

***PORT OF KENNEWICK***

**Resolution No. 2018-04**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS  
OF THE PORT OF KENNEWICK APPROVING AN INTERLOCAL AGREEMENT  
WITH THE CITY OF KENNEWICK RELATED TO THE HANFORD AREA ECONOMIC  
INVESTMENT FUND ADVISORY COMMITTEE GRANT TO SUPPORT THE  
COLUMBIA GARDENS PHASE II INFRASTRUCTURE JOINT PROJECT**

**WHEREAS**, the Hanford Area Economic Investment Fund Advisory Committee (HAEIFAC ) approved a joint port/city application for grant funding for a total of \$150,000, awarding \$75,000 to the port and \$75,000 to the city, in support of the Columbia Gardens Urban Wine and Artisan Village Phase II Infrastructure Project; and

**WHEREAS**, this partnership will continue to enhance the development of the Columbia Gardens Urban Wine and Artisan Village project area into a destination wine village, permitting the parties to attract major private sector investment; and

**WHEREAS**, the Port and City have outlined an Interlocal Agreement related to disbursement of the HAEIFAC grant funds whereas the city agrees to assign its \$75,000 grant allocation to the port so that the port (as fiscal agent) may be reimbursed for expenses the port incurs related to the project.

**NOW, THEREFORE; BE IT HEREBY RESOLVED** that the Board of Commissioners for the Port of Kennewick approves the Interlocal Agreement between the Port of Kennewick, and City of Kennewick related to HAEIFAC grant funds to support infrastructure for the Columbia Gardens Wine Village Phase II; and authorizes the Port's Chief Executive Officer to take all action necessary to execute and implement the Interlocal Agreement and HAEIFAC Grant.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 27th day of March, 2018.

**PORT OF KENNEWICK  
BOARD OF COMMISSIONERS**

By: 

THOMAS MOAK, President

By: 

DON BARNES, Vice President

By: 

SKIP NOVAKOVICH, Secretary

## GRANT AGREEMENT

Hanford Area Economic Investment Fund Advisory Committee ("HAEIFAC") is authorized by RCW 43.31.222 and RCW 43.31.428 to make grants to public organizations to assist them in financing certain projects. This instrument is intended to reflect the final terms and conditions of financial assistance to the Port of Kennewick and the City of Kennewick. As outlined in the Interlocal Agreement, the Port of Kennewick will be serving as the fiscal agent for this grant and will hereafter be referred to as the "Contractor." The purpose of this grant is to aid in financing the cost of Phase Two of the Columbia Gardens Urban Wine & Artisan Village as described in the application hereinafter collectively referred to as the "Project." Assistance consists of a grant in the amount of \$75,000.00 to the Port of Kennewick and \$75,000.00 to the City of Kennewick.

HAEIFAC and the Contractor hereby give the final approval to this contract in its entirety.

This contract consists of the following documents, which are incorporated herein by this reference:

- Attachment #1 – Application Form
- Attachment #2 – General Conditions and Provisions
- Attachment #3 – Ordinance or Resolution
- Attachment #4 – Attorney's Certificate
- Attachment #5 – Interlocal Agreement

This Contract shall be approved by the Contractor through its governing body and signed by the official representative of that body and returned to HAEIFAC by March 31, 2018.

HANFORD AREA ECONOMIC  
INVESTMENT FUND ADVISORY  
COMMITTEE:

Date: 4/5/18

By: [Signature]

Title: Chair

CITY OF KENNEWICK

Date: March 28<sup>th</sup>, 2018

By: [Signature]  
MARIE E. MOSLEY, City Manager

Approved as to form:

[Signature]  
LISA BEATON, City Attorney / Date

PORT OF KENNEWICK

Date: 3-27-18

By:   
TIM ARNTZEN, Chief Executive Officer

Approved as to form:

  
LUCINDA LUKE, Port Attorney / Date  
3-26-18

Reviewed:

 3/26/18  
NICK KOOIKER, Port CFO / Date



## HANFORD AREA ECONOMIC INVESTMENT FUND

### INFRASTRUCTURE GRANT APPLICATION

Please provide complete and concise responses to the issues listed on this two-page application. You may expand or collapse the fields under each question as needed for your responses but the entire application, including any attachments, may not exceed four pages.

Government Applicant: Port of Kennewick AND City of Kennewick

Contact Person: Tana Bader Inglima Title: Deputy CEO, Port of Kennewick

Contact Person: Evelyn Lusignan Title: Public Relations & Government Affairs Director, City of Kennewick

Telephone: 509-586-8140.port / 509-585-4265 E-mail: tana@portofkennewick.org / evelyn.lusignan@ci.kennewick.wa.us

Address: 350 Clover Island Drive, Suite 200, Kennewick, WA 99336

Project Title: Columbia Gardens Phase II Infrastructure Joint Project

#### 1. Project Description:

This joint Port of Kennewick and City of Kennewick project application is about expanding small business food manufacturing and wine tourism opportunities in the community by completing the second phase of the Columbia Gardens Urban Wine & Artisan Village. Phase Two will create shovel-ready parcels to attract private sector investments, foster wine industry employment, and bring new businesses to Kennewick's historic waterfront. This project will also construct one new building for a winery tenant (the port has already received a letter of intent from an established winery to expand into this planned space; and that business would be the third winery to locate within Columbia Gardens, joining Bartholomew and Palencia Winery/La Monarcha wineries which have already moved into the recently completed phase one buildings).

#### 2. Project Status: Start Date: March 2018 Completion Date: May 2019

☐ Concept stage

☒ Planning complete

☒ Engineering complete

**Explanation:** The port owns the property, and has completed both planning and detailed engineering for the roadways, utilities, lighting, public parking, paving/stripping, food court, public plaza, transit shelter/pad site. However, insurance proceeds were just finalized for the port-owned building that collapsed last winter; so A&E is just beginning for a replacement building, utilities and parking to create new lease space to accommodate a third winery tenant. *The total project will be bid and constructed as Phase Two A & B in immediate sequence: Phase 2A is the loop roadway, utilities, public parking, plaza, and transit site, to be bid in early 2018 and completed summer 2018; and Phase 2B is the winery building/utilities/parking/landscaping, with A&E to be completed/project bid by summer 2018 and construction completed by spring 2019.*

#### 3. Project Funding: Total Project Cost: \$2.7 million Grant requested: \$500,000

Anticipated sources of funds (not including HAEIFC) and indicate if the funds have been committed, for each source:

Source	Funds Committed?
\$1.1M (\$550K) each from City & Port shares of Benton Co. Rural County Capital Funds	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
\$900K from Port of Kennewick Insurance Proceeds	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
\$200K from City of Kennewick Capital Improvement Program Funding	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**List all anticipated uses of funds:**

Project costs will include planning; design; permits; bidding and administering the project; cultural resource monitoring; mobilization/demobilization; traffic control; tree removal; compaction; grading; asphalt pavement and striping; curbing, sidewalks, pavers; utilities and connections; water, sewer, and storm drains; street and pedestrian lighting; landscaping and irrigation; wayfinding and safety signage; transit shelter/pad; and construction of new building and parking lot to serve a winery tenant.

**4. Project Matching Funds – Available: \$2.2 million \* Not Available: \$\_\_\_\_\_ Source: See Item 3 above**

*\*Attach letter of commitment*

**5. Please provide a detailed description of the scope of work for the project including specific construction components, if applicable. See Item 3 above**

**PROJECT IMPACT**

**1. Explain how the project addresses regional and local economic development priorities:**

The Columbia Gardens Wine & Artisan Village development supports entrepreneurial endeavors, and it builds upon efforts to diversify Tri-Cities employment away from Hanford; to grow value-added agriculture and wine tourism for the region; and to redevelop the Columbia River waterfront. This project aligns with the State of Washington's vision to support development of wine tourism and it strengthens primary industry sectors identified in TRIDEC's *TADZO study* and *FABREO report* by fostering food-based economic development and manufacturing. It satisfies goals of the TRIDEC/Tri-Cities Regional Chamber of Commerce/Visit Tri-Cities' *Regional Community Branding, Development & Marketing Plan* by restoring vitality to historic downtown Kennewick and creating a unique regional gathering place. And the Columbia Gardens Wine Village project is included on the Benton Franklin Council of Government's Community Economic Development Strategy (CEDS) 5-year list of priority infrastructure projects.

**2. How does the project support the location of new industry in your community or region and /or expand existing industry? Describe targeted industry sector:**

Wine tourism and food/beverage manufacturing are identified as target sectors, and the businesses that would locate in the wine village and adjacent neighborhoods would support the development and growth of the wine industry, craft beverage manufacturing, viticulture and tourism businesses in the area; the import of new visitor dollars; and the export of value-added agricultural products—which are all identified as investment priorities at the local, state and federal level. It will also support technical-skills training by leveraging Columbia Basin College's planned \$10 million Culinary Arts Institute at The Willows.

**How does the project support other high priority project(s) and/or economic strategies in your community or region?**

Collaborative Regional Innovation – This project will facilitate collaboration among jurisdictions, including Port of Kennewick, WSU Wine Science Center, Columbia Basin College, City of Kennewick, Benton County, and HAEIFAC. The Columbia Gardens Wine Village will help diversify, revitalize, and connect Kennewick's historic downtown with the Columbia River; and bring food and beverage manufacturing to an urban waterfront.

Public/Private Partnerships – The Port, City and HAEIFAC will make the upfront infrastructure investment to create shovel-ready parcels that will stimulate business expansion and leverage private sector investments. This project will immediately create new leasable space for a third winery tenant, and will leverage Phase 3 investments, including CBC's Culinary Arts Institute.

National Strategic Priorities – The project will meet the goal of *state of the art technology* by enabling additional wine manufacturing entities to utilize the City of Kennewick's wine effluent pre-treatment facility.

Global Competitiveness – Wineries and wine related tourism is a high-growth industry, and Washington State competes to attract national and global tourism dollars. This project will increase the number and type of businesses that support the local wine, viticulture, and tourism businesses; allowing our region to further capture market share in these targeted sectors.

Environmentally Sustainable Development – By eliminating the need for each winery to construct individual waste-water holding ponds or expensive winery-owned pre-treatment systems, this project *reduces sprawl, protects urban waters, and fosters business development and job creation within an historic downtown.*

Economically Distressed and Underserved Communities – Many of the workers in agriculture and viticulture are from economically disadvantaged, minority populations; this project will provide increased opportunity for jobs to these segments of the local population in an area of town previously identified as a *Redevelopment Strategy Area* by the City of Kennewick.

**3. Employment Impact:** Provide an estimate of the number and type of jobs created both long term and short term and describe what company or industries will be creating the jobs. Describe the number and type of jobs retained, if applicable. Minimum of 1 FTE job within 5 years for each \$50,000 in HAEIF grant.

- The number of construction jobs created is estimated at 30.
- Five (5) new jobs immediately upon leasing the new wine building; 15 winery jobs created within five years.
- 121 jobs within ten years on the port-owned waterfront parcels alone (Columbia Gardens and The Willows).
- A total of 360 jobs are anticipated to be created or sustained long-term. [source: *Wine Facility Feasibility Study for Port of Kennewick – Technical Memorandum, August 2008. HDR Engineering*].
- Total capital investment at build out estimated at \$43.2 million; with annual property tax revenues generated of \$191k; annual sales tax revenues of \$1.3 million; and one-time sales taxes on construction of \$2.7 million. [source: *Benton County Rural County Capital Fund Columbia Gardens & The Willows Investment, Revenue & Employment Projects Report*].

- **Impact on Private Capital Investment:** Describe the impact of industries anticipated to expand or locate following project completion. Include company name (or type of industry/business) and the timing of investment. The Port has received a *letter of intent from a well-known winery wishing to locate in Phase 2*; and we have strong interest/inquiries from production wineries (*Purple Star Winery* and others), tasting rooms, a brewery, numerous food truck entrepreneurs, and a bicycle shop all of which are waiting for the port to make shovel-ready, commercial waterfront parcels available. In addition, *Columbia Basin College announced plans for a \$10 million, 20,000-square-foot, Culinary Arts Institute* at The Willows as a technical training facility—having chosen that site specifically because of its proximity to the Columbia Gardens Urban Wine & Artisan Village.

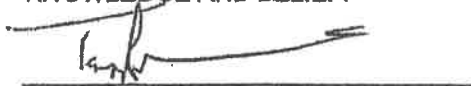
In addition, private businesses and capital investment is happening across the street—as a direct result of the port/city waterfront redevelopment efforts: two new businesses (*ET Estate Sales*, and *Rustica Botique*) already opened, and three other businesses have made façade and building improvements. These investments demonstrate market interest and strong demand for the limited commercial waterfront.

**4. Briefly describe the applicant's capability to administer, implement and attract private sector investments to the project.** The Port of Kennewick is a 102-year-old municipal corporation with a solid history of financial stability, and demonstrated expertise in economic development endeavors. The co-applicant, City of Kennewick, is also a strong municipal corporation with sound and relevant expertise in grant administration. Together, our organizations have a proven history of implementing local, state and federal grants, and managing joint projects to successful outcomes. To demonstrate our commitment to this endeavor, the Port and City have already signed Interlocal Agreements formally securing Rural County Capital Funds as matching funds for this project.

**Brief additional information/comments may be attached but the total application packet should not exceed 4 pages.**

Attach resolution authorizing this application.

**Declaration:** I HEREBY CERTIFY THAT THE INFORMATION GIVEN IN THIS APPLICATION TO THE HANFORD AREA ECONOMIC INVESTMENT FUND COMMITTEE IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



Signature of official responsible

Tana Bader Inglima, Deputy CEO, Port of Kennewick

Print or type name and title

## Attachment 2

### GRANT CONDITIONS AND PROVISIONS

The following articles shall constitute General Conditions and Provisions to the Grant Agreement dated March 1, 2018.

#### Article 1. DEFINITIONS

- a) "HAEIFAC" shall mean the Hanford Area Economic Investment Fund Advisory Committee.
- b) "Contractor" shall mean the Port of Kennewick and City of Kennewick with the Port of Kennewick serving as the fiscal agent for this Grant.
- c) The "Agreement" shall consist of the application, the Grant Agreement, these Conditions and Provisions, the Resolution or Ordinance accepting HAEIFAC assistance, the Attorney's Certificate, the Interlocal Agreement and shall include all amendments to the documents.
- d) This Agreement shall be construed for all purposes as a contract entered into pursuant to the laws of the State of Washington

#### Article 2. EXECUTION, CORRELATION AND INTENT OF DOCUMENTS

The contract documents are complementary, and what is called for by one shall be binding as if called for by all.

#### Article 3. PERMITS, LAWS AND REGULATIONS

All permits and licenses necessary for the prosecution of the Project as defined in the Grant Agreement shall be secured and paid for by the Contractor. Easements for permanent structures or permanent changes in existing facilities shall likewise be secured and paid for by the Contractor.

The Contractor shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the project work.

The Contractor must evidence satisfactory completion of all necessary permit processes.

The Contractor shall comply with all relevant local, state and federal regulations.

#### Article 4. COMPLETION OF CONTRACT ARRANGEMENTS

The Contractor must complete contract requirements in accordance with Article 6 below or other time designated by HAEIFAC. At its discretion, HAEIFAC may grant a written request by the Contractor to extend the deadline for completing contract requirements.

#### Article 5. DISBURSEMENT OF FUNDS

Funds will be disbursed on a reimbursable basis only.

The precise terms of disbursement shall be as follows:

The initial installment shall be payable upon HAEIFAC's receipt and acceptance of documentation certifying the project starting date and appropriate certification of the amounts paid to date. The second and any additional payments will be made in a similar manner and will include a recap of expenditures providing a breakdown of funds disbursed in the previous installment.

Total funds disbursed shall not exceed actual amounts required for the project described or the amount of the HAEIFAC award, whichever is the lesser.

HAEIFAC will not recognize any requests for Project cost overruns. No payments will be made except as expressly provided herein.

#### Article 6. PROJECT PERFORMANCE

The Contractor's performance shall commence within one hundred twenty (120) days after execution of this Agreement, unless otherwise specified in these Special Conditions and Provisions. Extension may be considered upon appropriate written request. Any changes are to be incorporated into this document as additions or amendments to the Special Conditions and Provisions.

If at any time during the term of this Agreement HAEIFAC determines that project performance is unsatisfactory, including, but not limited to: (a) defective work not remedied, or (b) a reasonable doubt that the Agreement can be completed for the balance then unpaid, HAEIFAC reserves the right to withhold payments until the problem is remedied or to exercise its rights of termination under Article 15 of this Agreement.



#### Article 7. CONTRACTOR SHALL CONTINUOUSLY MAINTAIN PROTECTION OF PROJECT WORK AND PROPERTY AT CONTRACTOR'S RISK

The Contractor shall continuously maintain adequate protection of all the project work from damage and shall protect the property from injury or loss arising in connection with this Agreement. The entire work of the Contractor shall be at the sole risk of the Contractor. The Contractor may elect to secure fire, extended coverage and vandalism insurance or all-risk insurance to cover the project work during the course of construction.

The Contractor shall take all necessary precautions for the safety of employees working on the project, and shall comply with all applicable provisions of federal, state and local safety laws and building codes to prevent accidents or injuries to persons, on, about, or adjacent to the premises where the work is being performed.

#### Article 8. ACCESS TO WORK AND RECORDS

All property, facilities, and records developed pursuant to this Agreement shall be available for inspection upon request during regular business hours by HAEIFAC or its authorized representative. All records supporting every request for payment shall be maintained in a manner which will provide an audit trail to the expenditures. Copies of records shall be furnished to HAEIFAC immediately upon request. This paragraph shall be included in any and all subcontracts let by the Contractor under this Agreement.

#### Article 9. INDEMNIFICATION

The Contractor shall defend, protect, and hold harmless HAEIFAC or any HAEIFAC employee from all claims, suits, and or actions arising from any damage caused, negligent act, or omission of the Contractor or any authorized subcontractor, or any employees or agents of either while performing this Agreement.

#### Article 10. DISPUTE RESOLUTION

Except as otherwise provided in this Agreement, when a bona fide dispute arises between the parties and it cannot be resolved through discussion and negotiation, either party may request a dispute hearing. The parties shall select a dispute resolution team to resolve the dispute. The team shall consist of a representative appointed by HAEIFAC, a representative appointed by the Contractor, and a third party mutually agreed upon by both parties. The team shall attempt, by majority vote, to resolve the dispute. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

#### Article 11. GOVERNING LAW AND VENUE

The Agreement shall be construed and enforced in accordance with, and the validity and performance hereof shall be governed by, the laws of the State of Washington. Venue of any suit between the parties arising out of this Agreement shall be the Superior Court of Thurston County, Washington.

#### Article 12. NONDISCRIMINATION

During the performance of this Agreement, the Contractor shall comply with all applicable federal and state nondiscrimination laws, regulations and policies.

In the event of the Contractor's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy, this Agreement may be rescinded, canceled or terminated in whole or in part. The Contractor shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

#### Article 13. CONTINGENCIES

The duty of HAEIFAC to approve disbursement of funds pursuant to this Agreement is contingent upon strict compliance by the Contractor with the terms of this Agreement.

#### Article 14. PERFORMANCE REPORTING

The Contractor shall submit progress reports as required by HAEIFAC. The Contractor shall also report, in writing any problems, delays, or adverse conditions which will materially affect the ability to meet project objectives, time schedules, or work units by the established time period. This disclosure shall be accompanied by a statement of the action taken or contemplated and any HAEIFAC assistance needed to resolve the situation.

Within forty-five (45) days of project completion or whenever HAEIFAC project assistance is terminated, the Contractor shall submit a project completion report to HAEIFAC, signed by the Contractor's responsible party, which shall include an accounting of all expenditures, a description of work accomplished, further refinement of private sector permanent employment impacts, etc. If the Project is not completed, the report shall contain an estimate of the percentage of completion, and shall contain a final accounting summarizing all expenditures not previously reported and shall include an overall summary for the entire project. The Contractor shall comply with applicable grant management requirements of the Washington State auditor.

After submission of the project completion report, the Contractor shall continue, as required, or for up to five (5) years, to provide updates on the economic impact of the Project. The updates shall be in a format acceptable to HAEIFAC and describe, but not be limited to, the private sector employment and investment activity resulting from the project and any leveraged funds related to the project.

#### Article 15. TERMINATION

HAEIFAC may require strict compliance by the Contractor with the terms of this Agreement, including but not limited to, the requirements of the applicable statutes incorporated in this Agreement, and with the representations of the Contractor in its application for a grant as finally approved by HAEIFAC.

Upon written notice to the Contractor, all obligations of HAEIFAC under this Agreement may be suspended or canceled at the option of HAEIFAC if any of the following occur:

- a) The Contractor has failed to make satisfactory and reasonable progress to complete the Project, or HAEIFAC concludes it will be unable to complete the Project or any portion of it.
- b) The Contractor has either made misrepresentations in its application or in any other information furnished to HAEIFAC in connection with the Project, which misrepresentations would have provided a basis upon which the application would have otherwise been rejected.

Upon written notice to the Contractor, HAEIFAC or its staff may suspend, or may terminate, the obligation to provide funding to the Contractor under this Agreement in the event of any breach or anticipatory failure by the Contractor to assure performance of any of the obligations under this Agreement, including the probable failure to occur of all or any of the private development or expansion which justified the project. HAEIFAC may at its absolute discretion, provide a reasonable time for such defect to be cured, including allowing the Contractor to find a satisfactory replacement in private development. Any such replacement must be approved by HAEIFAC.

In the event that any portion of the grant amount has been paid to the Contractor under this Agreement at the time of breach, or failure of the Contractor to satisfactorily perform or failure of the private development to occur, HAEIFAC may require that the full amount of the grant, or a portion thereof, be repaid within a period specified by HAEIFAC not less than ninety (90) days following demand.

#### Article 16. RESTRICTIONS ON CONVERSION OF FACILITY TO OTHER USES

The Contractor shall not convert any property or facility acquired or developed pursuant to this Agreement to uses other than those for which HAEIFAC assistance was originally approved for a period of 25 years without the prior written approval of HAEIFAC. If HAEIFAC no longer exists at the time of the proposed conversion, such written approval must be obtained from HAEIFAC's successor in interest.

In the event that the Contractor converts any such property or facility to an unapproved use, the Contractor shall pay to HAEIFAC all funds disbursed under this Agreement with interest in full upon demand.

#### Article 17. NONWAIVER OF HAEIFAC RIGHTS

HAEIFAC's failure to insist upon the strict performance of any provision or to exercise any right based upon a breach of the contract or to accept any defective performance, shall not constitute a waiver of any rights under this Agreement.

#### Article 18. DUPLICATION OF EFFORT

No work to be performed under this Agreement shall duplicate any work to be charged against any other contract, subcontract, or other source. This provision shall be included in any subcontract which exceeds \$2,500.00. The Contractor shall advise HAEIFAC, in writing, of any other work it has performed or is performing which might duplicate work under this Agreement.

#### Article 19. AMENDMENTS

Either party may, from time to time, request amendments to this Agreement. Any such change shall be effective only if committed to writing, signed by all parties, and incorporated into this Agreement.

#### Article 20. IDENTIFYING MARKERS

HAEIFAC reserves the right to display, during the period covered by this Agreement and after project completion, appropriate signs or markers identifying the roles of HAEIFAC as a participant financially in the Project.

#### Article 21. INSURANCE COVERAGE

The Contractor shall be in full compliance with all state unemployment and industrial insurance laws while performing work under this Agreement. HAEIFAC will not be responsible for payment of industrial insurance premiums or for any other claim or benefit for the Contractor, or any subcontractor or employee of the Contractor, which

might arise under the industrial insurance laws during performance of this Agreement.

#### Article 22. NOTICES

All notices, demands, requests, consents, approvals, and other communication which may be or are required to be given by either party to the other under this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes when delivered or mailed by first class postage or certified mail, postage prepaid, addressed as follows:

a) Notice to HAEIFAC

Hanford Area Economic Investment Fund Advisory Committee  
P.O. Box 3580  
Pasco, WA 99302

b) Notice to Contractor

Port of Kennewick  
350 Clover Island Dr, Ste 200  
Kennewick, WA 99336

or to such other official or addresses the Contractor shall have furnished to HAEIFAC in writing.

#### Article 23. ACCOUNTING

Project cost accounting will be accomplished within prescribed standards as approved by the Office of the State Auditor and material and records evidencing such accounting shall be held available for audit by the State Auditor, Division of Municipal Corporations, State of Washington for a period of up to six (6) years following completion of this Agreement. A copy of the State Auditor's report(s) of the project will be provided to HAEIFAC by the Contractor.

#### Article 24. AUDIT

HAEIFAC may require the Contractor to submit to an audit by HAEIFAC by an auditor selected by HAEIFAC. Under no circumstances are audit costs eligible for reimbursement by HAEIFAC. All costs associated with an audit requested by HAEIFAC are the sole responsibility of the Contractor. The Contractor is responsible for any audit exceptions incurred by its own organization or that of its Subcontractors.

HAEIFC reserves the right to recover from the Contractor all disallowed costs resulting from the audit.

Article 25. NOTICE OF ALLEGED IMPROPRIETIES

The Contractor shall immediately notify HAEIFAC if any unit of government is investigating any activities in connection with this loan or grant.

Article 26. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Agreement and prior to normal completion, HAEIFAC may terminate the Agreement under the "Termination" clause, without the ten (10) business day notice requirement. In lieu of termination, the Agreement may be amended to reflect the new funding limitations and conditions.

Date: 4/5/18

HANFORD AREA ECONOMIC  
INVESTMENT FUND ADVISORY  
COMMITTEE:

By: [Signature]

Title: Chair

Date: March 28<sup>th</sup>, 2018

CITY OF KENNEWICK

By: [Signature]  
MARIE E. MOSLEY, City Manager

Approved as to form:

[Signature]  
LISA BEATON, City Attorney / Date

Date: 3-27-18

PORT OF KENNEWICK

By: [Signature]  
TIM ARNTZEN, Chief Executive Officer

Approved as to form:

[Signature]  
LUCINDA LUKE, Port Attorney / Date  
3-26-18

Reviewed:

[Signature] 3/26/18  
NICK KOOIKER, Port CFO / Date

# **PORT OF KENNEWICK**

## **RESOLUTION NO. 2017-26**

### ***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING GRANT APPLICATIONS TO THE HANFORD AREA ECONOMIC INVESTMENT FUND (HAEIF).***

**WHEREAS**, the Hanford Area Economic Investment Fund (HAEIF) Committee is in the process of receiving Infrastructure Grant Applications; and

**WHEREAS**, the Port of Kennewick's Work Plan calls for infrastructure improvements to support both Columbia Drive and Vista Field Redevelopment; and

**WHEREAS**, the HAEIF grant program offers an opportunity to receive grant funding for infrastructure related to creating primary jobs that encourage new development and business expansion in targeted industry sectors that diversify the economy in Benton and Franklin Counties; and although no specific match is required, applications containing matching funds, particularly those in cash, that demonstrate significant public benefit, and serve as a catalyst for private capital investment and new job creation will receive preference; and

**WHEREAS**, submission of any grant application requires Commission approval by resolution.

**NOW, THEREFORE; BE IT RESOLVED** that the Port of Kennewick Board of Commissioners hereby authorizes Port staff to prepare and submit applications requesting \$500,000 each in infrastructure improvement grant funding from HAEIF in partnership with City of Kennewick for 1) Columbia Gardens Redevelopment and 2) realignment of Grandridge Boulevard at Vista Field.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick this 28th day of November, 2017.

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

By:

  
SKIP NOVAKOVICH, President

By:

  
THOMAS MOAK, Vice President

By:

  
DON BARNES, Secretary

## ATTORNEY CERTIFICATE

Hanford Area Economic Investment  
Fund Advisory Committee  
P. O. Box 3580  
Pasco, WA 99302

To the Hanford Area Economic Investment Fund Advisory Committee:

I am a licensed practicing attorney admitted to practice in the State of Washington, and the Port Attorney for the Port of Kennewick (the "Port").

I have examined the Infrastructure Grant Application, which is filed with the Hanford Area Economic Investment Fund Advisory Committee ("HAEIFAC"), whereby assistance is requested for the following described joint project with the City of Kennewick:

This project is about expanding small business food manufacturing and wine tourism opportunities in the community by completing the second phase of the Columbia Gardens Urban Wine & Artisan Village. The HAEIFAC grant will support Columbia Gardens Phase Two infrastructure, which will create shovel-ready parcels to attract private sector investments, foster wine industry employment, and bring new businesses to Kennewick's historic waterfront. Project costs will include planning, design, permits, bidding and administering the project, cultural resource monitoring, mobilization/demobilization, traffic control, tree removal, compaction, grading, asphalt pavement and striping, curbing, sidewalks, pavers, utilities and connections, water, sewer, and storm drains, street and pedestrian lighting, landscaping and irrigation, wayfinding and safety signage, transit shelter/pad, and construction of a new building and parking lot.

I have reviewed all resolutions relating to the above-described project, and the Grant Agreement including the Conditions and Provisions relating thereto ("Grant Documents").

I have examined the proposed project outlined in the application in the light of existing comprehensive land use plans, including the Shoreline Management Plans, and zoning ordinances, as well as plans for the project and other documents and records germane to the proposed grant.

Based on the foregoing, it is my opinion that:



1. The Port is a public body, properly constituted and operating under the laws of the State of Washington, empowered to receive and expend federal, state and local funds, to contract with the Hanford Area Economic Investment Fund Advisory Committee, to receive and expend the funds involved for said purposes, to accomplish the objectives set forth in its application.
2. The Port is empowered to adopt the resolution, a copy of which is attached hereto, accepting the previously mentioned financial assistance as set forth in the Grant Documents and the attached resolution.
3. Such resolution was properly adopted in accordance with the laws of the State of Washington.
4. There is currently no litigation in existence seeking to enjoin the commencement or completion of the above-described project or to enjoin the Port from accepting the grant offered by the Hanford Area Economic Investment Fund Advisory Committee with respect to such project.

Very truly yours,

A handwritten signature in black ink, appearing to read 'LJ Luke', written over a horizontal line.

Lucinda J. Luke, Port Attorney  
Port of Kennewick

## **ATTORNEY CERTIFICATE**

Hanford Area Economic  
Investment Fund Advisory Committee  
P.O. Box 3580  
Pasco, WA 99302

To the Hanford Area Economic Investment Fund Advisory Committee:

I am an attorney at law admitted to practice in the State of Washington, and the duly appointed City Attorney for the City of Kennewick (the "City").

I have examined the Infrastructure Grant Application , which is filed with the Hanford Area Economic Investment Fund Advisory Committee ("HAEIFAC"), whereby assistance is requested for the following described joint project with the Port of Kennewick:

This project is about expanding small business food manufacturing and. wine tourism opportunities in the community by completing the second phase of the Columbia Gardens Urban Wine & Artisan Village. The HAEIFAC grant will support Columbia Gardens Phase Two infrastructure, which will create shovel- ready parcels to attract private sector investments, foster wine industry employment, and bring new businesses to Kennewick's historic waterfront. Project costs will include planning, design, permits, bidding and administering the project, cultural resource monitoring, mobilization/demobilization, traffic control, tree removal, compaction, grading, asphalt pavement and striping, curbing, sidewalks, pavers, utilities and connections, water, sewer, and storm drains, street and pedestrian lighting, landscaping and irrigation, wayfinding and safety signage, transit shelter/pad, and construction of a new building and parking lot.

I have reviewed all the agreements relating to the above-described project, and the Grant Agreement including the Conditions and Provisions relating thereto ("Grant Documents").

I have examined the proposed project outlined in the application in the light of existing comprehensive land use plans, including the Shoreline Management Plans, and zoning ordinances, as well as plans for the project and other documents and records germane to the proposed grant.

Based on the foregoing, it is my opinion that:

1. The City is a public body, properly constituted and operating under the laws of the State of Washington, empowered to receive and expend federal, state and local funds, to contract with the Hanford Area Economic Investment Fund Advisory Committee, to receive and expend the funds involved for said purposes, to accomplish the objectives set forth in its application.
2. The City is empowered to sign the Grant Agreement including the Conditions and Provisions of the Grant Documents and accepting the previously mentioned financial assistance as set forth in the Grant Documents.
3. There is currently no litigation in existence seeking to enjoin the commencement or completion of the above-described project or to enjoin the City from accepting the grant offered by the Hanford Area Economic Investment Fund Advisory Committee with respect to such project.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Lisa Beaton", written over a horizontal line.

Lisa Beaton, City Attorney

*March \_\_, 2018*

**INTERLOCAL AGREEMENT  
REGARDING  
HANFORD AREA ECONOMIC INVESTMENT FUND ADVISORY COMMITTEE  
GRANT AGREEMENT**

**I. PARTIES**

This Interlocal Agreement is entered into this \_\_\_\_ day of March, 2018, between the PORT OF KENNEWICK, a Washington municipal corporation ("Port"), and the CITY OF KENNEWICK, a Washington municipal corporation, ("City") referred to collectively as the "Parties". The Parties agree as follows:

**II. RECITALS**

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

**2.2 Grant Agreement.** The Port and the City have each received \$75,000 in grant funding allocations (for a total combined amount of \$150,000) from the Hanford Area Economic Investment Fund Advisory Committee ("HAEIFAC") to aid in financing the cost of Phase II of the Columbia Gardens Urban Wine and Artisan Village as described in the grant application (the "Project") and subject to the Grant Agreement entered into by the Port, the City, and HAEIFAC.

**2.3 Opportunity for Collaborative Development.** The Parties recognize that successful economic development within the City benefits the economic and social welfare of the City and the surrounding area. The Parties also recognize that the Project is an integral element supporting the development of the Columbia Gardens Urban Wine and Artisan Village project area. The Parties, cognizant of the unprecedented opportunity for continuing their collaborative development by investing in redevelopment of challenging properties, hereby choose to collaborate further by participating in the Project. Participation in the Project will continue to enhance the development of the of the Columbia Gardens Urban Wine and Artisan Village project area into a destination wine village, permitting the Parties to attract major private sector investment.

**III. OBLIGATIONS OF THE PARTIES**

**3.1 General Obligations.**

(a) The City agrees to assign its \$75,000 grant funding allocation received from HAEIFAC to the Port so that the Port (as fiscal agent) may be reimbursed for expenses the Port incurs related to the Project.

(b) The Port shall invoice HAEIFAC at the end of each quarter for all Project costs incurred by the Port in the prior quarter that are eligible and for which reimbursement is sought.

#### IV. ADMINISTRATION

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

- (a) The Port shall establish policies for implementing this Agreement;
- (b) The Port shall monitor progress of the Project and monitor the fulfillment of the Parties' responsibilities under the Grant Agreement;
- (c) The Port will provide the City with a quarterly report along with each invoice outlining the status of the Project, including a spreadsheet detailing all costs being reimbursed by HAEIFAC pursuant to the Grant Agreement; and
- (d) Each Party shall follow their respective applicable City and Port bid and prevailing wage law policies and procedures when awarding bids for this Project.

**4.2 Document Review.** The Parties shall cooperate by sharing all relevant information related to the Project.

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

#### V. GENERAL

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

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

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

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

**5.5 Agreement Term.** The term of Agreement shall commence on its execution by both Parties and end upon exhaustion of the above-referenced grant funding allocation ("Agreement Term").

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

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

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

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

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

## VI. EXECUTION AND APPROVAL

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

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

### PORT OF KENNEWICK

Date: 3-27-18

By:   
TIM ARNTZEN, Chief Executive Officer

Approved as to form:

  
Lucinda Luke, Port Attorney / Date  
3-26-18

Reviewed:

 3/26/18  
Nick Kooiker, Port CFO / Date

**CITY OF KENNEWICK**

Date: March 28<sup>th</sup>, 2018

By: Marie E. Mosley  
MARIE E. MOSLEY, City Manager

Approved as to form:

Lisa Beaton  
Lisa Beaton, City Attorney / Date