mr. Arntzen stated Commissioner Novakovich made the same safety inquiries in a recent conversation. Mr. Arntzen believes the dock will need to be removed, most likely by the end of this boating season. The Port could spend up to \$600,000 or more to replace the dock and make ADA compliant. The question is, does the Port make a significant taxpayer investment for a limited use.

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Commissioner Hohenberg stated the Port has done an excellent job with public outreach, and maybe between now and the end of the boating season, the Port informs the public that the dock will be coming out and there is alternate mooring on the other side of the marina. Commissioner Hohenberg agrees with Commissioner Moak, at some point it is a matter of redirecting people.

Mr. Arntzen does not believe this is a strong grant application based on the factor that it is a private business and that the Port can only provide a 25% match due to funding.

Commissioner Novakovich believes the dock is a liability for the Port and it is best to remove it at the end of boating season and see if we can renegotiate with the ownership group, if it is a long-term scenario. Additionally, if the Port were successful with the grant, the dock would need to be removed anyway. Commissioner Novakovich stated either way, the dock needs to be removed and the Commission needs to make that decision sooner rather than later. Furthermore, the Commission needs to discuss if we move forward with the grant application.

Mr. Arntzen would like the opportunity to discuss the details of the dock with Moffat & Nichol before coming back to the Commission with the answers to some of the questions posed today, including the discussion of submitting a grant. Additionally, Mr. Arntzen would like to meet with the Cedars ownership group to discuss the dock.

Ms. Bader Inglima stated she will need information on the cost in September to be able to submit the grant with our scope by October.

Commissioner Moak would like more information from Moffat & Nichol before we discuss the dock again.

C. Oak Street Update

Ms. Hanchette reported all tenants have vacated the property at 1328 East 3rd Avenue (DB-D).

Mr. Peterson reported that plans for demolition of half of the building have been submitted to the City for permitting. The next step is to schedule the bid process later this month and walk through with potential contractors. Mr. Peterson anticipates bringing this to the Commission late September or early October for the bid award.

D. CEO Report

Mr. Arntzen gave a brief CEO report:

- Clover Island Inn Stage: Port staff is looking at options for winter storage to preserve the asset;
- Daybreak Commons: Port staff are currently discussing features and options that should be included;
- Joint Meeting: Working with other jurisdictions on scheduling a joint meeting has been very challenging due to other commitments. One entity proposed an ad hoc subcommittee meeting;

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- Metz Plaza: Reviewing lean ideas for replacing the trellis that was removed last year;
- City of Kennewick Ribbon Cutting Event for Deschutes Round - August 15, 2024 at 11:30 a.m.;
- Breakfast with the Chief Event: September 4, 2024 at 7:00 a.m.

Mr. Arntzen inquired what the Commissioners thoughts are on an ad-hoc committee meeting versus a full board meeting.

Commissioner Moak is interested in working with jurisdictions that have policy items in common with the Port and believes we need all the policy makers in one room.

Commissioner Hohenberg inquired if the Port can meet with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR) before the end of the year and schedule a joint meeting with another jurisdiction next year.

Mr. Arntzen will work on some options, one potentially being the CTUIR and will report back to the Commission.

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

Commissioners reported on their respective committee meetings.

F. Non-Scheduled Items

Ms. Bader Inglima stated the Port partnered with TRIDEC on marketing Vista Field at the International Council of Shopping Centers Conference in Las Vegas earlier this year and the banners that were used are set up at the Port office.

Commissioner Hohenberg appreciates the opportunity to attend Breakfast with the Chief; however, he already has a table. Commissioner Hohenberg is unable to attend the Deschutes Ribbon Cutting as he already has a prior engagement.

Commissioner Moak stated he too will be sitting at another table for Breakfast with the Chief. Commissioner Moak voted for Mr. Kooiker to sit on the HRA Veba Board of Trustees.

Commissioner Novakovich reported that he will be attending the September 10, 2024 Regular Commission Meeting remotely.

Commissioner Novakovich stated the CTUIR invited the Port to attend the Water follies in July and we had a great time in their tent. Paul Rabb, CTUIR Finance Director stated, when they think of the Tri-Cities or other partnerships, they think of the Port of Kennewick first.

Commissioner Novakovich ran into Marie Mosley, former City of Kennewick City Manager, who is excited about what the Port is doing and would like to be invited to the Port events.

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Commissioner Novakovich stated Malissa Minthorn Winks and Pat Minthorn invited the Port to a memorial service for a CTUIR elder on October 25, 2024.

PUBLIC COMMENTS

No comments were made.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:12 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Skip Novakovich, President

Kenneth Hohenberg, Vice President

Thomas Moak, Secretary

PORT OF KENNEWICK

RESOLUTION NO. 2024-15

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK TO
DECLARE A PORTION OF PORT PROPERTY
SURPLUS, APPROVE A LAND EXCHANGE WITH
KITTSO FAMILY LLC***

WHEREAS, the Port of Kennewick (“**Port**”) owns a parcel of land along Columbia Drive commonly known as 101 Clover Island Drive, Kennewick WA 99336 and legally described on **Exhibit A** hereto which is incorporated herein by reference (“**Port Columbia Drive Property**”) and

WHEREAS, Kittson Family LLC (“**KF LLC**”) owns a parcel of land adjacent to the Port’s Columbia Drive Property (“**KF LLC Property**”) which is commonly known as 113 East Columbia Drive Kennewick WA 99336-3714 and legally described in the attached **Exhibit B**, and

WHEREAS, KF LLC is interested in transferring to the Port a 10,500 sf portion of the KF LLC Property (“**KF LLC Exchange Property**”), in exchange for the Port transferring an approximately 10,000 sf portion of the Port Columbia Drive Property (“**Port Exchange Property**”) to KF LLC, as graphically depicted on **Exhibit C** and

WHEREAS, the KF LLC Exchange Property is adjacent to Duffy’s Pond Trail. The Port Staff has determined the proposed exchange would benefit the Port by allowing greater connection between the Willows to the Port’s Wine Village,

WHEREAS, the Port Staff has determined the Port Exchange Property is no longer needed and is surplus to port purposes,

WHEREAS, pursuant to RCW 53.08.090, the Port’s Chief Executive Officer has certified to the Port Commission that the Port Exchange Property is no longer needed for port district purposes, and

WHEREAS, the estimated value of the Port Exchange Property Portion proposed to be declared surplus and exchanged exceeds \$22,000 in value and therefore requires Commission approval prior to transfer of the property pursuant to RCW 53.08.090, and

WHEREAS, the terms of the proposed property exchange are summarized in **Exhibit D** attached hereto, and

RESOLUTION NO. 2024-15

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WHEREAS, prior to the property exchange, KF LLC and Port must cooperate on various acts to obtain surveys, legal descriptions and a boundary line adjustment which is subject to approval by the City of Kennewick, and

WHEREAS, the Port Commission having considered the terms of the proposed property exchange and public comments,

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Port Commission declares that the Port Exchange Drive Property as defined herein is surplus to the Port's needs.

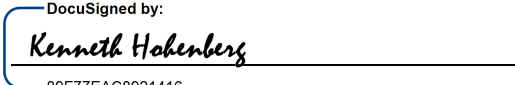
BE IT FURTHER RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorize the Port's Chief Executive Officer to sell the Port Exchange Property expressly as defined herein in exchange for the Port acquiring the KF LLC Exchange Property and hereby authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the proposed property exchange transaction as specified above.

BE IT FURTHER RESOLVED that the Port of Kennewick Board of Commissioners hereby ratify and approve all action by port officers and employees in furtherance hereof; and authorize the Port Chief Executive Officer to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 13th day of August 2024.

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

By: 
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SKIP NOVAKOVICH, President

By: 
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KENNETH HOHENBERG, Vice President

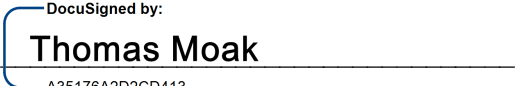
By: 
A35176A2D2CD413...
THOMAS MOAK, Secretary

EXHIBIT A

Legal Description

Port Columbia Drive Property

101 Clover Island Drive, Kennewick WA 99336

Section 31 Township 9 Range 30 Quarter SW; ALL THAT PORTION OF TRACT 4, REPLAT OF COLUMBIA GARDEN LYING BETWEEN THE NORTHERLY EXTENSION OF THE EAST AND WEST LINE OF LOT 5 OF SAID PLAT; EXCEPT THE SOUTH 100 FEET THEREOF AND EXCEPT PORTION CONVEYED TO U.S.A. FOR MCNARY DAM PURPOSES, AND THOSE PORTIONS OF LOTS 1, 2 AND 3, AND TRACTS 3 AND 4, ALL IN REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 1 - LOT 1, EXCEPTING THEREFROM THE SOUTHERLY 95 FEET THEREOF.

PARCEL 2 - LOT 2, EXCEPTING THEREFROM: THAT PORTION OF THE SOUTHERLY 95 FEET OF SAID LOT 2, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF LOT 2; THENCE NORTHERLY ALONG THE WESTERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 95 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 30 FEET; THENCE SOUTHERLY AND PARALLEL WITH SAID WESTERLY BOUNDARY LINE, A DISTANCE OF 74 FEET; THENCE SOUTHEASTERLY 37 FEET, MORE OR LESS, TO A POINT ON SAID SOUTHERLY BOUNDARY LINE WHICH IS DISTANT THEREOF 60 FEET FROM SAID SOUTHWEST CORNER OF LOT 2; THENCE WESTERLY ALONG SAID SOUTHERLY BOUNDARY LINE A DISTANCE OF 60 FEET TO THE POINT OF BEGINNING. THAT PORTION OF THE SOUTHERLY 110 FEET OF SAID LOT 2, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 2; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 110 FEET; THENCE WESTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 70 FEET; THENCE SOUTHERLY AND PARALLEL WITH SAID EASTERLY BOUNDARY LINE, A DISTANCE OF 89 FEET; THENCE SOUTHEASTERLY 37 FEET, MORE OR LESS, TO A POINT ON SAID SOUTHERLY BOUNDARY LINE WHICH IS DISTANT THEREON 40 FEET FROM SAID SOUTHEAST CORNER OF LOT 2; THENCE EASTERLY ALONG SAID SOUTHERLY BOUNDARY LINE, A DISTANCE OF 40 FEET TO THE POINT OF BEGINNING.

PARCEL 3 - LOT 3, EXCEPTING THEREFROM THE SOUTHERLY 110 FEET THEREOF.

PARCEL 4 - TRACT 3 AND THAT PORTION OF TRACT 4 LYING WESTERLY OF THE NORTHERLY PRODUCTION OF THE EASTERLY BOUNDARY LINE OF LOT 4 OF SAID REPLAT OF COLUMBIA GARDENS. EXCEPTING THEREFROM THOSE PORTIONS OF TRACT 3 AND 4 CONVEYED BY STANDARD OIL COMPANY OF CALIFORNIA TO THE UNITED STATES OF AMERICA BY DEED DATED MAY 8, 1952 AND RECORDED JULY 7, 1952 IN BOOK 110 OF DEEDS, AT PAGE 669, RECORDS OF SAID COUNTY. QCD, AF #2004-006182 (2/25/04). Re-record to correct legal of AF #2002-042622.

Tax Parcel # / Geo ID 131903030001003– Benton County Washington

EXHIBIT B

Legal Description

KF LLC Property

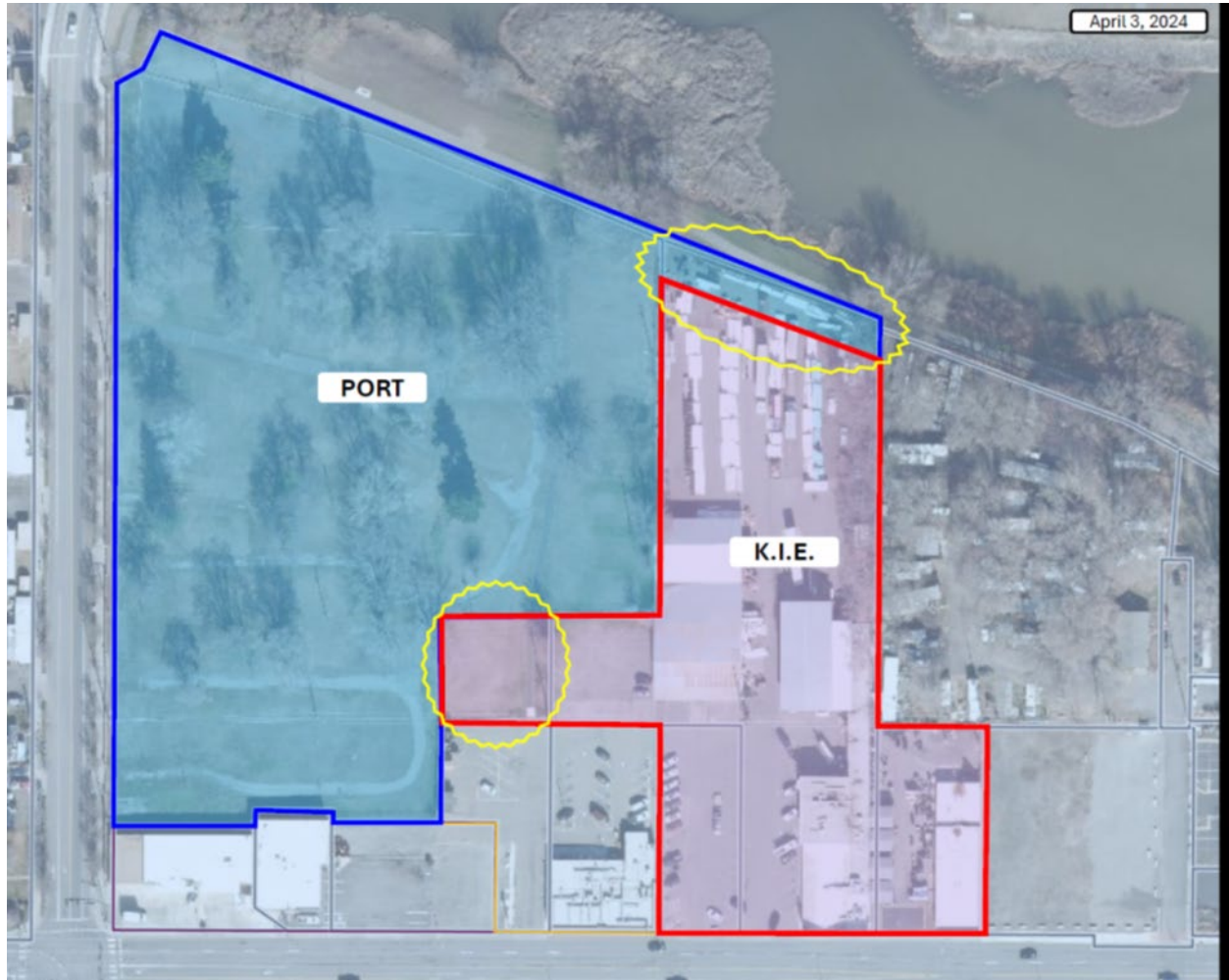
113 East Columbia Drive Kennewick WA 99336-3714

Section 31 Township 9 Range 30 Quarter SW; LOTS 6 & 7 REPLAT OF COLUMBIA GARDENS RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, EXCEPT THE WEST 75 FEET OF SAID LOT 6. TOGETHER WITH THAT PORTION OF TRACTS 4 AND 5 OF REPLAT OF COLUMBIA GARDENS, RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, LYING NORTH OF LOTS 6 AND 7 OF SAID PLAT. EXCEPT THAT PORTION CONVEYED TO THE U.S. GOVERNMENT FOR MCNARY DAM PROJECT BOUNDARY; AND TOGETHER WITH THAT PORTION OF TRACT 4 REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LOT 5 OF REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON; THENCE WESTERLY ALONG THE NORTH LINE THEREOF; 100 FEET TO THE NORTHWEST CORNER OF SAID LOT 5; THENCE NORTHERLY ALONG A NORTHERLY EXTENSION OF THE WEST LINE OF SAID LOT 5, 100 FEET; THENCE EASTERLY PARALLEL TO THE NORTH LINE OF SAID LOT 5, 100 FEET; THENCE SOUTHERLY 100 FEET TO THE POINT OF BEGINNING. SUBJECT TO EASEMENT INCLUDING THE TERMS, COVENANTS AND PROVISIONS THEREOF FOR ELECTRIC TRANSMISSION AND/OR DISTRIBUTION LINE, TOGETHER WITH NECESSARY APPURTENANCES, AS GRANTED BY INSTRUMENTS RECORDED ON JULY 13, 1960 UNDER BENTON COUNTY AUDITOR'S FILE NO. 257053. QCD, AF #2006-012248 (4/20/06). WATERLINE EASEMENT (AF#2018-019324, 07/02/2018).

Tax Parcel # / Geo ID 131903030007002 – Benton County Washington

Exhibit C

GRAPHIC DEPICTION OF THE PROPERTY EXCHANGE



K.I.E. = Kittson Family Property

AGREEMENT FOR THE EXCHANGE OF LANDS

This agreement for exchange of property (“**Agreement**”) is made and entered into this 13th day of August 2024, by and between the Port of Kennewick, a Washington state public port district, (“**Port**”), for itself, administrators, successors, and assigns, and the Kittson Family LLC, a Washington state limited liability company (“**KF LLC**”) for itself, administrators, successors, and assigns, (individually “**Party**” and cumulatively “**Parties**”).

1. The Port owns a parcel of land along Columbia Drive commonly known as 101 Clover Island Drive, Kennewick WA 99336 and legally described on **Exhibit A** hereto which is incorporated herein by reference (“**Port Columbia Drive Property**”) and
2. The KF LLC owns a parcel of land adjacent to the Port’s Columbia Drive Property (“**KF LLC Property**”) which is commonly known as 113 East Columbia Drive Kennewick WA 99336-3714 and legally described in the attached **Exhibit B**, and
3. KF LLC is interested in transferring to the Port a 10,500 portion of the KF LLC Property (“**KF LLC Exchange Property**”), in exchange for the Port transferring an approximately 10,000 sf portion of the Port Columbia Drive Property (“**Port Exchange Property**”) to KF LLC, and the Port is interested in transferring the Port Exchange Property Portion to KF LLC in exchange for KF LLC transferring to the Port the KF LLC Exchange Property, all as graphically depicted on **Exhibit C**.

Now therefore, the Parties agree as follows:

1. Agreement to Exchange. In consideration of the mutual exchange of the Port’s Port Exchange Property and the KF LLC’s KF LLC Exchange Property (cumulatively “**Exchanged Properties**”), the Port agrees to convey to the KF LLC upon the terms and conditions hereinafter set forth, the Port Exchange Property including all tenements, and hereditaments, together with all water and other rights, easements, and appurtenances thereunto belonging, owned by it, situate and lying in Benton County, state of Washington, in exchange for the KF LLC agreeing to convey to the Port the KF LLC Exchange Property including all tenements and hereditaments, together with all water and other rights, easements, and appurtenances thereunto belonging, owned by it, situate and lying in the County of Benton, State of Washington, all subject to a future boundary line adjustment, which is subject to City of Kennewick approval.
2. No Monetary Consideration Due. The Parties agree that the Exchanged Properties are of approximate equal value and therefore no monetary payment except the allocation of costs and

expenses as set forth herein is due to or from either Party as a result of this Agreement.

3. Conveyance Conditions. Each Party agrees that it has full right, power, and authority to convey, subject to two conditions: (1) the Port's conveyance is expressly subject to approval by the Port's Board of Commission at a meeting open to the public, and (2) the exchange is expressly conditioned upon a future boundary line adjustment ("**BLA**"), which requires approval by the City of Kennewick. Each Party agrees that it will convey to the other the fee simple title thereto clear, free and unencumbered, except subject to the following easements or reservations:

All easements and reservations of record.

4. Feasibility. Each Party agrees that subject to the condition stated in Paragraph 3 herein above, the Exchanged Properties are feasible for each Parties' intended use.
5. Preservation of Properties' Condition & Tree Removal. Each Party further agrees not to do or allow any act which may diminished the value or encumber the title of the Exchange Properties; provided however, the Port agrees to undertake and pay the cost of removal of select trees on the Port Property near the KF LLC Exchange Property, as mutually agreed between the Parties.
6. Access. Each Party further agrees that during the period covered by this Agreement, representatives of each Party may access the other Party's Exchange Property as needed to process the BLA and for due diligence and tree removal purposes.
7. Deeds. Each Party will execute and deliver into escrow a general warranty deed conveying to the other Party safe title to the respective Exchanged Properties, improvements, and other interests, including rights-of-way, easements, and reservations retained therein.
8. BLA Cooperation & Effect of Non-Approval. Each Party will fully cooperate with the preparation and submittal of the BLA application and take all reasonable steps to secure its approval, including execution of any required documents. In the event the Parties do not obtain the BLA approval after timely and diligent pursuit thereof, then this Agreement is terminated and shall have no further force and effect, and neither Party shall have any rights against or duties toward the other Party.
9. Survey & Legal Description. The Parties agree that in support of this Agreement and BLA, the Parties will cause the Exchanged Properties to be surveyed and legal descriptions shall be prepared for the Exchanged Properties and the post- BLA Port and KF LLC Exchanged Properties. The Port shall pay the costs of the survey and legal description preparation.

10. Condition of Title; Permitted Exceptions. It is mutually agreed that each Party may obtain at its option an abstract, certificate of title, or other evidence of title to the property herein contracted to be received at that Party's expense. Any Party shall notify the other Party of any objectionable matters in the title report within ten (10) days after the Effective Date of this Agreement. This Agreement shall terminate unless within ten (10) days of the date of the notice of objection, the transferring Party cures any such objection, or the receiving Party withdraws the objection.
11. Waiver. Each Party waives the right to receive a Seller Disclosure Statement (Form 17-Commercial) if required by RCW 64.06.
12. Closing. Subject only to the satisfaction of the conditions precedent stated in Paragraph 3 herein above, this Property Exchange shall close within fifteen (15) days after approval of the BLA ("**Closing**") by the Title Company mutually selected by the Parties. ("**Closing Agent**"). "Closing" occurs when the deeds are recorded. Time is of the essence in the performance of this Agreement. This Agreement constitutes escrow instructions to Closing Agent. The Parties will provide any supplemental instructions requested by Closing Agent provided the same are consistent with this Agreement.
13. Customary Closing Costs. The Parties agree that expenses of this transaction for escrow services, document preparation, recording fees, revenue stamps, transfer taxes, the pro rata share of the prepaid real property taxes allocable to the KF LLC Panhandle Property period prior to the vesting of title in the Port, and similar expenses incidental to the exchange of the Exchanged Properties shall be borne by the Port.
14. Possession & Use. Full possession and use of the Exchanged Properties shall pass to the respective Parties as of the date of Closing.
15. No Assignment. It is mutually understood and agreed that this Agreement shall not be assigned in whole or in part.
16. Notices. It is mutually understood and agreed that notices required or delivered pursuant to this Agreement shall be sent the respective Partys' at the following address:

Port of Kennewick
350 Clover Island Dr
Kennewick, WA 99336
Attention Real Estate

Kittson Family LLC
113 East Columbia Drive
Kennewick WA 99336-3714

and shall be effective upon the date of mailing.

17. Parties' Representations. The Port represents to the KF LLC that, to the best of its actual knowledge, the following is true as of the date hereof: (a) The Port is not aware of any concealed material defects in the Port Exchange Property (b) There are no Hazardous Substances (as defined below) currently located in, on, or under the Port Exchanged Property in a manner or quantity that presently violates any Environmental Law (as defined below); (c) there are no underground storage tanks located on the Port Exchange Property and (d) there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of Hazardous Substances or the violation of Environmental Law at the Port Exchange Property. As used herein, the term "**Hazardous Substances**" shall mean any substance or material now or hereafter defined or regulated as a hazardous substance, hazardous waste, toxic substance, pollutant, or contaminant under any federal, state, or local law, regulation, or ordinance governing any substance that could cause actual or suspected harm to human health or the environment ("**Environmental Law**"). The term "Hazardous Substances" specifically includes, but is not limited to, petroleum, petroleum by-products, and asbestos.

The KF LLC represents to the Port that, to the best of its actual knowledge, the following is true as of the date hereof: (a) KF LLC Port is not aware of any concealed material defects in the KF LLC Exchange Property (b) There are no Hazardous Substances (as defined below) currently located in, on, or under the KF LLC Exchange Property in a manner or quantity that presently violates any Environmental Law (as defined below); (c) there are no underground storage tanks located on the KF LLC Exchange Property and (d) there is no pending or threatened investigation or remedial action by any governmental agency regarding the release of Hazardous Substances or the violation of Environmental Law at the KF LLC Exchange Property. As used herein, the term "**Hazardous Substances**" shall mean any substance or material now or hereafter defined or regulated as a hazardous substance, hazardous waste, toxic substance, pollutant, or contaminant under any federal, state, or local law, regulation, or ordinance governing any substance that could cause actual or suspected harm to human health or the environment ("**Environmental Law**"). The term "Hazardous Substances" specifically includes, but is not limited to, petroleum, petroleum by-products, and asbestos.

18. AS-IS. Except for those representations and warranties specifically included in this Agreement:

(i) each Party makes no representations or warranties regarding the Exchanged Properties; (ii) each Party hereby disclaims, and waives, any and all representations or warranties of any kind, express or implied, concerning the Exchanged Properties or any portion thereof, as to its condition, value, compliance with laws, status of permits or approvals, existence or absence of hazardous material on site, occupancy rate or any other matter of similar or dissimilar nature habitability and use; (iii) each Party otherwise takes its Exchanged Property "AS IS;" and (iv) each Party represents that it has sufficient experience and expertise such that it is reasonable for that Party to rely on its own pre-closing inspections and investigations.

19. Miscellaneous Provisions.

a. Complete Agreement. This Agreement and any addenda and exhibits thereto state the entire understanding of the Parties regarding the exchange of Properties subject of this Agreement.

There are no verbal or other written agreements which modify or affect the Agreement.

b. Counterpart Signatures. This Agreement may be signed in counterpart, each signed counterpart shall be deemed an original, and all counterparts together shall constitute one and the same agreement.

c. Electronic Delivery. Electronic delivery of documents (e.g., transmission by facsimile or email) including signed offers or counteroffers and notices shall be legally sufficient to bind the Party the same as delivery of an original. At the request of either Party, or the Closing Agent, the Parties will replace electronically delivered offers or counteroffers with original documents. This Agreement may be executed and acknowledged in multiple counterparts for the convenience of the Parties that together shall constitute one agreement and the counterpart signature and acknowledgment pages may be detached from the various counterparts and attached to make one copy of this Agreement to simplify the execution of this Agreement. Each copy of this Agreement will be deemed an original.

SIGNATURES APPEAR ON NEXT PAGE

PORT OF KENNEWICK

Tim Arntzen, Chief Executive Officer

Date: _____

KITTSON FAMILY LLC*

**Two signatures required*

By: Augustan D. Kittson

Its: Co-Manager

Date: _____

By: Cynthia J. Kittson

Its: Co-Manager

Date: _____

EXHIBIT A

Legal Description

Port Columbia Drive Property

101 Clover Island Drive, Kennewick WA 99336

Section 31 Township 9 Range 30 Quarter SW; ALL THAT PORTION OF TRACT 4, REPLAT OF COLUMBIA GARDEN LYING BETWEEN THE NORTHERLY EXTENSION OF THE EAST AND WEST LINE OF LOT 5 OF SAID PLAT; EXCEPT THE SOUTH 100 FEET THEREOF AND EXCEPT PORTION CONVEYED TO U.S.A. FOR MCNARY DAM PURPOSES, AND THOSE PORTIONS OF LOTS 1, 2 AND 3, AND TRACTS 3 AND 4, ALL IN REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

PARCEL 1 - LOT 1, EXCEPTING THEREFROM THE SOUTHERLY 95 FEET THEREOF.

PARCEL 2 - LOT 2, EXCEPTING THEREFROM: THAT PORTION OF THE SOUTHERLY 95 FEET OF SAID LOT 2, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF LOT 2; THENCE NORTHERLY ALONG THE WESTERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 95 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 30 FEET; THENCE SOUTHERLY AND PARALLEL WITH SAID WESTERLY BOUNDARY LINE, A DISTANCE OF 74 FEET; THENCE SOUTHEASTERLY 37 FEET, MORE OR LESS, TO A POINT ON SAID SOUTHERLY BOUNDARY LINE WHICH IS DISTANT THEREOF 60 FEET FROM SAID SOUTHWEST CORNER OF LOT 2; THENCE WESTERLY ALONG SAID SOUTHERLY BOUNDARY LINE A DISTANCE OF 60 FEET TO THE POINT OF BEGINNING. THAT PORTION OF THE SOUTHERLY 110 FEET OF SAID LOT 2, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 2; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 110 FEET; THENCE WESTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 70 FEET; THENCE SOUTHERLY AND PARALLEL WITH SAID EASTERLY BOUNDARY LINE, A DISTANCE OF 89 FEET; THENCE SOUTHEASTERLY 37 FEET, MORE OR LESS, TO A POINT ON SAID SOUTHERLY BOUNDARY LINE WHICH IS DISTANT THEREON 40 FEET FROM SAID SOUTHEAST CORNER OF LOT 2; THENCE EASTERLY ALONG SAID SOUTHERLY BOUNDARY LINE, A DISTANCE OF 40 FEET TO THE POINT OF BEGINNING.

PARCEL 3 - LOT 3, EXCEPTING THEREFROM THE SOUTHERLY 110 FEET THEREOF.

PARCEL 4 - TRACT 3 AND THAT PORTION OF TRACT 4 LYING WESTERLY OF THE NORTHERLY PRODUCTION OF THE EASTERLY BOUNDARY LINE OF LOT 4 OF SAID REPLAT OF COLUMBIA GARDENS. EXCEPTING THEREFROM THOSE PORTIONS OF TRACT 3 AND 4 CONVEYED BY STANDARD OIL COMPANY OF CALIFORNIA TO THE UNITED STATES OF AMERICA BY DEED DATED MAY 8, 1952 AND RECORDED JULY 7, 1952 IN BOOK 110 OF DEEDS, AT PAGE 669, RECORDS OF SAID COUNTY. QCD, AF #2004-006182 (2/25/04). Re-record to correct legal of AF #2002-042622.

Tax Parcel # / Geo ID 131903030001003– Benton County Washington

EXHIBIT B

Legal Description

KF LLC Property

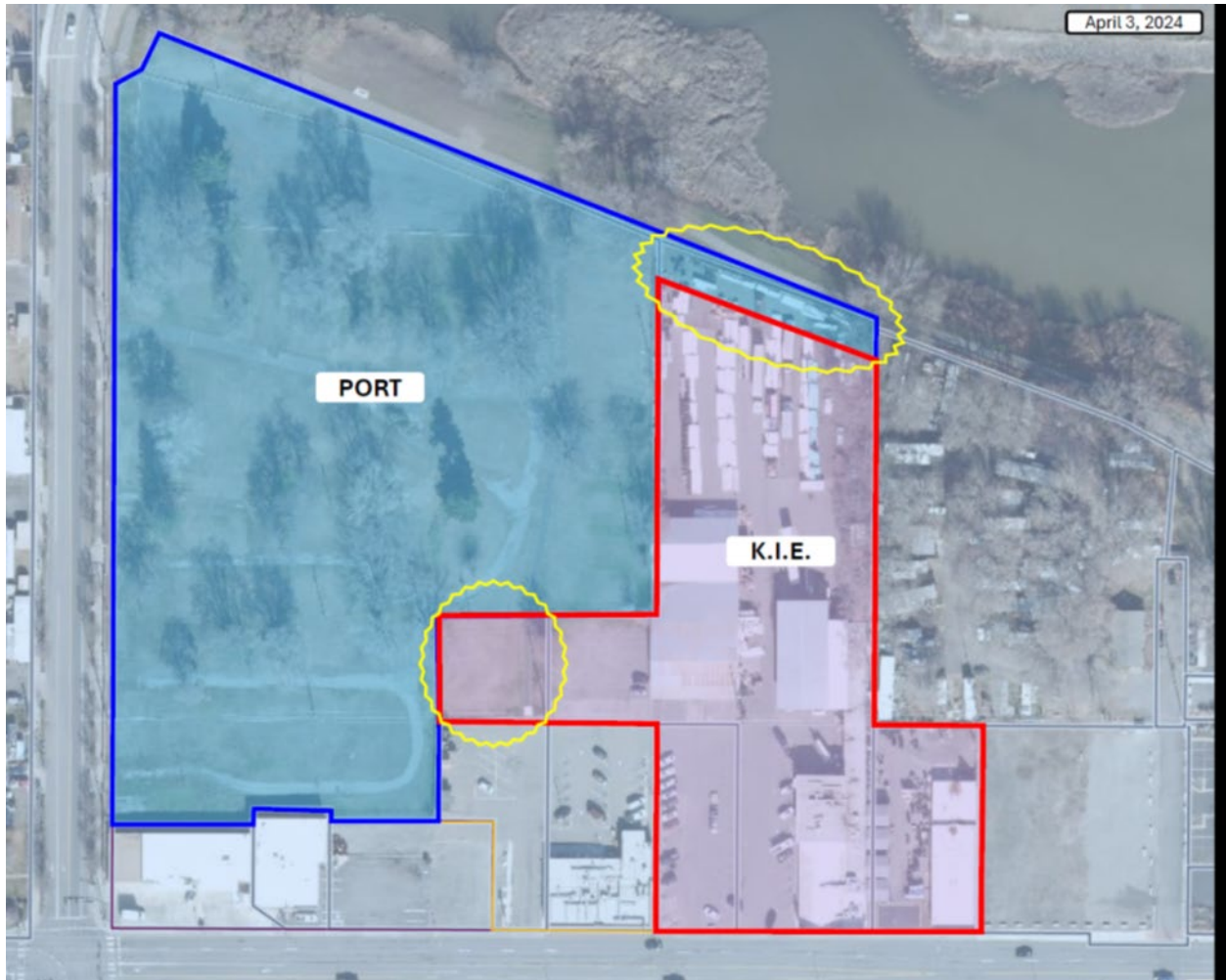
113 East Columbia Drive Kennewick WA 99336-3714

Section 31 Township 9 Range 30 Quarter SW; LOTS 6 & 7 REPLAT OF COLUMBIA GARDENS RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, EXCEPT THE WEST 75 FEET OF SAID LOT 6. TOGETHER WITH THAT PORTION OF TRACTS 4 AND 5 OF REPLAT OF COLUMBIA GARDENS, RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, LYING NORTH OF LOTS 6 AND 7 OF SAID PLAT. EXCEPT THAT PORTION CONVEYED TO THE U.S. GOVERNMENT FOR MCNARY DAM PROJECT BOUNDARY; AND TOGETHER WITH THAT PORTION OF TRACT 4 REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LOT 5 OF REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF BENTON COUNTY, WASHINGTON; THENCE WESTERLY ALONG THE NORTH LINE THEREOF; 100 FEET TO THE NORTHWEST CORNER OF SAID LOT 5; THENCE NORTHERLY ALONG A NORTHERLY EXTENSION OF THE WEST LINE OF SAID LOT 5, 100 FEET; THENCE EASTERLY PARALLEL TO THE NORTH LINE OF SAID LOT 5, 100 FEET; THENCE SOUTHERLY 100 FEET TO THE POINT OF BEGINNING. SUBJECT TO EASEMENT INCLUDING THE TERMS, COVENANTS AND PROVISIONS THEREOF FOR ELECTRIC TRANSMISSION AND/OR DISTRIBUTION LINE, TOGETHER WITH NECESSARY APPURTENANCES, AS GRANTED BY INSTRUMENTS RECORDED ON JULY 13, 1960 UNDER BENTON COUNTY AUDITOR'S FILE NO. 257053. QCD, AF #2006-012248 (4/20/06). WATERLINE EASEMENT (AF#2018-019324, 07/02/2018).

Tax Parcel # / Geo ID 131903030007002 – Benton County Washington

EXHIBIT C

GRAPHIC DEPICTION OF THE PROPERTY EXCHANGE



K.I.E. = Kittson Family Property

TO: PORT OF KENNEWICK COMMISSION

FROM: Tim Arntzen, Chief Executive Officer

DATE: August 13, 2024

RE: Certification of Certain Port Property as Surplus

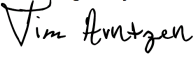
The Port owns a parcel of land along Columbia Drive commonly known as 101 Clover Island Drive, Kennewick WA 99336 and legally described on **Exhibit A** hereto which is incorporated herein by reference ("**Port Columbia Drive Property**").

This Memorandum serves as written notice from the Chief Executive Officer to the Port Commission, pursuant to RCW 53.08.090, certifying that a portion (10,000sf) of the Port Columbia Drive Property is no longer needed for Port district purposes ("Port Exchange Property"), and the Port Commission may declare the Port Exchange Property is no longer needed for Port district purposes and may find the Port Exchange Property surplus to the Port's needs.

Description of the Port Colombia Drive Property:

The Port Columbia Drive Property to be considered for surplus action is legally described in the attached **Exhibit A** and graphically depicted in the attached **Exhibit B** which are incorporated herein by reference.

I so certify:

DocuSigned by:

897EAA4F32B4455...

Tim Arntzen, Port Chief Executive Officer

Date: 8/22/2024

EXHIBIT A

Legal Description

Port Columbia Drive Property

101 Clover Island Drive, Kennewick WA 99336

Section 31 Township 9 Range 30 Quarter SW; ALL THAT PORTION OF TRACT 4, REPLAT OF COLUMBIA GARDEN LYING BETWEEN THE NORTHERLY EXTENSION OF THE EAST AND WEST LINE OF LOT 5 OF SAID PLAT; EXCEPT THE SOUTH 100 FEET THEREOF AND EXCEPT PORTION CONVEYED TO U.S.A. FOR MCNARY DAM PURPOSES, AND THOSE PORTIONS OF LOTS 1, 2 AND 3, AND TRACTS 3 AND 4, ALL IN REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

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PARCEL 2 - LOT 2, EXCEPTING THEREFROM: THAT PORTION OF THE SOUTHERLY 95 FEET OF SAID LOT 2, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF LOT 2; THENCE NORTHERLY ALONG THE WESTERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 95 FEET; THENCE EASTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 30 FEET; THENCE SOUTHERLY AND PARALLEL WITH SAID WESTERLY BOUNDARY LINE, A DISTANCE OF 74 FEET; THENCE SOUTHEASTERLY 37 FEET, MORE OR LESS, TO A POINT ON SAID SOUTHERLY BOUNDARY LINE WHICH IS DISTANT THEREOF 60 FEET FROM SAID SOUTHWEST CORNER OF LOT 2; THENCE WESTERLY ALONG SAID SOUTHERLY BOUNDARY LINE A DISTANCE OF 60 FEET TO THE POINT OF BEGINNING. THAT PORTION OF THE SOUTHERLY 110 FEET OF SAID LOT 2, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF LOT 2; THENCE NORTHERLY ALONG THE EASTERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 110 FEET; THENCE WESTERLY AND PARALLEL WITH THE SOUTHERLY BOUNDARY LINE OF LOT 2, A DISTANCE OF 70 FEET; THENCE SOUTHERLY AND PARALLEL WITH SAID EASTERLY BOUNDARY LINE, A DISTANCE OF 89 FEET; THENCE SOUTHEASTERLY 37 FEET, MORE OR LESS, TO A POINT ON SAID SOUTHERLY BOUNDARY LINE WHICH IS DISTANT THEREON 40 FEET FROM SAID SOUTHEAST CORNER OF LOT 2; THENCE EASTERLY ALONG SAID SOUTHERLY BOUNDARY LINE, A DISTANCE OF 40 FEET TO THE POINT OF BEGINNING.

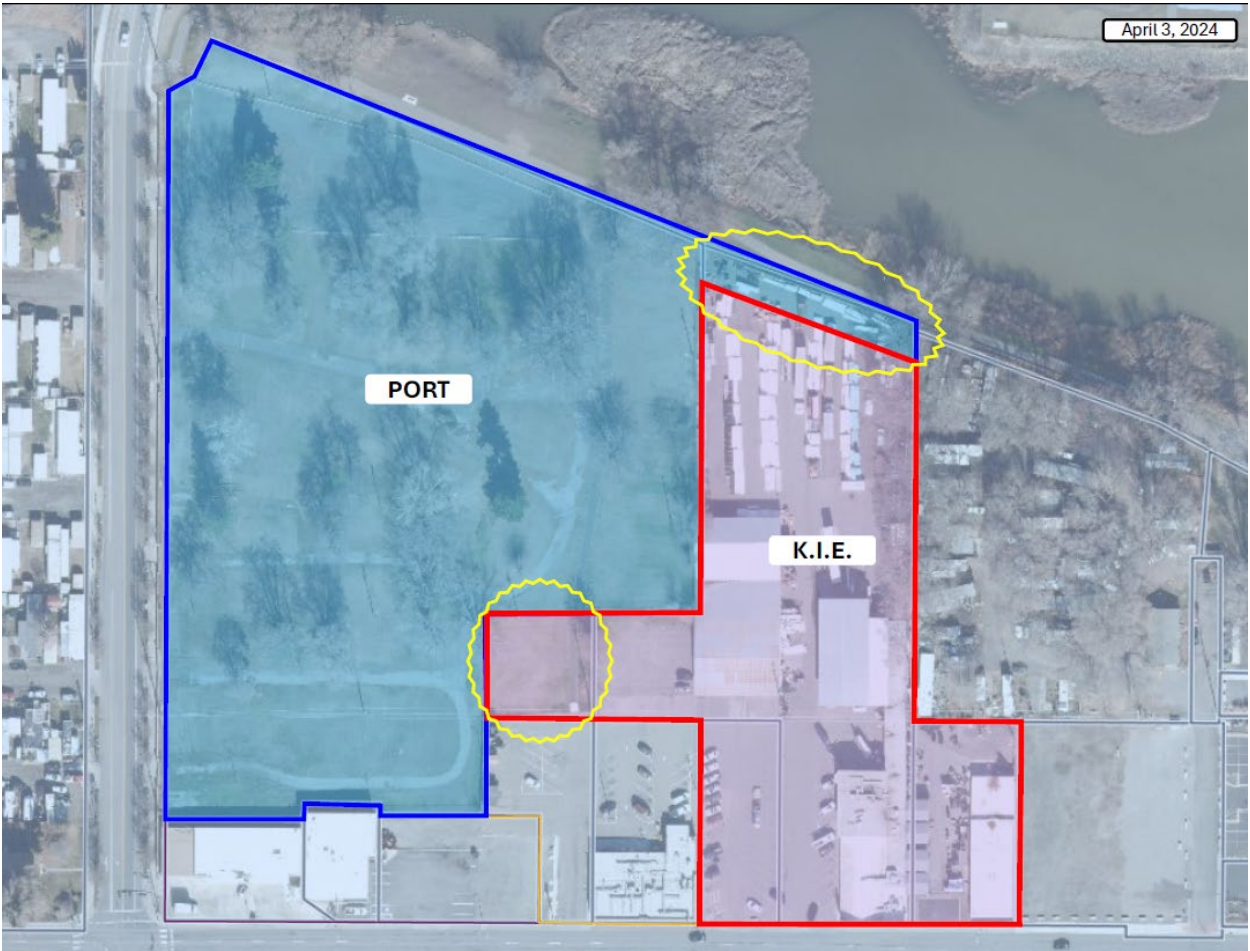
PARCEL 3 - LOT 3, EXCEPTING THEREFROM THE SOUTHERLY 110 FEET THEREOF.

PARCEL 4 - TRACT 3 AND THAT PORTION OF TRACT 4 LYING WESTERLY OF THE NORTHERLY PRODUCTION OF THE EASTERLY BOUNDARY LINE OF LOT 4 OF SAID REPLAT OF COLUMBIA GARDENS. EXCEPTING THEREFROM THOSE PORTIONS OF TRACT 3 AND 4 CONVEYED BY STANDARD OIL COMPANY OF CALIFORNIA TO THE UNITED STATES OF AMERICA BY DEED DATED MAY 8, 1952 AND RECORDED JULY 7, 1952 IN BOOK 110 OF DEEDS, AT PAGE 669, RECORDS OF SAID COUNTY. QCD, AF #2004-006182 (2/25/04). Re-record to correct legal of AF #2002-042622.

Tax Parcel # / Geo ID 131903030001003– Benton County Washington

EXHIBIT B

GRAPHIC OF PORT PROPERTY



MemorandumAugust 13, 2024

For: The Port of Kennewick Board of Commissioners

From: Ann Allen, Attorney at Law

Re: Succession Planning

Since early February of this year, the Port has been working to develop a succession plan in addition to the plan being set by the Commissioners regarding the Chief Executive Officer's role. The purpose of this undertaking is to ensure that the work of the Port on behalf of the Commissioners and the public continues without interruption or complications when employees leave the organization. A key component of the plan is the goal to maintain the workplace culture in which the employees are committed to the Port's mission and work, professional, conscientious, and collaborative. There are many steps to be taken in carrying out succession planning. In summary, those steps can be broken into three main areas as follows.

- **Identification of the most pressing succession matters:** The staff at the Port have identified roles that require immediate action to address retirement plans of employees by the end of 2024 and the end of 2025, respectively. They have also identified positions that will likely require succession planning over the next two, five, and seven years.
- **Review and Revision of Job Descriptions:** Each of the current employees' roles have evolved significantly over time. Each role has been reviewed and the organization is currently in the process of finalizing job descriptions for each position that include a detailed list of duties as well as the knowledge, skills, and abilities (KSAs) required of each position. Where it has been determined that reorganization of positions is required, new job descriptions will be created.
- **Establish a Plan and Recognize it may be Subject to Modification Over Time:** The organization is currently setting a plan for succession based on the information employees have voluntarily communicated regarding their plans for retirement. The plan will address changes required in the near term and in a succession of years thereafter. These plans may include the merger or restructuring of current positions, addition of new positions, and use of contracts to secure transitional assistance from exiting/retiring individuals. For example, due to an employee's retirement at the end of the year, a new position in the finance department has been created merging the bookkeeping administrative assistant role with the contracted bookkeeping role. The current plan is to hire an individual for the new role prior to the departure of the bookkeeping administrative assistant, thereby ensuring a seamless transition. A plan is currently being developed for succession to occur over the next two years as well. Less detailed plans for subsequent years are also being sketched out. It has to be expected that employees may alter their plans and business necessities may trigger unforeseen changes to the workplace over the next two, five, and seven years. Having a written plan in place will allow the organization to respond effectively to such changes to the greatest extent possible.

PoK / KIE Land Swap



EXHIBIT B













VISTAFIELD

Click the yellow parcels to view availability.

- Parcels for Sale
- Port Retaining for Future Development
- Pending/Sold
- Future Parking



LOT 15

KUKI
IZAKAYA



Lot 18



VISTAFIELD



LOT 25



VISTAFIELD



Lot 31



VISTAFIELD



BlueChart Homes

VISTA FIELD SOUTHERN GATEWAY

Construction Update
August 13, 2024



VISTAFIELD









POSITIVE POLICING 🧡

On July 30, 2024 at about 10:00 a.m., Kennewick Police Officers were in the area of W Deschutes Ave and Crosswind Blvd when they observed two upstanding citizens assisting another with a flat tire.

After speaking with the driver of the vehicle, she elaborated that she had been having a rough day and was very grateful for the assistance.

The two citizens who helped the driver had been working at a nearby construction site and immediately went to help the stranded driver. The two also stated they only hoped that someone would help their wives if they were ever in a similar situation.

We at the Kennewick Police Department believe this was an exemplary portrayal of citizens looking after their community and awarded the two gentlemen with VISA gift cards, courtesy of [HAPO Community Credit Union](#) and the [KPD Foundation](#).
[#PositivePolicing](#)



THANK YOU

Larry Peterson

Director of Planning & Development

Port of Kennewick

www.vistafield.com

PORT OF KENNEWICK

RESOLUTION No. 2024-16

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK
APPROVING A 60 DAY EXTENSION TO THE
RIGHT TO NEGOTIATE PERIOD
WITH BLUECHART LLC***

WHEREAS, the Port of Kennewick ("Port) Commission has authorized port staff to market parcels for sale within the Vista Field redevelopment project; and

WHEREAS, port staff received a proposal from Levi Holmes and Ben Paulus of BlueChart LLC for construction of approximately 300 single family residential units throughout multiple phases of the port's Vista Field redevelopment project; and

WHEREAS, on June 11, 2024, Commissioners approved a '90 Day Right to Negotiate' time-period with BlueChart LLC for construction of 300 single family residential homes within Vista Field; and

WHEREAS, an additional 60 days is needed to continue negotiations with BlueChart LLC for construction of 300 single family residential homes within Vista Field.

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners hereby approves a '60 Day Extension (November 10, 2024) to the Right to Negotiate' time-period with BlueChart LLC for construction of 300 single family residential homes within Vista Field.

BE IT FURTHER RESOLVED that the Port of Kennewick Board of Commissioners hereby ratify and approve all action by port officers and employees in furtherance hereof; and authorize the Port Chief Executive Officer to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 27th day of August, 2024.

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

By: _____

SKIP NOVAKOVICH, President

By: _____

KENNETH HOHENBERG, Vice President

By: _____

THOMAS MOAK, Secretary

MOTION TO APPROVE:

I move approval of Resolution 2024-16 approving a 60-day extension to the Right to Negotiate period with BlueChart Homes for the development of single-family homes in the port's Vista Field redevelopment project; and that all action by port officers and employees in furtherance hereof is ratified and approved.



AGENDA REPORT

TO: Port Commission

FROM: Tim Arntzen

MEETING DATE: August 27, 2024

AGENDA ITEM: Proposed Resolution To Approve Second Lease Amendment to Port- Builder Heights LLC Ground Lease - Action Requested.

I. REFERENCE(S): Proposed Adoption of Resolution 2024 -17, approving a Second Lease Amendment to Port- Builder Heights LLC Ground Lease

II. RELATED HISTORY:

Resolution 2019-26 Commission Resolution approving the Cedar's Lease - October 29, 2019.

Resolution 2020-08 First Lease Amendment (December 2020) was authorized pursuant to Commission Resolution 2020-08 which authorized the Port CEO To Provide Emergency Temporary Rent Deferral.

III. FISCAL IMPACT:

Rent reduction \$18,000 annually 2024- 2049

IV. DISCUSSION:

The Port leases to Tenant Boulder Heights, LLC, ("Tenant") Port owned land on which a Tenant-owned building is located at 355 Clover Island Drive, in the City of Kennewick, Benton County, Washington ("Premises").

The Lease's Article 2 reference to the Premises includes statements that "The Landlord and Tenant may jointly use the dock immediately adjacent to the Premises", and that "The Landlord will maintain the dock structure; the Tenant will maintain the dock's cleanliness." The dock referenced in the Lease has suffered damage and is no longer available for the shared use described in the Lease.

The Port Staff and Tenant have discussed and request Commission approval of a solution whereby, in lieu of repair or replacement of the dock, an adjustment to the Tenant's Base Rent is appropriate, along with Tenant's acknowledgement and release of any Tenant obligation to provide Tenant and its agents, guests, and customers access to or use of the dock.

The Commission is presented with a proposal that Tenant be provided with a rent refund in the amount of twelve thousand dollars (\$12,000.00), which amount equals a deduction of fifteen hundred dollars

(\$1,500) a month in the Base Rent owed under the Lease for the months of January 2024 through August 2024, and commencing September 1 2024, the Base Rent otherwise due be reduced by fifteen hundred dollars (\$1,500) per month through the remainder of the Initial Lease Term as defined in the Lease at Section 1.4 (to December 31, 2049).

The Commission is asked to determine that after review in general of the projected costs of the dock repair, and the associated requirements for upgrading the dock as part of that repair, and even if the costs are supplemented with grant funds, if awarded, on balance that the prudent stewardship of the public's funds support the proposed amendment to the existing Lease as opposed to incurring the costs of the dock repair.

The proposed Resolution to approve the Second Amendment to Lease is attached.

IV. ACTION REQUESTED OF COMMISSION:

MOTION: I move approval of Resolution 2024-17 which approves the Second Lease Amendment to Port- Builder Heights LLC Ground Lease.

PORT OF KENNEWICK

Resolution No. 2019-26

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE A LEASE AGREEMENT WITH BOULDER HEIGHTS LLC (CEDARS)

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

WHEREAS, Boulder Heights LLC, wishes to enter into a ground lease with the port upon their purchase of building and assets from DDM Investments LLC; and

WHEREAS, said ground lease would include Clover Island parcels identified in Exhibit A; and

WHEREAS, said ground lease who exist for a lease term of thirty years (30) years with one option to renew for an additional ten (10) years subject to the terms and conditions of the ground lease; and

WHEREAS, the Port agrees to accept a personal guaranty in lieu of a monetary deposit; and

WHEREAS, Port staff and legal counsel have reviewed the proposed Lease and find it is in proper form and it is in the Port's best interest; and

WHEREAS, after consideration of the attached Lease, the Port Commission has determined that the lease is proper.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves a ground lease with Boulder Heights LLC upon purchase of building and assets from DDM Investments LLC; and that all action by port officers and employees in furtherance hereof is ratified and approved; and further, the Port Chief Executive Officer is authorized to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 29th day of October, 2019.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By:


THOMAS MOAK, President

By:


DON BARNES, Vice President

By:


SKIP NOVAKOVICH, Secretary

PORT OF KENNEWICK REGULAR COMMISSION MEETING

DECEMBER 10, 2019 MINUTES

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Cedars Update

Ms. Hanchette reported at last Regular Commission Meeting staff discussed the Cedars transaction and potential material changes. The Lundgrens found a new lender that did not find issue with the permitted use language and the language issues were resolved. Additionally, notices to cure language was added and accepted by our legal counsel and their lender. The transaction closed last week and Doug and Carrie Lundgren are now the new owners of Cedars.

Commissioner Moak stated it sounds like a successful transaction and everybody is happy.

Commissioner Barnes thanked Ms. Hanchette and Ms. Luke for all of their work and helping the Mitchams sell their restaurant.

B. City of West Richland Transfer Agreement Update

Ms. Hanchette stated Port and City staff are currently working on two items for the former racetrack sale. The closing date has been moved to December 31, because Port and City staff cannot present the funding mechanism of this agreement to the Benton County Commissioners until December 17, 2019. West Richland offered the Port, as part of the funding mechanism for the former racetrack, to transfer the City's portion of Rural Capital County Funding (RCCF) credits. The Port and City entered into a transfer agreement, where, when the Port applies for a future RCCF project, Benton County would transfer the West Richland credits to the Port. The Port and City are scheduled to speak to the Benton County Commission on December 17, 2019 about the transfer agreement.

Mr. Arntzen stated it is his intention to present to the Benton County Commission on December 17, 2019; however, he has been drafted for jury duty that week and may be called to serve. In the event that Mr. Arntzen has jury duty, Ms. Hanchette will present to the Commission. Ms. Luke has been working with County's legal counsel and Adam Fyall, Sustainable Development Manager for the County. It is Port and City's intention to walk the Commission through the transfer agreement and how the process would work. County staff indicated that the Commission is supportive of the agreement and if we can get it on the record that they are supportive, Mr. Arntzen believes that would be the best that we can get. The County Commission has voiced some concerns over the proposal because it is unique in a unique system that is the RCCF process. Mr. Arntzen stated should the City be unsuccessful in transferring the RCCF credits to the Port, the City is ultimately responsible for every dollar of this transaction until paid in full in 2023.

Ms. Luke believes the date is April 15, 2023 for the deadline for full payment of the City's promissory note.

Mr. Arntzen stated one of the potential projects that will be discussed during the Work Plan Update is the rehabilitation of the Vista Field hangars. Staff believes that project could be a very strong application for RCCF credits for 2020. At the point of an accepted application, the Port would then request a transfer of credits from West Richland's portion.

Resolution No. 2019-26
EXHIBIT A



PORT OF KENNEWICK

RESOLUTION 2020-08

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING THE PORT CHIEF EXECUTIVE OFFICER TO PROVIDE EMERGENCY TEMPORARY RENT DEFERRAL

WHEREAS, Several port tenants in the hospitality industry have approached port staff requesting rent relief due to government ordered closures and other situations which have arisen due to the global Coronavirus pandemic; and

WHEREAS, Staff has directed each tenant in the hospitality industry to document economic conditions which would assist the commission in evaluating requests for rent relief; and

WHEREAS, Staff recommends providing rent deferral for up to 3 months; and

WHEREAS, Pursuant to state law, tenants shall remain liable for leasehold excise tax which is payable to the state and cannot be waived; and

WHEREAS, the Port Commission has been fully briefed by staff related to this matter; and

WHEREAS, the Port Commission deems it prudent to authorize temporary emergency rent deferral for up to a 3-month period to port tenants in the hospitality industry on a case by case basis.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby grants rent deferral for port tenants in the hospitality industry as follows:

- (1) Rent deferral for up to 3 months, as determined by CEO on a case by case basis; and
- (2) CEO will work with tenants on deferred rent payback schedule; and
- (3) Pursuant to state law, tenants shall remain liable for leasehold excise tax.

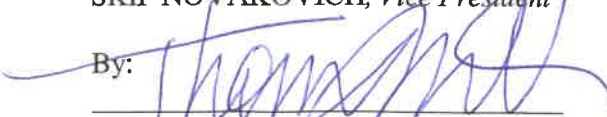
BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further the port Chief Executive Officer is authorized to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 14th day of April, 2020.

***PORT OF KENNEWICK
BOARD OF COMMISSIONERS***

By: 
DON BARNES, *President*

By: 
SKIP NOVAKOVICH, *Vice President*

By: 
THOMAS MOAK, *Secretary*

PORT OF KENNEWICK

RESOLUTION No. 2024-17

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK TO APPROVE A SECOND AMENDMENT TO LEASE WITH BOULDER HEIGHTS LLC

WHEREAS, the Port of Kennewick, ("Port") and Boulder Heights, LLC, a Washington limited liability company, (herein the "Tenant") are parties to that certain Lease dated December 1, 2019, and amended by First Amendment dated December 18, 2020 hereinafter collectively referred to as the "Lease".

WHEREAS, the Premises which are the subject of the Lease includes the Port owned land ("Land") and Tenant-owned building ("Building") located at and commonly known as: 355 Clover Island Drive, in the City of Kennewick, Benton County, Washington (herein the "Premises").

WHEREAS, the Lease's Article 2 reference to the Premises includes statements that "The Landlord and Tenant may jointly use the dock immediately adjacent to the Premises", and that "The Landlord will maintain the dock structure; the Tenant will maintain the dock's cleanliness."

WHEREAS, the dock referenced in the Lease has suffered damage and is no longer available for the shared use described in the Lease.

WHEREAS, the Port Staff and Tenant have discussed and now request Commission approval of a solution whereby, in lieu of repair or replacement of the dock, an adjustment to the Tenant's Base Rent is appropriate, along with Tenant's acknowledgement and release of any Landlord obligation to provide Tenant and its agents, guests, and customers access to or use of the dock.

WHEREAS, its proposed that Tenant be provided with a refund in the amount of twelve thousand dollars (\$12,000.00), which amount equals a deduction of fifteen hundred dollars (\$1,500.00) a month in the Base Rent owed under the Lease for the months of January 2024 through August 2024, and commencing September 1 2024, the Base Rent otherwise due be reduced by fifteen hundred dollars (\$1,500.00) per month through the remainder of the Initial Lease Term as defined in the Lease at Section 1.4 (to December 31, 2049).

WHEREAS, the Commission has reviewed in general the projected costs of the dock repair, and the associated requirements for upgrading the dock as part of that repair, and even if the costs are supplemented with grant funds, if awarded, find that on balance that the prudent stewardship of the public's funds support the proposed amendment to the existing Lease as opposed to incurring the costs of the dock repair.

WHEREAS, the Port Commission having considered the terms of the proposed Lease amendment and weighed that action against the projected cost of the dock repairs and associated upgrades.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorize the Port's Chief Executive Officer to enter into the Second Amendment to the Port's Lease with Boulder Heights LLC.

BE IT FURTHER RESOLVED that the Port of Kennewick Board of Commissioners hereby ratify and approve all action by port officers and employees in furtherance hereof; and authorize the Port Chief Executive Officer to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of Port of Kennewick on the 27th day of August, 2024.

PORT of KENNEWICK
BOARD of COMMISSIONERS

By: _____

SKIP NOVAKOVICH, President

By: _____

KENNETH HOHENBERG, Vice President

By: _____

THOMAS MOAK, Secretary

SECOND AMENDMENT TO
GROUND LEASE

This Second Amendment to Lease ("Amendment") is made and entered into this day by and between the PORT OF KENNEWICK, a Washington public port district organized and existing under the laws of the State of Washington, hereinafter called "Landlord", and Boulder Heights, LLC, a Washington limited liability company, (herein the "Tenant") authorized to engage in business and engaging in business in the State of Washington,) collectively referred to as the "Parties").

WITNESSETH

WHEREAS, Landlord and Tenant are parties to that certain Lease dated December 1, 2019, and amended by First Amendment dated December 18, 2020 hereinafter collectively referred to as the "Lease"; whereby the Premises which are the subject of the Lease includes the Port- owned land ("Land") and Tenant-owned building ("Building") located at and commonly known as: 355 Clover Island Drive, in the City of Kennewick, Benton County, Washington (herein the "Premises"). The Premises are legally described in Exhibit A, attached to the Lease.

WHEREAS, the Lease's Article 2 reference to the Premises includes statements that "The Landlord and Tenant may jointly use the dock immediately adjacent to the Premises", and that "The Landlord will maintain the dock structure; the Tenant will maintain the dock's cleanliness."

WHEREAS, the dock referenced in the Lease has suffered damage and is no longer available for the shared use described in the Lease.

WHEREAS, the Parties agree that in lieu of repair or replacement of the dock, an adjustment to the Tenant's Base Rent is appropriate, along with Tenant's acknowledgement and release of any Landlord obligation to provide Tenant and its agents, guests, and customers access to or use of the dock.

WHEREAS, the Lease at Section 1.7, Article 3, and the Lease First Amendment address the Base Rent to be paid by Tenant to Landlord, and Landlord and Tenant desire to further adjust the Monthly Base Rent in accordance with the recitals stated herein.

NOW THEREFORE PARTIES HEREBY AGREED as follows

1. Refund to Tenant. The Port shall refund to Tenant the amount of twelve thousand dollars (\$12,000.00), which amount equals a deduction of fifteen hundred dollars (\$1500) a month in the Base Rent owed under the Lease for the months of January 2024 through August 2024.

2. Base Rent Amendment. The Lease at Section 1.7 is amended to provide that the Base Rent amount is as provided in the attached Schedule 1, commencing September 1, 2024. The amounts in Schedule 1 reflect a rent credit amount equal to a Fifteen Hundred Dollars (\$1500) per month rent reduction commencing September 1, 2024, from the monthly rental amounts otherwise due through the remainder of the Initial Lease Term as defined in the Lease at Section 1.4 (to December 31, 2049). For clarity, all provisions of Lease at Section 1.7 Base Rent, Leasehold Tax; Section 1.8 Security, Section 1.9 Other Charges and Article 3 Base Rent and Operating Costs shall continue to apply.
3. Premises Amendment. The Lease at Article 2 is amended as follows:

ARTICLE 2. Premises.

Premises and Demise. The Premises is described in Section 1.3 hereof and is depicted in the site plan of the Premises attached hereto as Exhibit A. The Premises includes the right to use and occupy the existing building on the Premises (herein the "Building"), and all other improvements, including the lighting for the Premises, all water, sewer and communications facilities, connections, piping and furnishings. ~~Additionally, the Landlord and Tenant may jointly use the dock immediately adjacent to the Premises. The Landlord will maintain the dock structure; the Tenant will maintain the dock's cleanliness.~~

4. Release by Tenant. Consistent with the amendment to Lease at Article 2 herein above, and for the consideration contained herein, Tenant hereby acknowledges and unconditionally releases Landlord from any obligation to provide Tenant and its agents, guests, and customers access to or use of the dock as referenced in the Lease.
5. Savings. Except as expressly modified by the terms of this 2nd Amendment, all other terms, conditions, and obligations of the Lease as previously amended shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have set their hands the day and year first above written.

[Signatures Appear on Next Page]

By Authority of the Port Board of Commissioners.

PORT OF KENNEWICK

By: Tim Arntzen
Title: Its Chief Executive Officer
Date: _____

Reviewed:

By: Nick Kooiker
Title: Its CFO & Deputy Chief Executive Officer
Date: _____

Approved as to form:

By: Carolyn A. Lake
Title: Its Port General Legal Counsel
Date: _____

BOULDER HEIGHTS, LLC

By: Doug Lundgren
Title: Managing Member
Date: _____

SCHEDULE 1- ADJUSTED MONTHLY RENTAL AMOUNT
Amended 2024 Rent Schedule

2024 Remaining Months	Unadjusted Base Rent	Less \$1500	Adjusted Base Rent & LET
September-December 2024	4016.34	2516.34	2548.65

Amended Rent Schedule- Commencing 2025

Year	Prior Year Unadjusted Base Rent	Plus Annual Adjustment 3.5%	New Year's Monthly Rent	Less \$1500/ Adjusted Base Rent	LET 12.84%	Adjusted Base Rent & LET
2025	4,016.34	140.57	4,156.91	2,656.91	341.15	2,998.06
2026	4,156.91	145.49	4,302.40	2,802.40	359.83	3,162.23
2027	4,302.40	150.58	4,452.99	2,952.99	379.16	3,332.15
2028	4,452.99	155.85	4,608.84	3,108.84	399.18	3,508.02
2029	4,608.84	161.31	4,770.15	3,270.15	419.89	3,690.04
2030	4,770.15	166.96	4,937.11	3,437.11	441.32	3,878.43
2031	4,937.11	172.80	5,109.91	3,609.91	463.51	4,073.42
2032	5,109.91	178.85	5,288.75	3,788.75	486.48	4,275.23
2033	5,288.75	185.11	5,473.86	3,973.86	510.24	4,484.10
2034	5,473.86	191.59	5,665.44	4,165.44	534.84	4,700.29
2035	5,665.44	198.29	5,863.73	4,363.73	560.30	4,924.04
2036	5,863.73	205.23	6,068.97	4,568.97	586.66	5,155.62
2037	6,068.97	212.41	6,281.38	4,781.38	613.93	5,395.31
2038	6,281.38	219.85	6,501.23	5,001.23	642.16	5,643.39
2039	6,501.23	227.54	6,728.77	5,228.77	671.37	5,900.14
2040	6,728.77	235.51	6,964.28	5,464.28	701.61	6,165.89
2041	6,964.28	243.75	7,208.03	5,708.03	732.91	6,440.94
2042	7,208.03	252.28	7,460.31	5,960.31	765.30	6,725.61
2043	7,460.31	261.11	7,721.42	6,221.42	798.83	7,020.25
2044	7,721.42	270.25	7,991.67	6,491.67	833.53	7,325.20
2045	7,991.67	279.71	8,271.36	6,771.38	869.45	7,640.83
2046	8,271.36	289.50	8560.86	7,060.86	906.61	7,967.47
2047	8,560.86	299.63	8860.49	7,360.49	945.87	8,305.58
2048	8,860.49	310.18	9170.67	7,670.67	984.91	8,655.58
2049	9,170.67	320.97	9491.64	7,991.64	1,026.13	9,017.77