



PORT OF KENNEWICK REGULAR COMMISSION MEETING

JUNE 11, 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, Deputy Chief Executive Officer/CFO
Larry Peterson, Director of Planning and Building
Amber Hanchette, Director of Real Estate
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)
Jennifer Roach, Accounting Assistant

PLEDGE OF ALLEGIANCE

Mr. Arntzen led the Pledge of Allegiance.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated June 4, 2024**
Direct Deposit and E-Payments totaling \$116,547.07
- B. Approval of Warrant Register Dated June 11, 2024**
Expense Fund Voucher Number 105937 through 105974 for a grand total of \$276,766.77
- C. Approval of Regular Commission Meeting Minutes May 28, 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 Proposal, BlueChart Homes, LLC

Mr. Arntzen gave a brief history of the Vista Field redevelopment and the working relationship between the Port and Michael Mehaffy, Laurence Qamar, and Matt Lambert. BlueChart Homes has been working with Mr. Mehaffy, Mr. Qamar, Mr. Lambert and Port staff to create a single-family residential plan for Vista Field, and at the conclusion of this presentation, staff will request a 90-day right to negotiate for BlueChart Homes.

Ms. Hanchette stated Levi Holmes of Chartwell Land and Ben Paulus of Blue Fern Development reached out to the Port last fall to discuss the possible addition of residential homes to Vista Field. Together, Mr. Holmes and Mr. Paulus created a joint venture known as BlueChart Homes and began working with Mr. Qamar, Mr. Mehaffy and Port staff on a proposal to construct single family homes in Vista Field that mirrors the uses and concepts envisioned in the master planning process. Ms. Hanchette reviewed Mr. Arntzen's memo, the collaborative design process, and the phases of construction (*Exhibit A*).

Mr. Peterson stated the map identifies the future neighborhoods for Vista Field and indicated that the Port will work with Mr. Lambert, the Port's town architect, to work through the finer details. Mr. Lambert provided a memo regarding the partnership and excitement for the project. Mr. Peterson stated the proposal follows the layout of the Charrette process and the Master Plan.

Ms. Hanchette presented the details of the BlueChart Homes offer and the formula to move to future phases of the development. Ms. Hanchette thanked Mr. Paulus and Mr. Holmes for their patience as Port staff worked out the numerous details.

Commissioner Hohenberg thanked staff for the presentation and stated it is a thoughtful proposal and offer and is excited about the opportunity to see residential in Vista Field.

Commissioner Moak inquired if the offer will support the needed infrastructure that the Port will need to construct.

Ms. Hanchette stated there will be some upfront investment for the Port to get the parcels shovel ready for development.

Mr. Arntzen stated this is a very large project for our small port district and the 2025-2026 Budget will be heavily focused on Vista Field and will get this through phases one and two. There may be some adjustments as we move forward.

Commissioner Novakovich confirmed the Port has enough financial and personnel resources to move forward with Phase one and two, to meet the requirements of the letter of intent.

Mr. Kooiker stated the Port has the financial means to move forward with phases one and two.

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Mr. Holmes and Mr. Paulus thanked the Commission for the opportunity to present today and each gave a brief history of their personal and business endeavors and how they became acquainted with New Urbanism.

Mr. Mehaffy and Mr. Qamar offered comments on the design library, public spaces, and amenities and stated the residential will support the commercial development.

Commission and staff continued to discuss the proposal.

The Commission stated the proposal is consistent with the Vista Field Master Plan and is excited for the project and would like to move forward with the 90-Day Right to negotiate.

MOTION: *Commissioner Moak moved to approve Resolution 2024-10 approving a 90-Day Right to Negotiate 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; and further, the Port Chief Executive Officer is authorized to take all action necessary in furtherance hereof; Commissioner Hohenberg seconded.*

PUBLIC COMMENTS

Bridgette Scott read a comment from NS in the GoToMeeting Chat:

"I'm at work with around twenty coworkers listening in to the meeting. We are so excited for Vista Field to get developed!!! All of us are ready to sell our current homes and move to Vista Field. We've been dreaming of living in a walkable neighborhood for years. Build, baby, build!"

No further comments were made.

Discussion:

Commissioner Moak stated over the past ten years Vista Field has had a lot of ups and downs, but thanks to people like Mr. Qamar, Mr. Mehaffy and Andres Duany, he became a true believer in New Urbanism and what Vista Field could do and could be within our Tri-Cities community. Commissioner Moak stated it has been hard waiting this long for a project like this to come before the Commission and to have Mr. Holmes and Mr. Paulus, who are true believers and who have worked with Mr. Mehaffy and Mr. Qamar is exciting. Commissioner Moak believes this isn't just another project but that it is special and the fact that BlueChart Homes wants to invest their time and money into Kennewick is special because they believe it is worth investing resources into Vista Field. This proposal will help create the rest of the ambiance and the rest of the place making at Vista Field. Commissioner Moak is excited and proud to be part of working with this group over the last 10 years and thinks it is going to be really exciting for our community. Commissioner Moak thanked everyone for their work on the proposal.

Commissioner Hohenberg echoed Commissioner Moak's comments and stated today is exciting and he thanked past Commissioners for their thoughtfulness and the uniqueness of projects and the visionary projects that have been brought to us by staff. The community is going to see a huge change at Vista Field and by having visionary developers that are willing to not only take

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a chance in Kennewick, but also see the value of work and what we have to offer here is exciting. Commissioner Hohenberg expressed his support not only for how the Port is doing this, but more importantly, our partnership with the people that are bringing this forward. Commissioner Hohenberg wished Mr. Holmes and Mr. Paulus the very best and hopes they will build out as much as they can, and the community will reap the benefits of being able to enjoy some coffee shops or wine shops or whatever it may be in the future. Commissioner Hohenberg thanked Commissioners Moak and Novakovich for the work that they have done over the past two decades.

Commissioner Novakovich agrees with his fellow Commissioner's comments and stated there are so many opportunities that are presented to us in life to disagree on and very few that allow us to come together and agree on; and this is one. Commissioner Novakovich thinks this is a unique project because of the Port team and the partnerships that have been created. Without the partnerships, Commissioner Novakovich does not think the Port would have succeeded and he believes we have the right partners that are focused on Vista Field and focused on delivering the public's vision. Commissioner Novakovich believes the Port is going to be successful and is very supportive of this project and is very appreciative of the partnership we put together. Commissioner Novakovich reiterated that this is a wonderful project, and he appreciates staff and the partnership that have been put together for this.

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

ACTION ITEMS

A. Approval of Goal #10 for CEO

Mr. Kooiker stated in 2022, the Commission approved goal #10 to be identified at a later date for the 2023-2024 CEO goals. Over the past few months, Mr. Arntzen has mentioned succession planning for his position, but there has been more discussion about succession planning for the entire Port staff as some staff have come to us with their retirement plans. Port staff met with Ann Allen, the Port's contracted Human Resources attorney, to discuss staff succession planning, which made us realize this is a bigger task than was initially thought. The CEO Evaluation Committee, comprised of Mr. Kooiker, Commissioner Hohenberg and Ms. Lake, discussed the addition of staff succession planning for goal #10.

Ms. Lake stated as a member of the CEO Evaluation Committee, we are requesting approval of Resolution 2024-11 to formally accept the proposed goal #10 of a succession plan for the continuity of Port leadership and staff.

Commissioner Hohenberg commented on the importance of succession for the health of the organization and because we are a lean crew, it is important to plan. It is important and vital to the Port of Kennewick that we continue to move forward and Commissioner Hohenberg stated it is the uniqueness and strength of our entire leadership team that moves projects forward.

Mr. Arntzen appreciates the opportunity to make this suggestion to Mr. Kooiker and stated he will follow whatever direction the Commission decides.

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Commissioner Moak believes that a healthy organization has good succession planning to keep the institution moving forward and supports the addition of goal #10.

Commissioner Novakovich stated the Port of Kennewick team is special and the fact that we can plan for the future is necessary and he is fully supportive of the addition of goal #10.

MOTION: Commissioner Hohenberg moved to approve Resolution 2024-11 approving the proposed goal in fulfillment of the Flexible Goal #10, which is “To initiate and advise Commission of a succession plan for the continuity of Port leadership and staff”; Commissioner Moak seconded.

PUBLIC COMMENTS

No comments were made.

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

B. Plymouth Holdings/Comp Scheme Review

Mr. Peterson provided a brief history of the Port’s Plymouth land holding and stated in the 2017 Comprehensive Scheme, the Commission approved to surplus the land and was open to divesting the property to an organization acceptable to Native American tribes consistent with the Port/Confederated Tribes of the Umatilla Indian Reservation (CTUIR) for permanent protection of cultural and natural resources, and to provide for continued public recreation opportunities (*Exhibit B*). The Port received an e-mail Teara Farrow Ferman, the cultural resource program manager:

“Hi Larry,

I have presented the idea of transferring the Port’s Plymouth Island lands to the CTUIR to our Cultural Resources Committee, Fish and Wildlife Commission and Land Acquisition Committee. They all made recommendations to the Board of Trustees to consider accepting the lands. I am scheduling a Board of Trustees work session for them to consider the offer. Is it possible to get something in writing from the Port to include in my information packet?”

Mr. Peterson inquired if the Commission President would sign a letter, following a consensus of the Commission, stating the Port is open to a land transfer to the CTUIR. Ms. Bader Inglima has drafted a letter and once it is approved by the CTUIR, the Port will follow up with a Resolution.

It is the Consensus of the Commission to send a letter to the CTUIR stating that the Port of Kennewick is open to a land transfer for the Plymouth land holding.

REPORTS, COMMENTS AND DISCUSSION ITEMS

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

Commissioners reported on their respective committee meetings.

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B. Non-Scheduled Items

Ms. Bader Inglima reported that the Port Spring newsletter has been posted on the website and will be emailed and mailed out this week and inserted in the *Tri-City Journal of Business* and *The Senior Times*.

Mr. Peterson reported that the Vista Field Southern Gateway project is well underway, and the skins have been removed from the building. The project is currently on schedule and on budget.

Mr. Arntzen met with the new Kennewick City Manager, Erin Erdman last week. The Port and City will start up our joint management meetings beginning tomorrow, where the Port will give a brief presentation on Vista Field. Mr. Arntzen is looking forward to continuing our partnership with the City of Kennewick and working with Ms. Erdman.

Mr. Arntzen reported that Commissioner Novakovich traveled to Oregon City for the Cayuse Five Day of Remembrance Tribal event and asked if he might present some pictures at the June 24th Commission Meeting.

Mr. Arntzen stated Commissioner Moak attended the Congress of New Urbanism (CNU) conference in Cincinnati and asked if he would like to make a few comments on CNU at the June 24th Commission Meeting.

Mr. Arntzen stated he has been with the Port for almost 22 years, and he believes the BlueChart Homes project is the biggest meeting he has ever been associated with and congratulated the Commission.

Commissioner Moak inquired if the City Manager reported on the Convention Center Expansion.

Mr. Arntzen does not recall if Ms. Erdman mentioned the Convention Center Expansion and will follow up at the joint management meeting tomorrow.

PUBLIC COMMENTS

No comments were made.

COMMISSION COMMENTS

No comments were made.

Mr. Arntzen asked Ms. Bader Inglima to be the lead on the BlueChart Homes media inquiries and stated a media packet went out before the Commission Meeting today.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:57 p.m.

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APPROVED:

PORT of KENNEWICK
BOARD of COMMISSIONERS

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Skip Novakovich
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Skip Novakovich, President

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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. 2024-10

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK TO
APPROVE A 90 DAY 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 has 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, the proposal has received preliminary staff, legal and design review related to the Vista Field Master Plan and Collaborative Design Process.

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners hereby approves a ‘90 Day 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 11th day of June, 2024.

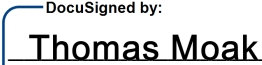
***PORT of KENNEWICK
BOARD of COMMISSIONERS***

By: 
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SKIP NOVAKOVICH, President

By: 
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KENNETH HOHENBERG, Vice President

By: 
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THOMAS MOAK, Secretary

PORT OF KENNEWICK

Resolution No. 2024-11

***A RESOLUTION OF THE PORT OF KENNEWICK
BOARD OF COMMISSIONERS UPDATING THE PORT'S
CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES***

WHEREAS, the Commission last approved goals and objectives for the Port Chief Executive Officer (“CEO”) on October 24, 2023, as shown on the attached **Exhibit A**; and

WHEREAS, Goal #10 of the 2023-2024 CEO’s Goal was a flexible Goal, whereby the Port CEO is to “Identify and present one additionally beneficial project or ROI partnering opportunity to commissioners.”; and

WHEREAS, the Port CEO has identified a proposed goal in fulfillment of the Flexible Goal #10, which is to initiate and advise the Commission of a succession plan for the continuity of Port leadership; and

WHEREAS, the Evaluation Committee reviewed and recommends adoption of the proposed goal as the Flexible Goal #10, which is to initiate and advise the Commission of a succession plan for the continuity of Port leadership and staff; and

WHEREAS, the Commission desires to formally accept the proposed goal as the Flexible Goal #10.

NOW, THEREFORE, BE IT HEREBY RESOLVED the Board of Commissioners of the Port of Kennewick hereby accepts the proposed goal in fulfillment of the Flexible Goal #10, which is: “To initiate and advise the Commission of a succession plan for the continuity of Port leadership and staff”.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 11th day of June 2024.

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

By: DocuSigned by:
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"

EXHIBIT A		CEO 2023/24 Goals & Objectives (including update on 2019/20/21/22 ongoing goals)			
DATE:		October 24, 2023			
GOAL & OBJECTIVE		TACTICAL STEPS	ACTION	STATUS (checkmark = Completed)	COMMENTS
2019/2020 Goals and Objectives Carryover					
Vista Field	2019/20 GOAL	Sell one parcel or obtain one ground lease (does not include Arts Center Task Force).	Considered complete when presented to Commission.	50% Complete	The Port is advertising lots for sale. Various Letters of Intent's have been received; and one has been accepted by the Commission.
	2				
2021/2022 Goals and Objectives Carryover					
Kennewick Waterfront	2021/22 GOAL	Implement the identified Duffy's Pond tenant-improvements and algae mitigation plan.	Considered complete when presented to Commission.	100% Complete	Algae remediation for Duffy's Pond has been implemented, bathroom constructed and art wrap completed. Demonstration vineyard with Palencia completed. Standing bar installed on tasting room patios completed. Wayfinding signage completed. Food truck plaza fencing was bid (pulled project due to escalating material costs).
	5				
2023/2024 Goals and Objectives					
Vista Field	2023/24 GOAL	Complete A&E for Vista Field Parking Lots	Considered complete when presented to Commission.	50% Complete	Praking lots have been identified and the layout was amended due to submitted LOI's. Parametrix is on contract for A&E. Anticipate cost estimates by late fall.
	1				
Vista Field	2023/24 GOAL	Complete Vista Field Development building exterior improvements	Considered complete when presented to Commission.	15% Complete	Meier Architecture is on contract and has completed the design concept drawings.
	2				
Kennewick Waterfront	2023/24 GOAL	Prepare and market one clover island lot for lease.	Considered complete when presented to Commission.	25% Complete	North Shoreline improvements have been completed to enable marketing efforts. East end of island will be completed by Corps of Engineers
	3				
Kennewick Waterfront	2023/24 GOAL	Complete A&E and cost estimate for clover island stage project and assess opportunities for public private partnership.	Considered complete when presented to Commission.	80% Complete	Stage has been purchased. Negotiating stage lease agreement. Estimated delivery date for stage is February 2024. Hired Hall Engineering for foundation engineering, and engineering to commence after final concert of the 2023 season (late September).
	4				
Kennewick Waterfront	2023/24 GOAL	Market for sale, and sell or lease one lot in the Kennewick waterfront area which includes willows, cable greens, and columbia drive	Considered complete when presented to Commission.	Work in Process	Work in Progress
	5				

Exhibit "A"

GOAL & OBJECTIVE		TACTICAL STEPS	ACTION	STATUS (checkmark = Completed)	COMMENTS
Kennewick Waterfront/Vista Field	2023/24 GOAL	Pursue interlocal agreement (or MOU) with City of Kennewick related to city of Kennewick-allocated RCCF funds to be used to benefit projects located within the City in Vista Field or Columbia Drive	Considered complete when presented to Commission.	100% Complete	Worked with City Manager for eight months on MOU. Presented MOU and accepted by Port Commission. Voted on and rejected by City Council.
	6				
District wide	2023/24 GOAL	Carry out joint meeting with one jurisdictional partner (remote)	Considered complete when presented to Commission.	Work in Process	Work in Progress
	7				
District wide	2023/24 GOAL	Present options for hybrid meeting and work protocols that promotes continued staff and port productivity	Considered complete when presented to Commission.	100% Complete	Camera installation completed in October 2023.
	8				
District wide	2023/24 GOAL	Identify and present to commission joint Tridec project of benefit to the Port	Considered complete when presented to Commission.	100% Complete	Agreement with TRIDEC re: Vista Field opportunities
	9				
District wide	2023/24 GOAL	Flexible Goal: Identify and present one additionally beneficial project or ROI partnering opportunity to commissioners.	Considered complete when presented to Commission.	Work in Process	Ideas: Find solution for tenuous IT' situtation. Find solution for Temporary Workers Art Project Vista Field - Day Break Commons Sales office at Vista Field
	10				



Vista Field Development Proposal Collaborative Design Process Review

Date: June 11, 2024
To: Port Commission
From: Tim Arntzen, CEO

I. PROJECT PROPOSAL:

- Vista Field - Single Family Residential
- Approximately 300 residential units constructed over multiple phases.

II. INITIAL PROJECT REVIEW:

I have reviewed the proposed project as described in the Letter of Intent (LOI) submitted by Levi Holmes of Chartwell Land Company and Ben Paulus of Blue Fern Development, hereafter referred to as the "Developer." The Developer's LOI dated April 10, 2024, is more completely described in attached as Exhibit "A."

Briefly stated, the project contemplates approximately 300 single family homes constructed over multiple phases throughout Vista Field. Initially, residential construction will begin with the four existing single family detached shovel-ready parcels in Vista Field Phase I and extend west. The Developer proposes to build the first neighborhood of approximately 28 homes within walking distance of existing port amenities namely the linear water feature, fountains, bosque of trees, pedestrian bridges, and the southern gateway pavilion spaces. The maps and drawings attached as Exhibit "B" will assist in project evaluation.

The Developer proposes to create a Design Library with a variety of new urbanism and traditional single family residential designs for attached, detached, row houses and townhomes.

After consultation with Amber Hanchette, Director of Real Estate and Larry Peterson, Director of Planning, and pursuant to steps set out in the Collaborative Design Process (as formally adopted by the Port Commission), I have concluded that the project, on its face, meets the basic criteria of the CDP.

DPZ is pleased to see the placemaking emerging from Port of Kennewick's endeavors at Vista Field.

The Port's investment in the streets, linear park, waterway, and retail plaza have set the stage for a variety of live, work, and play spaces.



In short, the LOI demonstrates a likelihood that the:

- (1) Development concept is “likely” to assist with redevelopment of Vista Field;
- (2) Developer is also a Builder who possesses the relevant experience in constructing quality projects like those set forth below. Builder biography attached.
- (3) Price and terms appear to be reasonable.

Below is a summary discussion related to the above criteria:

Real Estate:

- ✓ That the Developer generally followed the port’s proposal submission process by providing a letter of intent and answers to the basic Proposal Checklist questions;
- ✓ The Developer, Levi Holmes, is the owner of Chartwell Land Company of Silverdale Washington;
- ✓ The Developer, Ben Paulus, is the owner of Blue Fern and Teak Construction in Redmond Washington;
- ✓ In each request for information, they have been responsive and accommodating;
- ✓ Port staff were able to meet on numerous occasions with the Developer’s team and offered guidance in the proposal development process; and
- ✓ Port staff was able to visit an existing residential development constructed by the Developer in Duvall, Washington.

About the Developers:

Chartwell Land Company / Levi Holmes

The principals of Chartwell Land Company have designed, entitled, and/or built over 2,000 residential units. Most of their experience has been entitling projects for production home builders.

Chartwell Land Company has been following the New Urbanist movement and Traditional Neighborhood Design since their first exposure to Seabrook over 16 years ago. Although most of Chartwell Land Company's experience is related to production home building, it is transitioning its primary focus to New Urbanism and Traditional neighborhood Design.

They are a members of the National Town Builders Association and have been working with Qamar and Associates and Stucturas Naturalis (Michael Mahaffy) for the past several years.



Blue Fern Development / Ben Paulus

The Blue Fern team has decades of experience in all aspects of land development and construction – and has closed deals of all types, sizes, and complexity.

Within Washington state, Blue Fern has created projects in dozens of jurisdictions – each with its own needs and preferences. Their deep experience means they can hit the ground running no matter where a project is located and is committed to building strong working relationships as they grow into new markets.

In addition to designing and entitling thousands of units for production home builders, Blue Fern has also built hundreds of single family and multifamily residential units. These include infill townhomes and 4 Star Built Green.

Blue Fern brings a home building and sales division in Teak Construction as well as long-term funding.

Together, the Chartwell and Blue Fern joint venture known as BlueChart Homes commits to building at scale in Vista Field while maintaining the strong vision for a Traditional, Walkable Neighborhood. BlueChart Homes intends to uniquely brand their Vista Field home development with a to be determined name.

Teak Construction Projects:

Duvall Village, Duvall Washington
 Arrow Apartment Homes, Lacey Washington
 42nd Avenue Townhomes, Seattle Washington
 Meridian Townhomes, Shoreline Washington
 16th Avenue Townhomes, Seattle Washington
 1st Avenue Townhomes, Shoreline Washington
 3rd Avenue West Townhomes, Seattle Washington
 5th Avenue North Townhomes, Seattle Washington
 Kenwood Townhomes, Seattle Washington
 53rd Avenue Townhomes and Single-Family Homes, Seattle Washington

Planning:

The BlueChart Homes proposal to construct 300+ single family dwelling units in the Vista Field Redevelopment project mirrors the uses and concepts envisioned during the master planning process.



Levi Holmes has demonstrated an understanding of and commitment to the design and place making elements contained in the master plan.

Surely part of this understanding is rooted in their selection of design guidance professionals Michael Mehaffy and Laurence Qamar; new urbanist ambassadors for decades and the lead DPZ CoDesign representatives for the Port's design charrette & master planning efforts in 2013 & 2014.

BlueChart Homes' focus on placemaking and neighborhood feel doesn't disregard the bottom-line economics of development but rather comes from the perspective... *when new urbanism is correctly executed, value is built and in fact exceeds typical residential development.*

All elements of the BlueChart Homes proposal including the pace are consistent with, if not exactly as contemplated in the master plan....focus on design quality & details, incremental development, understanding the value of compact development yields to the neighborhood and surrounding properties and how all lands mesh together to create a "place."

The Port has the opportunity to engage with a partner to add the crucial single family home ingredient to the Vista Field Redevelopment mix.

CEO DIRECTION TO STAFF:

Based on my review, and in accordance with the CDP, I arranged for the parties to participate in the preliminary collaborative design process. On April 22, 2024, the parties met for the initial CDP project review. Following is a summary of the process.

III. COLLABORATIVE DESIGN PROCESS REVIEW:

A. Consistency with Master Plan (*summary by Matt Lambert, DPZ CoDesign*)

Complete memo provided as Exhibit "C."



EXHIBIT A Single Family Residential

Design Library:



HOUSING DEVELOPERS: BLUECHART: LEVI HOLMES AND REN PAULUS

HOUSING DESIGN: QAMAR AND ASSOCIATES INC. AND STRUCTURA NATURALIS INC.



IV. FINANCIAL ANALYSIS:

(Revenue to Port; Port Sale Expenses, Economic Impact; Developer's Financial Capability).

- A. Revenue to Port / Residential Neighborhood #1: 28 lots at \$80,000 each = \$2,240,000.00
- B. Revenue to Port / Residential Neighborhood #2: 20 lots at \$82,500 each = \$1,650,000.00
- C. Revenue to Port for future phases to be calculated using a mutually agreed upon mechanism outlined in the purchase and sale agreement.

D. Port Sale Expenses:

Proceeds of sale to help offset cost of construction for new roads, alleys, and open spaces to support the single-family residential areas.

E. Developer's Financial Capabilities:

Letter of reference from lender.

V. LEGAL ANALYSIS:

(Could the proposal subject the port to potential legal issues; does the project place burdens on the port or other purchasers, etc.?)

At first review, proposed project is compliant with the Vista Field master plan in terms of use, location, and site plan. Additional background on Developers to be performed by legal counsel during due diligence period. Details of a purchase and sale agreement with takedown schedule to be developed in 90-day Right to Negotiate period.

VI. CONCLUSION AND RECOMMENDATIONS:

Residential developments are essential to supporting the commercial, retail and hospitality businesses that will be located within Vista Field.

VII. EXHIBITS:

- A: LOI / References / Mutual Intentions Agreement
- B: Site Map / Project Renderings
- C: Vista Field Town Architect Summary



April 10, 2024

To: Port of Kennewick

From: Benjamin Paulus
BlueChart Homes

Re: **Letter of Intent**
Vista Field

Dear Port of Kennewick Commissioners,

To facilitate the process of reviewing our offers, we have presented our offer below in the form of a Letter of Intent (LOI). This letter serves as notice on behalf of BlueChart Homes (“BlueChart”) of our interest in purchasing the below referenced property and conveys an outline of the business terms and conditions of the proposed purchase that provide the basis for a formal real estate purchase and sale agreement.

Recitals:

The property known as **Vista Field owned by the Port of Kennewick**, is located within the jurisdictional boundaries of the City of Kennewick, Benton County, WA. The Property is approximately **103** Acres in size and is currently zoned under the **Urban Mixed-Use District (UMU)** for a Traditional Neighborhood community which BlueChart believes allows for the development of residential dwelling units that they desire to build.

Bearing this in mind, BlueChart, LLC and/or Assigns (‘The Buyer’) is interested in entering into a Purchase and Sale Agreement (‘PSA’) with The Port of Kennewick (The ‘Seller’) as described below.

The following basic terms are proposed by BlueChart:

- 1. Property Address: Vista Field Kennewick, WA**
- 2. Parcel Numbers: TBD**

BlueChart Homes, LLC
18300 Redmond Way Suite 120, Redmond, WA 98052 | 425-629-3854

3. **Purchase Price:** The purchase price shall be as follows:

- a. Phase I: \$80,000 per finished lot
- b. Phase II: \$82,500 per finished lot
- c. Phase III-VII: Lot prices shall be determined as follows:
 - i. Recent Sales Data. Based upon Washington State Department of Revenue Real Estate Excise Tax Affidavit forms provided by BlueChart, the port shall select the six highest home sale prices reported to date from the then-current phase.
 - ii. Average Price. After discarding the highest sales price, the Port shall average the gross sales price of the remaining five lots.
 - iii. Lot Price Determination. Unless otherwise agreed to by the parties, the price for a lot for the subsequent phase shall be set at twenty percent (20%) of the average gross sales price for the five selected lots. Additional factors may be considered: economic conditions and infrastructure development costs.

4. **Closing Date:**

- a. Lots to be delivered to BlueChart by Port on a finished lot basis. Definition of the "Finished Lots" shall be agreed upon between BlueChart and The Port during the feasibility period.
- b. Lots shall be fee simple.
- c. BlueChart to purchase lots on a phased schedule as follows (see Exhibit 1)
 - i. **Phase I:** Within 30 days of the lots being finished, BlueChart shall close on 4 lots and continue to close on 4 lots every 2 months until all lots have been purchased. The total Purchase price for Phase 1 shall be based on a minimum of 24 lots. Phase I includes 4 existing finished lots.
 - ii. **Phase II:** Within 30 days of the Phase II lots being finished or closing on all lots within Phase I, whichever is later, BlueChart shall close on 4 lots and continue to close on 4 lots every 2 months until all lots have been purchased. The total Purchase price for Phase II shall be based on a minimum of 20 lots.
 - iii. **Phase III:** Within 30 days of the Phase III lots being finished or closing on all lots within Phase II, whichever is later, BlueChart shall close on 4 lots and continue to close on 4 lots every 2 months until all lots have been purchased. The total Purchase price for Phase III shall be based on a minimum of 39 lots.
 - iv. **Phase IV:** Within 30 days of the Phase IV lots being finished or closing on all lots within Phase III, whichever is

- later, BlueChart shall close on 4 lots and continue to close on 4 lots every 2 months until all lots have been purchased. The total Purchase price for Phase IV shall be based on a minimum of 29 lots.
- v. **Phase V:** Within 30 days of the Phase V lots being finished or closing on all lots within Phase IV, whichever is later, BlueChart shall close on 4 lots and continue to close on 4 lots every 2 months until all lots have been purchased. The total Purchase price for Phase V shall be based on a minimum of 36 lots.
 - vi. **Phase VI:** Within 30 days of the Phase VI lots being finished or closing on all lots within Phase V, whichever is later, BlueChart shall close on 4 lots and continue to close on 4 lots every 2 months until all lots have been purchased. The total Purchase price for Phase VI shall be based on a minimum of 40 lots.
 - vii. **Phase VII:** Within 30 days of the Phase VII lots being finished or closing on all lots within Phase VI, whichever is later, BlueChart shall close on 4 lots and continue to close on 4 lots every 2 months until all lots have been purchased. The total Purchase price for Phase VII shall be based on a minimum of 30 lots.
 - viii. BlueChart shall have the option to increase the minimum lots purchased with notice to The Port. The accelerated take down schedule shall be agreed to during the feasibility period.
- d. The Port shall identify amenities to support each phase. During the feasibility and mutual design process, the parties shall agree on the specifics of each amenity. Additionally, the Port shall allocate a portion of the Purchase Price of each Phase for Amenities. The parties shall mutually agree on how those funds are allocated.
 - e. The Port shall commit to activating undeveloped portions of Vista Field for temporary amenities (i.e. pickleball courts on the runway, trails, connection to offsite amenities such as Summer's Hub). The specifics of these temporary amenities shall be agreed to during the feasibility period.
 - f. It is fundamental to BlueChart's business model to not stop building once it has started. Therefore, it is critical that the Port continue to develop lots ahead of each current phase. The Port must deliver the next phase of lots within 12 months of delivery of the next phase deposit. If for any reason the Port is unable to deliver the lots on this schedule, then BlueChart shall have the option to either terminate the contract and receive a return of the earnest money or continue with the contract and receive a 20% discount on the purchase price for the lots in the delayed phase.

5. Collaborative Design Process:

- a. BlueChart will build a design library with a minimum of 12 home types and 36 variations across the project within the design criteria set forth for the project. These homes will be submitted to the Town Architect for approval.

6. Feasibility Period:

- a. **120 days** from mutual execution and delivery of the Purchase and Sale Agreement.

7. Earnest Money:

- a. **\$250,000 Note at Mutual Acceptance which shall be converted to non-refundable cash** within three business days of Feasibility Period Waiver. Said earnest money shall be fully applicable to the closing of Phase I
- b. Additional Earnest Money Deposits per Phase
 - i. 12 months prior to the last take down in a phase, BlueChart shall deposit an additional \$250,000 for the next phase. Upon receipt of said deposit, The Port shall begin developing the next phase and deliver the finished lots no later than 12 months after receipt.
 - ii. BlueChart may make the next phase deposit early. In the event of early deposit, the Port shall begin the improvements early and deliver the finished lots no later than 12 months after receipt.

8. Additional Terms:

- a. As long as BlueChart performs on its lot take down schedule, The Port agrees not to create, market, or sell any For-Sale single family residential lots until after BlueChart has closed on Phase V.
- b. BlueChart shall have a First Right of Refusal for any additional For-Sale single family residential lots in Vista Field

9. Title and Escrow: Benton Franklin Title Company**10. Real Estate Commissions:** BlueChart is not using a real estate agent in this Purchase transaction and no commissions are expected**11. Assignment:** Something we are very proud of is that BlueChart constructs its own projects in-house. With this in mind, any assignments would be limited to entities in which the Buyer retains a 50% or more interest.

BUYER:

BlueChart Homes, LLC

18300 Redmond Way Ste. 120

Redmond, Washington 98052

DocuSigned by:



C45E3A8EB8DD438...

Date of Execution: 6/3/2024

By: Benjamin Paulus

President

June 7, 2024

To Whom It May Concern:

Northwest Bank has worked with Blue Fern Development, Ben Paulus, and related development companies since 2011. In that time we have financed the construction of hundreds of homes and hundreds of acres of land development. Further, we have witnessed the financial success of projects where Blue Fern has partnered with Levi Holmes at Chartwell over the past several years.

Blue Fern has entitled and built (through their in-house contractor, Teak Construction) hundreds of homes in the Pacific Northwest. Both Blue Fern and Chartwell have entitled over 2,000 lots with more than 3,000 additional lots in their current pipeline. At 48 lots and a closing price of \$3,900,000 it is with a high degree of confidence that I can say that Blue Fern and partners would have both financial and operational capacity to execute on the Vista Fields project in Kennewick and continue to have excess capacity.

Please feel free to contact me via email or phone to discuss.

Sincerely,



Erik Pray
Senior Vice President
erik.pray@gmail.com
208-332-0722



VISTA FIELD, SINGLE FAMILY RESIDENTIAL

Dear Commissioners,

DPZ is very excited at the opportunity to work with BlueChart Homes on a significant portion of Vista Field's residential areas. Their approach and initial design concepts are in line with the overall vision and the design guidelines, as well as the original intent for Vista Field's woonerfs.

We want to see an organic, picturesque, and beautiful place for residents that creates a truly unique model of living that is adapted to the climate of Kennewick and resilient for the long term.

BlueChart Home's approach achieves all of these goals, and we are confident that they will be able to deliver exactly the type of environment envisioned for Vista Field.

Additionally, their partnership as collaborators considering what it will be like to live in Vista Field will bring value to the project overall. Both as designers of the original vision and as town architects, DPZ wishes to share our strong support for this proposal and desire to collaborate with BlueChart Homes.

Sincerely Yours,

Matthew Lambert, Partner, DPZ CoDesign



ABOUT TEAK

Teak Construction, LLC ("Teak") is a general contractor based out of Washington state. Teak has been in operation since 2013 and is currently building 269 units throughout the Pacific Northwest. Historically, project sizes have ranged from 3-unit townhome projects to 144-unit apartment projects.

Teak's staff consists primarily of site superintendents and support staff. Teak does not self-perform any of the construction work. Teak field personnel are responsible for managing and coordinating with the Company's various subcontractors through project completion. In addition to their field team, Teak has office administrative support in purchasing and accounting.





MANAGEMENT TEAM

BENJAMIN PAULUS

CHIEF EXECUTIVE OFFICER



Ben is a third-generation homebuilder, his family having started Polygon Homes operations in Vancouver, Seattle, and Orange County. He has worked in the industry for 17 years. Benjamin attended St. Georges School in Vancouver, BC then Claremont McKenna College for university where he received his degrees in finance and economics. During college Benjamin worked for Frontier Enterprises, a top 100 homebuilder based in California's inland empire. After graduating Benjamin worked for Polygon Development as an analyst underwriting masterplan joint ventures before leaving on his own to start Blue Fern and Teak Construction. Currently, Ben oversees a mix of residential for-sale infill, plat development and multi-family projects.

MAX CHAPPRON

CHIEF FINANCIAL OFFICER



Max joined Teak in 2017. Prior to this, he spent two years as the Controller at a large Puget Sound based homebuilder and real estate developer where he was responsible for managing and overseeing the accounting and finance teams. Before working in private industry, he spent 10 years at a large regional public accounting firm working in their assurance group where he served clients in the construction, real estate, and consumer products sectors. Throughout his career in private industry, he has successfully negotiated and executed over \$300MM in financing agreements on various types of real estate development projects. At Teak, his daily responsibilities include managing the finance, accounting, insurance, and legal functions of the business. He also works with the acquisitions team in underwriting and evaluating sites for future development. Max is a licensed Certified Public Accountant in the State of Washington.

MICHELLE BRANLEY

CHIEF OPERATING OFFICER



As COO, Michelle is responsible for the day-to-day operations of Teak Construction including leadership of the construction team, sales staff, and all sub-contractors. In her role, she also leads and oversees human resources, marketing and the project management technologies. Over the past five years, Michelle has overseen the management of all Teak Construction project sites from pre-construction planning, construction, safety, and quality control, through to turnover to owners. Prior to joining Teak, Michelle spent more than 20 years in the residential mortgage industry including 15 years at Wells Fargo Home Mortgage where she led and developed talent at processing centers across the Pacific Northwest.



MANAGEMENT TEAM

JOEL NAEGELE
PURCHASING MANAGER



Joel joined Teak in 2018. Prior to joining Teak, he spent 15 years as the Purchasing and Project Manager at a long-established homebuilding and real estate developer in the Puget Sound area where he was responsible for the buyout and subcontractor team construction for large and small single family and multifamily developments. Throughout his career, he has successfully developed a subcontractor and vendor group throughout the region to establish professional and respectful relationships that continue to be a benefit to Teak on their current and future projects. At Teak, his daily responsibilities include budgeting, cost analysis, competitive market bidding, and working with the on-site managers, subcontractor team, and owners to provide a consistent, quality, and cost-effective product for the market.

ZACK DIXON
CONSTRUCTION MANAGER



Zack joined Teak in 2016. Prior to joining Teak, Zack spent years working in the trades and the custom home building industry. Throughout his career, he has gained extensive knowledge of all aspects of the construction process, most notably, framing, electrical, finish carpentry, construction safety, and scheduling. As the Construction Manager, Zack assumes a critical, hands-on role in overseeing all projects and field staff. His daily responsibilities include leading field operations, schedules, safety, QA/QC, warranty, and project turnover. He works closely with the project superintendents, subcontractor team, and the owner to deliver a high-quality product on time, and within budget, that the Teak team and the owner can be proud of.

Mutual Intentions Agreement

AGREEMENT RELATING TO POTENTIAL TRANSACTION

Form Date: March 28, 2024

This Agreement confirms the mutual intentions of the Port of Kennewick, through its staff ("Port") and the undersigned on behalf of its heirs, successors, assigns and business associates (the Undersigned) and its affiliates ("Undersigned") (collectively "Parties") with respect to the potential transaction described below (the "Potential Transaction"):

General Understanding of the Parties:

1. Discussions between the Parties are to explore the viability of the Potential Transaction and shall not create an obligation on either party to take or refrain from any action.
2. The Port may, in its discretion, arrange for further action including but not limited to introducing the Undersigned's concept to the Port's Commission or appropriate third parties for the purpose of gathering information and analyzing feasibility and cost. The Parties understand that complete confidentiality cannot be guaranteed.
3. Except as specifically set forth above, neither party shall publicly communicate information related to the Potential Transaction, until the Potential Transaction is presented to the Port Commission in a public commission meeting.
4. A binding obligation shall only be created by a written agreement setting forth all material terms and conditions of the Potential Transaction, signed by the authorized representatives of the Parties; no binding agreement shall be effective except upon the affirmative vote by a majority of the Port Commission in a public commission meeting.
5. Each party shall be responsible for all costs it incurs with respect to the Potential Transaction, including but not limited to professional and attorney's fees and costs. Neither party shall be responsible for any damages, whatsoever, directly or incident to this matter.
6. The Port makes no representations with respect to the Potential Transaction and the Undersigned agrees to exercise all due diligence it deems necessary.
7. At such time that the Undersigned has submitted to the Port a Letter of Intent ("LOI") describing its Vista Field development proposal, the Undersigned further acknowledges and agrees as follows:
 - a. With respect to the Port's evaluation of and potential action on the LOI, the Undersigned authorizes the Port (and its duly authorized representatives) to:
 - i. access relevant records of the Undersigned ("Records") to evaluate the merits of the LOI and the Undersigned's ability to perform as described in its LOI;
 - ii. rely on the Records provided; and
 - iii. disseminate and discuss the Records in public and non-public private settings.
 - iv. The Records may be subject to public disclosure pursuant to RCW Chapter 42.56, the Washington Public Records Act ("PRA"), provided however, in

such case, the Port will provide prompt written notice (the "Notice") to the Undersigned of the request for information and the contact information of the requestor at least ten (10) days prior to any Records disclosure, so that the Undersigned may seek protective orders or other appropriate remedies and/or waive compliance with the provisions of the PRA and this Agreement. Unless such protective orders are obtained and provided to the Port, the Port will release to the public the requested information to the extent required by, and in compliance with, the Washington PRA; provided to the extent that any portions of Undersigned's Records are exempt from disclosure under the Washington PRA as determined by a Court, those portions will be redacted.

8. The Undersigned releases the Port and its duly authorized representatives from liability for any damages which may arise related to the use, dissemination, and discussion of the Records.
9. This Agreement is effective until the construction project contemplated by either the Potential Transaction or LOI is fully completed; provided the herein above Paragraph 8. "Release" shall survive expiration and or termination of this Agreement and the terms of this Agreement shall survive any closing that may result from the Potential Transaction or LOI.

DocuSigned by:

Undersigned

6/3/2024
Date

Levi Holmes
PRINT NAME

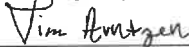
BlueChart LLC
PRINT COMPANY

Undersigned

Date

PRINT NAME

PRINT COMPANY

DocuSigned by:

Port of Kennewick

6/3/2024
Date

Vista Field Single Family Residential

Vista Field Living by: BlueChart Homes

A partnership of Chartwell Land Company & Blue Fern Development



VISTA FIELD

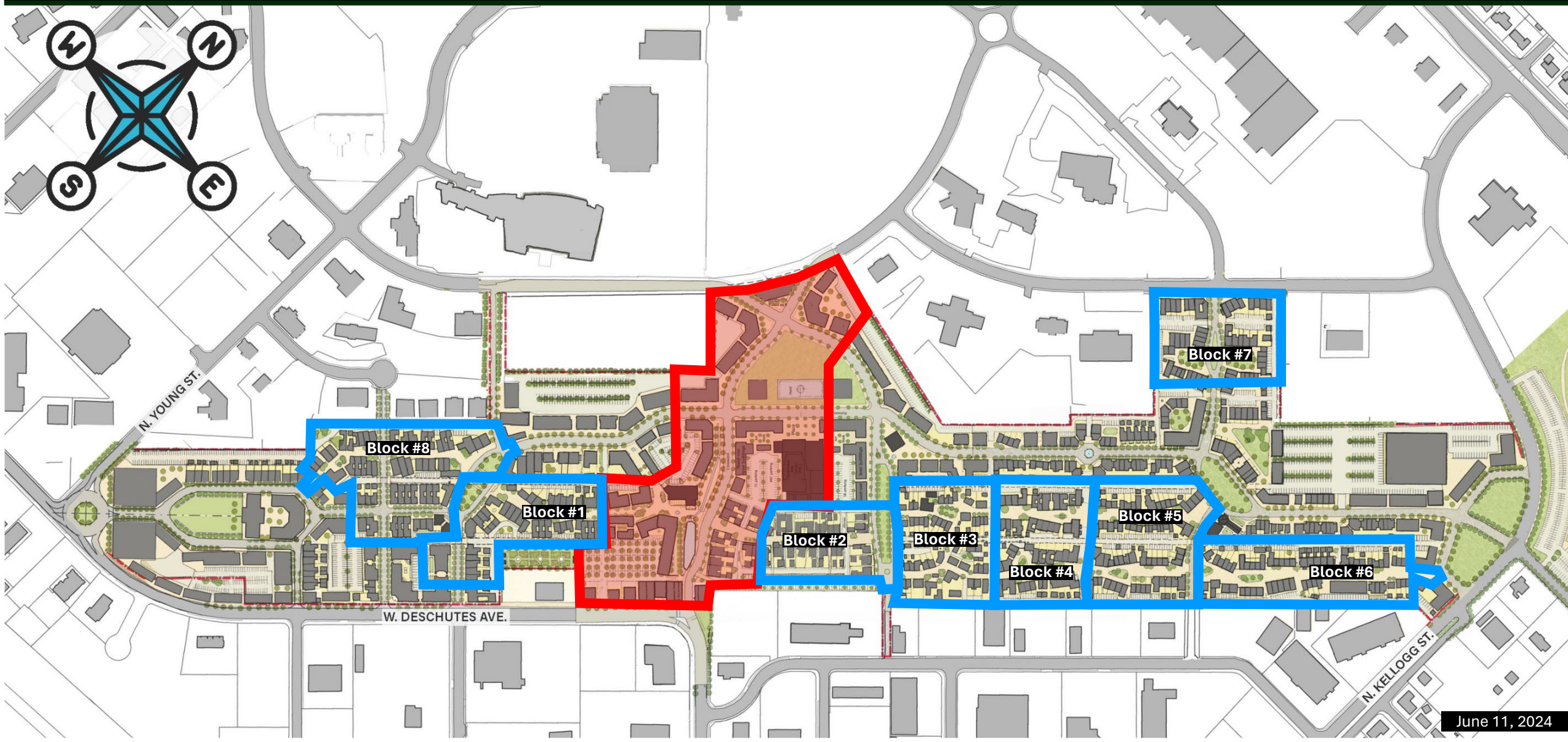




VISTA FIELD REDEVELOPMENT

Blue Chart Homes

EXHIBIT A



DEVELOPERS

Levi Holmes

Chartwell Land Company

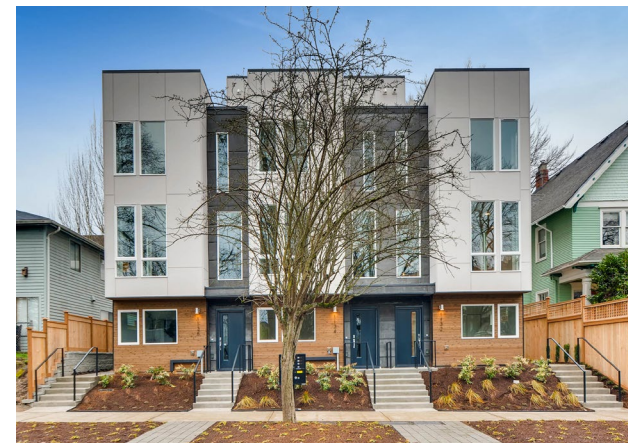
The principals of Chartwell Land Company have designed, entitled, and/or built over 2,000 residential units.

Ben Paulus

Blue Fern Development & Teak Construction

Blue Fern & Teak Construction bring a tremendous amount of experience with its home building and sales division as well as long-term funding.





DESIGN LIBRARY

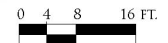


DECEMBER 13, 2023

QAMAR AND ASSOCIATES INC. AND STRUCTURA NATURALIS INC.



MAY 31, 2024
SCALE: 1/8" = 1 FOOT

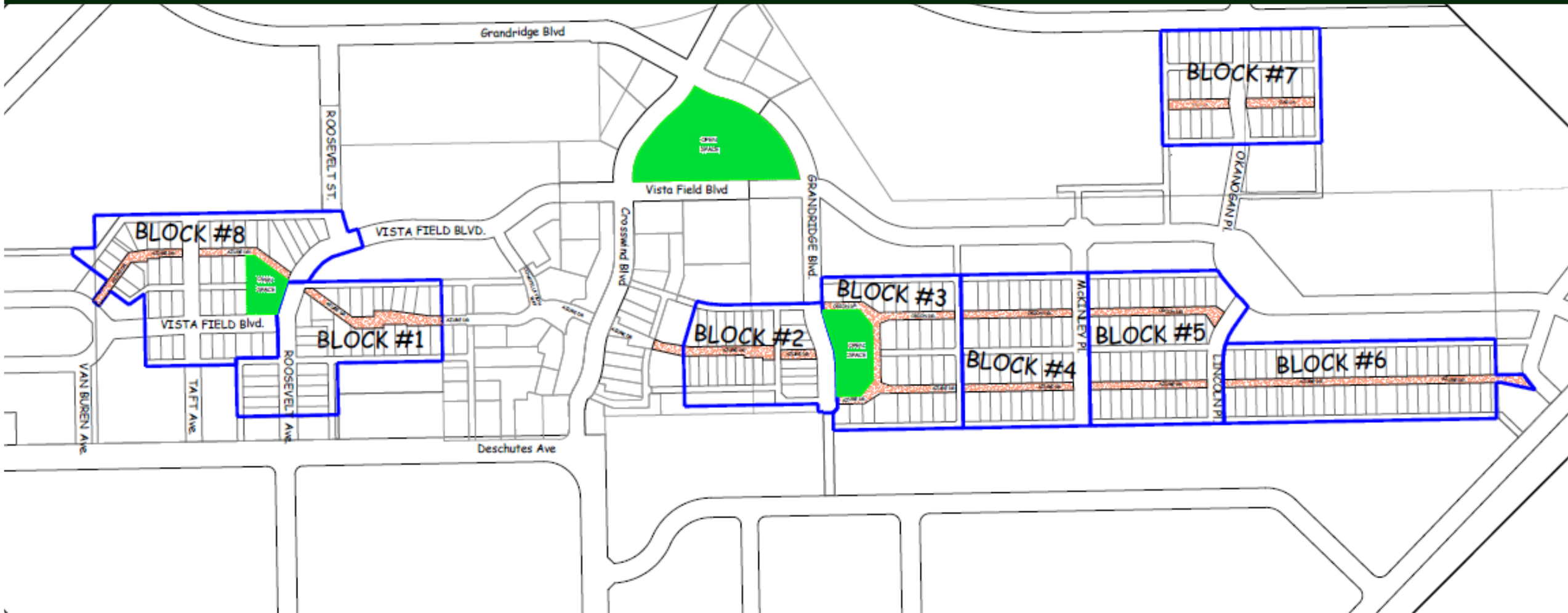


DESIGN LIBRARY SKETCHES

VISTA FIELD REDEVELOPMENT

Blue Chart Homes

EXHIBIT A



COMMISSION CONSIDERATION

Is the project consistent with the Vista Field Master Plan?

Does the proposed project meet the use envisioned for the parcel/site in Vista Field?

Has the proposed project been reviewed by the Vista Field Town Architect team?

Do you like the proposed project?

90 Day Right To Negotiate?

Closing Remarks:

Tim Arntzen, CEO, Port of
Kennewick

Thank you!

Amber Hanchette
Director of Real Estate
Port of Kennewick

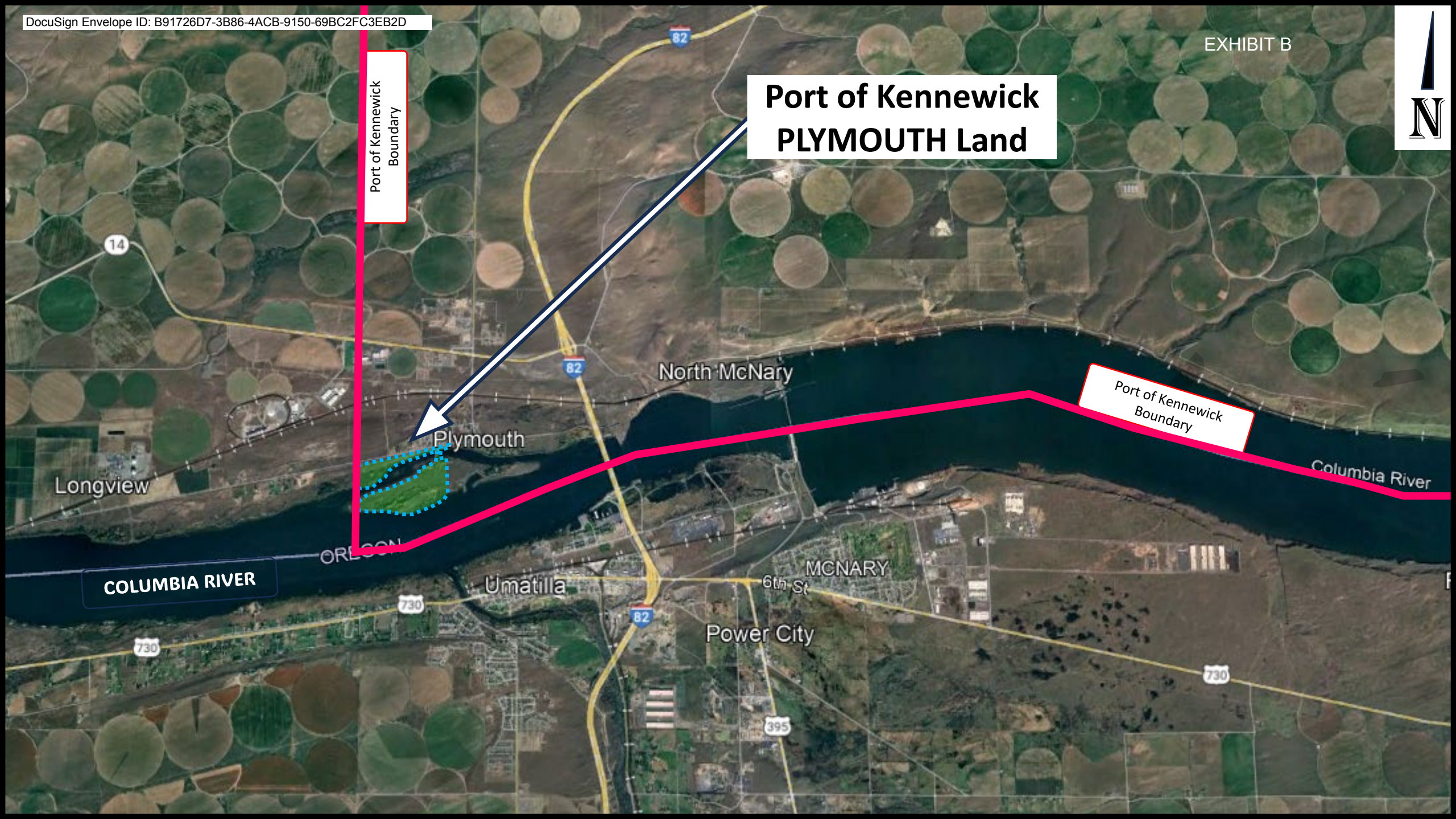




Port of Kennewick PLYMOUTH Land

Port of Kennewick
Boundary

Port of Kennewick
Boundary





Port of
Kennewick

Port of
Kennewick

U.S. Army
Corps of
Engineers

COLUMBIA RIVER

Port of Kennewick Plymouth Area Holdings

1958 John Day Dam Constructed Started

1968 Lake Umatilla/John Day Pool reached “Full Pool” (Sept. 28th Dedication)

1969 Port Purchased land from U.S.A.C.E (May 26th)

1970 EPA (Federal Environmental oversight)

1971 SEPA (State Environmental oversight)

2014 Port Sold 94+ acres to Agri-Northwest (December 2nd)

2017 Port Comp Scheme (Identified as Surplus)

2024 CTUIR Open to Accepting Transfer from Port

Island

The Plymouth site is in southern Benton County near Interstate 82 and State Route 14 (Figure 11). The property originally encompassed three parcels, totaling approximately 250 acres. Two parcels, totaling approximately 93 acres, were sold in 2014 to AgReserves Inc. The remaining Port-owned property totals 157.10 acres, and includes river frontage and island property, and has limited development opportunity, even though the northern parcel is zoned HI. The southern portion of the parcel is zoned Park District. Substantial electrical service is available in the immediate vicinity and natural gas is within 1,000



FIGURE 11. PLYMOUTH SITE MAP

feet of the site. The property does not have municipal water service, sewer service, or interior roads. Water could potentially be available from the nearby Plymouth Water District. The Port has no plans for the Plymouth parcel and is open to divesting this property to an organization(s) acceptable to Native American tribes and consistent with the Port/CTUIR MOU for permanent protection of cultural and natural resources, and to provide for continued public recreation opportunities.

CURRENT Port of Kennewick Comprehensive Scheme of Development adopted December 2017

The Port has no plans for the Plymouth parcel and is open to divesting this property to an organization(s) acceptable to Native American tribes and consistent with the Port/CTUIR MOU for permanent protection of cultural and natural resources, and to provide for continued public recreation opportunities.



Port of
Kennewick

Port of
Kennewick

U.S. Army
Corps of
Engineers

COLUMBIA RIVER