

AGENDA

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

Tuesday, October 10, 2017
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. APPROVAL OF AGENDA**
- IV. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- V. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments Dated October 3, 2017
 - B. Approval of Warrant Register Dated October 10, 2017
 - C. Approval of Regular Commission Business Meeting Minutes September 26, 2017
- VI. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. CEO Evaluation Process (LUCY/NICK/TAMMY)
 - B. Columbia Drive Update (LARRY)
 - 1. Wine Village Lease Agreements (AMBER)
 - C. Vista Field Update (LARRY/TIM)
 - 1. Department of Commerce Letter of Support (LARRY/TIM)
 - 2. Review Draft Master Plan (LARRY/TIM)
 - 3. Financing Plan (NICK)
 - D. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - E. Non-Scheduled Items
- VII. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- VIII. ADJOURNMENT**

PLEASE SILENCE CELL PHONES



PORT OF KENNEWICK REGULAR COMMISSION MEETING

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SEPTEMBER 26, 2017 MINUTES

CALL TO ORDER

Commission President Skip Novakovich called the Regular Commission Meeting to order at 2:00 p.m. in the Port of Kennewick Commission Chambers located at 350 Clover Island Drive, Suite 200, Kennewick, Washington 99336.

The following were present:

Board Members: Skip Novakovich, President
Thomas Moak, Vice-President
Don Barnes, Secretary

Staff Members: Tim Arntzen, Chief Executive Officer
Tana Bader Inglima, Deputy Chief Executive Officer
Tammy Fine, Advisor/CPA, CFE
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, Chief Financial Officer/Auditor
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Marie Mosley, City of Kennewick City Manager led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

- A. *Approval of Direct Deposit and E-Payments Dated September 19, 2017***
Direct Deposit and E-Payments totaling \$49,733.61
- B. *Approval of Warrant Registers Dated September 26, 2017***
Expense Fund Voucher Numbers 39470 through 39510 for a grand total of \$602,063.97
- C. *Approval of Regular Commission Business Meeting Minutes September 12, 2017***

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MOTION: *Commissioner Moak moved for approval of the Consent Agenda as presented; Commissioner Barnes seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

PRESENTATION

A. City of Richland

Mr. Arntzen introduced Pete Rogalsky, City of Richland Public Works Director, Councilman Phil Lemely, and Zach Ratkai, Economic Development Manager. Mr. Arntzen reported he has met with City Manager, Cindy Reents and Mr. Rogalsky about a potential project. Mr. Arntzen stated the Port could potentially utilize the Rural Capital County Funds (RCCF) for funding.

Mr. Rogalsky stated the Port and City have been discussing a potential project, which has been vetted internally with City of Richland. The Columbia Park Trail project was presented to City Council, where the Council endorsed the idea of reaching out to the Port Commission for a potential partnership. Mr. Rogalsky stated the City is working on a plan to make additional street improvements to Island View and indicated the following projects have been completed in that area:

- Spaulding Business Park;
- Fowler Street Improvements: East and West;
- Delaware Street Improvements LID;
- Hanford Reach Interpretive Center.

Mr. Rogalsky stated Columbia Park Trail is a typical rural road, with no urban amenities such as sidewalks, street lights, and storm drainage. The anticipated project would include improvements to Columbia Park Trail, Columbia Center Boulevard, and the Wye Park; and incorporate pedestrian and bicycle crossing on state route 240. The City believes the project will create further economic development in the area and contribute to the success of past investments and spur new investments. Additionally, the project will provide features more supportive of the mix of uses in the Island View area and add to the waterfront livability for the area.

Mr. Rogalsky reported the City is partnering with Benton Franklin Council of Governments and the Department of Ecology to improve bicycle and pedestrian elements, roadway elements and storm-water elements. The City of Richland is requesting financial assistance from the Port to underground the utilities along Columbia Park Trail. The project will cost approximately \$2,800,000 and Mr. Rogalsky stated the City is asking the Port to contribute \$800,000 for the Columbia Park Trail project.

Mr. Moak inquired when the City would need the funds, if the Commission were to move forward with the joint project.

Mr. Rogalsky stated 2019.

Mr. Novakovich asked Mr. Kooiker if the Port has the funds available in the budget.

Mr. Kooiker stated the Port has allocated \$400,000 for the 2017-2018 budget cycle and starting in 2019-2020, the Port allocated sales tax revenue for the City of Richland.

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Mr. Arntzen stated the City requested \$800,000 for Columbia Park Trail, however, the Port has a number of large projects in the works, such as Vista Field Phase I. Mr. Arntzen discussed with Ms. Reents and Mr. Rogalsky if the City would be amiable to \$600,000, with an option of an additional \$200,000 once the Port has more information on the 2019-2020 budget. Mr. Arntzen inquired if the Commission would like staff to pursue the potential project further.

Mr. Novakovich asked when the last time the Port partnered with the City of Richland.

Mr. Arntzen stated in June of 2015, the Port and City entered into an Interlocal Agreement for Construction of the Badger Mountain Trailhead parking lot, which alleviated the parking issue around the neighborhood.

Mr. Novakovich confirmed with Mr. Rogalsky that the City is only asking for financial assistance and would not involve additional staff resources.

Mr. Rogalsky stated the City would not be requiring a commitment from staff, but would welcome participation in review of the design concept and public process. The City is fully prepared to execute the project without a dedicated burden to Port staff.

Mr. Arntzen stated the City will be the lead entity on the project and stated it would be prudent for Port staff to be involved in the public outreach, however, he does not believe it would require additional staff resources. Mr. Arntzen will continue to work with City staff on additional details for the Columbia Park Trail project.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Northwest Seaport Alliance (Exhibit 1)*

Mr. Arntzen presented a draft letter to the Northwest Seaport Alliance (NWSA) and appropriate partners, for Commission review. The draft letter addresses the proposed rail project in north Richland and the need for further community discussion and an Environmental Impact Statement (EIS).

Mr. Novakovich stated the letter is well written and dovetails with the City of Kennewick's letter concerning the rail.

Mr. Moak stated there are several questions that need to be answered and an EIS would provide information and help clarify the proposal. Additionally, an EIS would outline any community benefits or negative impacts of the proposal.

Mr. Barnes concurs with Mr. Moak and stated an EIS would provide additional information to all parties concerned. Mr. Barnes appreciated the suggestion of performing an EIS prior to pilot runs being conducted.

It is the consensus of the Commission to sign the letter addressed to the Northwest Seaport Alliance and appropriate partners.

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B. Vista Field Update

Mr. Peterson presented the Vista Field Draft Master Plan, which represents the concepts and ideas from the 2014 Charrette. Over the last three years, the concepts and ideas have been refined and modified as necessary. Mr. Peterson stated Port staff has worked closely with the City of Kennewick staff on the Draft Master Plan and introduced Marie Mosley, City Manager to discuss the City's role in the Draft Master Plan.

Marie Mosley introduced City staff in attendance; Deputy Fire Chief Neil Hines, Fire Captain, Joe Terpenning, Public Works Director, Carey Roe, City Attorney, Lisa Beaton and Community Planning Director, Greg McCormick. Ms. Mosley stated City and Port staff have been working very hard on the Draft Master Plan and the City is looking forward to the possible adoption of the Master Plan and is excited to move to develop Vista Field.

Mr. Novakovich thanked the City for attending and voiced his appreciation for the partnership with the City of Kennewick.

1. Draft Master Plan

Mr. Peterson shared the evolving plan for Vista Field and touched on the elements that will define the redevelopment.

Mr. Roe stated Vista Field is an exciting project and the City is thrilled to be a part of the redevelopment. Port and City staff have been meeting regularly to discuss redevelopment documents related to Vista Field over the past three years, but have been meeting more intensely over the past four months to iron out all the details of the Draft Master Plan. Ms. Mosley and Mr. Arntzen set a goal for staff to have all the pieces for Vista Field put together and approved by end of year. Staff reviewed schedules and processes and put together a solid plan to meet that goal. Mr. Roe stated there are several major pieces related to Vista Field redevelopment that need to be addressed: the Master Plan, the Comprehensive Plan Amendment, Zoning changes and the Developers Agreement.

Ms. Beaton stated the Developers Agreement lays out the regulations for the development of Vista Field, including the Urban Mixed Use (UMU) zoning, and street standards. At the time of execution and Council approval, from that date forward, for a ten year period, the Port is vested to those elements for Vista Field, regardless of what the City may alter. Ms. Beaton stated the Developers Agreement outlines provisions for modifying the agreement, if both parties are open to revisiting the document. The process would remain the same and require a Public Hearing with the Planning Commission and formal Adoption by City Council. The Amendment process is in the City Code which will allow the Port flexibility for the ten year period.

Mr. Roe stated the Port hired Parametrix to work on the Transportation Study Impact Evaluation (TSIE) and involved City staff early on in the process. The City was able to participate with Parametrix on the scoping, and throughout the process and had an opportunity to weigh in prior to final study. In May of 2016, Parametrix completed the TSIE and City and Port staff gave a joint presentation to City Council. Mr. Roe touched

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on the impacts to Columbia Center Boulevard, Grandridge Boulevard, Deschutes Avenue, Edison and Kellogg Street. The Port and City negotiated a cost share for each intersection which would need to be improved due to the redevelopment of Vista Field. The City is currently reevaluating their Transportation System Plan (TSP) and the Traffic Impact Fee (TIF). Mr. Roe believes there will be a TIF zone that will be inclusive to Vista Field area, known as the entertainment district area. The TIF allocates money collected from the Vista Field zone, for projects that fall within the specific zone.

Mr. Roe stated the City recently completed a Water System Plan update in 2016 and reviewed the fire flow demands for the area. Mr. Roe indicated the zone is not strong as it should be. The City has reviewed several elements of the zone and to complete the necessary improvements, the cost is estimated at \$850,000 to \$1,000,000, however, the City will cap the Port's share to 20% and/or \$200,000. Mr. Roe stated the upgrade will benefit the Port and City as a whole and will need to be done concurrent to Phase 1 infrastructure.

Mr. Roe stated the City evaluated the Sewer System Comprehensive Plan in 2015 and indicated the sewer system will be able to accommodate Vista Field.

Mr. Roe reported the Storm Water infiltration system will be placed outside the curb, versus in the road bed, curb to curb, as previously done. The infiltration system will be placed in the planters strip, under the sidewalk or behind the sidewalk, in a more linear fashion.

Deputy Fire Marshal Joe Terpenning stated when reviewing a plan, the Fire Department always considers the City Council's goal of responding to an emergency within four minutes. Mr. Terpenning stated the main concern of the Department was if the ability to get to the location and extinguish a fire or answer emergency service call would be affected. Mr. Terpenning worked with staff and consultants to come up with ideas that will mitigate the concerns and follow fire code. Mr. Terpenning stated a few of the sharper corners will be softened to allow for the fire trucks to maneuver through the Vista Field site.

Mr. Moak inquired how many corners have been adjusted.

Mr. Peterson stated approximately 12 to 13 locations were softened and indicated that this is a typical requirement and was done at Orenco Station. The Port did not give up space to make these alterations and stated it gives the Fire Department the radius that they require.

Mr. McCormick outlined the City's proposed schedule:

- October 2, 2017: City Planning Commission Workshop to discuss Master Plan and Developer's Agreement;
- November 6, 2017: City Planning Commission will hold a Public Hearing to consider and potentially recommend to the City Council, approval of the City's Comprehensive Plan Amendment, the zoning changes for Urban Mixed Use zoning (UMU), and the Vista Field Master Plan and Developer's Agreement;

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- November 14, 2017: City Council Workshop to discuss the details of the Comprehensive Plan Amendment, the zoning changes for Urban Mixed Use zoning (UMU), and the Vista Field Master Plan and Developer's Agreement;
- December 5, 2017: City Council will hold a Public Hearing to potentially amend the City's Comprehensive Plan, establish the UMU zoning and approve the Vista Field Master Plan and Developer's Agreement.

Mr. Novakovich appreciated the update by City staff and thanked them for all of their work and stated this is a tremendous step towards the development.

Mr. Moak inquired if the Public Hearing addressing the UMU Zoning for the Bridge to Bridge will require additional discussion for Vista Field.

Mr. McCormick stated the UMU zoning will be in place prior to action at Vista Field and through the Vista Field implementation, staff will change the map of Vista Field to reflect the UMU zoning.

Mr. Moak has worked with the City's Planning Department over the last 30 years, and voiced his appreciation for their patience in dealing with these changes and other issues related to the Bridge to Bridge area and thanked them for their assistance.

Mr. Novakovich stated a lot had to happen between the Port and City to get to this point and move the development forward and thanked Port and City staff for their efforts.

Mr. Peterson stated following the Commission's review of the Draft Master Plan and Developers Agreement, the Port will hold a formal Public Hearing at the October 24, 2017 Commission Meeting to consider amending the Port's 2016 Comprehensive Scheme and adopting the Vista Field Master Plan and Developers Agreement.

Mr. Arntzen thanked Ms. Mosley and stated this has been a very long and detailed process. Mr. Arntzen appreciates the fact that Ms. Mosley put a lot of her staff on the Vista Field project and stated City staff helped make the Master Plan happen. Mr. Arntzen has worked with Ms. Mosley on a number of detailed projects and indicated that her efforts are typical of the leadership she brings to the City and it is a pleasure to work with her and City staff. Mr. Arntzen thanked City staff for their efforts in moving the Vista Field plan forward.

Ms. Mosley appreciates Mr. Arntzen's comments and stated the Port and City have an amazing partnership. This is an example of Port and City staff getting together and diving into the project and making it work. Ms. Mosley echoed Mr. Peterson's comments and stated the project is better than it was two years ago, because the Port and City were able to come together and work through the plan. It has been a pleasure to work with Mr. Arntzen and the City looks forward to moving forward.

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Mr. Barnes stated the Port made decision to close Vista Field in 2013 and until that time there was no concentrated development ever envisioned for this area. Mr. Barnes believes it is a reasonable amount of time that Port and City staff took, to address any potential issues and not rush through the plans, but to do it right, not right now. Mr. Barnes stated it was imperative to take the time for our consultants and staff to work through important details, such as fire, safety, and traffic to ensure that any and all issues were addressed correctly. Mr. Barnes appreciates the collaborative work effort of the Port and City staff and stated it is exciting to be at this point where tangible changes are in the near future.

Mr. Peterson stated the Port website has been updated with all of the Vista Field Master Plan documents and appendices and an email will go out this week to the Vista Field email distribution list with the appropriate links.

Mr. Arntzen requested to discuss Item Seven, 3: Kennewick Public Facilities District, Proposition 17-4, Related to the Link Entertainment Center now, to accommodate City staff schedules.

2. Kennewick Public Facilities District, Proposition 17-4, Related to the Link Entertainment Center

a. Public Comments For or Against Proposition 17-4

Mr. Arntzen stated last year the Port released a statement regarding the Kennewick Public Facilities District (KPF) proposal for The Link. Mr. Arntzen stated before the Commission is a statement to bring improvements to the entertainment district. Mr. Arntzen and Ms. Mosley drafted a statement which outlines the benefits of the proposal being proposed by KPF, and how those improvements would dovetail with the Port's Vista Field project. Mr. Arntzen asked Ms. Luke to address the procedural and legal requirements regarding a statement.

Ms. Luke stated if the Commission wishes to move forward with the statement, staff has taken the appropriate steps necessary and advertised the Proposition 17-4, as if the Commission were taking a for or against stance. Ms. Luke stated the next step would be to provide the public the opportunity to express support or lack thereof for the ballot measure.

Mr. Novakovich inquired when he would need to call for public comment.

Ms. Luke indicated after the Commission has reviewed the statement and if the Commission chooses to move forward and vote for or against the statement, then Mr. Novakovich can call for public comment.

Mr. Arntzen requested the statement to be read into the record, and indicated comments should be directed to the statement. Ms. Luke concurred.

Ms. Scott read the following statement (*Exhibit 2*) into the record:

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The Port of Kennewick is planning to develop the former Vista Field Airport as a mixed-use community, consistent with input received through an extensive public outreach process. Successful efforts will require many community partners. Development elements will include:

- *A variety of streets, from thoroughfares to small, pedestrian-friendly lanes;*
- *A variety of local shops and businesses;*
- *Multiple types of housing, including units with storefront below and owner's living space above; and*
- *Public amenities such as a central plaza, water feature, entertainment venues and green space.*

Separate from the Port's development of Vista Field, the Kennewick Public Facilities District, associated with the City of Kennewick, is requesting voters consider a 2/10% sales tax increase to fund a 110,000 square foot multi-purpose entertainment center in Kennewick WA, including a 2,300-seat theatre and entertainment stage, renovations to the Toyota Center, and an expansion of the Three Rivers Convention Center.

The Port Commission supports this project and believes that performing arts and other public facilities can be a catalyst to bring vibrancy and energy to the Port's Vista Field redevelopment efforts.

Commissioner Novakovich opened the Public Hearing at 3:28 p.m. and invited the public to make comments.

PUBLIC COMMENT FOR OR AGAINST PROPOSITION 17-4; RELATED TO THE LINK ENTERTAINMENT CENTER

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick resides in Richland and is unable to vote for or against Proposition 17-4, however, he believes the KPFDD is not advertising properly. Mr. Burdick understands the reason behind Proposition 17-4 is because the Three Rivers Convention Center is too small for larger conventions, which would bring in people from outside the area and create economic development. Rather than address the need for larger convention space, the KPFDD has been advertising the proposition as an entertainment district, with a link to the Toyota Center and a performing arts facility. Mr. Burdick believes the advertising has had an adverse effect and is creating public opposition and stated he has seen statements such as a "fringe benefit" and "not for the average citizen," related to the Link.

Marie Mosley, 3806 West 47th Avenue, Kennewick. Ms. Mosley stated as a citizen of Kennewick, she listened to the statement before the Commission very carefully, and believes it is very clear that the Port is not asking the citizens to vote yes on Proposition 17-4. Ms. Mosley stated the Port's statement encourages the voters to voice their opinion on Proposition 17-4, much like the City of Kennewick's Resolution regarding Proposition 17-4. Ms. Mosley encouraged the Commission to support the statement, which states the Port supports the project. Ms. Mosley believes this project could be an impetus to the Vista Field development. Ms. Mosley hopes the Commission and Port supports the

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citizens making their own decision about implementation of a sales tax measure, which will expand the Three Rivers Convention Center, remodel the Toyota Center, and add an ice rink and performing arts theatre which links the Toyota Center to the Convention Center.

No further comments were made.

Mr. Novakovich reconvened the Regular Meeting at 3:31 p.m.

MOTION: Commissioner Moak moved for approval of the Port of Kennewick's statement related to 2017 Proposition 17-4, as read; Commissioner Barnes seconded.

Discussion:

Mr. Moak believes Proposition 17-4 is an opportunity where the KPF's improvement will improve the Port's Vista Field property. Mr. Moak stated this would be a substantial improvement to the neighborhood and will bring a significant amount of people to the general area, which will drive business to Vista Field. The success of this project, if it were to happen, would spill over to the success of our project and bring customers to Vista Field. Mr. Moak believes this is a good statement and supports it.

Mr. Barnes agrees with Mr. Moak's comments and agrees with the statement which states the expansion on the Three Rivers Campus will be a catalyst and help bring vibrancy and energy to the Vista Field redevelopment. Mr. Barnes stated the Port is trying to create a critical mass, something new, and he believe this project would help, if the voters were to approve the proposition. Mr. Barnes confirmed that the tax is 2/10% of 1% of sales tax. Mr. Barnes supports the statement.

Mr. Novakovich reiterated the motion is to support the statement, not ballot measure. The Port's approach is to use a pay as you go method for our project and the statement is beneficial to the community. He supports the statement.

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

3. Project Sequencing

a. Master Plan

Mr. Arntzen stated Port and City staff continue to work through processes for final City Council approval of the Vista Field Master Plan and Development Agreement. Following on the heels of the Master Plan and Development Agreement's possible approval, the next step is to focus on the construction documents for Phase 1A.

b. Construction Documents

Mr. Arntzen stated Parametrix is currently working on the construction plans for Phase 1A. Along with the construction plans, the Port will receive the cost estimates and begin researching the numbers, with the assistance of David Robison, Mr. Kooiker, Ms. Fine and Parametrix. Once staff is comfortable with the cost estimates, the next step is to work on the financing plan.

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c. Financial Plan, Initial Discussion

Mr. Arntzen stated when staff and the consultants determine a solid estimate for Phase 1A construction, staff can then delve into the financing plan. Mr. Arntzen stated the Commission allowed staff a reasonable amount of time to work on the Master Plan and inquired if the Commission would allow the same opportunity for the financing plan. Mr. Arntzen is confident the project is doable, if it is completed in stages without shortcuts. Mr. Arntzen stated although Mr. Kooiker has been working with a bank, they will eventually need to review the construction documents prior to a loan being disbursed. Mr. Arntzen asked the Commission if they would allow for a reasonable amount of time for staff to work on the financing strategy.

Mr. Barnes stated Mr. Arntzen comments seems to be consistent with the course the Port has held over the past four years. The Port has not taken shortcuts with the Master Plan and it is prudent to remain consistent and take the appropriate amount of time on the construction bid documents and financing plan.

Mr. Moak asked what is the appropriate time frame for the construction documents and financing plan.

Mr. Arntzen stated it is important for Port and City staff to focus on the Master Plan and Development Agreement for the remaining part of 2017. Mr. Arntzen would like to deliver the draft construction documents to the City for review in early January 2018. Mr. Arntzen anticipates the City will need approximately 60 days to review the draft documents.

Mr. Moak concurs with Mr. Arntzen and stated it is important to submit the documents to the City and allow ample time for review. Based on today's comments from City staff, they are supportive of the Vista Field redevelopment, however, he believes it is imperative that the Port does not pre-suppose the City's approval of the Master Plan.

Mr. Arntzen concurs with Mr. Moak and stated recently Mr. Moak asked if it would be prudent to invite the community to a small event that gives them the opportunity to review the Master Plan.

Mr. Novakovich stated once the Master Plan is approved, celebrating the approval is a good idea. Mr. Novakovich believes showing the community what the Port intends to build will promote excitement and shows progress being made at Vista Field. Mr. Novakovich stated the Port needs to continue to do things right, not right now, and we should consider that for every step we take.

Mr. Arntzen believes the Port may have \$5,000,000, however, Phase 1A could exceed that amount. Mr. Arntzen has spoken with Ms. Mosley and Benton County Administrator, David Sparks, to discuss potential use of the Rural County Capital Funds, but no decisions or commitments have been made. Mr. Arntzen stated the Southridge property is being marketed for sale, and the funds will be utilized for Vista Field. During

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the Charrette, the public stated that Vista Field should be a “pay as you go” development with no taxes and the Commission has directed staff to implement that process for Vista Field.

4. Benton County Letter regarding Fence (Exhibit 3)

Mr. Arntzen stated Vista Field is surrounded by a chain link fence and as the development efforts take place, the Port would like to make sections of the fence available to Benton County. Fred Bowen, Public Services Administrator for Benton County has indicated that Benton County would be able to use the fencing for the Benton County Fairgrounds. Mr. Arntzen confirmed with the finance department that the Port can offer the fence to the County for use at the fairground, which is located in the Port District. Mr. Arntzen stated once the Port removes the fencing, it becomes a liability, and if it can be an asset for another community partner, we would like to make it available to them. Mr. Arntzen drafted a letter and inquired if the Commission had any questions.

Mr. Moak inquired if offering the fence could be seen as a gifting of public funds.

Mr. Arntzen has met with the finance department and they indicated this would not be considered a gifting of public funds.

Ms. Fine stated the Port would have disposal costs and Benton County is another public agency so it would not appear as a gift of public funds.

Mr. Moak inquired if the Port and Benton County would need to enter into an Interlocal Agreement.

Mr. Arntzen believes this could be an informal agreement and to the best of his understanding the Port can legally offer the fencing to Benton County.

Mr. Moak believes this is a good partnership with the Benton County Fairgrounds, which resides in the Port District.

It is the consensus of the Commission to approve the letter to Benton County, regarding Vista Field fencing. (*Exhibit 3*)

RECESS

Mr. Novakovich recessed the meeting 3:56 p.m. for 9 minutes and will reconvene at approximately 4:05p.m.

Mr. Novakovich reconvened the meeting at 4:07 p.m.

C. CEO Evaluation Process

Ms. Luke reported that she, Ms. Fine and Mr. Kooiker have been working on the CEO Evaluation performance evaluation process. The Commission has expressed the desire to update and streamline the evaluation processes and make them more efficient. Ms. Luke presented the

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proposed framework and asked for Commission input and determine if staff is on track. Ms. Luke stated the CEO performance evaluation process has been an annual process generally conducted between September and November of each year. The timing and evaluation form previously used is set forth in the CEO's employment agreement. During the 2016 evaluation process, the Commission expressed that they would like to improve the process. Ms. Luke stated the recent trend is that companies are phasing out yearly reviews in favor of continuous performance management. This method increases communication and interaction and results in heightened productivity. Mr. Arntzen began implementing this trend with his weekly meetings with the Commissioners, where he shares information and receives feedback from each Commissioner. Additionally, Mr. Arntzen has regular meetings with staff and encourages training and personal development opportunities. Ms. Luke outlined the recommendations for the updated CEO evaluation process:

- Port Commission appoints a committee to handle the CEO evaluation process (CFO, Port Attorney and one Commissioner);
- Commission will set a new general policy for the Committee regarding the CEO's evaluation process;
- Commission will set a general policy for the committee regarding setting goals and objectives for the CEO;
- Committee will set specific procedures for the evaluation process;
- Committee will present to the Commission at least annually the results of the evaluation;
- Commission will review the results and determine whether to adopt the committee's recommendation regarding the results.

The Commission will retain control over the evaluation process CEO's goals and objectives and handle any CEO performance issues that come up in between the evaluation processes. Ms. Luke asked the Commission for their feedback and stated if the recommendations are accepted, staff could implement the processes for 2017.

Mr. Moak stated he is willing to try a new process and stated if this process is not successful, he would like the option to revert back to the old process or try something new.

Mr. Barnes stated it is gratifying to hear that the Port has implemented some of the performance management trends with the weekly CEO/Commissioner meetings. Mr. Barnes finds these meetings an excellent way to come up to speed and welcomes the opportunity to try out the recommendations outlined by Ms. Luke.

Mr. Arntzen stated the CEO/Commissioner meetings were proposed by Mr. Barnes when he became a new Commissioner and have worked very well.

Mr. Novakovich asked Ms. Luke to send the recommendations to the Commission.

Ms. Luke will send the framework of the recommendations to the Commission and bring back the necessary pieces to the policy for Commission review and potential approval.

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Mr. Moak stated if Ms. Luke believes the processes can be in place for the 2017 CEO evaluation, he is ready to move forward.

Ms. Luke believes the processes can be implemented for 2017 if the Commission approves the policy.

D. Columbia Drive

Mr. Peterson presented slides from Columbia Gardens.

1. Duffy's Pond Master Planning

Mr. Arntzen stated the Port does not have a Master Plan related to Duffy's Pond, however, there have been several conversations related to the area. Mr. Arntzen stated when you visit the seating areas of Columbia Gardens, one can view the pond. During the hot summer weather, the eastern portion of the pond can become riddled with blue/green algae. Ms. Bader Inglima has worked successfully with the United States Army Corps of Engineers (USACE) to have them remove their equipment from their storage area, which was visible from the wineries. Mr. Arntzen stated Ms. Bader Inglima would like to continue working with Lieutenant Coronel Damon Delarosa on removing the fence as well. Mr. Arntzen has spoken with City staff about potential options for the fenced area and Duffy's Pond and if they would be able to assist the Port in this endeavor. Mr. Arntzen believes there are some opportunities for a good solution, however, there will be no quick fixes. Mr. Arntzen inquired if the Commission had any thoughts regarding Duffy's Pond.

Mr. Novakovich stated the Port and City have made a tremendous investment in this area and Duffy's Pond is in the center. Mr. Novakovich believes the Port should be proactive and protect the investment, but is concerned if we have the available resources and manpower to address Duffy's Pond. If we have the resources, it would be beneficial to address it now and see what USACE will allow the Port to do.

Mr. Arntzen stated the project would not be assigned to a specific staff member, Ms. Bader Inglima and myself will work on some pieces, and Ms. Hanchette will continue to address the maintenance. However, the Port does not have any available funding for Duffy's Pond and Mr. Arntzen would like to focus on the funding and determine what cleanup may cost. Mr. Arntzen stated there is no easy solution, however, if the Commission wanted to further research, a consultant could be brought in to prepare a feasibility report.

Ms. Bader Inglima has been working with USACE for ten years to remove the laydown yard and feels time is of the essence to remove the fence. Ms. Bader Inglima worked with Lieutenant Coronel Damon Delarosa to remove the laydown materials and would like to complete the project before he relocates to a new district. Ms. Bader Inglima would like to help USACE relocate their fence and look at plans for the area once it is available. Ms. Bader Inglima stated there is not a budget or a plan, however, the Port has an opportunity that has presented itself that we were not aware of when the 2017-2018 Budget was set. Ms. Bader Inglima stated USACE would like the Port to come up with a plan for what we would like to do in that area and then present the plan to USACE, which could be implemented in phases.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 26, 2017 MINUTES

DRAFT

Mr. Moak stated the Port is developing a first class wine village and if the experience is not first class, then we will not attract visitors to the area. Mr. Moak stated we will need to factor in the cost to remedy the area and build it into the budget. Mr. Moak is in favor of investing time and effort into making Duffy's Pond better.

Mr. Barnes agrees and stated the Port is trying to revitalize the waterfront and cannot forget about Duffy's Pond. Mr. Barnes stated if staff has the time and appropriate resources, then the Port should invest effort into Duffy's Pond.

Ms. Bader Inglima stated the time is right to pursue revitalization to Duffy's Pond.

E. Facilities Update

Ms. Hanchette reported that fall cleanup is underway for Operations and staff will be working on preparing the landscaping for winterization, which includes turning off the water to irrigation and the marina. Because of the erratic weather, Operations has been tackling the weed issue and enlisted the assistance of a third work crew for a short period of time to get caught up on projects. Ms. Hanchette stated the City of Kennewick leases land from USACE in Duffy's Pond and Port requested access to Duffy's Pond, to continue the vegetation maintenance. Ms. Hanchette stated the Port will clean up the weeds along The Willows to the Wine Village.

Ms. Hanchette stated Operations is working on smaller projects, including maintenance of the artwork and repairing the lighthouse plaza wall where stones fallen off.

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

Commissioners reported on their respective committee meetings.

G. Non Scheduled Items

1. Mr. Moak stated there were a few visual artists who attended the recent Arts Center Task Force Open House, and inquired if there were opportunities for artist housing at Vista Field. Mr. Moak overheard someone respond "no, an artist would never be able to afford Vista Field." Mr. Moak stated the Commission previously discussed that Vista Field would be available to all incomes, and reviewed artist housings and potential financing possibilities. Mr. Moak stated when the Master Plan is approved, there is a need to further discuss how the Port will fulfill the vision of all income level housing.

Mr. Arntzen has had monthly discussions with Lona Hammer, Executive Director of the Kennewick Housing Authority on housing options at Vista Field. Recently, Mr. Arntzen and Mr. Novakovich attended the International Economic Development Council webinar regarding affordable housing and economic development issue, which discussed creative ways to incorporate all income housing. Mr. Arntzen stated the Draft Master Plan addresses housing on page 44 and it is on our active to do list.

2. Mr. Novakovich has nomination forms available for the Kennewick Man and Woman of the Year. Nominations close on December 30, 2017 and the award banquet is scheduled for February 26, 2018.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 26, 2017 MINUTES

DRAFT

3. Ms. Bader Inglima reported the Fall Newsletter will be available in the *Tri-City Herald* on October 10, 2017 and in *The Tri-Cities Journal of Business* on October 15, 2017.
4. Mr. Arntzen recently made a presentation to the Kennewick Irrigation Board of Directors (KID) and stated there were a number of people in attendance. Jim Holmes, a new member on the KID Board and former board member of the Red Mountain AVA Alliance, stated the Commission is ahead of the curve on Columbia Gardens and indicated that it is very difficult for new businesses to start up in the wine industry and believes the buildings and treatment facility will be a tremendous asset to the small businesses and thanked the Commission for their investment.

Mr. Arntzen recently visited Canal Flats, British Columbia, which is the head waters of the Columbia River. Mr. Arntzen met a couple and talked about what the Port was doing at Vista Field and New Urbanism. Mr. Arntzen received an email from the Economic Development Officer, asking for further information to assist the small town. Mr. Arntzen would like to offer the Port's resources to the small city as we did with the Port of Ridgefield.

Mr. Novakovich believes that is a great idea.

Mr. Arntzen stated they also discussed the idea of maker space for the arts and inquired if Barb Carter would be able to meet with them as well.

Ms. Carter recently visited two different maker space facilities in Columbus, Ohio and stated the neighborhood used to be ridden with crime and the artists are turning around the area.

5. Ms. Luke and her husband visited Columbia Gardens and The Gathering Place and he was amazed by the redevelopment in the area. Her husband commended the Commission and staff on all the work that has been completed on Columbia Drive and Clover Island and stated it is an astounding turn around.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick followed up on Mr. Moak's comments regarding artist housing and indicated that artists also need studio space/dirty space. Mr. Burdick had a conversation with a local artist and inquired why the artist doesn't go to downtown Kennewick, and he was told the space was too expensive. Mr. Burdick stated the Port has three hangars available and maybe there is a potential for studio space there.

Barb Carter, 3121 West 30th Avenue, Kennewick. Ms. Carter stated Mr. Burdick is correct and one of the hangars would be a great space for artists, where the Port does not have to make additional improvements. It would be a tremendous opportunity for artists and a way to utilize one of the buildings and make a statement for that end of Vista Field, with the Vista Arts Center anchoring the other end of the development.

No comments were made.

PORT OF KENNEWICK REGULAR COMMISSION MEETING

SEPTEMBER 26, 2017 MINUTES

DRAFT

COMMISSIONER COMMENTS

No comments were made.

Mr. Arntzen stated in April, Lizz Plater-Zyberk of DPZ, Partners, recommended one of the hangars could be used for a civic space. Mr. Arntzen stated the third hangar could work for an artist's space if the Commission was interested in that concept.

Mr. Moak stated we need to figure out the purpose of the third hangar and as Ms. Carter mentioned, if it is used for art space, there will be less rehab on the building. Mr. Moak stated the Commission could mull over the idea and determine if the demand is appropriate for that space.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 5:03 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Skip Novakovich, President

Thomas Moak, Vice President

Don Barnes, Secretary



PORTofKENNEWICK

COMMISSIONERS | DON BARNES | THOMAS MOAK | SKIP NOVAKOVICH

September 26, 2017

Mr. Mike Reilly
Northwest Seaport Alliance
P.O. Box 2985
Tacoma, Washington 98401-9808

Mr. Zach Ratkai
City of Richland
505 Swift Blvd.
Richland, WA 99352

Ms. Diahann Howard
Port of Benton
3250 Port of Benton Blvd.
Richland, WA 99354

Mr. Roger Wright, P.E.
RGW Enterprises, PC
3250 Port of Benton Blvd.
Richland, WA 99354

Dennis Kylo
Commodities Plus
427 W 1st Ave
Spokane, WA 99201

Dear Colleagues:

A proposal recently surfaced related to rail transport of agricultural products from north Richland, through our community and ultimately into the Puget Sound area. The Port of Kennewick Commission appreciates the information provided by the project sponsors indicating that the proposal could bring positive economic impacts to our community. However, the information also indicates that our community may experience some potentially adverse impacts as well.

We realize that this proposal is in its early stages. As a result, many of the potential positive and negative impacts have not been formally identified or evaluated. The community at large, as well as the sponsors, have acknowledged the benefit of further study through preparation of an environmental impact statement (EIS) and economic study.

September 26, 2017

Page 2

The port commission, as a community partner, requests that the project sponsors conduct the necessary studies, including an EIS and economic review. For the Port of Kennewick, it would provide us with greater knowledge and understanding that would allow us to more credibly support or oppose the project. We also suggest that the studies be performed prior to conducting "pilot" runs.

Thank you for the opportunity to comment.

Sincerely,

PORT OF KENNEWICK
BOARD OF COMMISSIONERS



Skip Novakovich
President



Thomas Moak
Vice President



Don Barnes
Secretary

Port of Kennewick Statement Related to the Link Entertainment Center

2017 Ballot Measure Proposition 17-4

The Port of Kennewick is planning to develop the former Vista Field Airport as a mixed-use community, consistent with input received through an extensive public outreach process. Successful efforts will require many community partners. Development elements will include:

- A variety of streets, from thoroughfares to small, pedestrian-friendly lanes;
- A variety of local shops and businesses;
- Multiple types of housing, including units with storefront below and owner's living space above; and
- Public amenities such as a central plaza, water features, entertainment venues and green space.

Separate from the Port's development of Vista Field, the Kennewick Public Facilities District, associated with the City of Kennewick, is requesting voters consider a 2/10% sales tax increase to fund a 110,000 square foot multi-purpose entertainment center in Kennewick, WA, including a 2,300-seat theatre and entertainment stage, renovations to the Toyota Center, and an expansion of the Three Rivers Convention Center.

The Port Commission supports this project and believes that performing arts and other public facilities can be a catalyst to bring vibrancy and energy to the Port's Vista Field redevelopment efforts.



PORTofKENNEWICK

COMMISSIONERS | DON BARNES | THOMAS MOAK | SKIP NOVAKOVICH

September 26, 2017

Mr. Fred Bowen
Benton County Commissioner's Office
Public Services Administrator
P.O. Box 190
Prosser, WA 99350

RE: Vista Field Fencing

Mr. Bowen,

The Port of Kennewick is hopeful that the Master Plan and Developer's Agreement for Vista Field will be approved by the City of Kennewick by the end of this year. This is a very exciting time for us as the redevelopment of the property is dependent upon approval of these documents.

We are taking a phased approach, and our first efforts will involve infrastructure to open up approximately 20 acres for redevelopment.

As the development of Vista Field takes place, we will remove the perimeter fencing in sections and make it available to Benton County for use at the Benton Franklin Fairgrounds.

We appreciate the partnership formed between our jurisdictions and look forward to future potential development opportunities with the County.

Respectfully,

Tim Arntzen
Chief Executive Officer



AGENDA REPORT

TO: Port Commission

FROM: Lucinda Luke, Port Counsel

MEETING DATE: October 10, 2017

AGENDA ITEM: CEO Evaluation Process

- I. REFERENCE(S):** Resolution 2017-16 and Commission Policy; attached.
- II. FISCAL IMPACT:** Revenue neutral to the Port.
- III. DISCUSSION:** The CEO performance evaluation process has been an annual process generally conducted between September and November 15 of each year. The timing and evaluation form previously used is set forth in the CEO's employment agreement. During last year's evaluation and during the past few months, the Commission expressed that they would like to update the current CEO performance evaluation process so that it is more efficient and effective.
- IV. RECOMMENDATION:** After careful review of current evaluation process, current national trends in employee evaluation processes, and options for improving the efficiency and effectiveness of the current process used by the Port, the following evaluation policy and process is recommended:
 - The Port Commission shall appoint a CEO Evaluation Committee made up of the Port's Chief Financial Officer, Port Attorney, and one Commissioner to serve a 4-year term
 - The Committee will develop the CEO's goals and objectives for Port Commission review and approval
 - The goals and objectives developed by the Committee shall be specific, measurable, attainable, realistic, timely and in alignment with the Port's mission, budget, work plan, and comprehensive scheme of development
 - The Committee will develop a procedure for evaluating the CEO's performance
 - Annually, the CEO Evaluation Committee will conduct CEO's performance evaluation

- Annually, the Committee will present the results of its evaluation of the CEO's performance to the Port Commission for review and approval
- Such results may include, among other things, recommendation for salary adjustment in accordance with CEO's employment agreement
- The Committee may use assistance from other staff members or consultants as necessary and appropriate
- The Port Commission shall address CEO performance issues as they arise by timely referring them to the CEO Evaluation Committee. The CEO Evaluation Committee will develop a procedure for handling performance issues that may arise between annual evaluations

V. The Port Commission will retain control of the process, as follows:

- Commission will retain control over the Committee
- Commission will retain control over the evaluation
- Commission will retain control over the CEO's goals and objectives
- Commission will retain control over handling any CEO performance issues that come up in between evaluation processes

VI. **ACTION REQUESTED OF COMMISSION:**

***Motion:** I move approval of Resolution 2017-16 adopting a revised Section 15 of the Port Commission Rules of Policy and Procedure covering the Chief Executive Officer Evaluation process. We further appoint the Port's Chief Financial Officer, Port Attorney, and _____ to the CEO Evaluation Committee.*

PORT OF KENNEWICK

Resolution No. 2017-16

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK
APPROVING A REVISED SECTION 15 OF THE PORT COMMISSION RULES OF POLICY AND
PROCEDURE COVERING THE CHIEF EXECUTIVE OFFICER EVALUATION PROCESS**

WHEREAS, the Port Commission conducts an annual evaluation of the Port's Chief Executive Officer's performance pursuant to a form currently identified in the CEO's employment agreement; and

WHEREAS, the Port Commission and CEO have determined that the policy and procedure for the Chief Executive Officer's performance evaluation should be updated to be more efficient and effective, and consistent with current trends.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick adopts the attached revised Section 15.0 of the Port Commission Rules of Policy and Procedure; and instructs the CEO Evaluation Committee hereafter appointed by the Commission to take all action necessary to implement such Policy and Procedure.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of October, 2017.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: _____
SKIP NOVAKOVICH, President

By: _____
THOMAS MOAK, Vice President

By: _____
DON BARNES, Secretary

	PORT OF KENNEWICK	
	Port Commission Rules of Policy and Procedure	
	CHIEF EXECUTIVE OFFICER EVALUATION	Section 15.0
	Adopted by the Commission on October 10, 2017 Resolution 2017-16	Replaces Section 15, adopted February 22, 2011

15. CEO EVALUATION

15.1 CEO Evaluation Committee

- 15.1.1 The Port Commission shall appoint a CEO Evaluation Committee made up of the Port's Chief Financial Officer, Port Attorney, and one Commissioner to serve a 4-year term.
- 15.1.2 The CEO Evaluation Committee will develop the CEO's goals and objectives for Port Commission review and approval. The goals and objectives developed by the Committee shall be specific, measurable, attainable, realistic, timely and in alignment with the Port's mission, budget, work plan, and comprehensive scheme of development.
- 15.1.3 The CEO Evaluation Committee will develop a procedure for evaluating the CEO's performance.
- 15.1.4 On an annual basis, the CEO Evaluation Committee will conduct CEO's performance evaluation.
- 15.1.5 On an annual basis, the CEO Evaluation Committee will present the results of its evaluation of the CEO's performance to the Port Commission for review and approval. Such results may include, among other things, recommendation for salary adjustment in accordance with CEO's employment agreement.
- 15.1.5 The CEO Evaluation Committee may use assistance from other staff members or consultants as necessary and appropriate.
- 15.1.6 The Port Commission shall address CEO performance issues as they arise by timely referring them to the CEO Evaluation Committee. The CEO Evaluation Committee will develop a procedure for handling performance issues that may arise between annual evaluations.



AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Operations & Real Estate

MEETING DATE: October 10, 2017

AGENDA ITEM: Resolution 2017-14; to approve a 5-Year Lease with (1) 5 Year Option with Bartholomew Winery

I. REFERENCE(S): Resolution 2017-14 and Lease Agreement

II. FISCAL IMPACT: Operational income of \$156,222.40 over a five year lease.

III. DISCUSSION: The newly constructed Columbia Gardens Wine Village will be home to two highly acclaimed wineries one of which is Bartholomew Winery. In the spring of 2016, the Port began the application and selection process for future wine village tenants through aggressive advertising campaigns and thoughtful evaluation of applicants by a committee comprised of port representation, City of Kennewick representation and wine industry expertise.

Bart and Chona Fawbush of Bartholomew Winery have moved their family from western Washington to the Tri-Cities and in the next few weeks, upon commission approval of their lease, will move their wine production facilities as well.

Key parameters of the negotiated lease are:

- Lease 4,016 square feet for tasting room and winery production, case goods storage and related administration;
- Location 421 E. Columbia Drive Building B;
- A five (5) year lease with one (1) five year lease renewal option;
- Tenant responsible for separately metered electricity, water, natural gas, industrial waste water (effluent);
- Commission approved rates through Resolution 2015-15;
- Year 1 - Monthly rent for the premises is \$2,610.40 plus leasehold tax;
- Incremental increase November 1st each year;
- According to Port of Kennewick Policies and Procedures, POK-CEO-DOA, 1.2.1, adopted by Resolution 2015-29; *Leases in which the term of the lease, including any renewal options, exceeds five years shall be submitted to the Commission for approval.*

IV. STAFF RECOMMENDATION:

Approve the five (5) year lease with one (1) 5 year option as negotiated, effective November 1, 2017.

V. ACTION REQUESTED OF COMMISSION:

***Motion:** I move approval of Resolution 2017-14 approving a five (5) year lease with one (1) five year option to Bartholomew Winery and authorizing the Chief Executive Officer to execute the contract.*

PORT OF KENNEWICK

Resolution No. 2015-15

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK ESTABLISHING THE LEASE RATES FOR
THE COLUMBIA GARDENS WINE DEVELOPMENT BUILDINGS, PHASE I***

WHEREAS, as the Columbia Gardens wine development buildings proceed to construction and effluent waste disposal decisions have been resolved, establishing lease rates for new tenants becomes the next important step in marketing the development to future businesses; and

WHEREAS, the Columbia Gardens Wine Village will be a one-of-a-kind waterfront destination in Kennewick where boutique wine producers will have the opportunity to access city sewer services for the disposal of wine effluent without incurring costly infrastructure expenses; and

WHEREAS, Phase I of the Columbia Gardens Wine Village will consist of three buildings; and

WHEREAS, an analysis was performed of the nearby industrial and commercial spaces for lease, including Commercial space on Columbia Drive, industrial space at the Oak Street Industrial Park and the Port of Walla Walla Wine Incubator buildings; and

WHEREAS, there are few comparisons that can be made to a new and unique construction project such as the Columbia Gardens Wine Village.

NOW THEREFORE, BE IT RESOLVED that the Port of Kennewick Commission does hereby establish initial lease rates for the Phase I Columbia Gardens development buildings at a blended lease rate range \$.65 - \$.75 per square foot per month, and instructs the Executive Director to aggressively market the Columbia Gardens wine development buildings.

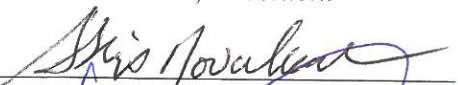
ADOPTED by the Board of Commissioners of Port of Kennewick on the 14th day of July 2015.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**


By:


DON BARNES, *President*

By:


SKIP NOVAKOVICH, *Vice President*

By:


THOMAS MOAK, *Secretary*

PORT OF KENNEWICK

Resolution No. 2017-14

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A FIVE YEAR LEASE AGREEMENT WITH OPTION TO RENEW FOR BARTHOLOMEW WINERY

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

WHEREAS, a five (5) year lease with one (1) five year option to renew with Bartholomew Winery effective November 1, 2017, has been negotiated by Port staff; and

WHEREAS, the Port Commission has called a regularly scheduled public meeting with notice of such meeting given as provided by law and such public meeting was held at such time and on said date; and

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

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

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves a five (5) year lease with one (1) five year option to renew with Bartholomew Winery as presented and authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of October 2017.

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

By: _____
SKIP NOVAKOVICH, President

By: _____
THOMAS MOAK, Vice President

By: _____
DON BARNES, Secretary

COMMERCIAL PROPERTY LEASE AGREEMENT

**BETWEEN
PORT OF KENNEWICK,
LANDLORD**

AND

**Bartholomew Winery Inc.,
TENANT**

COLUMBIA DRIVE

WINE VILLAGE

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**PORT OF KENNEWICK LEASE AGREEMENT
(Commercial Property)**

Landlord hereby leases to Tenant and Tenant hereby leases and accepts from Landlord the premises hereinafter described on the terms and conditions set forth in this Lease Agreement, hereinafter called "this **Lease**".

BASIC LEASE PROVISIONS

The following Basic Lease Provisions are hereby incorporated herewith as part of this Lease:

- A. Lease Date: November 1, 2017.
- B. Landlord: Port of Kennewick,
a Washington municipal corporation
- C. Tenant: Bartholomew Winery.
- D. Premises: The Premises shall mean the real property located at 421 E. Columbia Drive Building B, Kennewick, as described on Exhibit "A" attached hereto and incorporated herein by reference, and any improvements located thereon.
- E. Permitted Use: Working Winery (production, tasting room, case goods storage and related administration/offices). See Exhibit "A".
- F. Term: Commencing on the Lease Commencement Date and terminating on the Expiration Date. See Article 3 regarding option to renew.
- G. Lease Commencement Date: The date which is the earlier of (a) November 1, 2017 and (b) the date Tenant begins using the Premises for any reason.
- H. Expiration Date: October 31, 2022
- I. Lease Option: One (1) - Five (5) year option to extend lease.
- J. Total Square Feet Leased: Building B – 4,016 sq. ft.
- K. Base Monthly Rent Calculation: Year 1: \$0.65 psf
Year 2: \$0.66 psf
Year 3: \$0.67 psf
Year 4: \$0.68 psf
Year 5: \$0.69 psf
- L. Base Monthly Rent (not including LET): Year 1: \$2,610.40
Year 2: \$2,650.56
Year 3: \$2,690.72
Year 4: \$2,730.88
Year 5: \$2,771.04

M. Leasehold Tax (LET): Current Washington State Leasehold Tax shall be added to Base Rent. Current effective rate is 12.84%.

N. **Total Monthly Rent (includes LET):**

<u>Year 1:</u>	
November 2017	\$335.18
December 2017	\$ 335.18
January 2018	\$ 335.18
February 2018	\$ 335.18
March – Nov 2018	\$2,945.58
 <u>Year 2: \$2,990.92</u>	
<u>Year 3: \$3,036.21</u>	
<u>Year 4: \$3,081.52</u>	
<u>Year 5: \$3,126.84</u>	

O. Monthly Utilities: See Article 7 of Lease.

P. Rent Due Date: Rent shall commence on March 1, 2018 and be due thereafter on the first day of each month. From November 1, 2017 through February 28, 2018, Tenant shall be responsible for payment of Utilities as set forth in Article 7, and Leasehold Tax, if any, as set forth in Paragraph M, above.

Q. Financial Security: Check all that apply:

☒ \$2,945.58 deposit;

☐ Corporate surety bond;

☒ Personal Guaranty as set forth in Exhibit B;

☐ Other financial security: (Describe) _____

R. Landlord's Address for Notices and Rent Payments:

Port of Kennewick
350 Clover Island Drive, Suite 200
Kennewick, WA 99336

S. Tenant's Address for Notices:

Bartholomew Winery Inc.
421 E. Columbia Drive Bldg B
Kennewick, WA 99336
Bart Fawbush – Email: bartholomewwinery@gmail.com
(206) 755-5296

T. Exhibits:

Exhibit "A" Legal Description of Premises
Exhibit "B" Personal Guaranty Form
Exhibit "C" Signage Policy
Exhibit "D" Shared Parking Agreement

ARTICLE 1 PREMISES

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord the Premises, which Premises are more particularly described in the Basic Lease provisions above.

ARTICLE 2 USE OF PREMISES

Tenant shall occupy and use the Premises for such uses as described in the Basic Lease provisions above. Tenant may not use the Premises for any other business purpose except as may be authorized in writing by Landlord at Landlord's sole discretion. No smoking shall be allowed within any portion of the Premises and within twenty-five (25) feet of all entryways.

Tenant shall be open to the public no less than Thursday – Sunday, 12:00 p.m. – 5:00 p.m.

Landlord shall give Tenant and its authorized representatives, the nonexclusive and reasonable right to use the Common Areas in Tenant's ordinary course of business, provided however, that such use is consistent with the purposes of the Common Areas. The term "Common Areas" means areas and facilities outside the Premises that are provided for the general use and convenience of Tenant and of other Tenants and their respective authorized representatives, guests, and invitees. Common Areas include, without limitation, landscaped areas, public seating areas, patios, lobbies and hallways, sidewalks, loading areas, parking areas, service corridors and restrooms. Tenant shall not store any items or objects in Common Areas except as authorized in writing by Landlord.

Tenant shall not create, maintain nor permit on the Premises any nuisance and shall, at Tenant's expense, at all time keep the Premises in an orderly, clean, sanitary and safe condition.

ARTICLE 3 TERM

The Term hereof shall commence on the Lease Commencement Date defined in the Basic Lease Provisions and shall terminate on the Expiration Date defined in the Basic Lease Provisions, unless earlier terminated.

Tenant shall have the option to renew this Lease for one five (5) year extension term, but only if Tenant gives Landlord written notice thereof not less than ninety (90) days prior to the Expiration Date. If Tenant timely exercises this option, then the Lease shall continue in effect on the same terms and conditions, provided, however that a new rental rate will be negotiated for the renewal period based on the then current market rental rates for comparable facilities and there shall be no further renewal options. Tenant's right to the renewal term shall be contingent upon Tenant not being in default hereunder at the time of notice of intent is given or at any time thereafter prior to the beginning of the renewal term.

ARTICLE 4 RENT

Tenant shall pay to Landlord the Total Monthly Rent and all other assessment, charges, and fees as provided in the Basic Lease Provisions, this **Article 4**, and as otherwise set forth in this Lease, at the Landlord's address set forth in the Basic Lease Provisions.

(a) Late Fee.

If any sums payable by Tenant to Landlord under this Lease are not received by the fifteenth (15th) day of the month in which they are due, Tenant shall pay Landlord an additional amount for the cost of collecting and handling such late payment as a late fee in an amount equal to the greater of (i) Fifty Dollars (\$50.00), or (ii) five percent (5%) of the overdue amount.

(b) Interest.

In addition to any applicable late fees, 12% APR interest (1% per month), shall be applied to the total unpaid balances calculated from the original due date to the date of payment.

(c) Non-Sufficient Funds (NSF).

If a Tenant check is returned by the bank for any reason, Tenant shall pay a NSF fee of Fifty Dollars (\$50) for administrative costs related to collecting and handling such returned check. The Tenant shall also pay any associated bank fees charged to the Port related to the returned check. Landlord may require, at Landlord's sole discretion that Tenant's future payments be made by cash, cashier's check or money order.

Landlord and Tenant hereby agree that these charges represent a fair and reasonable estimate of what the Landlord might incur by reason of Tenant's late or NSF payment. These fees are due and payable with the current rent payment. Landlord's acceptance of any late charge, interest or NSF fee shall not be deemed an extension of the date rent is due or prevent Landlord from exercising any other rights or remedies under this Lease.

The Landlord reserves the right to revise its policy regarding late payment, interest and NSF check charges without notice to Tenant.

ARTICLE 5 FINANCIAL SECURITY

In compliance with the requirements of the state law, Tenant agrees that it will secure the performance of the rental portion of this Lease by providing a Personal Guaranty in the form as set forth in Exhibit "B" and one or more of the following: 1) a deposit in the amount set forth in the Basic Lease Provisions, or 2) procuring and maintaining, during the term of this Lease, a corporate surety bond ("Bond"), or 3) by providing other financial security satisfactory to Landlord.

The Bond shall be in a form and issued by a surety company acceptable to Landlord and shall comply with the requirements of Washington law. Tenant shall obtain such Bond and forward evidence thereof to Landlord within fourteen (14) days of execution of this Lease, but in no event later than the Lease Commencement Date. Failure to comply with this requirement shall be grounds for immediate termination of this Lease without notice by Landlord. Such Bond shall be kept in effect during the term of this Lease; failure to comply with this requirement shall render Tenant in default. The Bond shall be increased to reflect any increases in Rent.

Upon any default by Tenant of its obligations under this Lease, Landlord may retain any Financial Security provided by Tenant and/or collect on the Bond to offset the Tenant's liability to Landlord. Collection on the Bond shall not relieve Tenant of liability, shall not limit any of Landlord's other remedies, and shall not reinstate or cure the default or prevent termination of the Lease because of the default.

ARTICLE 6 TAXES & ASSESSMENTS

6.1 Property Taxes.

Landlord will pay property tax on Premise's real property and any building or structure that is permanently attached to the real property.

6.2 Personal Property Taxes

Tenant shall pay when due all license fees, public charges, taxes and assessments on the Tenant-owned trade fixtures, furniture, other fixtures, equipment, inventory and all other personal property of or being used by Tenant in the Premises, whether or not owned by Tenant.

6.3 Additional Taxes/Assessments; Leasehold Excise Tax (LET)

Tenant shall also pay: (a) all special taxes and assessments (including irrigation assessments) or license fees now or hereafter levied, assessed or imposed by law or ordinance, by reason of Tenant's use of the Premises; (b) all business and occupation tax and any tax, assessment, levy or charge assessed on the Rent paid under this Lease; (c) the statutory leasehold excise tax imposed in connection with the Rent due hereunder or otherwise due as a consequence of this Lease; and (d) any excise, transaction, sales, privilege, or other tax (other than net income and/or estate taxes) now or in the future imposed by the city, county, state or any other government or governmental agency upon Landlord and attributable to or measured by the Rent or other charges or prorations payable by Tenant pursuant to this Lease.

ARTICLE 7 UTILITIES

Tenant shall be solely responsible to Landlord for the payment of all assessments, charges and/or fees pertaining to the Premises, including but not limited to, water assessments, charges for public utilities, license and permit fees which may, during the Lease Term, be assessed, levied, charged, confirmed or imposed i) on the Premises or any part thereof, ii) on improvements now or hereafter comprising a part thereof, and iii) on the use or occupancy of the Premises. Tenant shall pay all such assessments, charges and/or fees to Landlord when due.

B. Tenant shall be solely responsible for payment of all separately metered electrical, gas, wine effluent, and water/sewer assessments charged to the Premises. Tenant shall pay all such charges directly to utility provider when due. Tenant shall be solely responsible for all such separately metered assessments which may, during the Lease Term, be assessed, levied, charged, confirmed or imposed i) on the Premises or any part thereof, ii) on improvements now or hereafter comprising a part thereof, and iii) on the use or occupancy of the Premises. Tenant shall pay all such assessments, charges and/or fees when due. Landlord to be responsible for common area garbage container service.

BUILDING B:

Electricity Meters Assigned to Tenant: TBD

Water Meters Assigned to Tenant: TBD

Natural Gas Meters Assigned to Tenant: TBD

Interruptions: There shall be no abatement of rent and Landlord shall not be liable for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Landlord's reasonable control or in cooperation with governmental request or directions.

**ARTICLE 8
INSURANCE AND BONDING**

8.1 Insurance

Tenant, at its own expense, shall provide and keep in force all insurance deemed appropriate for the purposes that the Premises are to be used and with companies reasonably acceptable to Landlord, including but not limited to the following:

(a) Commercial General Liability Insurance

Commercial General Liability (CGL) insurance for the benefit of Landlord and Tenant jointly against liability for bodily injury and property damage for a combined single limit of not less than One Million Dollars (\$1,000,000) for any one occurrence for this location, including coverage for contractual liability and personal injury, with a \$2,000,000 aggregate limit; Landlord reserves the right to require higher liability limits and/or to change insurance requirements at any time during the term of the lease with thirty (30) days' notice to Tenant.

(b) Statutory Workers' Compensation

Statutory Workers' Compensation, including at least \$250,000 Employer's Contingent Liability (Stop Gap) coverage in Tenant's commercial general liability insurance;

(c) Automobile Liability Insurance

Automobile Liability Insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000, including all owned, non-owned and hired vehicles and covering claims for damages because of bodily injury or death of any person

or property damage arising out of ownership, maintenance or use of any motor vehicle;
and

(d) Property Insurance

Property insurance covering all leasehold improvements to the Premises, furniture, fixtures, equipment, inventory and other personal property located on the Premises (and, at Landlord's election, on all buildings and other improvements now or hereafter existing at the Premises) in an amount of not less than one hundred percent (100%) insurable replacement value minimum co-insurance of 80%, "Special Form—Causes of Loss", with Flood Insurance if Landlord reasonably deems such insurance to be necessary or desirable, and replacement cost coverage to protect against loss of owned or rented equipment and tools brought onto or used at the Property by Tenant.

8.2 Requirements

The foregoing insurance requirements shall be placed with an insurance company or companies admitted to do business in the State of Washington and shall have an A.M. Best's rating of A-/ or better. Tenant shall furnish Landlord with a copy of the certificate of such policies before the Commencement Date of this Lease and, upon request by Landlord, shall provide proof satisfactory to Landlord that all such policies are in full force and effect. Tenant's liability insurance policies shall list Landlord as an additional insured and Tenant's property insurance policies shall reflect Landlord as a loss-payee as its interests may appear, and all of Tenant's insurance policies shall be primary and non-contributing with any insurance carried by Landlord. Such policies shall not be cancelable or materially altered without forty-five (45) days' prior written notice to Landlord. In addition, the policies shall provide for ten (10) days' written notice to Landlord in the event of cancellation for non-payment of premium. Tenant's failure to deliver the policies or certificates to Landlord as required above shall constitute an event of default pursuant to Article 24 hereof.

8.3 Mutual Waiver of Subrogation

Each party hereby waives, and each party shall cause their respective property insurance policy or policies to include a waiver of such carrier's entire right of recovery (i.e., subrogation) against the other party, and the officers, directors, agents, representatives, employees, successors and assigns of the other party, for all claims which are covered or would be covered by the property insurance required to be carried hereunder or which is actually carried by the waiving party.

8.4 Destruction or Condemnation.

8.4.1 Damage and Repair. If the Premises are partially damaged but not rendered untenable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and this Lease shall not terminate. The Premises shall not be deemed untenable if less than twenty-five percent (25%) of the Premises are damaged. Landlord shall have no obligation to restore the Premises if insurance proceeds are not available to pay the entire cost of such restoration. If insurance proceeds are available to Landlord but are not sufficient to pay the entire cost of restoring the Premises, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

If the Premises are entirely destroyed, or partially damaged and rendered untenable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises to their previous condition. If, within 60 days after receipt by Landlord from Tenant

of written notice that Tenant deems the Premises untenable, Landlord fails to notify Tenant of its election to restore the Premises, or if Landlord is unable to restore the Premises within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease.

If Landlord restores the Premises under this Article 8.4.1, Landlord shall proceed with reasonable diligence to complete the work, and the base monthly rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a rent abatement only if the damage or destruction of the Premises did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's officers, contractors, licensees, subtenants, agents, servants, employees, guests, invitees or visitors. Provided, Landlord complies with its obligations under this Article, no damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises. Landlord will not carry insurance of any kind for the protection of Tenant or any improvements paid for by Tenant or on Tenant's furniture or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same unless the damage is caused by Landlord's negligence or willful misconduct.

8.4.2 If the Premises are made untenable by eminent domain, or conveyed under a threat of condemnation, this Lease shall automatically terminate as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises and all Rents and other payments shall be paid to that date. In case of taking of a part of the Premises that does not render the Premises untenable, then this Lease shall continue in full force and effect and the base monthly rental shall be equitably reduced based on the proportion by which the floor area of any structures is reduced, such reduction in Rent to be effective as of the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses or damages resulting from interruption in its business, provided that in no event shall Tenant's claim reduce Landlord's award.

8.5 Bonding

Within one year from the Lease Commencement Date, Tenant shall obtain the required federal and/or state Alcohol and Tobacco Tax and Trade Bureau bonding. A copy of said bond shall be provided to Landlord. If Tenant cannot obtain a bond within said time period, regardless of the reason, this Lease shall terminate on December 31, 2018.

ARTICLE 9 ACCEPTANCE AND CARE OF PREMISES

Tenant has inspected the Premises and accepts the Premises "AS IS" in its present condition and acknowledges that Landlord is not responsible to provide, and has made no representations or warranties that it will provide, any improvements to the Premises whatsoever, except as set forth in Article 10, Alterations and Improvements, below. Tenant shall, at its sole cost, keep the Premises in as good working order, cleanliness, repair, and condition, as that which existed at the Lease Commencement Date. In the event that Tenant fails to comply with the obligations set forth in this Article 9, Landlord may, but shall not be obligated to, perform any such obligation on behalf of, and for the account of Tenant, and Tenant shall reimburse Landlord for all costs and expenses paid or incurred on behalf of Tenant in connection with performing the obligations set forth herein. Tenant expressly waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

ARTICLE 10
ALTERATIONS AND IMPROVEMENTS

Tenant shall not make any alterations, additions, renovations or improvements to the Premises without first obtaining the written consent of Landlord. All alterations, additions, renovations and improvements made shall be at the sole cost and expense of Tenant and shall become a part of the real property and belong to Landlord and shall remain in and be surrendered with the Premises as a part thereof at the termination of this Lease. Tenant further agrees to indemnify, defend, and hold Landlord harmless from, and against, any and all damages, injuries, losses, liens, costs or expenses (including attorneys' fees) incurred, claimed or arising out of said work.

ARTICLE 11
ACCIDENTS AND INDEMNIFICATION

Tenant shall indemnify Landlord and hold it harmless from and against, and shall defend with counsel acceptable to Landlord, any and all suits, actions, damages, claims, liability, and expense in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at or from the Premises, or the occupancy or use by Tenant of the Premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, invitees, licensees, or concessionaires; provided that Tenant shall not be liable to Landlord to the extent such damages, liability, claims or expenses are caused by or result from the negligence or intentional misconduct of Landlord.

Tenant hereby expressly waives claims against Landlord, and Landlord shall not be responsible or liable at any time, for any loss or damage to Tenant's personal property or to Tenant's business, including any loss or damage to either the person or property of Tenant that may be occasioned by or through the acts or omissions of persons occupying adjacent, connecting, or adjoining property, unless and only to the extent due to Landlord's gross negligence or intentional misconduct, and in no event shall Landlord be liable for Tenant's consequential damages. Tenant shall use and enjoy the Premises and improvements at its own risk, and hereby releases Landlord, to the full extent permitted by law and except as expressly provided above, from all claims of every kind resulting in loss of life, personal or bodily injury, or property damage.

Solely for the purpose of effectuating the indemnification obligations under this Lease, and not for the benefit of any third parties (including but not limited to employees of Tenant), Tenant specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW. Furthermore, the indemnification obligations under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts. Tenant shall cause Contractors and their subcontractors and material suppliers to execute similar waivers of industrial insurance immunity. The parties, by their execution hereof, acknowledge that the foregoing provisions of this Article 11 have been specifically and mutually negotiated between the parties.

ARTICLE 12
COMPLIANCE WITH LAWS

Tenant shall comply fully at its sole expense with all federal and state laws and local or city ordinances (including all applicable zoning ordinances) now or hereafter in force with respect to the Premises and Tenant's activities therein. Tenant warrants and represents to Landlord that Tenant shall use the Premises only for lawful purposes.

ARTICLE 13 MAINTENANCE

Tenant shall keep the premises in a neat, clean, and sanitary condition at all times. Tenant shall keep all improvements to the Premises in good condition.

13.1 Janitorial: Tenant will provide janitorial service inside the Premises, restrooms and window washing on inside of windows. Landlord will provide janitorial service for common area restrooms, entry, hallways and exterior window washing. Tenant shall maintain any food preparation and/or service area in compliance with all local, state, and federal regulations. Tenant shall keep the Premises and any shared areas in neat, orderly, and sanitary condition to include the control/prevention of rodents, insects and pests.

13.2 Landscaping and Common Areas: Landlord, at its cost, will provide landscaping care and common area repairs and maintenance. Tenant shall maintain any landscaping pots and planters placed on or in the Premises by Tenant.

13.3 Other Maintenance and Repairs: Landlord will maintain exterior of building (except for overhead and/or sliding doors, if any), roof, foundation, and electrical (except for lightbulbs and light fixture ballasts), heating and plumbing, in a good state of repair. Tenant shall pay the reasonable cost of repairs of all damage caused by Tenant, its agents, servants, employees, or invitees within ten (10) days of receipt of an invoice stating the repairs performed and the cost thereof. Tenant shall be responsible for all minor plumbing repairs and maintenance including but not limited to plumbing line blockages and minor leaks. Tenant shall be responsible to replace all light bulbs and light fixture ballasts located in Tenant's leased space. Tenant shall be responsible for the maintenance and repair of all overhead and/or sliding doors located in Tenant's Premises. Landlord shall be responsible for testing and maintaining any Landlord-owned interior fire systems, smoke detectors, fire extinguishers and alarm systems.

13.4 HVAC: HVAC and all mechanical systems shall be in satisfactory operating condition and will be maintained by Landlord during the term of the Lease.

13.5 EQUIPMENT: Landlord shall allow Tenant the use of one (1) portable hot water pressure washing system to be used during term of Lease. Tenant shall be responsible for any and all repairs and maintenance to equipment. Tenant shall leave such equipment in good working condition at the end of the Lease term. Make: HotCart3 Aaquatools Portable Hot Water Generator with tankless water heaters, Aaquablaster LT container cleaning head 4 nozzle and Aaquablaster 360 container cleaning head.

ARTICLE 14 LANDLORD'S ACCESS

Landlord shall have the right to inspect the Premises at all reasonable times and enter the same for purposes of cleaning, repairing, inspecting, altering, exhibiting, or improving the Premises, but nothing contained in this Lease shall be construed so as to impose any obligation on Landlord to make any repairs, alterations or improvements not otherwise expressly set forth elsewhere herein.

The Landlord reserves the right to grant easements and other land uses on the Premises to others when the easement or other land uses will not unduly interfere with the use of the Premises by Tenant.

ARTICLE 15 SIGNS AND ADVERTISING

Tenant shall not inscribe, post, place, or in any manner display any sign, notice, picture, poster or any advertising matter whatsoever anywhere in or about the Premises, without first obtaining Landlord's written consent thereto. Professional sign drawings to be approved prior to installation. See Exhibit "C", Standard Sign Criteria.

ARTICLE 16 WASTE AND UNLAWFUL USE

Tenant shall not commit or suffer any waste upon the Premises, or make or suffer any nuisance, undue or unseemly noise, or otherwise, and will not do or permit to be done in or about the Premises anything which is illegal, unlawful, or dangerous, or which will increase Landlord's insurance rates upon the Premises.

ARTICLE 17 SUCCESSORS

All the covenants, agreements, terms and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors, marital communities and assigns. Any assignment or subletting of the Premises or any interest in this Lease shall not relieve Tenant of primary responsibility for the performance of the terms and payment of the sums to be paid by Tenant hereunder.

ARTICLE 18 HAZARDOUS MATERIALS

Tenant shall not dispose of or otherwise allow the release of any hazardous waste or materials in, on, or under the Premises, or any adjacent property. Tenant represents and warrants to Landlord that Tenant's intended use of the Premises does not involve the use, production, or disposal of any hazardous waste or materials. As used herein, "**hazardous waste or materials**" includes any substance, waste or material defined or designated as hazardous, toxic or dangerous (or any similar term) by any federal, state, or local statute, regulation, rule or ordinance now or hereafter in effect. In the event Tenant brings or uses hazardous waste or materials on the Premises in violation of this **Article 18**, Tenant shall, at its sole cost, properly dispose of all such hazardous waste or materials. Tenant shall be responsible for complying with all federal, state and local laws and regulations in regard to the handling of and disposing of hazardous waste or materials, and agrees to indemnify, defend, and hold Landlord harmless from and against all losses, costs, and expenses (including but not limited to site cleanup, investigation, and remediation costs and attorney's fees and costs related thereto) arising from a breach by Tenant of its obligations under this **Article 18**.

ARTICLE 19 ASSIGNMENT AND SUBLETTING

Tenant shall not transfer, dispose, assign, mortgage, or hypothecate this Lease, in whole or in part, or permit the use of the Premises by any person or persons other than Tenant, or sublet the Premises, or any part thereof (any of which, a "**Transfer**") without the prior written consent of Landlord in each instance, which may be given, withheld, or conditioned in Landlord's sole discretion. In no event shall

Tenant be released or relieved of any liability hereunder due to any Transfer whether or not consented to by Landlord.

Landlord shall have the right to transfer, dispose, assign, mortgage, or hypothecate this Lease, in whole or in part without the prior written consent of the Tenant. See also Landlord rights to terminate this Lease as set forth in **Article 23** below.

ARTICLE 20 SURRENDER OF POSSESSION

20.1 Surrender

At the expiration of the tenancy created hereunder, whether by lapse of time or otherwise, Tenant shall surrender the Premises in substantially the as good condition or better as they were at the Lease Commencement Date, and shall remove all of its personal property, furniture, non-permanent fixtures installed by or for Tenant, Tenant's equipment, and all cabling and wiring installed by or for Tenant. Tenant's obligations shall include the transfer or cancellation of all Washington State Liquor Control Board licenses associated with the Premises, repair of any damage occasioned by the installation, maintenance or removal of Tenant's personal property, furniture, non-permanent fixtures installed by or for Tenant, and Tenant's equipment.

20.2 Removal of Property

In the event of any entry in, or taking possession of, the Premises or upon the termination of this Lease, Landlord shall have the right, but not the obligation, to remove from the Premises all personal property remaining on the Premises, and may store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of the Tenant thereof, with the right to sell such stored property, as per applicable statutory requirements. The proceeds of such sale shall be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof, with the balance, if any, to be paid to Tenant.

20.3 Holding Over

If Tenant fails to surrender the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises after the termination or expiration shall be that of a tenancy at sufferance. Tenant's occupancy of the Premises during the holdover shall be subject to all the terms and provisions of this Lease and Tenant shall pay an amount due on the first of each month of the holdover period, without reduction for partial months during the holdover, equal to 150% of the greater of: (1) the monthly Total Monthly Rent (including Leasehold Tax), and any other charge due, for the monthly period immediately preceding the holdover; or (2) the fair market value for gross monthly rental for the Premises as reasonably determined by Landlord. No holdover by Tenant or payment by Tenant after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. In addition to the payment of the amounts provided above, if Landlord is unable to deliver possession of the Premises to a new tenant, or to perform improvements for a new tenant, as a result of Tenant's holdover, Tenant shall be liable to Landlord for all damages, including, without limitation, consequential damages, that Landlord suffers from Tenant's holdover. Nothing herein shall be construed as Landlord's consent to such holding over. During the holdover Tenant shall remain responsible for payment of all utilities, taxes, and other assessments, charges and/or fees due under this Lease.

ARTICLE 21 NOTICES

All notices, requests and demands to be made hereunder shall be in writing at the address set forth in the Basic Lease Provisions, as applicable, by any of the following means: (a) personal service (including service by recognized overnight delivery/courier service, such as UPS or FEDEX); or (b) registered or certified first class mail, return receipt requested. Such addresses may be changed by written notice to the other party given in the same manner provided above. Any notice, request, or demand sent pursuant to clause (a) of this **Article 21** shall be deemed received upon such personal delivery or service (or the date of refusal, if personal service or delivery is refused), and if sent pursuant to clause (b), shall be deemed received three (3) days following deposit in the mails.

ARTICLE 22 LIENS AND ENCUMBRANCES

Tenant shall keep the Premises free and clear of any liens and encumbrances arising out of the use and occupancy of the Premises by Tenant. Should Tenant fail to discharge any lien of the nature described in this **Article 22** Landlord may, at Landlord's election, pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title and the cost thereof shall be immediately due from Tenant as rent under this Lease.

ARTICLE 23 LANDLORD'S TERMINATION RIGHT

Notwithstanding anything to the contrary elsewhere in the Lease, in the event that Landlord elects to use the Land and/or Premises for industrial development or other public or port-related purposes, Landlord shall have the right to terminate this Lease by providing sixty (60) days' written notice. If Landlord elects to terminate the Lease early as provided herein, the early termination date chosen by Landlord shall operate as if that date is the Expiration Date set forth in the Basic Lease Provisions. The parties recognize that the foregoing early termination right is important to Landlord and that any delay caused by the failure of Tenant to vacate the Premises pursuant to this **Article 23** when required can cause irreparable harm to the Landlord and future tenants. Therefore, Landlord and Tenant agree that time is of the essence of this **Article 23** and that if any dispute arises between Landlord and Tenant with respect to the provisions of this **Article 23**, any other provisions of this Lease notwithstanding, Tenant will vacate the Premises on or before the early termination date selected by Landlord, and Tenant shall be deemed to have waived any rights in law or equity to possession of the Premises.

In the event of the insolvency or bankruptcy of the Tenant, Landlord may, at Landlord's option, immediately take full possession of the premises to the exclusion of all persons. Exercising such option shall not alleviate Tenant's obligations under this Lease and Landlord shall have the right to seek all remedies set forth in this Lease.

ARTICLE 24 DEFAULT AND REMEDIES

24.1 Default

The occurrence of any one or more of the following events shall constitute a material breach and default of this Lease (each, an "**Event of Default**"):

- (a) Any failure by Tenant to pay Rent and Leasehold Tax when due, or any other assessment, charge and/or fee when due;
- (b) Any failure by Tenant to obtain and keep in full force and affect the insurance coverage(s) required hereunder to be carried by Tenant;
- (c) Any failure to immediately remedy an emergency condition that poses a significant risk of injury or damage;
- (d) Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease; or
- (e) Tenant bankruptcy

24.2 Remedies.

(a) Re-entry and Termination

Upon and during the continuance of an Event of Default, Landlord, in addition to any other remedies available to Landlord at law or in equity, at Landlord's option, may without further notice or demand of any kind to Tenant or any other person:

1. Declare the Lease Term ended and reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim to the Premises; or
2. Without declaring this Lease ended, reenter the Premises and occupy the whole or any part thereof for and on account of Tenant and collect any unpaid Rent, Leasehold Tax, and other charges, which have become payable, or which may thereafter become payable; or
3. Even though Landlord may have reentered the Premises, thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises.

(b) Express Termination Required

If Landlord re-enters the Premises under the provisions of this Article, Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay any Rent, Leasehold Tax, or other assessments, charges and/or fees thereafter accruing, or to have terminated Tenant's liability for damages under any of the provisions of this Lease, by any such re-entry or by any action, in unlawful detainer or otherwise, to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that Landlord had elected to terminate this Lease. Tenant further covenants that the service by Landlord of any notice pursuant to the unlawful detainer statutes of Washington State and surrender of possession pursuant to such notice shall not (unless Landlord elects to the contrary at the time of or at any time subsequent to the serving of such notices and such election is evidenced by a written notice to Tenant) be deemed to be a termination of this Lease.

(c) Retain any Financial Security provided by Tenant and/or collect on the Bond to offset the Tenant's liability to Landlord.

(d) Damages

If Landlord elects to terminate this Lease pursuant to the provisions of this Article, Landlord may recover from Tenant as damages, the following:

1. The worth at the time of award of any unpaid Rent, Leasehold Tax, and other assessments, charges and/or fees which had been earned at the time of such termination; plus
2. The worth at the time of award of the amount by which the unpaid Rent, Leasehold Tax, and other charges which would have been earned after termination until the time of award exceeds the amount of such loss Tenant proves could have been reasonably avoided; plus
3. The worth at the time of award of the amount by which the unpaid Rent, Leasehold Tax, and other assessments, charges and/or fees due for the balance of the Lease Term after the time of award exceeds the amount of such loss that Tenant proves could be reasonably avoided; plus
4. Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to any costs or expenses incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorneys' fees, (ii) maintaining or preserving the Premises after the occurrence of an Event of Default, (iii) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting, (iv) leasing commissions, and (v) any other costs necessary or appropriate to relet the Premises; plus
5. At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted by the laws of Washington State.

(e) Definitions

As used in **Paragraphs 24.2(d)1) and 24.2(d)2)** above, the "worth at the time of award" is computed by allowing interest at the rate of twelve percent (12%) per annum compounded monthly. As used in **Paragraph 24.2(d)3)** above, the "**worth at the time of award**" is computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of the Property at the time of award plus one (1) percentage point.

(f) No Waiver

The waiver by Landlord of any breach of any term, covenant or condition herein contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach of the same or any other term, covenant or condition of this Lease. The subsequent acceptance of Rent, Leasehold Tax, and other charges due hereunder shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular amount so accepted regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount. No covenant, term, or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver shall be in writing and signed by Landlord.

24.3 Interest

Any sum accruing to Landlord under the terms and provisions of this Lease which shall not be paid when due shall bear interest at the interest rate provided herein from the date the same becomes due and payable by the terms and provisions of this Lease until paid, unless otherwise specifically provided in this Lease. The interest rate which shall apply shall be the lesser of (i) twelve percent (12%) per annum (1% per month), or (ii) the highest rate allowed by applicable law.

ARTICLE 25 ATTORNEYS' FEES AND COSTS

If the Tenant requests an amendment to this Lease Agreement or other revision to the Landlord's standardized terms or forms, Tenant agrees that it shall pay the Landlord for all costs and legal fees incurred by the Landlord as the result of request.

If either party hereto shall file any action or bring any proceeding against the other party arising out of this Lease or for the declaration of any rights hereunder, the prevailing party therein shall be entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party as determined by the court. If either party ("secondary party") without its fault is made a party to litigation instituted by or against the other party (the "primary party"), the primary party shall pay to the secondary party all costs and expenses, including reasonable attorneys' fees, incurred by the secondary party in connection therewith.

ARTICLE 26 MISCELLANEOUS

26.1 Miscellaneous Provisions

The following miscellaneous provisions shall apply to this Lease:

- (a) Time is of the essence hereof.
- (b) If any portion of this Lease shall be deemed void, illegal or unenforceable, the balance of this Lease shall not be affected thereby.
- (c) This Lease shall be interpreted according to the laws of the State of Washington. The parties agree that the Superior Court of the State of Washington for Benton County shall have sole jurisdiction over any question, claim, loss or injury arising hereunder.
- (d) Tenant acknowledges that, except as expressly set forth in this Lease, that neither Landlord nor any other person has made any representation or warranty with respect to the Premises.
- (e) This Lease shall be binding upon the heirs, executors, administrators, successors, and assigns of both parties hereto, except as otherwise provided for herein;
- (f) Landlord does not by this Lease, in any way or for any purpose, become a partner or joint venturer of Tenant in the conduct of its business or otherwise.
- (g) The paragraph and section headings hereof are for convenience only and shall not be used to expand or interpret the meaning of any part of this Lease.
- (h) Landlord shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from so doing by cause or causes beyond Landlord's control,

including labor disputes, civil commotion, war, governmental regulations or controls, fire or other casualty, inability to obtain any material or service, or acts of God.

(i) This Lease and the Exhibits, Riders, and/or Addenda, if any, attached hereto, constitute the entire agreement between the parties. This Lease covers in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning this Lease and all preliminary negotiations, inducements, representations, and agreements of whatsoever kind or nature are merged herein, and there are not oral agreements or implied covenants. Both parties represent they have had the opportunity to seek legal counsel prior to signing this Lease. All Exhibits, Riders, or Addenda mentioned in this Lease are incorporated herein by reference. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both parties. The captions and section numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe, or describe the scope or intent of any section.


Tenant and Landlord hereby represent and warrant that they have not employed any broker with regard to this Lease and that they have no knowledge of any broker being instrumental in bringing about this Lease transaction. Each party shall indemnify the other against any expense as a result of any claim for brokerage or other commissions made by any broker, finder, or agent, whether or not meritorious, employed by them or claiming by, through or under them. Tenant acknowledges that Landlord shall not be liable for any representations of Landlord's leasing agent or other agents of Landlord regarding this Lease transaction except for the representations and covenants of Landlord expressly set forth in this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

PORT OF KENNEWICK

BARTHOLOMEW WINERY INC.

By: _____
Tim Arntzen, Chief Executive
Title: Officer

By:  _____
Title: Bart Fawbush, President

Reviewed:

Approved as to form:

By: _____
Title: Nick Kooiker, Port CFO

By: _____
Title: Lucinda Luke, Port Legal Counsel

STATE OF WASHINGTON

ss.

COUNTY OF _____

I certify that I know or have satisfactory evidence that Bart Fawbush is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the President of Bartholomew Winery, Inc. to be the free and voluntary act of such [corporation/limited liability company] for the uses and purposes mentioned in the instrument.

Dated this 4th day of October, 2017.



Kandy Yates

(Signature of Notary)

Kandy Yates

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington, residing at

Pasco, WA

My appointment expires November 1, 2018

STATE OF WASHINGTON

ss.

COUNTY OF BENTON

I certify that I know or have satisfactory evidence that Tim Arntzen is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Chief Executive Officer of Port of Kennewick, a municipal corporation, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 201__.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington, residing at _____

My appointment expires _____

EXHIBIT "A"

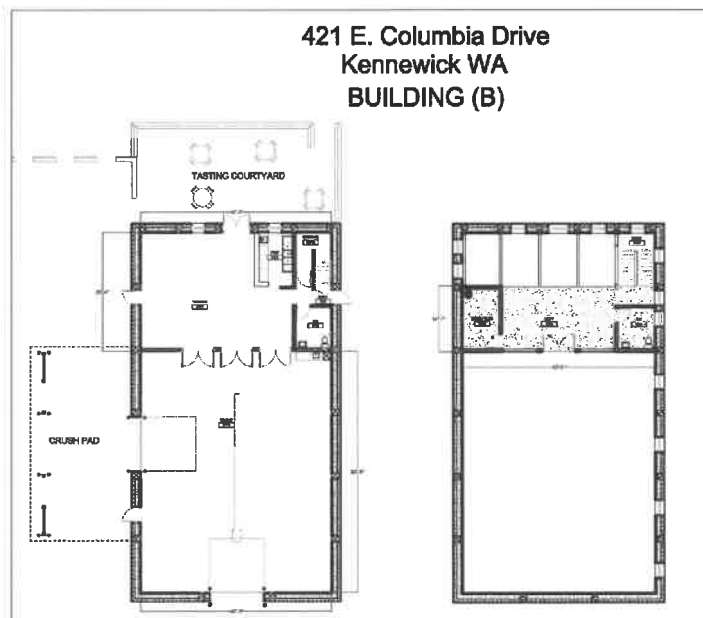
LEGAL DESCRIPTION

PTN: 131903030016002

SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST, QUARTER SW: THE WEST 90 FEET OF LOT 16 AND THE SOUTH 20 FEET OF THAT PORTION OF TRACT 7, LYING EAST OF THE NORTHERLY EXTENSION OF THE EAST LINE OF THE WEST 90 FEET OF SAID LOT 16, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92 RECORDS OF BENTON COUNTY, WASHINGTON

COMMONLY KNOWN AS:

421 E. Columbia Drive Building B, Kennewick, WA



Leasable Area:

Tasting Room - 1,117

Warehouse - 2,280

Loft - 619

Total 4,016 sq. ft.

EXHIBIT C

STANDARD SIGN CRITERIA

These sign specifications have been established for the purpose of assuring outstanding building and for the mutual benefit of all Tenants. Conformance will be strictly enforced and into conformance at the full expense of Tenant.

The Port of Kennewick Director of Planning and Development is to administer and interpret the sign specifications, but is not empowered to authorize any departure from such specifications.

All permits for signs and their installation shall be obtained by the Tenant or his representative. Tenant shall be responsible for all costs and expenses of signage, including but not limited to the construction and design thereof and of Landlord's approval, and the fulfillment of all requirements and specifications.

All signage shall be designed to harmonize with the color scheme and existing signage of the overall building project. Professional sign drawings to be approved by the Port prior to installation.

No sign cabinets (transformers) or exposed conduit permitted on exterior face of sign or building. No 'can' or 'box' signs will be permitted.

All signs installed on Building shall be subject to the approval of the Port of Kennewick, City of Kennewick, and other agencies with jurisdiction over such matters.

EXHIBIT D

SHARED PARKING

Joint use parking areas will be available for use on a first come, first served basis, by Tenant, Tenant's customers, Tenant's employees and vendors. Tenant acknowledges that all such shared parking will be available to members of the public, other tenants/property owners, other tenant/property owners' customers, tenant/property owners' employees and vendors, and for all other joint uses as Landlord shall determine in Landlord's sole discretion. The total number of parking spaces will be compliant with the City of Kennewick's Municipal Code requirements and the Landlord's Site Plan. Landlord's Site Plans showing joint use parking areas shown below. Tenant further acknowledges that Landlord intends to construct on or about March 1, 2018 a joint use parking area adjacent to the Premises. Landlord reserves the right to change timeline to construct or change scope of project without notice.

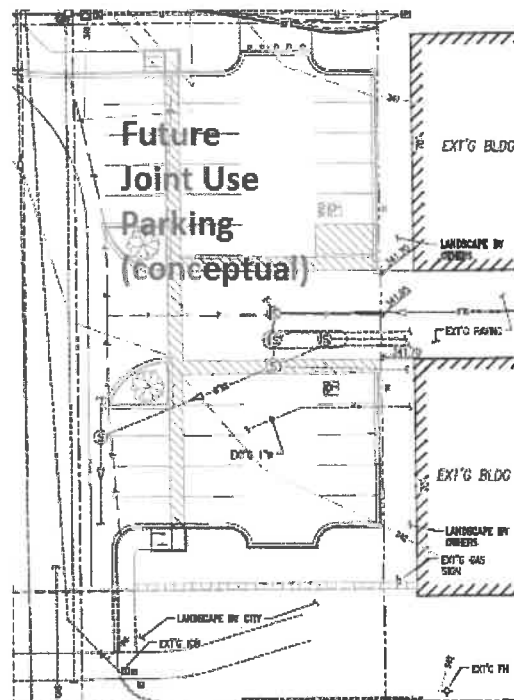
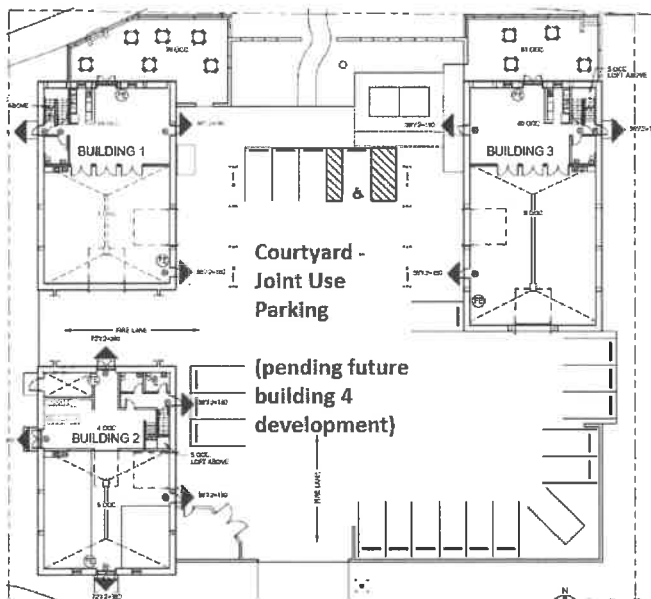


EXHIBIT B

PERSONAL GUARANTY TO THE PORT OF KENNEWICK

TO GUARANTEE PERFORMANCE OF LEASE

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, as personal guarantor, is firmly bound unto the Port of Kennewick, a municipal corporation, in the sum of all monthly rent, plus leasehold tax, and any other assessments, charges and/or fees due as per Lease Agreement dated November 1, 2017.

The conditions of this obligation are as follows:

WHEREAS, Bart & Chona Fawbush entered into a lease with the PORT OF KENNEWICK for land as described in Exhibit "A", located in Benton County, Washington, which Lease provides for the payment of monthly rent, leasehold tax, and other assessments, charges and/or fees; and

WHEREAS, the laws of the State of Washington require a bond to the Port District in accordance with the terms of RCW 53.08.085, for a minimum of one year's rent; and

WHEREAS, this guaranty incorporates the Lease hereinabove referred to;

NOW THEREFORE, the undersigned agrees that in place of such bond called for under RCW 53.08.085, he/she/they agree to be personally liable and guarantee the payment of all sums due from him/her/them to the Port of Kennewick.

DATED this 4th day of October, 2017.

GUARANTORS:


Name: Bart A Fawbush


Name: Chona O. Fawbush



AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Operations & Real Estate

MEETING DATE: October 10, 2017

AGENDA ITEM: Resolution 2017-15; to approve a 5-Year Lease with (1) 5 Year Option with Palencia Wine Co.

I. REFERENCE(S): Resolution 2017-15 and Lease Agreement

II. FISCAL IMPACT: Operational income of \$242,891.60 over a five year lease.

III. DISCUSSION: The newly constructed Columbia Gardens Wine Village will be home to two highly acclaimed wineries one of which is Palencia Wine Co. In the spring of 2016, the Port began the application and selection process for future wine village tenants through aggressive advertising campaigns and thoughtful evaluation of applicants by a committee comprised of port representation, City of Kennewick representation and wine industry expertise.

Victor Palencia, winemaker and owner of Palencia Wine Co. plans to make Columbia Gardens the headquarters for his award-winning La Monarcha and Palencia wines.

Key parameters of the negotiated lease are:

- Lease 6,244 square feet for tasting room and winery production, case goods storage and related administration;
- Location 421 E. Columbia Drive Building A110 & A140;
- A five (5) year lease with one (1) five year lease renewal option;
- Tenant responsible for separately metered electricity, water, natural gas, industrial waste water (effluent);
- Allowed to sublet space to Bartholomew Winery as needed;
- Commission approved rates through Resolution 2015-15;
- Year 1 - Monthly rent for the premises is \$4,058.60 plus leasehold tax;
- Incremental increase November 1st each year;
- According to Port of Kennewick Policies and Procedures, POK-CEO-DOA, 1.2.1, adopted by Resolution 2015-29; *Leases in which the term of the lease, including any renewal options, exceeds five years shall be submitted to the Commission for approval.*

IV. STAFF RECOMMENDATION:

Approve the five (5) year lease with one (1) 5 year option as negotiated, effective November 1, 2017.

V. ACTION REQUESTED OF COMMISSION:

***Motion:** I move approval of Resolution 2017-15 approving a five (5) year lease with one (1) five year option to Palencia Wine Company and authorizing the Chief Executive Officer to execute the contract.*

PORT OF KENNEWICK

Resolution No. 2017-15

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING A FIVE YEAR LEASE AGREEMENT WITH OPTION TO RENEW FOR PALENCIA WINE COMPANY

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

WHEREAS, a five (5) year lease with one (1) five year option to renew with Palencia Wine Company effective November 1, 2017, has been negotiated by Port staff; and

WHEREAS, the Port Commission has called a regularly scheduled public meeting with notice of such meeting given as provided by law and such public meeting was held at such time and on said date; and

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

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

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby approves a five (5) year lease with one (1) five year option to renew with Palencia Wine Co. as presented and authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of October 2017.

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

By: _____
SKIP NOVAKOVICH, President

By: _____
THOMAS MOAK, Vice President

By: _____
DON BARNES, Secretary

COMMERCIAL PROPERTY LEASE AGREEMENT

**BETWEEN
PORT OF KENNEWICK,
LANDLORD**

AND

**Palencia Wine Company, LLC,
TENANT**

COLUMBIA DRIVE

WINE VILLAGE

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**PORT OF KENNEWICK LEASE AGREEMENT
(Commercial Property)**

Landlord hereby leases to Tenant and Tenant hereby leases and accepts from Landlord the premises hereinafter described on the terms and conditions set forth in this Lease Agreement, hereinafter called "this **Lease**".

BASIC LEASE PROVISIONS

The following Basic Lease Provisions are hereby incorporated herewith as part of this Lease:

- A. Lease Date: November 1, 2017.
- B. Landlord: Port of Kennewick,
a Washington municipal corporation
- C. Tenant: Palencia Wine Company, LLC.
- D. Premises: The Premises shall mean the real property located at 421 E. Columbia Drive A140 & A110, Kennewick, as described on Exhibit "A" attached hereto and incorporated herein by reference, and any improvements located thereon.
- E. Permitted Use: Working Winery (production, tasting room, case goods storage, and related administration/offices). See Exhibit "A".
- F. Term: Commencing on the Lease Commencement Date and terminating on the Expiration Date. See Article 3 regarding option to renew.
- G. Lease Commencement Date: The date which is the earlier of (a) November 1, 2017 and (b) the date Tenant begins using the Premises for any reason.
- H. Expiration Date: October 31, 2022
- I. Lease Option: One (1) - Five (5) year option to extend lease.
- J. Total Square Feet Leased: Building A140 – 3,422 sq. ft.
Building A110 – 2,822 sq. ft. **Total: 6,244 sq. ft.**
- K. Base Monthly Rent Calculation: Year 1: \$0.65 psf
Year 2: \$0.66 psf
Year 3: \$0.67 psf
Year 4: \$0.68 psf
Year 5: \$0.69 psf

- L. Base Monthly Rent (not including LET): Year 1: \$4,058.60
Year 2: \$4,121.04
Year 3: \$4,183.48
Year 4: \$4,245.92
Year 5: \$4,308.36
- M. Leasehold Tax (LET): Current Washington State Leasehold Tax shall be added to Base Rent. Current effective rate is 12.84%.
- N. Total Monthly Rent (includes LET): Year 1:
November 1, 2017 \$ 521.12
December 1, 2017 \$ 521.12
January 1, 2018 \$ 521.12
February 1, 2018 \$ 521.12
March 1 – Oct 31, 2018 \$4,579.72

Year 2: \$4,650.18
Year 3: \$4,720.64
Year 4: \$4,791.10
Year 5: \$4,861.55
- O. Monthly Utilities: See Article 7 of Lease.
- P. Rent Due Date: Rent shall commence on March 1, 2018 and be due thereafter on the first day of each month. From November 1, 2017 through February 28, 2018, Tenant shall be responsible for payment of Utilities as set forth in Article 7, and Leasehold Tax, if any, as set forth in Paragraph M, above.
- Q. Financial Security: Check all that apply:

☒ \$ 4,579.72 deposit;

☐ Corporate surety bond;

☒ Personal Guaranty as set forth in Exhibit B;

☐ Other financial security: (Describe) _____
_____.
- R. Landlord's Address for Notices and Rent Payments:

Port of Kennewick
350 Clover Island Drive, Suite 200
Kennewick, WA 99336

S. Tenant's Address for Notices:

Palencia Wine Company. LLC
P.O. Box 1237
Richland, WA 99352
Victor Palencia
(509) 830-8479
Email: winemaker@palenciawine.com

T. Exhibits:

Exhibit "A" Legal Description of Premises
Exhibit "B" Personal Guaranty Form
Exhibit "C" Signage Policy
Exhibit "D" Shared Parking Agreement

ARTICLE 1 PREMISES

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord the Premises, which Premises are more particularly described in the Basic Lease provisions above.

ARTICLE 2 USE OF PREMISES

Tenant shall occupy and use the Premises for such uses as described in the Basic Lease provisions above. Tenant may not use the Premises for any other business purpose except as may be authorized in writing by Landlord at Landlord's sole discretion. No smoking shall be allowed within any portion of the Premises and within twenty-five (25) feet of all entryways.

Tenant shall be open to the public no less than Thursday – Sunday, 12:00 p.m. – 5:00 p.m.

Landlord shall give Tenant and its authorized representatives, the nonexclusive and reasonable right to use the Common Areas in Tenant's ordinary course of business, provided however, that such use is consistent with the purposes of the Common Areas. The term "Common Areas" means areas and facilities outside the Premises that are provided for the general use and convenience of Tenant and of other Tenants and their respective authorized representatives, guests, and invitees. Common Areas include, without limitation, landscaped areas, public seating areas, patios, lobbies and hallways, sidewalks, loading areas, parking areas, service corridors and restrooms. Tenant shall not store any items or objects in Common Areas except as authorized in writing by Landlord.

Tenant shall not create, maintain nor permit on the Premises any nuisance and shall, at Tenant's expense, at all time keep the Premises in an orderly, clean, sanitary and safe condition.

ARTICLE 3 TERM

The Term hereof shall commence on the Lease Commencement Date defined in the Basic Lease Provisions and shall terminate on the Expiration Date defined in the Basic Lease Provisions, unless earlier terminated.

Tenant shall have the option to renew this Lease for one five (5) year extension term, but only if Tenant gives Landlord written notice thereof not less than ninety (90) days prior to the Expiration Date. If Tenant timely exercises this option, then the Lease shall continue in effect on the same terms and conditions, except that rent shall be adjusted in the manner provided in Article 4 below and there shall be no further renewal options. Tenant's right to the renewal term shall be contingent upon Tenant not being in default hereunder at the time of notice of intent is given or at any time thereafter prior to the beginning of the renewal term.

ARTICLE 4

RENT

Tenant shall pay to Landlord the Total Monthly Rent and all other assessment, charges, and fees as provided in the Basic Lease Provisions, this **Article 4**, and as otherwise set forth in this Lease, at the Landlord's address set forth in the Basic Lease Provisions.

(a) Late Fee.

If any sums payable by Tenant to Landlord under this Lease are not received by the fifteenth (15th) day of the month in which they are due, Tenant shall pay Landlord an additional amount for the cost of collecting and handling such late payment as a late fee in an amount equal to the greater of (i) Fifty Dollars (\$50.00), or (ii) five percent (5%) of the overdue amount.

(b) Interest.

In addition to any applicable late fees, 12% APR interest (1% per month), shall be applied to the total unpaid balances calculated from the original due date to the date of payment.

(c) Non-Sufficient Funds (NSF).

If a Tenant check is returned by the bank for any reason, Tenant shall pay a NSF fee of Fifty Dollars (\$50) for administrative costs related to collecting and handling such returned check. The Tenant shall also pay any associated bank fees charged to the Port related to the returned check. Landlord may require, at Landlord's sole discretion that Tenant's future payments be made by cash, cashier's check or money order.

Landlord and Tenant hereby agree that these charges represent a fair and reasonable estimate of what the Landlord might incur by reason of Tenant's late or NSF payment. These fees are due and payable with the current rent payment. Landlord's acceptance of any late charge, interest or NSF fee shall not be deemed an extension of the date rent is due or prevent Landlord from exercising any other rights or remedies under this Lease.

The Landlord reserves the right to revise its policy regarding late payment, interest and NSF check charges without notice to Tenant.

ARTICLE 5

FINANCIAL SECURITY

In compliance with the requirements of the state law, Tenant agrees that it will secure the performance of the rental portion of this Lease by providing a Personal Guaranty in the form as set forth in Exhibit "B" and one or more of the following: 1) a deposit in the amount set forth in the Basic Lease Provisions, or 2) procuring and maintaining, during the term of this Lease, a corporate surety bond ("Bond"), or 3) by providing other financial security satisfactory to Landlord.

The Bond shall be in a form and issued by a surety company acceptable to Landlord and shall comply with the requirements of Washington law. Tenant shall obtain such Bond and forward evidence thereof to Landlord within fourteen (14) days of execution of this Lease, but in no event later than the Lease Commencement Date. Failure to comply with this requirement shall be grounds for immediate termination of this Lease without notice by Landlord. Such Bond shall be kept in effect during the term of this Lease; failure to comply with this requirement shall render Tenant in default. The Bond shall be increased to reflect any increases in Rent.

Upon any default by Tenant of its obligations under this Lease, Landlord may retain any Financial Security provided by Tenant and/or collect on the Bond to offset the Tenant's liability to Landlord. Collection on the Bond shall not relieve Tenant of liability, shall not limit any of Landlord's other remedies, and shall not reinstate or cure the default or prevent termination of the Lease because of the default.

ARTICLE 6 TAXES & ASSESSMENTS

6.1 Property Taxes.

Landlord will pay property tax on Premise's real property and any building or structure that is permanently attached to the real property.

6.2 Personal Property Taxes

Tenant shall pay when due all license fees, public charges, taxes and assessments on the Tenant-owned trade fixtures, furniture, other fixtures, equipment, inventory and all other personal property of or being used by Tenant in the Premises, whether or not owned by Tenant.

6.3 Additional Taxes/Assessments; Leasehold Excise Tax (LET)

Tenant shall also pay: (a) all special taxes and assessments (including irrigation assessments) or license fees now or hereafter levied, assessed or imposed by law or ordinance, by reason of Tenant's use of the Premises; (b) all business and occupation tax and any tax, assessment, levy or charge assessed on the Rent paid under this Lease; (c) the statutory leasehold excise tax imposed in connection with the Rent due hereunder or otherwise due as a consequence of this Lease; and (d) any excise, transaction, sales, privilege, or other tax (other than net income and/or estate taxes) now or in the future imposed by the city, county, state or any other government or governmental agency upon Landlord and attributable to or measured by the Rent or other charges or prorations payable by Tenant pursuant to this Lease.

ARTICLE 7 UTILITIES

Tenant shall be solely responsible to Landlord for the payment of all assessments, charges and/or fees pertaining to the Premises, including but not limited to, water assessments, charges for public utilities, license and permit fees which may, during the Lease Term, be assessed, levied, charged, confirmed or imposed i) on the Premises or any part thereof, ii) on improvements now or hereafter comprising a part thereof, and iii) on the use or occupancy of the Premises. Tenant shall pay all such assessments, charges and/or fees to Landlord when due.

Tenant shall be solely responsible for payment of all separately metered electrical, gas, wine effluent, and water/sewer assessments charged to the Premises. Tenant shall pay all such charges directly to utility provider when due. Tenant shall be solely responsible for all such separately metered assessments which may, during the Lease Term, be assessed, levied, charged, confirmed or imposed i) on the Premises or any part thereof, ii) on improvements now or hereafter comprising a part thereof, and iii) on the use or occupancy of the Premises. Tenant shall pay all such assessments, charges and/or fees when due.

A140:

Electricity Meters Assigned to Tenant: TBD

Water Meters Assigned to Tenant: TBD

Natural Gas Meters Assigned to Tenant: TBD

A110:

Electricity Meters Assigned to Tenant: TBD

Water Meters Assigned to Tenant: TBD

Natural Gas Meters Assigned to Tenant: TBD

Interruptions: There shall be no abatement of rent and Landlord shall not be liable for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Landlord's reasonable control or in cooperation with governmental request or directions.

ARTICLE 8 INSURANCE AND BONDING

8.1 Insurance

Tenant, at its own expense, shall provide and keep in force all insurance deemed appropriate for the purposes that the Premises are to be used and with companies reasonably acceptable to Landlord, including but not limited to the following:

(a) Commercial General Liability Insurance

Commercial General Liability (CGL) insurance for the benefit of Landlord and Tenant jointly against liability for bodily injury and property damage for a combined single limit of not less than One Million Dollars (\$1,000,000) for any one occurrence for this location, including coverage for contractual liability and personal injury, with a \$2,000,000 aggregate limit; Landlord reserves the right to require higher liability limits and/or to change insurance requirements at any time during the term of the lease with thirty (30) days' notice to Tenant.

(b) Statutory Workers' Compensation

Statutory Workers' Compensation, including at least \$250,000 Employer's Contingent Liability (Stop Gap) coverage in Tenant's commercial general liability insurance;

(c) Automobile Liability Insurance

Automobile Liability Insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000, including all owned, non-owned and hired vehicles and covering claims for damages because of bodily injury or death of any person or property damage arising out of ownership, maintenance or use of any motor vehicle; and

(d) Property Insurance

Property insurance covering all leasehold improvements to the Premises, furniture, fixtures, equipment, inventory and other personal property located on the Premises (and, at Landlord's election, on all buildings and other improvements now or hereafter existing at the Premises) in an amount of not less than one hundred percent (100%) insurable replacement value minimum co-insurance of 80%, "Special Form—Causes of Loss", with Flood Insurance if Landlord reasonably deems such insurance to be necessary or desirable, and replacement cost coverage to protect against loss of owned or rented equipment and tools brought onto or used at the Property by Tenant.

8.2 Requirements

The foregoing insurance requirements shall be placed with an insurance company or companies admitted to do business in the State of Washington and shall have an A.M. Best's rating of A- or better. Tenant shall furnish Landlord with a copy of the certificate of such policies before the Commencement Date of this Lease and, upon request by Landlord, shall provide proof satisfactory to Landlord that all such policies are in full force and effect. Tenant's liability insurance policies shall list Landlord as an additional insured and Tenant's property insurance policies shall reflect Landlord as a loss-payee as its interests may appear, and all of Tenant's insurance policies shall be primary and non-contributing with any insurance carried by Landlord. Such policies shall not be cancelable or materially altered without forty-five (45) days' prior written notice to Landlord. In addition, the policies shall provide for ten (10) days' written notice to Landlord in the event of cancellation for non-payment of premium. Tenant's failure to deliver the policies or certificates to Landlord as required above shall constitute an event of default pursuant to **Article 24** hereof.

8.3 Mutual Waiver of Subrogation

Each party hereby waives, and each party shall cause their respective property insurance policy or policies to include a waiver of such carrier's entire right of recovery (i.e., subrogation) against the other party, and the officers, directors, agents, representatives, employees, successors and assigns of the other party, for all claims which are covered or would be covered by the property insurance required to be carried hereunder or which is actually carried by the waiving party.

8.4 Destruction or Condemnation.

8.4.1 Damage and Repair. If the Premises are partially damaged but not rendered untenantable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and this Lease shall not terminate. The Premises shall not be deemed untenantable if less than twenty-five percent (25%) of the Premises are damaged. Landlord shall have no obligation to restore the Premises if insurance proceeds are not available to pay the entire cost of such restoration. If insurance proceeds are available to Landlord but are not sufficient to pay the entire cost of restoring the Premises, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date of such casualty.

If the Premises are entirely destroyed, or partially damaged and rendered untenable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises to their previous condition. If, within 60 days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises untenable, Landlord fails to notify Tenant of its election to restore the Premises, or if Landlord is unable to restore the Premises within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease.

If Landlord restores the Premises under this Article 8.4.1, Landlord shall proceed with reasonable diligence to complete the work, and the base monthly rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a rent abatement only if the damage or destruction of the Premises did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's officers, contractors, licensees, subtenants, agents, servants, employees, guests, invitees or visitors. Provided, Landlord complies with its obligations under this Article, no damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises. Landlord will not carry insurance of any kind for the protection of Tenant or any improvements paid for by Tenant or on Tenant's furniture or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same unless the damage is caused by Landlord's negligence or willful misconduct.

8.4.2 If the Premises are made untenable by eminent domain, or conveyed under a threat of condemnation, this Lease shall automatically terminate as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises and all Rents and other payments shall be paid to that date. In case of taking of a part of the Premises that does not render the Premises untenable, then this Lease shall continue in full force and effect and the base monthly rental shall be equitably reduced based on the proportion by which the floor area of any structures is reduced, such reduction in Rent to be effective as of the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses or damages resulting from interruption in its business, provided that in no event shall Tenant's claim reduce Landlord's award.

8.5 Bonding

Within one year from the Lease Commencement Date, Tenant shall obtain the required federal and/or state Alcohol and Tobacco Tax and Trade Bureau bonding. A copy of said bond shall be provided to Landlord. If Tenant cannot obtain a bond within said time period, regardless of the reason, this Lease shall terminate on December 31, 2018.

ARTICLE 9 ACCEPTANCE AND CARE OF PREMISES

Tenant has inspected the Premises and accepts the Premises "AS IS" in its present condition and acknowledges that Landlord is not responsible to provide, and has made no representations or warranties that it will provide, any improvements to the Premises whatsoever, except as set forth in Article 10, Alterations and Improvements, below. Tenant shall, at its sole cost, keep the Premises in as good working order, cleanliness, repair, and condition, as that which existed at the Lease Commencement Date. In the event that Tenant fails to comply with the obligations set forth in this Article 9, Landlord may, but shall not be obligated to, perform any such obligation on behalf of, and for the account of

Tenant, and Tenant shall reimburse Landlord for all costs and expenses paid or incurred on behalf of Tenant in connection with performing the obligations set forth herein. Tenant expressly waives the right to make repairs at Landlord's expense under any law, statute or ordinance now or hereafter in effect.

ARTICLE 10 ALTERATIONS AND IMPROVEMENTS

Tenant shall not make any alterations, additions, renovations or improvements to the Premises without first obtaining the written consent of Landlord. All alterations, additions, renovations and improvements made shall be at the sole cost and expense of Tenant and shall become a part of the real property and belong to Landlord and shall remain in and be surrendered with the Premises as a part thereof at the termination of this Lease. Tenant further agrees to indemnify, defend, and hold Landlord harmless from, and against, any and all damages, injuries, losses, liens, costs or expenses (including attorneys' fees) incurred, claimed or arising out of said work.

ARTICLE 11 ACCIDENTS AND INDEMNIFICATION

Tenant shall indemnify Landlord and hold it harmless from and against, and shall defend with counsel acceptable to Landlord, any and all suits, actions, damages, claims, liability, and expense in connection with loss of life, bodily or personal injury, or property damage arising from or out of any occurrence in, upon, at or from the Premises, or the occupancy or use by Tenant of the Premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, invitees, licensees, or concessionaires; provided that Tenant shall not be liable to Landlord to the extent such damages, liability, claims or expenses are caused by or result from the negligence or intentional misconduct of Landlord.

Tenant hereby expressly waives claims against Landlord, and Landlord shall not be responsible or liable at any time, for any loss or damage to Tenant's personal property or to Tenant's business, including any loss or damage to either the person or property of Tenant that may be occasioned by or through the acts or omissions of persons occupying adjacent, connecting, or adjoining property, unless and only to the extent due to Landlord's gross negligence or intentional misconduct, and in no event shall Landlord be liable for Tenant's consequential damages. Tenant shall use and enjoy the Premises and improvements at its own risk, and hereby releases Landlord, to the full extent permitted by law and except as expressly provided above, from all claims of every kind resulting in loss of life, personal or bodily injury, or property damage.

Solely for the purpose of effectuating the indemnification obligations under this Lease, and not for the benefit of any third parties (including but not limited to employees of Tenant), Tenant specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW. Furthermore, the indemnification obligations under this Lease shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable to or for any third party under Worker Compensation Acts, Disability Benefit Acts or other employee benefit acts. Tenant shall cause Contractors and their subcontractors and material suppliers to execute similar waivers of industrial insurance immunity. The parties, by their execution hereof, acknowledge that the foregoing provisions of this Article 11 have been specifically and mutually negotiated between the parties.

ARTICLE 12 COMPLIANCE WITH LAWS

Tenant shall comply fully at its sole expense with all federal and state laws and local or city ordinances (including all applicable zoning ordinances) now or hereafter in force with respect to the Premises and Tenant's activities therein. Tenant warrants and represents to Landlord that Tenant shall use the Premises only for lawful purposes.

ARTICLE 13 MAINTENANCE

Tenant shall keep the premises in a neat, clean, and sanitary condition at all times. Tenant shall keep all improvements to the Premises in good condition.

13.1 Janitorial: Tenant will provide janitorial service inside the Premises, restrooms and window washing on inside of windows. Landlord will provide janitorial service for common area restrooms, entry, hallways and exterior window washing. Tenant shall maintain any food preparation and/or service area in compliance with all local, state, and federal regulations. Tenant shall keep the Premises and any shared areas in neat, orderly, and sanitary condition to include the control/prevention of rodents, insects and pests.

13.2 Landscaping and Common Areas: Landlord, at its cost, will provide landscaping care and common area repairs and maintenance. Tenant shall maintain any landscaping pots and planters place on or in the Premises by Tenant.

13.3 Other Maintenance and Repairs: Landlord will maintain exterior of building (except for overhead and/or sliding doors, if any), roof, foundation, and electrical (except for lightbulbs and light fixture ballasts), heating and plumbing, in a good state of repair. Tenant shall pay the reasonable cost of repairs of all damage caused by Tenant, its agents, servants, employees, or invitees within ten (10) days of receipt of an invoice stating the repairs performed and the cost thereof. Tenant shall be responsible for all minor plumbing repairs and maintenance including but not limited to plumbing line blockages and minor leaks. Tenant shall be responsible to replace all light bulbs and light fixture ballasts located in Tenant's leased space. Tenant shall be responsible for the maintenance and repair of all overhead and/or sliding doors located in Tenant's Premises. Landlord shall be responsible for maintenance of lighting in Tenant's shared Premises. Landlord shall be responsible for testing and maintaining Landlord-owned interior fire systems, smoke detectors, fire extinguishers and alarm systems.

13.4 HVAC: HVAC and all mechanical systems shall be in satisfactory operating condition and will be maintained by Landlord during the term of the Lease.

13.5 EQUIPMENT: Landlord shall allow Tenant the use of one (1) portable hot water pressure washing system to be used during term of Lease. Tenant shall be responsible for any and all repairs and maintenance to equipment. Tenant shall leave such equipment in good working condition at the end of the Lease term. Make: HotCart3 Aaquatools Portable Hot Water Generator with tankless water heaters, Aaquablaster LT container cleaning head 4 nozzle, Aaquablaster 360 container cleaning head.

ARTICLE 14 LANDLORD'S ACCESS

Landlord shall have the right to inspect the Premises at all reasonable times and enter the same for purposes of cleaning, repairing, inspecting, altering, exhibiting, or improving the Premises, but nothing contained in this Lease shall be construed so as to impose any obligation on Landlord to make any repairs, alterations or improvements not otherwise expressly set forth elsewhere herein.

The Landlord reserves the right to grant easements and other land uses on the Premises to others when the easement or other land uses will not unduly interfere with the use of the Premises by Tenant.

ARTICLE 15 SIGNS AND ADVERTISING

Tenant shall not inscribe, post, place, or in any manner display any sign, notice, picture, poster or any advertising matter whatsoever anywhere in or about the Premises, without first obtaining Landlord's written consent thereto. Professional sign drawings to be approved prior to installation. See Exhibit "C", Standard Sign Criteria.

ARTICLE 16 WASTE AND UNLAWFUL USE

Tenant shall not commit or suffer any waste upon the Premises, or make or suffer any nuisance, undue or unseemly noise, or otherwise, and will not do or permit to be done in or about the Premises anything which is illegal, unlawful, or dangerous, or which will increase Landlord's insurance rates upon the Premises.

ARTICLE 17 SUCCESSORS

All the covenants, agreements, terms and conditions contained in this Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors, marital communities and assigns. Any assignment or subletting of the Premises or any interest in this Lease shall not relieve Tenant of primary responsibility for the performance of the terms and payment of the sums to be paid by Tenant hereunder.

ARTICLE 18 HAZARDOUS MATERIALS

Tenant shall not dispose of or otherwise allow the release of any hazardous waste or materials in, on, or under the Premises, or any adjacent property. Tenant represents and warrants to Landlord that Tenant's intended use of the Premises does not involve the use, production, or disposal of any hazardous waste or materials. As used herein, "**hazardous waste or materials**" includes any substance, waste or material defined or designated as hazardous, toxic or dangerous (or any similar term) by any federal, state, or local statute, regulation, rule or ordinance now or hereafter in effect. In the event Tenant brings or uses hazardous waste or materials on the Premises in violation of this **Article 18**, Tenant shall, at its sole cost, properly dispose of all such hazardous waste or materials. Tenant shall be responsible for complying with all federal, state and local laws and regulations in regard to the handling of and disposing of hazardous waste or materials, and agrees to indemnify, defend, and hold Landlord harmless from and against all losses, costs, and expenses (including but not limited to site cleanup, investigation, and

remediation costs and attorney's fees and costs related thereto) arising from a breach by Tenant of its obligations under this **Article 18**.

ARTICLE 19 ASSIGNMENT AND SUBLETTING

Tenant shall not transfer, dispose, assign, mortgage, or hypothecate this Lease, in whole or in part, or permit the use of the Premises by any person or persons other than Tenant, or sublet the Premises, or any part thereof (any of which, a "Transfer") without the prior written consent of Landlord in each instance, which may be given, withheld, or conditioned in Landlord's sole discretion. In no event shall Tenant be released or relieved of any liability hereunder due to any Transfer whether or not consented to by Landlord.

Tenant may sublease a portion of the Premises at 421 E. Columbia Drive A110 to Bartholomew Winery. Prior to execution of a sublease, Tenant shall provide Landlord a copy of the sublease for review and approval. Landlord shall have sole discretion over approval of such sublease.

Landlord shall have the right to transfer, dispose, assign, mortgage, or hypothecate this Lease, in whole or in part without the prior written consent of the Tenant. See also Landlord rights to terminate this Lease as set forth in **Article 23** below.

ARTICLE 20 SURRENDER OF POSSESSION

20.1 Surrender

At the expiration of the tenancy created hereunder, whether by lapse of time or otherwise, Tenant shall surrender the Premises in substantially the as good condition or better as they were at the Lease Commencement Date, and shall remove all of its personal property, furniture, non-permanent fixtures installed by or for Tenant, Tenant's equipment, and all cabling and wiring installed by or for Tenant. Tenant's obligations shall include the transfer or cancellation of all Washington State Liquor Control Board licenses associated with the Premises, repair of any damage occasioned by the installation, maintenance or removal of Tenant's personal property, furniture, non-permanent fixtures installed by or for Tenant, and Tenant's equipment.

20.2 Removal of Property

In the event of any entry in, or taking possession of, the Premises or upon the termination of this Lease, Landlord shall have the right, but not the obligation, to remove from the Premises all personal property remaining on the Premises, and may store the same in any place selected by Landlord, including but not limited to a public warehouse, at the expense and risk of the Tenant thereof, with the right to sell such stored property, as per applicable statutory requirements. The proceeds of such sale shall be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Tenant to Landlord under any of the terms hereof, with the balance, if any, to be paid to Tenant.

20.3 Holding Over

If Tenant fails to surrender the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises after the termination or expiration shall be that of a tenancy at sufferance. Tenant's occupancy of the Premises during the holdover shall be subject to all the terms and provisions of this Lease and Tenant shall pay an amount due on the first of each month of the holdover period, without reduction for partial months during the holdover, equal to 150% of the greater of: (1) the monthly Total Monthly Rent (including Leasehold Tax), and any other charge due, for the monthly period immediately preceding the holdover; or (2) the fair market value for gross monthly rental for the Premises as reasonably determined by Landlord. No holdover by Tenant or payment by Tenant after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. In addition to the payment of the amounts provided above, if Landlord is unable to deliver possession of the Premises to a new tenant, or to perform improvements for a new tenant, as a result of Tenant's holdover, Tenant shall be liable to Landlord for all damages, including, without limitation, consequential damages, that Landlord suffers from Tenant's holdover. Nothing herein shall be construed as Landlord's consent to such holding over. During the holdover Tenant shall remain responsible for payment of all utilities, taxes, and other assessments, charges and/or fees due under this Lease.

ARTICLE 21

NOTICES

All notices, requests and demands to be made hereunder shall be in writing at the address set forth in the Basic Lease Provisions, as applicable, by any of the following means: (a) personal service (including service by recognized overnight delivery/courier service, such as UPS or FEDEX); or (b) registered or certified first class mail, return receipt requested. Such addresses may be changed by written notice to the other party given in the same manner provided above. Any notice, request, or demand sent pursuant to clause (a) of this Article 21 shall be deemed received upon such personal delivery or service (or the date of refusal, if personal service or delivery is refused), and if sent pursuant to clause (b), shall be deemed received three (3) days following deposit in the mails.

ARTICLE 22

LIENS AND ENCUMBRANCES

Tenant shall keep the Premises free and clear of any liens and encumbrances arising out of the use and occupancy of the Premises by Tenant. Should Tenant fail to discharge any lien of the nature described in this Article 22 Landlord may, at Landlord's election, pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title and the cost thereof shall be immediately due from Tenant as rent under this Lease.

ARTICLE 23

LANDLORD'S TERMINATION RIGHT

Notwithstanding anything to the contrary elsewhere in the Lease, in the event that Landlord elects to use the Land and/or Premises for industrial development or other public or port-related purposes, Landlord shall have the right to terminate this Lease by providing sixty (60) days' written notice. If Landlord elects to terminate the Lease early as provided herein, the early termination date chosen by Landlord shall operate as if that date is the Expiration Date set forth in the Basic Lease Provisions. The parties recognize that the foregoing early termination right is important to Landlord and that any delay caused by the failure of Tenant to vacate the Premises pursuant to this Article 23 when required can cause irreparable harm to the Landlord and future tenants. Therefore, Landlord and Tenant agree that time is of the essence of this Article 23 and that if any dispute arises between Landlord and Tenant with respect to the provisions of this Article 23, any other provisions of this Lease notwithstanding, Tenant will vacate

the Premises on or before the early termination date selected by Landlord, and Tenant shall be deemed to have waived any rights in law or equity to possession of the Premises.

In the event of the insolvency or bankruptcy of the Tenant, Landlord may, at Landlord's option, immediately take full possession of the premises to the exclusion of all persons. Exercising such option shall not alleviate Tenant's obligations under this Lease and Landlord shall have the right to seek all remedies set forth in this Lease.

ARTICLE 24 DEFAULT AND REMEDIES

24.1 Default

The occurrence of any one or more of the following events shall constitute a material breach and default of this Lease (each, an "**Event of Default**"):

- (a) Any failure by Tenant to pay Rent and Leasehold Tax when due, or any other assessment, charge and/or fee when due;
- (b) Any failure by Tenant to obtain and keep in full force and affect the insurance coverage(s) required hereunder to be carried by Tenant;
- (c) Any failure to immediately remedy an emergency condition that poses a significant risk of injury or damage;
- (d) Any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease; or
- (e) Tenant bankruptcy

24.2 Remedies.

(a) Re-entry and Termination

Upon and during the continuance of an Event of Default, Landlord, in addition to any other remedies available to Landlord at law or in equity, at Landlord's option, may without further notice or demand of any kind to Tenant or any other person:

- 1. Declare the Lease Term ended and reenter the Premises and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim to the Premises; or
- 2. Without declaring this Lease ended, reenter the Premises and occupy the whole or any part thereof for and on account of Tenant and collect any unpaid Rent, Leasehold Tax, and other charges, which have become payable, or which may thereafter become payable; or
- 3. Even though Landlord may have reentered the Premises, thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises.

(b) Express Termination Required

If Landlord re-enters the Premises under the provisions of this Article, Landlord shall not be deemed to have terminated this Lease, or the liability of Tenant to pay any Rent, Leasehold Tax, or other assessments, charges and/or fees thereafter accruing, or to have terminated

Tenant's liability for damages under any of the provisions of this Lease, by any such re-entry or by any action, in unlawful detainer or otherwise, to obtain possession of the Premises, unless Landlord shall have notified Tenant in writing that Landlord had elected to terminate this Lease. Tenant further covenants that the service by Landlord of any notice pursuant to the unlawful detainer statutes of Washington State and surrender of possession pursuant to such notice shall not (unless Landlord elects to the contrary at the time of or at any time subsequent to the serving of such notices and such election is evidenced by a written notice to Tenant) be deemed to be a termination of this Lease.

(c) Retain any Financial Security provided by Tenant and/or collect on the Bond to offset the Tenant's liability to Landlord.

(d) Damages

If Landlord elects to terminate this Lease pursuant to the provisions of this Article, Landlord may recover from Tenant as damages, the following:

1. The worth at the time of award of any unpaid Rent, Leasehold Tax, and other assessments, charges and/or fees which had been earned at the time of such termination; plus
2. The worth at the time of award of the amount by which the unpaid Rent, Leasehold Tax, and other charges which would have been earned after termination until the time of award exceeds the amount of such loss Tenant proves could have been reasonably avoided; plus
3. The worth at the time of award of the amount by which the unpaid Rent, Leasehold Tax, and other assessments, charges and/or fees due for the balance of the Lease Term after the time of award exceeds the amount of such loss that Tenant proves could be reasonably avoided; plus
4. Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including, but not limited to any costs or expenses incurred by Landlord in (i) retaking possession of the Premises, including reasonable attorneys' fees, (ii) maintaining or preserving the Premises after the occurrence of an Event of Default, (iii) preparing the Premises for reletting to a new tenant, including repairs or alterations to the Premises for such reletting, (iv) leasing commissions, and (v) any other costs necessary or appropriate to relet the Premises; plus
5. At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted by the laws of Washington State.

(e) Definitions

As used in **Paragraphs 24.2(d)1** and **24.2(d)2** above, the "worth at the time of award" is computed by allowing interest at the rate of twelve percent (12%) per annum compounded monthly. As used in **Paragraph 24.2(d)3** above, the "**worth at the time of award**" is

computed by discounting such amount at the discount rate of the Federal Reserve Bank situated nearest to the location of the Property at the time of award plus one (1) percentage point.

(f) No Waiver

The waiver by Landlord of any breach of any term, covenant or condition herein contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach of the same or any other term, covenant or condition of this Lease. The subsequent acceptance of Rent, Leasehold Tax, and other charges due hereunder shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular amount so accepted regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such amount. No covenant, term, or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver shall be in writing and signed by Landlord.

24.3 Interest

Any sum accruing to Landlord under the terms and provisions of this Lease which shall not be paid when due shall bear interest at the interest rate provided herein from the date the same becomes due and payable by the terms and provisions of this Lease until paid, unless otherwise specifically provided in this Lease. The interest rate which shall apply shall be the lesser of (i) twelve percent (12%) per annum (1% per month), or (ii) the highest rate allowed by applicable law.

**ARTICLE 25
ATTORNEYS' FEES AND COSTS**

If the Tenant requests an amendment to this Lease Agreement or other revision to the Landlord's standardized terms or forms, Tenant agrees that it shall pay the Landlord for all costs and legal fees incurred by the Landlord as the result of request.

If either party hereto shall file any action or bring any proceeding against the other party arising out of this Lease or for the declaration of any rights hereunder, the prevailing party therein shall be entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party as determined by the court. If either party ("**secondary party**") without its fault is made a party to litigation instituted by or against the other party (the "**primary party**"), the primary party shall pay to the secondary party all costs and expenses, including reasonable attorneys' fees, incurred by the secondary party in connection therewith.

**ARTICLE 26
MISCELLANEOUS**

26.1 Miscellaneous Provisions

The following miscellaneous provisions shall apply to this Lease:

(a) Time is of the essence hereof.

(b) If any portion of this Lease shall be deemed void, illegal or unenforceable, the balance of this Lease shall not be affected thereby.

(c) This Lease shall be interpreted according to the laws of the State of Washington. The parties agree that the Superior Court of the State of Washington for Benton County shall have sole jurisdiction over any question, claim, loss or injury arising hereunder.

(d) Tenant acknowledges that, except as expressly set forth in this Lease, that neither Landlord nor any other person has made any representation or warranty with respect to the Premises.

(e) This Lease shall be binding upon the heirs, executors, administrators, successors, and assigns of both parties hereto, except as otherwise provided for herein;

(f) Landlord does not by this Lease, in any way or for any purpose, become a partner or joint venturer of Tenant in the conduct of its business or otherwise.

(g) The paragraph and section headings hereof are for convenience only and shall not be used to expand or interpret the meaning of any part of this Lease.

(h) Landlord shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from so doing by cause or causes beyond Landlord's control, including labor disputes, civil commotion, war, governmental regulations or controls, fire or other casualty, inability to obtain any material or service, or acts of God.

(i) This Lease and the Exhibits, Riders, and/or Addenda, if any, attached hereto, constitute the entire agreement between the parties. This Lease covers in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning this Lease and all preliminary negotiations, inducements, representations, and agreements of whatsoever kind or nature are merged herein, and there are not oral agreements or implied covenants. Both parties represent they have had the opportunity to seek legal counsel prior to signing this Lease. All Exhibits, Riders, or Addenda mentioned in this Lease are incorporated herein by reference. No subsequent amendment to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by both parties. The captions and section numbers appearing herein are inserted only as a matter of convenience and are not intended to define, limit, construe, or describe the scope or intent of any section.

Tenant and Landlord hereby represent and warrant that they have not employed any broker with regard to this Lease and that they have no knowledge of any broker being instrumental in bringing about this Lease transaction. Each party shall indemnify the other against any expense as a result of any claim for brokerage or other commissions made by any broker, finder, or agent, whether or not meritorious, employed by them or claiming by, through or under them. Tenant acknowledges that Landlord shall not be liable for any representations of Landlord's leasing agent or other agents of Landlord regarding this Lease transaction except for the representations and covenants of Landlord expressly set forth in this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease the day and year first above written.

PORT OF KENNEWICK

PALENCIA WINE CO.

By: _____

**Tim Arntzen, Chief Executive
Officer**

Title:

By: _____

Title: Victor Palencia, Owner

*Witnessed By: [Signature]
Port of Kennewick
Director of Operations*

Reviewed:

Approved as to form:

By: _____

Title: Nick Kooiker, Port CFO

By: _____

Title: Lucinda Luke, Port Legal Counsel

STATE OF WASHINGTON

ss.

COUNTY OF _____

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the _____ of _____, to be the free and voluntary act of such [corporation/limited liability company]for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 201__.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington, residing at _____

My appointment expires _____

STATE OF WASHINGTON

ss.

COUNTY OF BENTON

I certify that I know or have satisfactory evidence that Tim Arntzen is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Chief Executive Officer of Port of Kennewick, a municipal corporation, to be the free and voluntary act of such entity for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 201__.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington, residing at _____

My appointment expires _____

EXHIBIT "A"

LEGAL DESCRIPTION

PTN: 131903030016002

SECTION 31, TOWNSHIP 9 NORTH, RANGE 30 EAST, QUARTER SW: THE WEST 90 FEET OF LOT 16 AND THE SOUTH 20 FEET OF THAT PORTION OF TRACT 7, LYING EAST OF THE NORTHERLY EXTENSION OF THE EAST LINE OF THE WEST 90 FEET OF SAID LOT 16, REPLAT OF COLUMBIA GARDENS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 92 RECORDS OF BENTON COUNTY, WASHINGTON

COMMONLY KNOWN AS:

421 E. Columbia Drive A140 & A110, Kennewick, WA

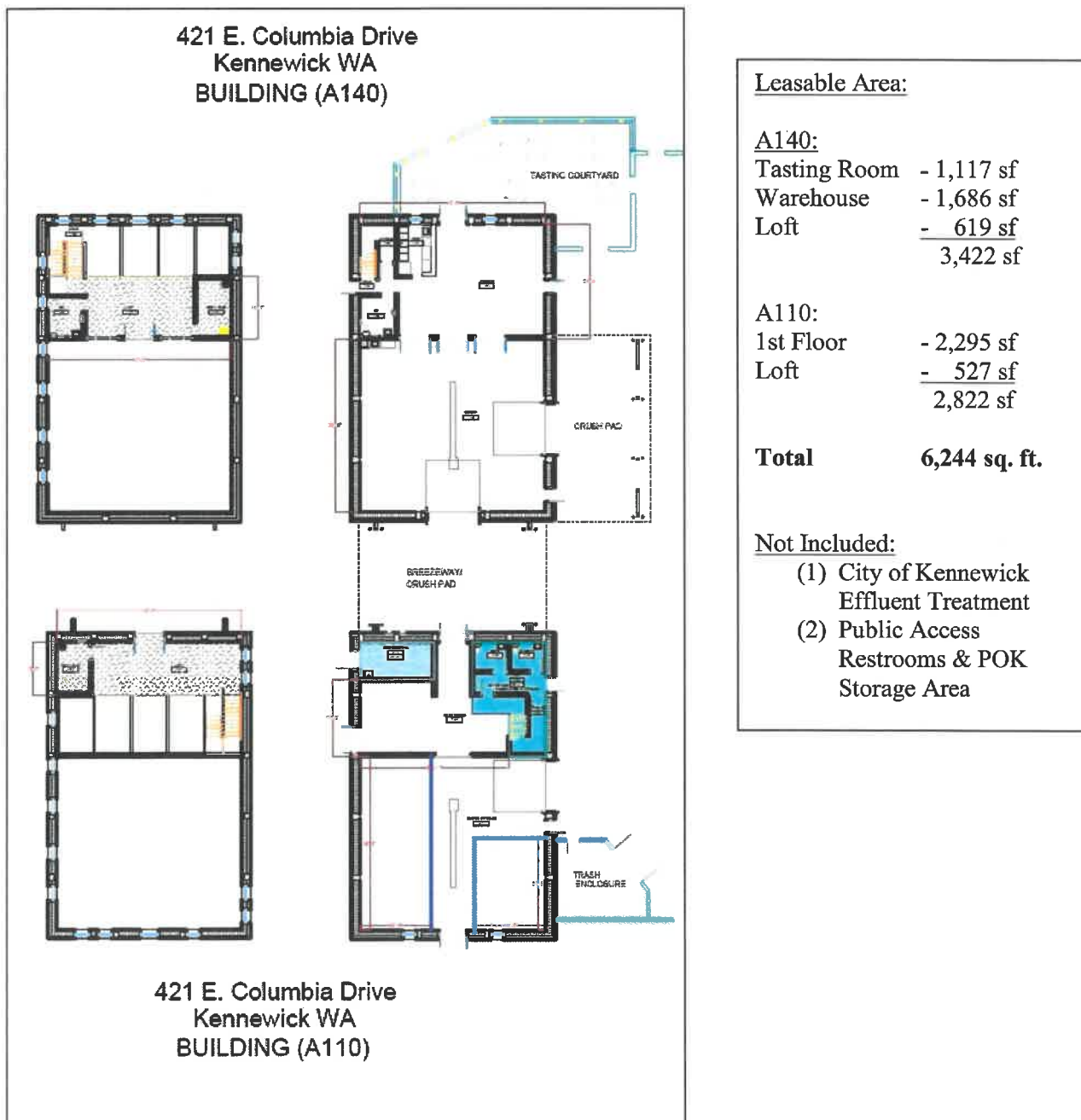


EXHIBIT B

PERSONAL GUARANTY TO THE PORT OF KENNEWICK

TO GUARANTEE PERFORMANCE OF LEASE

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, as personal guarantor, is firmly bound unto the Port of Kennewick, a municipal corporation, in the sum of all monthly rent, plus leasehold tax, and any other assessments, charges and/or fees due as per Lease Agreement dated _____.

The conditions of this obligation are as follows:

WHEREAS, _____ entered into a lease with the PORT OF KENNEWICK for land as described in Exhibit "A", located in Benton County, Washington, which Lease provides for the payment of monthly rent, leasehold tax, and other assessments, charges and/or fees; and

WHEREAS, the laws of the State of Washington require a bond to the Port District in accordance with the terms of RCW 53.08.085, for a minimum of one year's rent; and

WHEREAS, this guaranty incorporates the Lease hereinabove referred to;

NOW THEREFORE, the undersigned agrees that in place of such bond called for under RCW 53.08.085, he/she/they agree to be personally liable and guarantee the payment of all sums due from him/her/them to the Port of Kennewick.

DATED this 6th day of October, 2017.

GUARANTORS:

Name: _____

Name: _____

Victor Palencia

EXHIBIT C

STANDARD SIGN CRITERIA

These sign specifications have been established for the purpose of assuring outstanding building and for the mutual benefit of all Tenants. Conformance will be strictly enforced and into conformance at the full expense of Tenant.

The Port of Kennewick Director of Planning and Development is to administer and interpret the sign specifications, but is not empowered to authorize any departure from such specifications.

All permits for signs and their installation shall be obtained by the Tenant or his representative. Tenant shall be responsible for all costs and expenses of signage, including but not limited to the construction and design thereof and of Landlord's approval, and the fulfillment of all requirements and specifications.

All signage shall be designed to harmonize with the color scheme and existing signage of the overall building project. Professional sign drawings to be approved by the Port prior to installation.

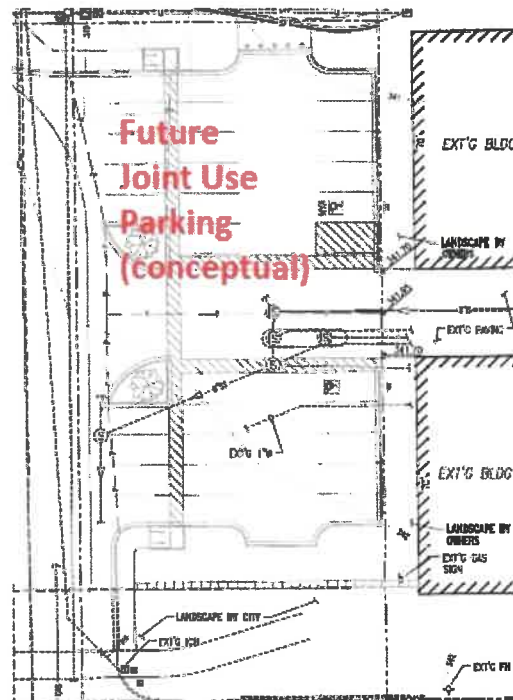
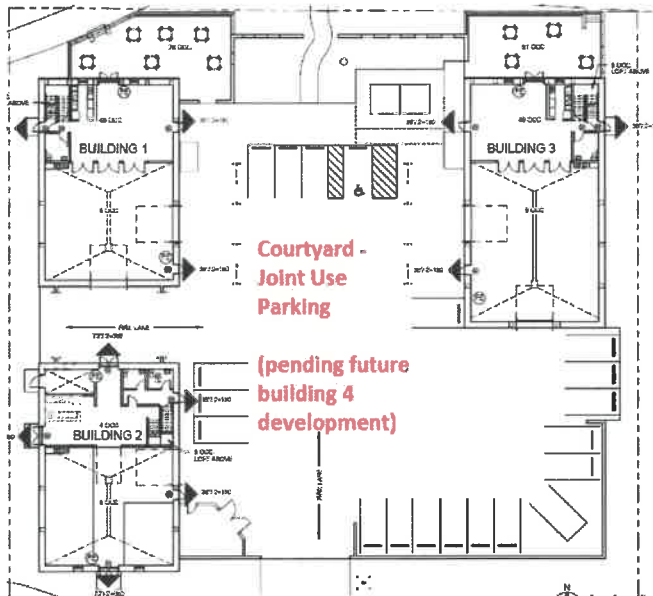
No sign cabinets (transformers) or exposed conduit permitted on exterior face of sign or building. No 'can' or 'box' signs will be permitted.

All signs installed on Building shall be subject to the approval of the Port of Kennewick, City of Kennewick, and other agencies with jurisdiction over such matters.

EXHIBIT D

SHARED PARKING

Joint use parking areas will be available for use on a first come, first served basis, by Tenant, Tenant's customers, Tenant's employees and vendors. Tenant acknowledges that all such shared parking will be available to members of the public, other tenants/property owners, other tenant/property owners' customers, tenant/property owners' employees and vendors, and for all other joint uses as Landlord shall determine in Landlord's sole discretion. The total number of parking spaces will be compliant with the City of Kennewick's Municipal Code requirements and the Landlord's Site Plan. A copy of the Landlord's Site Plan showing joint use parking areas is attached hereto and incorporated herein by reference as Exhibit D-1. Tenant further acknowledges that Landlord intends to construct on or about March 1, 2018 a joint use parking area adjacent to the Premises. Landlord reserves the right to change timeline to construct or change scope of project without notice.





STATE OF WASHINGTON
DEPARTMENT OF COMMERCE
1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000
www.commerce.wa.gov

October 3, 2017

Mr. Anthony Muai, AICP
Senior Planner, City of Kennewick
210 W. 6th Avenue
Kennewick, Washington 99336

RE: Adoption of the Vista Field Redevelopment Master Plan

Dear Mr. Muai:

Thank you for sending Growth Management Services notice of intent to adopt the Vista Field Redevelopment Master Plan. We received your materials on September 5, 2017 and processed them with Material ID 24090.

We would like to express our support for the Vista Field Redevelopment Master Plan. The City's collaboration with the Port of Kennewick included extensive public outreach and the Master Plan incorporates the community's vision for new development opportunity in the heart of Kennewick. The draft Plan reflects many of the planning goals of the Growth Management Act, including those regarding urban growth, reducing sprawl, economic development, citizen participation, and efficient multimodal transportation systems.

The Port's analysis indicates that the project will add hundreds of millions of dollars to the community's tax base while meeting a demand for new housing and commercial needs. The design principles supporting pedestrian-scaled architecture that is eclectic, climate-appropriate, and sensitive to local context is a great avenue to promote economic development through placemaking. We appreciate the project's focus on compact design and its emphasis on connectivity, walkability, and a variety of housing options. This focus will help ensure that the City responsibly invests in public facilities and infrastructure over the next 20 years while leveraging those investments already made in infrastructure near the city center.

Mr. Anthony Muai, AICP

October 3, 2017

Page 2

If you need any additional technical assistance on these issues, feel free to contact me at william.simpson@commerce.wa.gov or (509) 280-3602. We extend our continued support to the City of Kennewick in achieving the goals of growth management, and we wish you success as you implement the community's vision for Vista Field.

Sincerely,



William Simpson, AICP
Senior Planner, Growth Management Services
Washington State Department of Commerce

WS:lw

cc: Greg McCormick, AICP Director of Community Planning, City of Kennewick
Larry Peterson, Director of Planning & Development, Port of Kennewick
Mark Barkley, Assistant Director, Local Government Division
Mark McCaskill, AICP, Managing Director, Growth Management Services
Dave Andersen, AICP, Eastern Region Manager, Growth Management Services
Ike Nwankwo, Western Region Manager, Growth Management Services