



PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 23, 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 (via telephone)
Kenneth Hohenberg, Vice President (via telephone)
Thomas Moak, Secretary (via telephone)

Staff Members: Tim Arntzen, Chief Executive Officer
Tana Bader Inglima, Deputy Chief Executive (via telephone)
Nick Kooiker, Deputy Chief Executive Officer/CFO (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 (via telephone)
Carolyn Lake, Port Counsel (via telephone)
Taud Hume, 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 April 17, 2024**
Direct Deposit and E-Payments totaling \$119,720.13
- B. Approval of Warrant Register Dated April 23, 2024**
Expense Fund Voucher Number 105795 through 105847 for a grand total of \$255,528.39
- C. Approval of Regular Commission Meeting Minutes April 9, 2024**

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

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PRESENTATIONS

A. Vista Field Lot #25 Purchase and Sale Agreement

Ms. Hanchette presented a Purchase and Sale Agreement (PSA) for Lot 25 in Vista Field and outlined the details (*Exhibit A*). Ms. Hanchette stated there is a 36-month time allowed for completion, which includes permits, due diligence, construction and occupancy. Ms. Hanchette introduced Vatik Dulo, the developer of the proposed 5-story mixed-use building.

Mr. Dulo has received at least 30 inquiries on the project since the presentation in December of 2023. Mr. Dulo is very excited about the project and the interest they have received from the community.

Commission and Port staff discussed the details of the PSA and expressed their excitement for the development.

MOTION: *Commissioner Hohenberg moved to approve Resolution 2024-08 approving a purchase and sale agreement with Vatik Dulo and Ryan Foster for the purchase of Lot 25 in the Port's Vista Field redevelopment project; 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; Commissioner Moak seconded.*

PUBLIC COMMENTS

No comments were made.

Discussion:

Commissioner Moak believes the collaborative design process (CDP) is working very well and hopes it has been seen as positive by Mr. Dulo and anyone else we are working with and staff. Commissioner Moak hopes the process has been valuable to Mr. Dulo and his investors and hopes it will be valuable for future developers of Vista Field. Commissioner Moak is very pleased with what he sees and appreciates staff and DPZ implementing the CDP and stated they have done a great job to make it work. Commissioner Moak is looking forward to this taking place in the next 36 months and hopes for smooth sailing over the next three years.

Commissioner Hohenberg appreciates hearing from Mr. Dulo and the fact that the Tri-City area seems to be quicker in working through the permitting process, which was a big focus when Commissioner Hohenberg was with the City of Kennewick. Commissioner Hohenberg is looking forward to the project and knows Port staff will do an excellent job working with Mr. Dulo and help guide and assist him in this complex project. Commissioner Hohenberg is glad to have Mr. Dulo here and wishes him the best of luck.

Commissioner Novakovich agrees with Commission comments and stated that we are very pleased Mr. Dulo is here with us and he will be a historical figure in the development of Vista Field.

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

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Commissioner Novakovich congratulated staff and thanked Port Counsel for their work on this project.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Kennewick Waterfront*

1. *Cedars Dock Update*

Mr. Arntzen outlined the history of the Cedars dock and reported that remaining pilings may be problematic. Mr. Boehnke located an engineering firm to assess the structural integrity and safety of the dock out of Portland, which is the same company that constructed the Port Marina. Mr. Arntzen believes it is safe to assume that there will be some required work to address the dock and it will be a substantial cost to the Port. Mr. Boehnke and Ms. Hanchette will be meeting with the owners of Cedars Restaurant to loop them into the process. The Port will report the findings of the assessment at a later date.

Mr. Boehnke stated safety is the first concern and staff are working as quickly as possible to get the assessment completed.

2. *KIE Update*

Mr. Arntzen gave a brief history of The Willows (*Exhibit B*) and the properties along Columbia Drive. Gus Kitson, owner of KIE approached Mr. Arntzen about a potential land purchase for additional parking. Mr. Arntzen proposed a potential land swap to Mr. Kitson, which would almost connect The Willows to the Wine Village. Mr. Arntzen stated this project is not on the Work Plan and inquired if the Commission is receptive to the proposed land swap.

Commissioner Novakovich believes it is an exciting idea and is in favor of moving forward.

Commissioner Hohenberg thinks this is a win, win for KIE and the Port and helps create a pathway to the developments, which is paramount. Commissioner Hohenberg thanked Mr. Arntzen for following up with Mr. Kitson on this.

Commissioner Moak believes it is a good opportunity and a positive project for the Port, the development, and KIE and he supports it.

It is the Consensus of the Commission to move forward with a land swap with KIE.

3. *Clover Island Stage Update*

Mr. Arntzen outlined the history of the stage request with the Clover Island Inn and stated the Port Commission approved a purchase a portable stage in 2023. The stage was delivered in February 2024 and the Port and the Clover Island Inn entered into a lease. The Port hired a contractor to pour a new foundation for the portable stage, which is almost complete. Lastly, the vendor will come out in May to train hotel and port staff on how to set up the stage. There have been a lot of questions surrounding the amenities of the new hotel. Mr. Arntzen stated the Port has redirected questions to the new ownership group. Mr. Arntzen met one of the new owners of the hotel and Mr. Arntzen stated the Port will honor our agreements and will be

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helpful; however, it would not be appropriate for the Port to get involved in their business and management decisions related to bookings of the stage, etc.

Commissioner Novakovich stated that he was also contacted by the hotel owners and met with them and the owners of Cedars Restaurant. The hotel group plans on putting on the concerts and hired a local concert promoter to run the concerts. Additionally, the owner would like the Port to name the stage and would like to partner with the island tenants to put on more events and create more vibrancy.

4. *Container Restroom Update*

Ms. Bader Inglima presented the completed photos of the Wine Village container bathroom art wrap (*Exhibit C*).

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

Commissioners reported on their respective committee meetings.

C. *Non-Scheduled Items*

Ms. Bader Inglima reported that the Vista Field Southern Gateway project groundbreaking is on April 29, 2024 at 10:30 a.m.

Ms. Hanchette stated Mr. Peterson is attending a pre-construction meeting with Goodman & Mehlenbacher Inc. (GAME Inc.), for the Vista Field Southern Gateway project. Mr. Peterson will issue the notice to proceed, effective April 24, 2024, which starts the 240 calendar days to reach substantial completion. The estimated date of completion is December 11, 2024.

Mr. Arntzen stated the CDP is meant to be a living process and we have learned a lot by working through the process. Ms. Hanchette has done a great job working with potential buyers/developers and architects through the CDP.

Mr. Arntzen thanked the Commission for understanding the value of having two attorneys to assist Port staff. Ms. Lake is the Port's general counsel and Mr. Hume works on the Port real estate and zoning issues. Mr. Arntzen stated Ms. Lake and Mr. Hume work seamlessly together and thanked the Commission for the compliment directed towards our legal counsel.

Mr. Arntzen stated staff will be presenting concepts for the 2025-2026 Budget, which include ideas from the Commission over the last two years. Additionally, Mr. Kooiker will be providing an 2023-2024 Budget update in the near future.

Commissioner Novakovich reported that Summer Yates, daughter of Kandy Yates, is a professional soccer player for the Orlando Pride and recently scored the game winning goal.

PUBLIC COMMENTS

No comments were made.

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COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:35 p.m.

APPROVED:

PORT of KENNEWICK BOARD of COMMISSIONERS

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Skip Novakovich

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Skip Novakovich, President

DocuSigned by:

Kenneth Hohenberg

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Kenneth Hohenberg, Vice President

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Thomas Moak

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Thomas Moak, Secretary

PORT OF KENNEWICK

RESOLUTION No. 2024-08

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK TO
APPROVE A PURCHASE AND SALE AGREEMENT
WITH VATIK DULO AND RYAN FOSTER***

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 for construction of a 5-story mixed use building on Lot 25 within the first phase of Vista Field redevelopment from developers Vatik Dulo and Ryan Foster; and

WHEREAS, Vatik Dulo and Ryan Foster (Purchasers), have offered to purchase approximately 13,077 square feet of the area graphically depicted on “*Exhibit A*” as 678 Crosswind Boulevard/6724 Azure Drive at the Port of Kennewick’s Vista Field redevelopment project in Kennewick, Washington from the Port of Kennewick (Seller) for \$418,000; and

WHEREAS, Port staff and the Port attorney have reviewed the proposed Purchase and Sale Agreement and find it is in proper form with potential minor modifications prior to Closing and is in the Port’s best interest.

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 execute a Purchase and Sale Agreement with Vatik Dulo and Ryan Foster; and hereby authorizes the Port’s Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

BE IT FURTHER RESOLVED that the Port Commission declares that said property is surplus to the Port’s needs and the proposed sale as referenced above is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

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.


Resolution 2024-08
Page 2

ADOPTED by the Board of Commissioners of Port of Kennewick on the 23rd day of April, 2024.

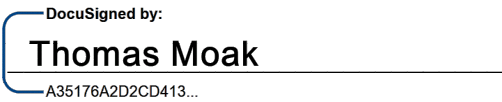
***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: 
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Skip Novakovich
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SKIP NOVAKOVICH, President

By: 
DocuSigned by:
Kenneth Hohenberg
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KENNETH HOHENBERG, Vice President

By: 
DocuSigned by:
Thomas Moak
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THOMAS MOAK, Secretary

EXHIBIT A





AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Real Estate

MEETING DATE: April 23, 2024

AGENDA ITEM: Vista Field Purchase & Sale Agreement – Lot 25
Resolution 2024-08

I. REFERENCE(S):

- Letter of Intent dated December 7, 2023
- Resolution 2023-35

II. FINANCIAL IMPACT: Revenue \$418,000.00

III. DISCUSSION:

Vatik Dulo and Ryan Foster submitted a letter of intent to the port dated December 7, 2023, to purchase lot 25 in Vista Field for construction of a five story, 40,000 square foot mixed use building.

Lot 25 anchors a key intersection between Azure Drive and the linear water feature along Crosswind Boulevard. The proposed building will be comprised of commercial space on the ground floor, then stacked with two floors of apartments and topped by two-story townhome style condos. Site plan and conceptual drawings in Exhibit A.

The port commission approved a 90 day Right-to-Negotiate on December 12, 2023 and two subsequent short-term extensions; allowing time for both parties to work through the details of a purchase and sale agreement now being submitted for commission consideration.

The proposed building design continues to proceed through the Collaborative Design Process with the port's Vista Field Town Architect, Matt Lambert of DPZ CoDesign.

Purchase and sale agreement highlights:

- Vista Field Lot 25 – 13,077 square foot parcel
- 40,000 square foot mixed use building
- Uses: Commercial, multi-family, condominiums

EXHIBIT A

- Price - \$21.00 psf for land, \$11.00 psf adjustment for additional impacts to common area parking.
- Effective date = Date PSA is approved by commissioners
- Time to completion = 36 months from effective date of PSA
- PSA is signed individually. Buyers may assign the PSA to another corporate entity owned and controlled by them before Closing.
- Agreement is subject to Vista Field Covenants, Conditions and Restrictions, Vista Field Design Standards, an Obligation to Construct and Repurchase Option.
- Contingencies:
 - Seller's obligations to construct common area parking, use easement for waste container, license agreement for use of property during construction.
 - Buyer's contingencies: feasibility study, environmental conditions, and financing.

IV. ACTION REQUESTED OF COMMISSION:***Motion:***

I move approval of Resolution 2024-08 approving a purchase and sale agreement with Vatik Dulo and Ryan Foster for the purchase of lot 25 in the port's Vista Field redevelopment project; 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.

EXHIBIT A

EXHIBIT A

Lot 25 - Purchase & Sale Agreement Highlights

Agenda Report Highlights:

Vatik Dulo and Ryan Foster submitted a letter of intent to the port dated December 7, 2023, to purchase lot 25 in Vista Field for construction of a five story, 40,000 square foot mixed use building.

Lot 25 anchors a key intersection between Azure Drive and the linear water feature along Crosswind Boulevard. The proposed building will be comprised of commercial space on the ground floor, then stacked with two floors of apartments and topped by two-story townhome style condos. Site plan and conceptual drawings in Exhibit A.

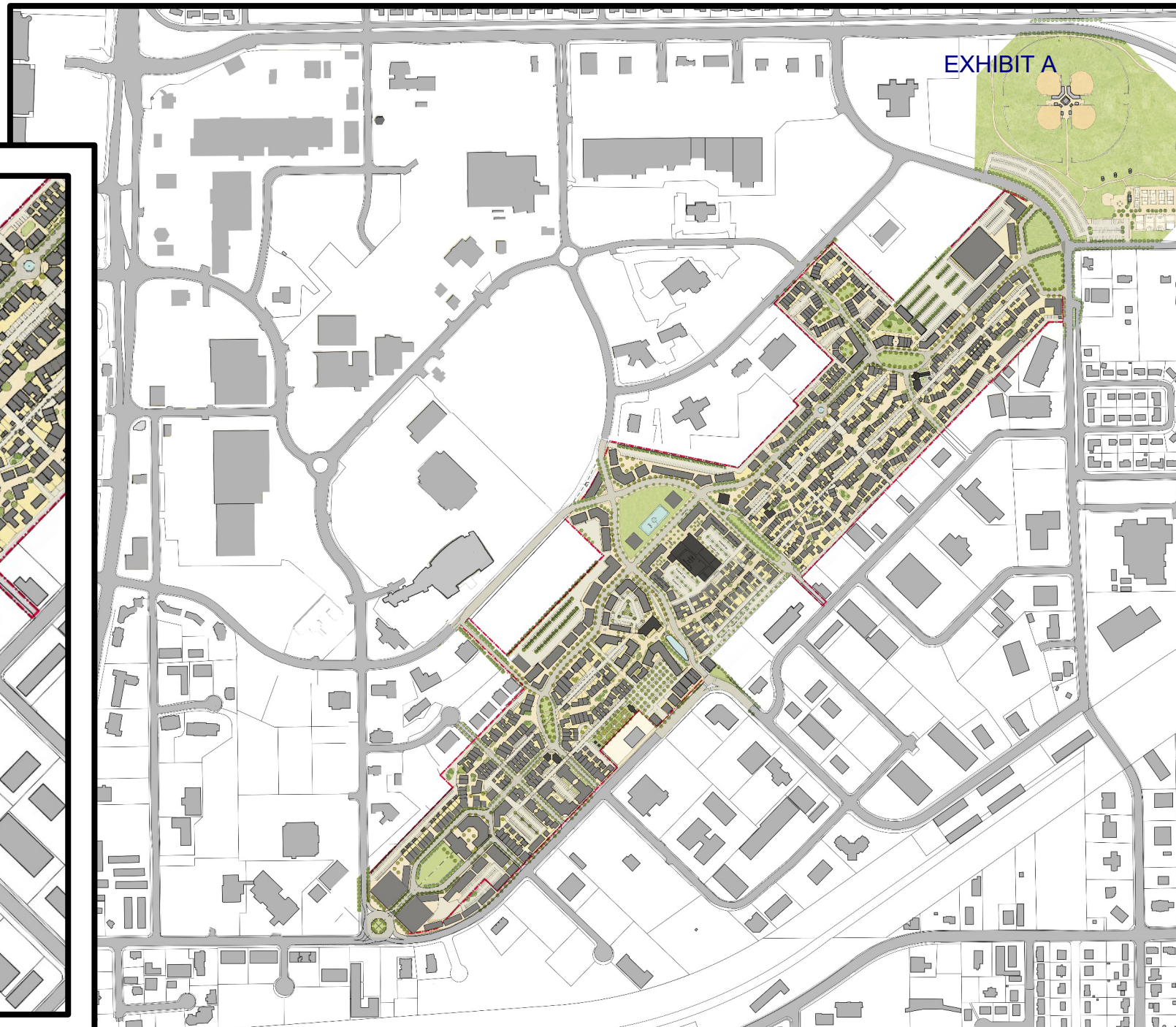
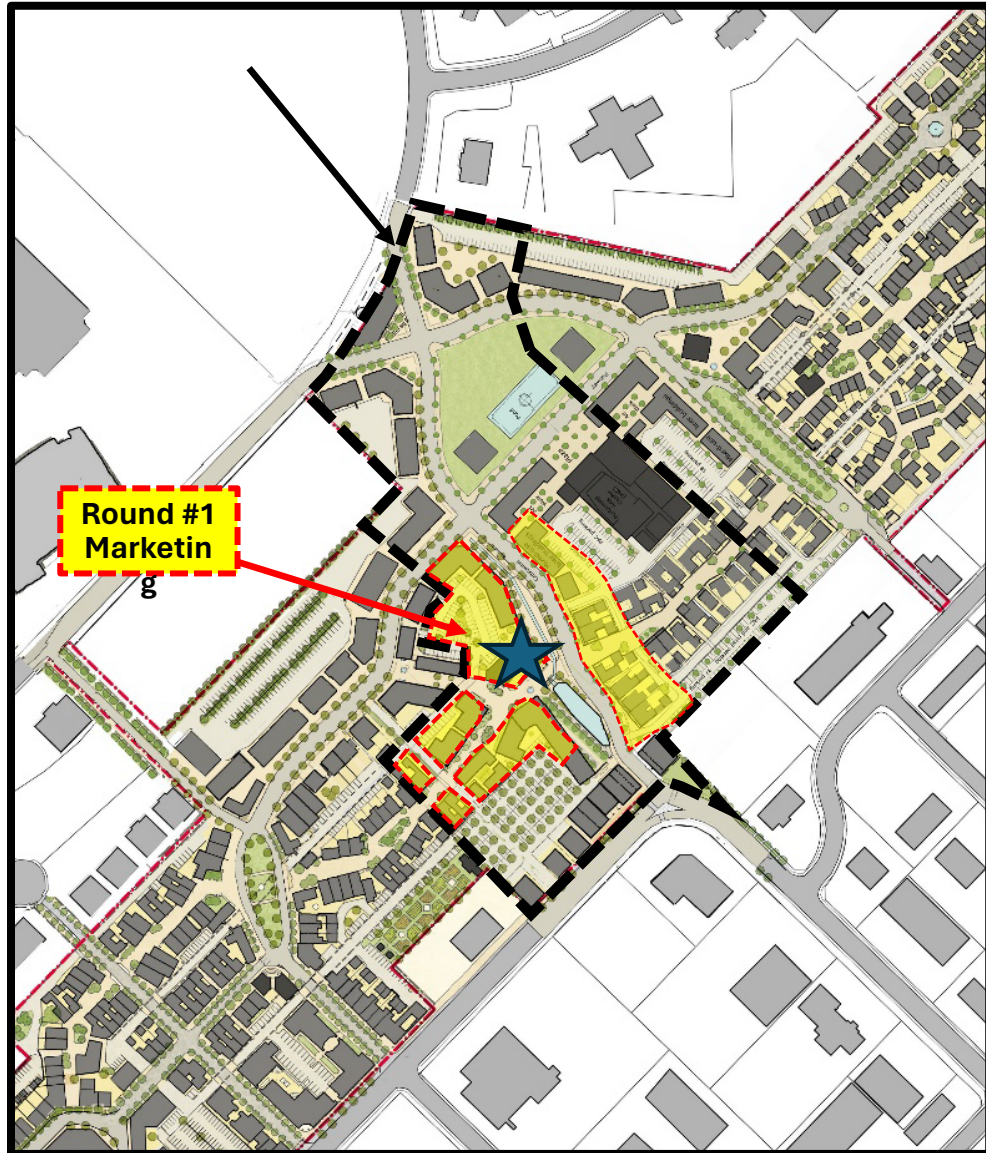
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The proposed building design continues to proceed through the Collaborative Design Process with the port's Vista Field Town Architect, Matt Lambert of DPZ CoDesign.

Purchase & Sale Agreement Highlights:

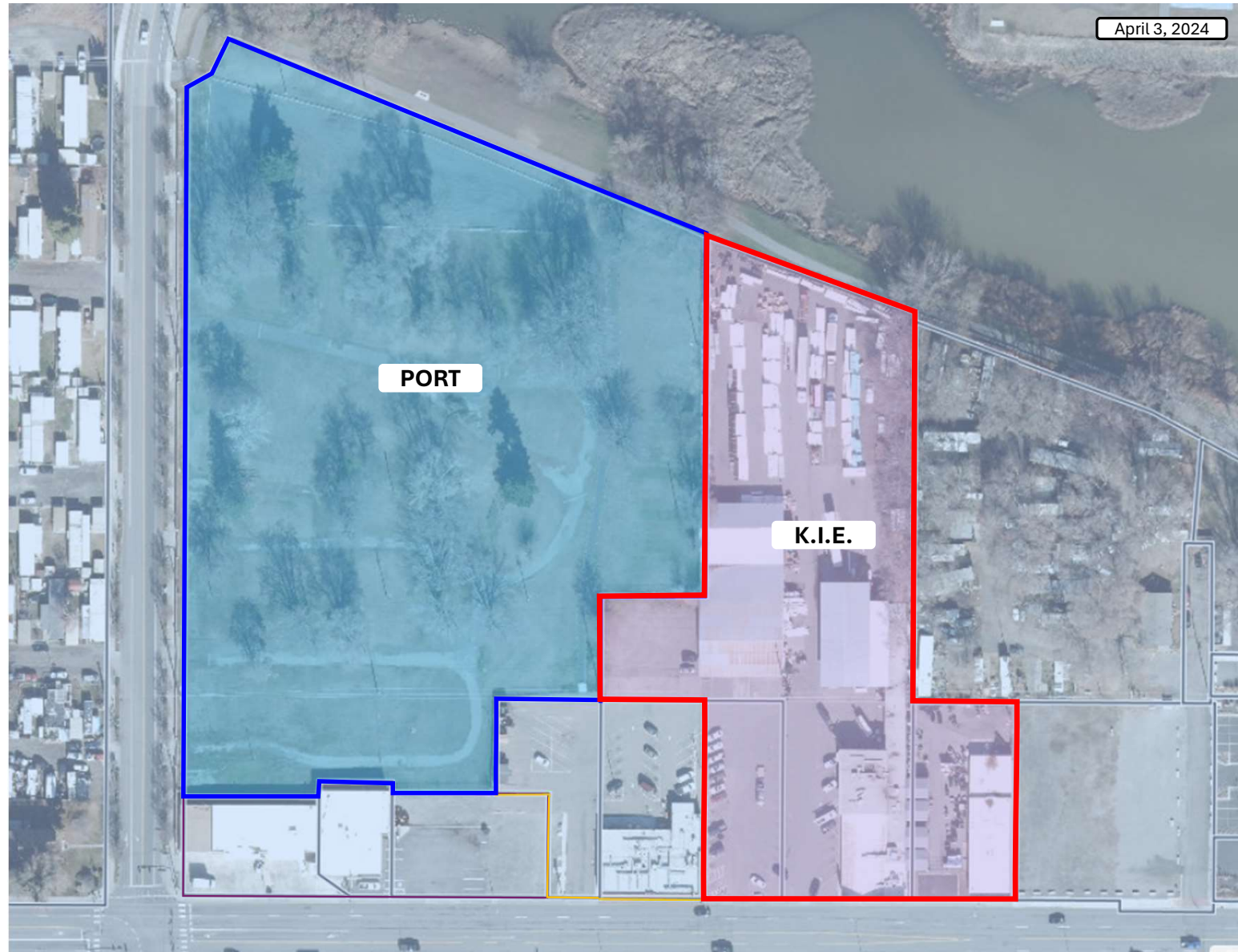
- ✓ Vista Field Lot 25 – 13,077 square foot parcel
- ✓ 40,000 square foot mixed use building
- ✓ Uses: Commercial, multi-family, condominiums
- ✓ Price - \$21.00 psf for land, \$11.00 psf adjustment for additional impacts to common area parking. Total \$418,000.00
- ✓ Effective date = Date PSA is approved by commissioners
- ✓ Time to completion = 36 months from effective date of PSA
- ✓ PSA is signed individually. Buyers may assign the PSA to another corporate entity owned and controlled by them before Closing.
- ✓ Agreement is subject to Vista Field Covenants, Conditions and Restrictions, Vista Field Design Standards, an Obligation to Construct and Repurchase Option.
- ✓ Contingencies:
 - Seller's obligations to construct common area parking, use easement for waste container, license agreement for use of property during construction.
 - Buyer's contingencies: feasibility study, environmental conditions, and financing.

VISTA FIELD Redevelopment



EXISTING

Parcels & Ownership



April 3, 2024

POTENTIAL SWAP

Revised Parcels & Ownership

K.I.E receives

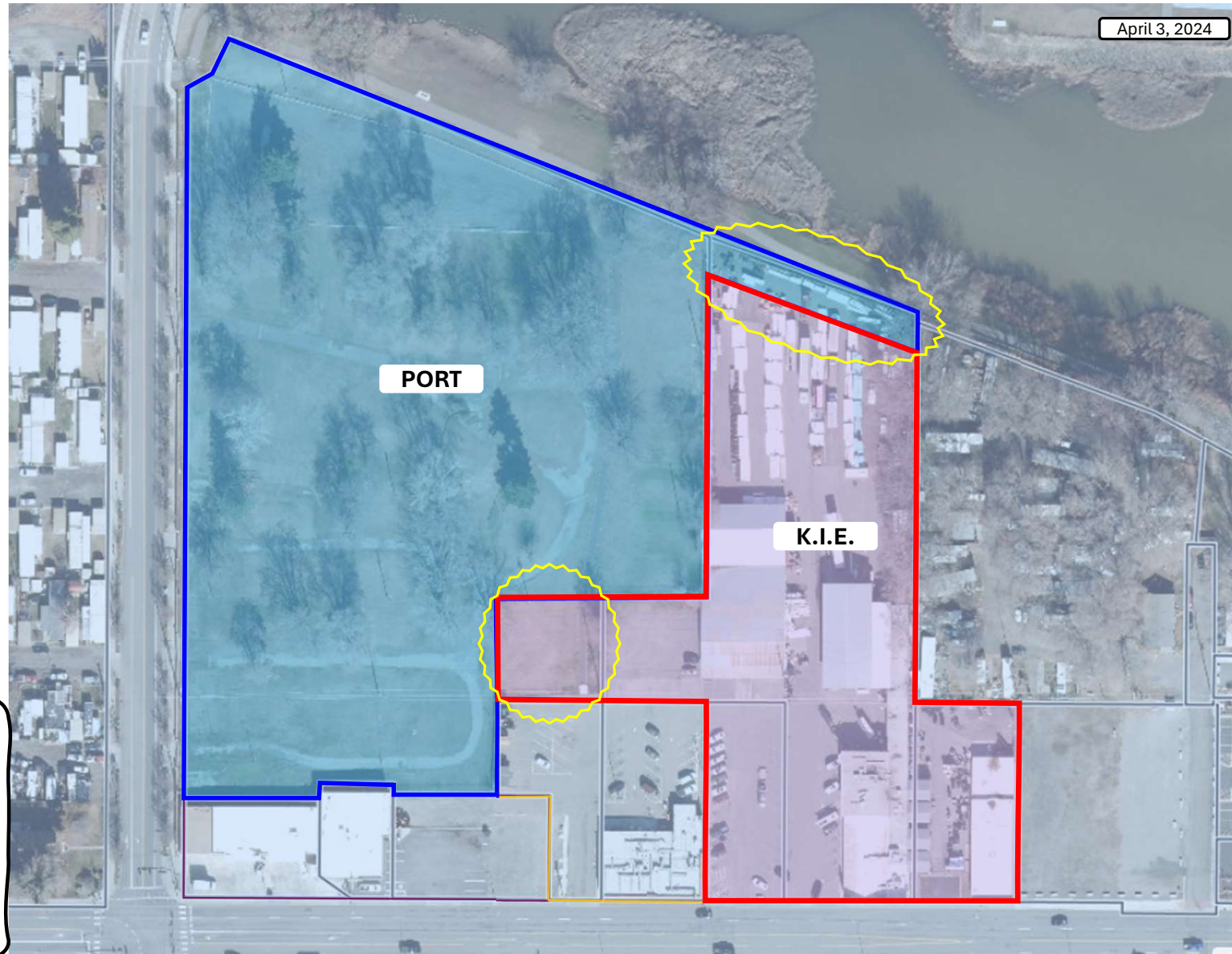
100ft x 100ft (10,000sf)
Adjacent existing gravel
parking area

PORT receives

50ft x 210ft+ (10,500sf)
Panhandle adjacent
Duffy's Pond Trail

*Expenses to be paid and/or shared by
K.I.E. and PORT. Agreement on
Responsibility needed.*

- ☐ Survey, Deeds & City fees
- ☐ Tree Removal
- ☐ Site Control [fencing/Ecology blocks]
- ☐ "Material" Removal



April 3, 2024

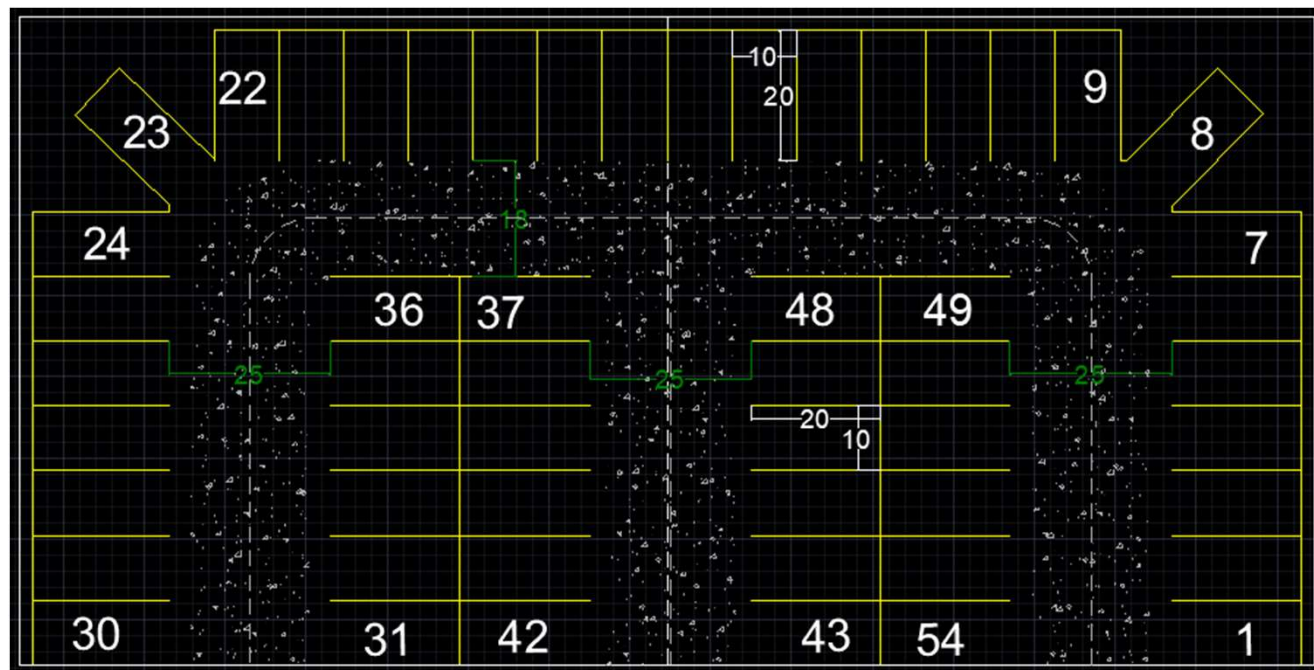
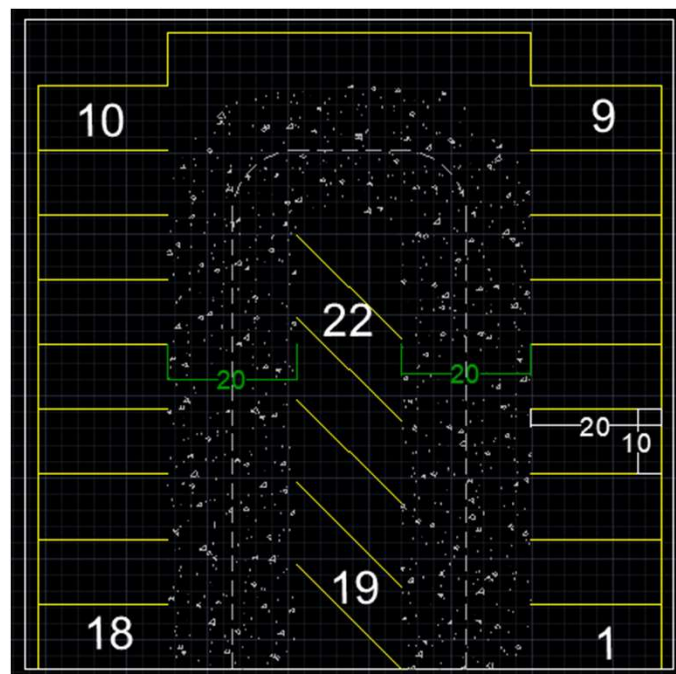
Basic/Crude Parking Lot Layout

Larger 10' x 20' parking spaces with Larger 20' -25' isles

Surely better layouts exist, and space counts could be increased by utilizing the smaller code required spaces & isles dimensions, but this provides an understanding of the potential

Existing Gravel Lot could accommodate
18 vehicles in **basic 90° spaces** and
4 vehicle in **pull-thru spaces** in the center for
22 Parking Spaces Total

Potential Parking Expansion could accommodate
52 vehicles in **basic 90° spaces** and
2 vehicle in angled spaces in the corners or
54 Parking Spaces Total



Container Bathroom Becomes Work of Art















EXHIBIT C



Port of Kennewick unveils mural art on shipping container

Tobi Solvang, Morgan Huff Apr 11, 2024 Updated 3 hrs ago



Columbia Gardens mural art on shipping containers

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