

AGENDA

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

Tuesday, November 10, 2015

2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IV. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments Dated November 3, 2015
 - B. Approval of Warrant Registers Dated November 10, 2015
 - C. Approval of Commission Meeting Minutes Dated October 27, 2015
- V. PRESENTATIONS**
 - A. Pam Bykonen and Chuck Eaton, Mid-Columbia Arts Foundation (**TIM**)
- VI. NEW BUSINESS**
 - A. Spaulding Business Park Land Sale; Resolution 2015-27 (**AMBER**)
- VII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Levy Certification; Resolution 2015-25 (**TAMMY**)
 - B. Increase in Tax Capacity; Resolution 2015-26 (**TAMMY**)
 - C. WPPA Legislative Meeting Report (**SKIP**)
 - D. 2016 Committee Assignments (**BRIDGETTE**)
 - E. 2016 Election of Officers (**TIM**)
 - F. Lease Compliance (**TAMMY**, **KANDY**, **JENNIFER**, **NICK** & **AMBER**)
 - G. Travel: Wine & Grape Symposium, ICSC and IEDC Conferences (**TIM**)
 - H. Vista Field (**LARRY**)
 - I. Columbia Drive (**LARRY**)
 - J. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - K. Non-Scheduled Items
- VIII. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- IX. EXECUTIVE SESSION, if necessary** *(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)*
 - A. Personnel, per RCW 42.30.110(1)(g)
- X. ADJOURNMENT**

Action may be taken on any item on the Agenda.

PLEASE SILENCE CELL PHONES



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

CALL TO ORDER

Commission President Don Barnes called the Special Commission meeting to order at 6:00 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: Don Barnes, President
Skip Novakovich, Vice-President
Thomas Moak, Secretary

Staff Members: Tim Arntzen, Executive Director
Tammy Fine, Director of Finance/Auditor
Amber Hanchette, Director of Real Estate & Operations
Larry Peterson, Director of Planning & Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Ms. Dawn King led the Pledge of Allegiance.

Mr. Barnes welcomed the public and inquired if there were any adjustments that need to be made to the published Agenda.

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

Consent agenda consisted of the following:

- A. Approval of Direct Deposit and E-Payments Dated October 19, 2015**
Direct Deposit and E-Payments totaling \$70,158.12
- B. Approval of Warrant Registers Dated October 27, 2015**
Expense Fund Voucher Numbers 37301 through 37345 for a grand total of \$91,964.89
- C. Approval of Commission Meeting Minutes dated October 13, 2015**

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



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

NEW BUSINESS

A. Bid Results: Village at Island Harbor; Resolution 2015-24

Mr. Peterson stated the bids for Village at Island Harbor Phase I, which included the addition of landscaping, a boardwalk and other amenities, were received on October 15, 2015. The engineer's estimate for the project was \$795,000, however, the four bids received, which were in compliance, far exceeded the estimate by approximately 25%. Apollo Inc. was deemed the low responsive bid, at \$1,083,000.00, excluding sales tax. Mr. Peterson presented Resolution 2015-24 for consideration, rejecting all bids received for Village at Island Harbor Phase I, and directing the Chief Executive Officer (CEO) to coordinate revision of the project, to reduce the estimated construction cost, while still retaining crucial core elements of the project.

Mr. Barnes verified the 2015-2016 Work Plan initially allocated \$650,000 for the Village at Island Harbor.

Mr. Peterson confirmed the initial budget for Village at Island Harbor was \$650,000; however, after architect Chris Herath presented the renderings, it was the Commission's desire to see additional elements included.

Mr. Barnes inquired if the current Boat Launch/Restroom project came in on budget.

Mr. Peterson stated \$600,000 was allocated for the Boat Launch Project and with design fees and permits, the project is estimated to cost \$730,000 plus sales tax.

PUBLIC COMMENT

Dave Haight, Apollo Inc., 1133 West Columbia Drive, Kennewick. Mr. Haight stated Apollo Inc. was the lowest responsive bidder for the Village at Island Harbor. Mr. Haight appreciated the opportunity to bid the project and inquired if the Commission and Port would like to award the project to Apollo Inc., and explore value engineering, to revise the project and move forward. Mr. Haight stated there was a considerable amount of time and effort spent on the bid and he would appreciate the opportunity to work in conjunction with Port staff on the revision. Mr. Haight is confident Apollo would be able to get within the Port's budget parameters.

No further comments were made.

Mr. Novakovich inquired of Ms. Luke if the Port was able to award the bid to Apollo and revise the scope after the bid is awarded is an option.

Ms. Luke stated awarding the bid and revising the scope is not an option. The Commission can either accept the bid as submitted or rebid the project.

Mr. Novakovich would like to see the project move forward and supports Resolution 2015-24.



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

Mr. Moak understands Mr. Haight's position and respects the amount of time put into the bid, however, the Commission is unable to entertain his request. Mr. Moak supports the Village at Island Harbor project and stated it is a signature project for Clover Island. Mr. Moak inquired if the architect and engineer are able to consider value engineering and scale the project differently, while maintaining the major elements, to create a more affordable project that is consistent with excellence of the Port of Kennewick. Mr. Moak stated Resolution 2015-24 is the appropriate direction to take.

Mr. Novakovich agrees with Mr. Moak's comments and stated he understands Mr. Haight's frustration.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2015-24; Commissioner Moak seconded.*

Discussion:

Mr. Barnes is in favor of moving ahead and revising the Village at Island Harbor Phase I scope. The improvements on Clover Island are high quality and have been well received by the public. Mr. Barnes stated the lighthouse, the completion of the boat launch, and the upcoming 1135 shoreline improvements and additional shoreline enhancements are major projects that will enhance Clover Island. Mr. Barnes is concerned that the Port's two year capital budget is \$7,900,000 and of that, nearly \$6,200,000 is budgeted for Clover Island and Columbia Drive. With several projects in the works, such as the Master Planning process for Vista Field, and the West Richland Racetrack, Mr. Barnes emphasized there will be additional expenditures for upcoming projects. Mr. Barnes stated the Commission has made a commitment to Clover Island and would like to see the project move forward.

Mr. Moak agrees with Mr. Barnes comments and would like to move ahead with the Village at Island Harbor and make it fit within the budget.

With no further discussion, Commissioners voted, all in favor 3:0; motion carried unanimously.

PRESENTATIONS

A. 2015-2016 Work Plan Review

Mr. Peterson gave a brief overview of the 2015-2016 Work Plan and the status of each project.

- Village at Island Harbor: original budget of \$650,000 was insufficient for project as designed and bid. Resolution 2015-24 passed by the Commission revises the project;
- Columbia Gardens Wine Village: work plan effectively revised by July 2015 Interlocal Agreement Amendment funds allocated for \$350,000 Effluent treatment building shell, now available for Quiet Street or other Columbia Drive infrastructure work;
- Vista Field: Building demolition postponed to investigate reuse per lean philosophy;
- Oak Street: Ag Engineering remodel in design with project bid in Spring of 2016 and buildings of A, B, C, are fully occupied;
- Spaulding Business Park: two medical offices with 40,000 square feet are currently under construction; and currently marketing last parcel;



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

- West Richland Racetrack Site: currently addressing entitlement issues as identified at the July 22, 2014 Commission Meeting;
- Southridge: sale of Southridge parcel (8.5 acres) for Vista Field financing plan, as approved by Resolution 2015-22;
- Finley: 150 + acres sold per 2015-2016 Work Plan;
- Plymouth: 94 acres sold per 2015-2016 Work Plan.

Mr. Peterson stated the Port is only ten months into the two-year work plan and multiple projects are on track or underway.

Mr. Arntzen appreciates the process and thanked Mr. Peterson for the update.

Mr. Barnes called for public comment on the 2015-2016 Work Plan.

PUBLIC COMMENT

No comments were made.

Mr. Novakovich stated staff has done an amazing job, and often times, projects move at a slow place, but there is a tremendous amount of work to be done, particularly with Vista Field and West Richland. The Port has been working on Clover Island for ten years, and it takes time to do it right and complete the vision. Mr. Novakovich congratulated staff for a job well done and stated to have many projects under way, or completed, in a ten month period is something to be proud of.

Mr. Moak inquired on the status of the Spaulding street light installation.

Mr. Peterson stated the City of Richland's standard light that they will maintain is a standard cobra head, which is not very decorative. Mr. Peterson deferred to Ms. Hanchette for further details.

Ms. Hanchette stated staff continues to look for a fixture that is decorative but easy to maintain. Due to the fact that the City of Richland will only maintain the standard cobra head and does not provide a decorative lighting option, the Port will continue to maintain the Spaulding lights. Ms. Hanchette has been looking for an energy efficient light with little maintenance and has reached out to the Reach Museum architect about their lighting, in an effort to be consistent in the area. The money allocated for the lighting installation will be utilized to change out the current lights, but the Port will continue to maintain the lights.

Mr. Moak inquired if the old Port office will be demolished as part of the 1135 project with the U.S. Army Corps of Engineers.

Mr. Peterson stated at the August 25, 2015 Commission Meeting, the Commission allocated \$150,000 for the foundation work for the NW Overlook Pier and demolition of the old Port office building, in conjunction with the design work for the 1135 project. Mr. Peterson anticipates the office building will be demolished in the next six months.



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

Mr. Moak stated staff has made a lot of progress on the 2015-2016 Work Plan in only ten months. Mr. Moak appreciates the work of staff and stated the importance of having a good work plan in place, to refer back to.

Mr. Arntzen stated he is working with staff and the engineer to get specifications for the NW Overlook Pier foundation and will update the Commission once he has details and estimated costs.

Mr. Barnes agrees with the Commission and stated staff has done excellent work. The Port has many ambitious projects in different phases, each requiring time and Mr. Barnes looks forward to seeing more projects completed.

B. Comprehensive Scheme Update

Mr. Peterson stated the Comprehensive Scheme of Development of Harbor Improvements is the document which describes what projects the Port is undertaking over a period of five to ten years. In 1955, the Comprehensive Scheme addressed barges and boat terminal activities, and it wasn't until 2011 that the Comprehensive Scheme was updated. The Commission narrowed the focus of holdings and in 2011, began transferring many business lines to the private sector. The Commission contracted Mr. Ben Floyd, of Anchor QEA, to guide the Port through the process and Mr. Floyd has been working with staff, the Commission, and the public to gain a better understanding of what projects the Port should undertake. Mr. Peterson introduced Mr. Floyd.

Mr. Floyd thanked the Commission and stated the workshops served several purposes:

- Consider public and development partner input for the update;
- Provide opportunity for additional public comment;
- Provide opportunity for Port Commission to provide further direction to the update process.

In conjunction with work on the Comprehensive Scheme, Anchor QEA also compiled the history for the Port and produced the *History Highlights of the Port of Kennewick* for the 100th Anniversary.

Mr. Floyd reviewed the current Port properties and asked the Commission to consider either carrying the properties or look at a timing and sequence of divesting properties.

Recently, the focus for the Port has been redevelopment:

- Reconnect community areas to waters, where possible;
- Concentrate investment in developed area;
- Complement existing public and private investments;
- Encourage economic sustainability.

Mr. Floyd, along with Mr. Peterson and Mr. Moak, put on a series of public meetings throughout the Port jurisdiction to gain a better understanding on what the constituents would like to see from the Port. Furthermore, Mr. Floyd, Mr. Peterson and Mr. Moak met with jurisdictional partners to explore anticipated Port plans for each property.



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

Mr. Floyd indicated the general feedback from the public and partner meetings were:

- Take the time to do it right versus, “ready, fire, aim”;
- Account for return to communities in cost/benefit analysis methods;
- Consider relationship of Port actions to other Ports and regional benefits;
- Consider demographic trends; those in younger demographics not staying in the area;
- Seems like a “great mix” of projects and properties;
- Industrial areas provide assets (that can be important);
- Preserve railroad right of way for future rail purposes;
- Port should weigh in on proposed changes in Benton County land use and zoning that could limit urban sprawl.

Mr. Moak stated the public did seem satisfied with the direction the Port was taking with its properties. Those that showed up for the meetings were very engaged and wanted to see the big projects through.

Mr. Floyd stated the following public comments were received regarding Clover Island and Columbia Drive:

- When will there be improvements made at Clover Island Inn;
- What will happen to the old Port office;
- Any plans to breach the causeway;
- Provide for adequate parking;
- Continue to make improvements around Duffy’s Pond.

Mr. Moak stated there were several comments regarding the façade of Clover Island Inn, as compared to Richland’s riverfront hotels. Clover Island Inn has not been updated and that reflects on Clover Island.

Mr. Floyd stated additional comments regarding Port initiatives in Kennewick for Vista Field, Southridge and Oak Street are as follows:

- Work to establish a “cornerstone” performing arts facility at Vista Field;
- Vision for Vista Field should look out 50 to 60 years;
- Consider short term uses of Vista Field, like parking or outdoor storage or even a concert venue;
- Pursue Memorandum of Understanding with the City of Kennewick and the Kennewick Public Facility District;
- Need an anchor business or catalyst facility to get Vista Field redevelopment going, and soon;
- Consider a land trade in Southridge area with Trios Hospital for Locust Grove area.

Mr. Floyd stated the following public comments were received regarding Port development in Richland:

- Focus on Island View area;



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

- Take advantage of educated work force;
- Collaborate with private sector.

Mr. Floyd indicated the City of Richland would like the Port to consider the following projects in Richland:

- Focus on Island View area;
- Coordinate with City on planned infrastructure improvements (Columbia Park Trail improvements and storm water facilities);
- Consider purchasing property south of the Reach Center;
- Opportunity for mixed use area (multi-family and mixed use, restaurant district);
- Establish a Memorandum of Understanding with the City of Richland for a strategic development plan.

Mr. Moak stated there was discussion regarding non-motorized traffic from the Reach Center to Kennewick, and getting over the highway. There are several big decisions the City needs to address in order for the Port to figure out what role to play. There were several great ideas, but each posed multiple challenges.

Mr. Arntzen stated the Port purchased 30 acres in Spaulding Business Park fifteen years ago, and we have yet to reach full build out. Mr. Arntzen stated redevelopment projects take a long time, and if the Commission chooses to buy into a new area, it will be likely other Commissioners and staff who will see the final build out.

Mr. Novakovich asked if there was a common theme regarding waterfront development.

Mr. Floyd stated generally there was support for ongoing waterfront development. The City of Richland identified Island View as their priority and wants to build on the success of Spaulding Business Park.

Mr. Floyd reported the City of West Richland would like the Port to consider the following projects in West Richland:

- Continue with Tri-City Raceway and Red Mountain Center Master Planning, including transportation improvements, identifying parcels, and zoning and development standards updates;
- Consider potential Port partnership with Economic Development Administration (EDA) on items such as transportation improvements and water and sewer extensions;
- Developing design standards for Belmont Road property.

Mr. Peterson gave a brief description of several Port properties in West Richland:

- Port acquired eleven acres in West Richland of frontage of highway 224;
- Port swapped eleven acres for fifteen acres of land in 2005;
- Port currently provides a land lease to Pacific Rim Winery;



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

- Port has two, one acre parcels of land on Keene Road ready for development;
- Private sector has invested in property surrounding Port parcels on Keene Road.

Mr. Arntzen stated the Port has readied the West Richland property on Keene Road for development and it may be better to continue to foster the development on Keene Road at this time, rather than focus solely on the Racetrack property.

Mr. Peterson stated the efforts from the Port have led to the enhancement of the property values.

Mr. Floyd stated the Port of Pasco would like avoid duplication and look at ways to increase access and connect East Kennewick and East Pasco and plan for a mixed use development around the Cable Bridge.

Mr. Floyd stated Benton County discussed a potential opportunity to partner on a Recreation Conservation Office (RCO) Grant for the addition of a boardwalk with a viewing platform at Two Rivers Park in Finely. Benton County would like more opportunities to discuss partnership to leverage and secure additional resources outside the area.

Benton City would like the Port to consider helping with infrastructure improvements on I82 site.

Mr. Floyd met with each Port Commissioner to get individual perspectives on the future of the Port, and stated a common goal was to continue to maintain transparency. Additionally, redevelopment opportunities are an important focus, and looking for opportunities to “turn around neighborhoods.” Furthermore, continuing to promote current properties and business lines, and maintaining the marina. Mr. Floyd stated there was some discussion on whether the Oak Street property is better served by the private sector.

Mr. Floyd stated the 2015-2016 Work Plan is in place, but now is the time to look ahead at 2017 and beyond. The Comprehensive Scheme will narrow the focus and set priorities; however, this all begins with a financial plan, and on average, the Port has \$2,000,000 per year to spend on projects. Mr. Floyd explained priorities and timing will need to be determined for projects such as:

- Vista Field Redevelopment;
- Columbia Drive;
- West Richland Raceway Property;
- Clover Island; and
- Reinvestment in Richland (at Island View).

Furthermore, what criteria should be used to decide the priorities and timing of each project and what should the balance between revenues from operations versus property sales or lease be.

Mr. Floyd stated the document is updated with the Commission’s current priorities and focus and are ready to move into the ten year period, centering on sequence and timing. The next step is to focus on answering the following questions:



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

- How many projects does the Commission want to undertake?
- What is the timeframe for each project?
- What resources does the Commission want to invest?
- What method of financing will be utilized?

Mr. Floyd stated the Comprehensive Scheme is a road map for the Port, however, the Commission can adjust the projects when developing a Work Plan.

Mr. Barnes opened up for a Public Comment period.

PUBLIC COMMENT

Ed Frost, 609 West Albany Avenue, Kennewick. Mr. Frost reinforced to the Port Commission that the financing plan for Vista Field, Phase I, should be included in the Comprehensive Scheme. Mr. Frost believes if the development sits, momentum from the community will disappear. Mr. Frost stated the Commission approved a financing plan for Vista Field on October 13, 2015, and believes the initial investment will attract private sector. Mr. Frost declared Vista Field should be a high priority and hopes the Commission will follow through with the plan.

Mr. Novakovich stated there is a lot to information to consider and likes the idea of looking into the future. Mr. Novakovich explained that even though the Commission adopts a Comprehensive Scheme or Work Plan, there is a need to maintain flexibility. Mr. Novakovich inquired if “the desire” to maintain flexibility should be included in the Comprehensive Scheme in an effort to take advantage of opportunities that may arise in the future.

Mr. Moak concurred with Mr. Novakovich and stated flexibility is an important aspect for the Commission. Mr. Moak inquired if the Port should undertake any projects prior to the Red Mountain Interchange opening, or take a wait and see approach. Many things are happening on Red Mountain and there are several factors to consider, such as the Irrigation District issues and not competing with the private sector. Mr. Moak stated it is important for the Port to try and understand the focus of various entities and be forward thinking when determining future Port projects. Furthermore, it is important to look at external events that may affect Port projects and continue to maintain flexibility. The Port has many significant projects to undertake and with \$2,000,000 a year for capital projects, it is important to figure out the financial scheme and what options are available. Mr. Moak believes the Port should consider the cost of maintaining buildings over the next ten years, not just the next two years. Mr. Moak stated the importance of looking at Port processes and finding unique and innovative ways to change and maximize our strategic effort. He feels Mr. Frost is correct in his statement that the Port needs to move forward on Phase I of Vista Field, but also feels the Commission needs to address additional phases. Port strategy will involve creativity, and Mr. Moak believes Mr. Arntzen is excellent at coming up with “out of the box” scenarios to make things happen. Mr. Moak stated it will take time and creativity to address the questions posed by Mr. Floyd while factoring in our jurisdictional partners’ requests.



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

Mr. Arntzen believes it is important to have something for each jurisdictional partner, no matter how small they are; however, the question for the Commission is, does the Port want to undertake several projects, or focus on the redevelopment of Vista Field. Mr. Arntzen stated, in regards to the City of Richland, there is a genuine appreciation on the part of Richland of the Port's major investment at Spaulding Business Park, which brought jobs to the area and property on the tax role. From previous conversations with city staff, there is not an expectation of another project at this time, but a desire to come up with a joint vision and a workable strategy. Mr. Arntzen stated, the Port has played a catalyst role in bringing major investors to the community, such as Pacific Rim Winery and developing the Southridge area. Mr. Arntzen was pleased to hear that the timing of the racetrack development should depend on the timing of the I82 interchange. Mr. Arntzen believes there are ways to do something with each jurisdictional partner if the timing of the projects are staggered.

Mr. Barnes agrees that the Port should maintain flexibility in the Comprehensive Scheme, to be able to take advantage of opportunities and react to changes on the outside. Mr. Barnes is very pleased to see the progress year to date, and how the Port is narrowing the operating gap. It is reassuring the Port has land resources that will eventually make its way to the private sector for development, which will replenish the Port coffers for additional projects. Mr. Barnes stated with the future land sales, he is optimistic in the Port's ability to fund these projects going forward. Mr. Barnes, in regards to Mr. Frost's statement, stated it is important for the Port to honor our commitments within our resources, whether on Columbia Drive, Clover Island, or Vista Field. It is essential that the Port continues to be a dependable partner by honoring our commitments. Mr. Barnes also agreed with Mr. Arntzen's comments about working with each jurisdictional partner, and stated the Port has continued to make investments in each jurisdiction.

Mr. Moak stated it is important to look at areas geographically and whether the investment is important to the community, not just the surrounding city.

Mr. Novakovich stated the Commission passed Resolution 2014-31, which states "*Evaluate economic development opportunities based on results to be derived district-wide versus project-specific or jurisdiction-specific results,*" as part of the Port philosophy. Furthermore, Mr. Novakovich believes the Port of Kennewick's Budget, Financial, and Operational Philosophy will assist the Commission in answering Mr. Floyd's questions.

Mr. Arntzen stated in regards to potentially selling the Port's Oak Street properties, it is important to have investments which provide cash flow to support the non, return on investment (ROI) projects, that the Port undertakes. Mr. Arntzen stated the earned income from investments, which augments the property tax revenue received, helps provide exciting projects. Mr. Arntzen asked for further Commission discussion regarding Oak Street.

Mr. Moak inquired what the projected income of Oak Street will be for the next ten years and what will it cost to maintain the site; or if it is something that should be in the hands of the private sector.



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

Mr. Barnes believes it is a healthy exercise for the Port to look at all the properties in the portfolio and discuss whether we should buy/sell/hold and what value and ROI is provided.

Ms. Fine stated in 2011, the accounting department started researching the ROI of properties and how each property operates, and in 2013, the Port implemented the cost allocation methodology. A finance presentation was scheduled to address the numbers, the capital costs and ongoing operation and maintenance; however, the State Auditors preformed their audit a year early and the presentation was postponed. Ms. Fine has a trend analysis which considers economic impact, capital cost, performance of properties, and job creation. Ms. Fine will continue to work with Mr. Floyd on the financing portion of the Comprehensive Scheme.

Mr. Barnes asked what the next step for the Comprehensive Scheme.

Mr. Peterson stated Mr. Floyd will start to draft the document and, as a starting point, some assumptions will be taken, based on previous resolutions. Mr. Floyd will include various scenarios including a \$2,000,000 budget, potential land sales, and possible activities occurring in each jurisdiction. Additionally, staff and Mr. Floyd will look at external issues such as the I82 interchange, which cannot be projected, and focus on other projects. The struggle will be working within the \$2,000,000 budget, and shuffling priorities to complete projects.

Mr. Floyd stated the draft will include a few scenarios that cover a ten-year period and then Commission will provide additional feedback based upon the questions posed. From there, we will narrow the direction, make the updates and provide a draft for review. Mr. Floyd estimates completing the financial draft January of 2016.

Mr. Novakovich inquired if the financing plans for Columbia Gardens and Vista Field could be included in the draft Comprehensive Scheme.

Mr. Floyd indicated the financing plans will be included and there will be a capital improvement plan that lays out a financial time line and includes priorities already set by the Commission.

Mr. Moak would like to see the Commission discuss selling property on Clover Island and wondered if it could enhance the opportunity for development. Mr. Moak stated if the Port is going to develop the island, do we wait until we have the available funding or sell land to the private sector to encourage additional development. Mr. Moak is unsure of the right strategy for developing Clover Island, but believes the Commission should address the subject.

Mr. Barnes stated the Port can continue to enter into long term land leases with the private sector, such as Cedars or Clover Island Inn.

REPORTS, COMMENTS AND DISCUSSION ITEMS

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

Commissioners reported on their respective committee meetings.



SPECIAL COMMISSION MEETING

PORT OF KENNEWICK

DRAFT

OCTOBER 27, 2015 MINUTES

B. Non Scheduled Items

No items were presented.

PUBLIC COMMENT

No comments were made.

COMMISSIONER COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned at 8:30 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary



AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Planning & Development

MEETING DATE: November 10, 2015

AGENDA ITEM: Spaulding Business Park Land Sale – SARC .83 acres

- I. REFERENCE(S):** Resolution 2015-27 and Site Map; attached.
- II. FISCAL IMPACT:** \$180,774.00 capital income to the Port.
- III. DISCUSSION:** One lot (#3) remains in Spaulding Business at 1.29 acres. Support, Advocacy & Resource Center (SARC) has offered to purchase 0.83 acres of the 1.29 acres, which is equal to 36,154 square feet located in Spaulding Business Park for \$180,774.00. The purchase price equates to \$5.00 per square foot which is generally consistent with sales activity in the area. This property is graphically depicted on “Exhibit A”.

The Purchaser intends to build a minimum of a 6,000 square foot building for administrative offices and client services. The building will include a tranquil courtyard and the site will be large enough for future expansion. The facility will initially employ 10 staff members with a growth strategy to add more staff through the addition of a counseling program. These jobs are reported to be at average wages of \$50,000 per year. The desired location is near other community resource agencies (Tri-Cities Chaplaincy, The ARC of Tri-Cities) that are already located in the Spaulding Business Park.

VI. ACTION REQUESTED OF COMMISSION:

***Motion:** I move approval of Resolution 2015-27 authorizing the Port's Executive Director to execute all necessary documentation associated with the land sale to Support, Advocacy & Resource Center and to take all other action necessary to close this transaction.*

PORT OF KENNEWICK

RESOLUTION No. 2015-27

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF
KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH THE
SUPPORT, ADVOCACY & RECOVERY CENTER (SARC)***

WHEREAS, SARC (Purchaser), has offered to purchase 0.83 acres of the area graphically depicted on *Exhibit A* at the Spaulding Business Park, in Richland, Washington from the Port of Kennewick (Seller) for the sum of \$180,774.00; and

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

WHEREAS, the Port Commission finds that said property is surplus to the Port's needs and the proposed sale is consistent with all previous Port policies, including its Comprehensive Scheme of Development.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port's Executive Director to execute a Purchase and Sale Agreement with SARC in the sum of \$180,774.00 and hereby authorizes the Port's Executive Director to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

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

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 10th day of November, 2015.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: _____
DON BARNES, President

By: _____
SKIP NOVAKOVICH, Vice President

By: _____
THOMAS MOAK, Secretary

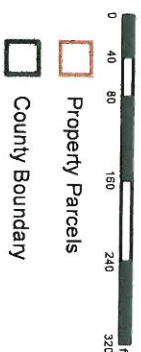


ASSESSOR

Benton County

WASHINGTON

Map Title



10/9/2015

Benton County makes every effort to produce and publish the most current and accurate information possible. This information is furnished as a public service. The information must be accepted and used by the recipient with the understanding that the data was developed and collected for the purpose of developing property valuations, using the criteria of fair market value, as required by the State of Washington. The Appraised Value and Tax Information are updated at different times during the year and, therefore, may not always reflect same year values. Benton County assumes no liability whatsoever associated with the use or misuse of such data, and disclaims any representation or warranty regarding the completeness or accuracy of the data.

Note: Acreage and Square Footage data shown are approximate and may not be consistent with records maintained by appraisal purposes.

©2015 Benton County, Washington Government.

Data source(s): Benton County, Washington Government.

COMMERCIAL REAL ESTATE PURCHASE AND SALE AGREEMENT

1. **PARTIES.** THIS AGREEMENT is made and effective on the _____ day of _____, 2015, by and between the

**Port of Kennewick
A Washington Municipal Corporation
350 Clover Island Drive, Suite 200
Kennewick, Washington 99336**

hereinafter "Seller", and

**Support, Advocacy & Resource Center
830 N. Columbia Center Blvd.
Kennewick WA 99336**

hereinafter "Purchaser".

2. **PROPERTY.** The Seller agrees to sell, and the Purchaser agrees to purchase, upon the terms and conditions herein specified, that certain real property legally described as a portion of Government Lot 3, Section 30, Township 9 North, Range 29 East, Willamette Meridian, City of Richland, Benton County, Washington being a portion of Block 2 of that property, as shown on **Exhibit "A,"** hereinafter "Property." **A Portion of Tax Parcel No.: 130994BP3898005 (+/- 0.83 acres)**

3. **PURCHASE PRICE.** The total purchase price is as follows:

The Agreed Price Per Square Foot is:	\$5.00 per square foot
The Estimated Square Footage is:	36,154 square feet / 0.83 acres
The Estimated Total Purchase Price is:	\$ 180,774.00.

The Purchase Price, inclusive of any applicable earnest money deposits, shall be paid all in cash at Closing.

4. **EARNEST MONEY.** Receipt is hereby acknowledged of Nine Thousand Thirty-eight and No/100 Dollars (\$9,038.00) delivered as earnest money. Earnest money shall be applied to the Purchase Price at Closing. Earnest money and this Agreement shall be promptly delivered by Seller to the Closing Agent hereinafter designated for the benefit of the parties. Earnest money shall be non-refundable at the end of the feasibility period provided at Paragraph 6.2 below.

5. **TITLE INSURANCE.** The Seller shall provide Purchaser with a standard form owner's policy of title insurance in the amount of the purchase price. The title policy to be issued shall contain no exceptions other than those provided in said standard form plus encumbrances or defects approved by Purchaser as provided below. As soon as reasonably possible after escrow is opened Purchaser shall be furnished with a preliminary commitment therefore issued by **Benton Franklin Title Company.** Said preliminary commitment shall include legible copies of all documents forming the basis for any special exception set forth.

6. PURCHASER'S CONTINGENCIES. Purchaser's obligation to purchase the Property shall be contingent upon the following:

6.1 Condition of Title. Title is to be free of all encumbrances or defects except those approved by Purchaser. The Purchaser shall be considered to have accepted the condition of title unless the Purchaser provides notice of specific written objections within ten (10) business days after Purchaser's receipt of a preliminary commitment as provided for above. If the Seller is not able to provide title in accordance with the Purchaser's written objections prior to closing, this Agreement shall terminate and earnest money shall be refunded.

6.2 Feasibility Determination/Environmental Due Diligence. For a period of ninety (90) days from the date of this Agreement, Purchaser may engage consultants or engineers of the Purchaser's choosing to conduct surveys, site studies and tests of the Property as the Purchaser deems necessary. The Purchaser or its agents shall have the right to enter the Property at reasonable times to make such tests, inspections, studies and other investigations as the Purchaser may require, at the Purchaser's expense and risk. During its investigation of the Property, Purchaser shall also have the right to determine if the Property is suitable for Purchaser's contemplated use, that it is properly zoned and that development is feasible. Purchaser and its agents shall have full access to the Property for the purpose of conducting Purchaser's inspections and evaluation. Purchaser's feasibility study shall include environmental due diligence. The Purchaser shall indemnify and hold the Seller harmless from any loss, damage or claim arising out of the Purchaser's access to the Property for purposes of making tests, inspections, studies and other investigations. This contingency shall be deemed waived or satisfied unless Purchaser provides written notice to the contrary within said ninety (90) days, in which case this Agreement shall terminate, and earnest money shall be refunded. If this transaction fails to close due to a default by Purchaser, Purchaser shall immediately deliver to Seller copies of any studies or inspections, appraisals or surveys and any and all information which either the Purchaser or Purchaser's consultants have obtained in connection with the feasibility study.

Seller hereby grants Purchaser and its/his agents to go upon the property for purposes of inspection and Purchaser hereby agrees to defend, indemnify and hold Seller harmless from any injury to person or property while performing such inspections.

6.3 Survey. Seller, at its expense, will obtain a professional survey of the Property consistent with the layout and dimensions reflected in **Exhibit "A."** In connection with preparing the survey, the surveyor shall determine the actual acreage of the Property. If the acreage is less or more than noted in paragraph 2 above, the purchase price for the Property may be adjusted by agreement of the parties. Following receipt of the survey, a copy shall be provided to the Purchaser and the escrow agent.

The surveyor shall be employed by the Seller within five (5) business days of the date of this Agreement. If the survey is not satisfactory to Purchaser, Purchaser may terminate this Agreement without further obligation and earnest money shall be refunded.

6.4 Environmental Site Assessment. If an environmental assessment is performed, Seller will provide copies of the assessment to Purchaser within five (5) business days of receipt of the assessment. If no environmental assessment is performed by Seller,

Purchaser, at its sole expense, may incur cost and services to have said assessment performed on the property. A copy of the report obtained by the Purchaser shall be provided to Seller within (5) days of receipt.

7. CONDITION OF PROPERTY/"AS IS" SALE. Except as otherwise expressly set forth in this Agreement, Seller makes no representations or warranties and shall not in any way be liable for any representations or warranties, including, without limitation, representations and warranties concerning (a) the physical condition of the Property (including, without limitation, the environmental condition, condition of the soils and groundwater conditions); (b) the Property's suitability for Purchaser's intended use; (c) any applicable building, zoning or fire laws or regulations or compliance therewith or any required permits of any governmental entities or agencies or compliance therewith; (d) the availability or existence of any water, sewer or other utilities (public or private). Purchaser acknowledges that Purchaser is relying on its own examination and inspection of the physical condition of the Property and all matters relating thereto. Seller shall have no obligation to make any repairs to the Property, and Purchaser shall accept the property in its "as is" condition at closing. Purchaser shall assume, as of closing, the responsibility for and risk of all defects and conditions of the Property, including any defects and conditions that cannot be observed by casual inspection. The Parties specifically agree that at closing the Purchaser assumes all environmental liability relating to the Property including without limitation the Washington Model Toxics Control Act ("MTCA"), the Toxic Substances Control Act, the Comprehensive Environmental Response, compensation and Liability Act ("CERCLA"), and the Resource Conservation and Recovery Act ("RCRA"), including without limitation, personal injury to or death of persons whosoever including employees, agents or contractors of the Seller, the Purchaser, or any third party, and damage to property of the Seller, the Purchaser, or any third party.

7.1 Common Access Drive Isle, Landscape Conduit, and Sewer/Utility Stubs

Purchaser agrees to construct and/or install, at its sole cost, a) a common access drive isle, b) a 2" schedule 40 landscape conduit under the access/drive isle to the Seller's adjacent vacant Parcel A, and c) sewer and other necessary utility stubs as may be identified by the Seller to be placed extending 10' beyond edge of pavement onto the Seller's adjacent vacant Parcel A. Further, the Purchaser agrees to grant and enter into an Access, Water, Sewer, and Landscape Easement for the benefit of the Seller's adjacent vacant parcel and future purchaser(s) of that parcel. The exact dimensions and location of the easement are to be determined prior to closing. If the parties are unable to reach an agreement on such location and terms, this Agreement shall terminate and neither party shall have any further responsibility hereunder

8. RISK OF LOSS. Risk of loss or damage to the Property or any part thereof prior to closing shall be assumed by the Seller. If such loss or damage occurs prior to closing this Agreement shall terminate and the earnest money shall be returned to the Purchaser.

9. CLOSING.

9.1 Closing Agent. This transaction shall be closed by Benton Franklin Title Company ("Closing Agent").

9.2 Closing Costs. Closing costs shall be allocated as follows:

Seller
Excise Tax
Title Insurance Premium
One-Half Closing Fee Costs

Purchaser
Recording Fees
One-Half Closing Fee Costs

Other incidental closing costs shall be paid and/or allocated in accordance with local practice.

9.3 Items to be Prorated. Taxes and assessments for the current year, water and other utilities constituting liens shall be prorated as of date of closing.

9.4 Closing Date - Possession. This transaction shall be closed when all contingencies have been satisfied and waived but in any event no later than **one hundred twenty (120) days** from effective date of this Agreement. "Closing" shall be the date on which all documents are recorded and funds are available for disbursement.

9.5 Conveyance. At Closing Seller shall deliver to Purchaser a Statutory Warranty Deed, free of any encumbrance or defect except those set forth in the preliminary commitment as set forth above.

9.6 Assignment. Neither this Agreement nor the rights hereunder shall be assigned without the prior written consent of Seller, which consent shall not be unreasonably withheld.

10. REPURCHASE OPTION.

10.1 Obligation to Construct Professional Office Building(s). The parties agree that the Purchaser will construct a professional office building on the Property of at least 6,000 square feet in accordance with the following conditions:

10.1.1 Construction of building is to commence no later than eighteen (18) months from the date the deed is recorded transferring the Seller's title to this land to Purchaser;

10.1.2 Commencement of construction will be evidenced by issuance of all required building/construction permits and approvals together with actual commencement of on-site construction;

10.1.3 All construction shall be in accordance with the covenants for Spaulding Business Park attached hereto as Exhibit "B";

10.1.4 Seller shall have the right to approve all aspects of building design, which approval shall not be unreasonably withheld or delayed.

10.2 Failure to Construct and Right to Repurchase. Subject to force majeure, the parties agree that in the event construction of the building, or some other mutually agreed upon utilization of the Property, has not begun (evidenced as set forth in 10.1.2 above) Seller shall have the right to repurchase the Property at the same agreed upon price per square foot (\$5.00 per square foot) with all closing costs and real estate taxes paid by Purchaser, payable in

Closing for the repurchase of the Property shall occur in accordance with the terms of paragraph 9 above, except that Purchaser shall bear all closing costs unless otherwise agreed between the parties, and closing shall occur no later than fifteen (15) days after delivery of the Seller's written notice. Upon closing, Purchaser shall immediately vacate and redeliver possession of the Property to the Seller. At closing, the Purchaser will execute a statutory warranty deed re-conveying the Property to Seller and this Agreement shall be void and of no further force or effect.

10.4 Hold Harmless. Further and in consideration of the terms hereof, in the event the Seller repurchases the Property, Purchaser shall release and hold Seller harmless and shall indemnify and defend Seller from any and all claims, demands, liens, or encumbrances arising out of or connected with this Agreement and the Property.

Purchaser: Support, Advocacy & Resource Center
830 N. Columbia Center Blvd.
Kennewick WA 99336

Seller: Port of Kennewick
350 Clover Island Drive, Suite 200
Kennewick, Washington 99336

11/2/2015 8:22:16 AM

Phone No.: (509)586-1186
Email: bscott@portofkennewick.org

With copy to:

Carney Badley Spellman, P.S.
701 Fifth Avenue, Suite 3600
Seattle WA 98104
Attn: Lucinda J. Luke, Port Counsel
Phone No.: (206)607-4111
Email: luke@carneylaw.com

12. MISCELLANEOUS.

12.1 Confidentiality. Both parties agree that this transaction shall remain completely confidential and shall not be disclosed to any other third party without the express written consent of the Purchaser and/or Seller, except as may be required by law. Purchaser acknowledges that Seller is subject to Washington State's Public Records Act.

12.2 Default Remedies. If either party defaults under this Agreement, the non-defaulting party may seek specific performance of this Agreement, damages or any other remedy available at law or equity.

12.3 Dispute Resolution/Attorney's Fees. In the event of any claim or dispute arising under this Agreement, the parties agree to submit the same to binding arbitration at a location to be mutually agreed upon in Benton County, Washington. In the event the parties are unable to promptly agree upon an arbitrator, the same shall be selected by the presiding judge for the Benton County Superior Court at the request of, and upon seven (7) days' notice from, any party. The arbitrator so appointed shall be a retired superior court judge or an attorney having at least ten years' experience in matters similar to the subject of the claim or dispute. The court may establish the ground rules by which the initial arbitrator fees are to be paid. The mandatory arbitration rules, as implemented in Benton County Superior Court, shall be binding as to procedure. The arbitrator shall determine an award of reasonable attorney's fees and costs and expenses to the substantially prevailing party. If any suit or other proceeding is instituted by either party that is alleged not to come within the foregoing agreement for arbitration, the substantially prevailing party as determined by the court or in the proceeding shall be entitled to recover its reasonable attorney's fees and all costs and expenses incurred.

12.4 Time of Essence. Time is of the essence of this Agreement.

12.5 Calculation of Time Periods. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday. The final day of any such period shall be deemed to end at 5:00 p.m., Pacific [Daylight] Time.

12.6 Governing Law and Venue. This Agreement shall be governed by and construed according to the laws of the State of Washington. Venue for any dispute arising out of or related to this Agreement shall be exclusively in Benton County, Washington.

12.7 Authority to Execute Agreement. Each of the undersigned represents and warrants that, if not signing on his own behalf, he has the authority to bind the entity for which he/she is executing this Agreement.

12.8 Entire Agreement. There are no verbal or other agreements which modify or affect this Agreement, and Purchaser and Seller acknowledge that this Agreement constitutes the full and complete understanding between Purchaser and Seller.

12.9 Amendments. This Real Estate Purchase and Sale Agreement may be amended or modified only by a written instrument executed by Seller and Purchaser.

12.10 Broker Compensation. Both Purchaser and Seller warrant to the other that it has incurred a brokerage commission for which the other party would be responsible. Paul Presby of Berkshire Hathaway Home Services, Tri-Cities Real Estate, shall be paid a commission by Seller pursuant to compensation rates specified in the Port of Kennewick Resolution No. 2006-40 adopted September 26, 2006.

Except as specifically disclosed herein, neither party has had any contact or dealings regarding said property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or finder's fee as a procuring cause of the purchase and sale contemplating this Agreement. If any broker or finder perfects a claim for a commission or finder's fee based upon any other contract, dealings or communication, the party through whom the broker or finder makes his or her claim will be responsible for that commission or fee and shall indemnify, defend and hold harmless the other party from and against any liability, cost or damages, including attorney's fees and costs, arising out of that claim.

12.11 Obligations to Survive Closing. The obligations contained herein shall survive closing.

12.12 Termination. Unless otherwise agreed between the parties, this Agreement shall terminate unless signed by Purchaser and returned to Seller before 5:00 p.m. the 3rd business day following the Port of Kennewick's next scheduled Commission meeting.

13.0 Exhibits. The following exhibits are attached hereto and made a part of this Agreement by reference:

Exhibit A	Legal Description and Survey (Purchase Parcel)
Exhibit B -	Port of Kennewick Covenants – Spaulding Business Park
Exhibit C -	Site Plan

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first below written.

Port of Kennewick

A Washington Municipal Corporation
By Authority of its Board of Commissioners

Dated: _____

By: _____
Tim Arntzen, Executive Director

Approved as to form:

Lucinda J. Luke, Port Counsel

Date: _____

Support, Advocacy & Resource Center

Dated: 11/12/15

By: Jodee Marnitzen
Printed Name: Jodee Marnitzen
Title: Executive Director

ACKNOWLEDGEMENTS

State of Washington)
)ss
County of Benton)

On this day personally appeared before me Tim Arntzen to me known to be the Executive Director of the Port of Kennewick, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated he is authorized to execute the said instrument.

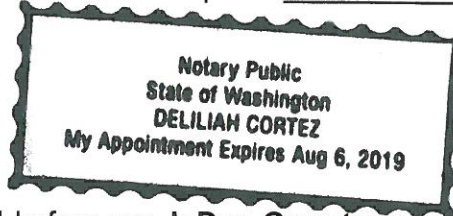
GIVEN under my hand and official seal this ____ day of _____, 2015.

Notary Public in and for the State of Washington
Residing at: _____
My Commission Expires: _____

State of Washington)

)ss

County of Benton)



On this day personally appeared before me JoDee Garretson to me known to be the Executive Director of Support, Advocacy & Resource Center, the corporation that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed for said corporation for the uses and purposes therein mentioned, and on oath stated she is authorized to execute the said instrument.

GIVEN under my hand and official seal this 10th day of Nov, 2015.

Delilah Cortez

Notary Public in and for the State of Washington
Residing at: Franklin Co
My Commission Expires: Aug 6, 2019

EXHIBIT A

**Spaulding Business Park Interior Lot with Fowler Street Access (+/- 0.83 Acre Parcel)
(Legal Description)**

Final Description/Survey To Be Provided At Closing



ASSessor

Benton County

WASHINGTON

Map Title



- ☒ Property Parcels
- ☐ County Boundary



10/9/2015

Benton County makes every effort to produce and publish the most current and accurate information possible. This information is furnished as a public service. The information must be accepted and used by the recipient with the understanding that the data was developed and collected for the purpose of developing property valuations, using the criteria of fair market value, as required by the State of Washington. The Appraised Value and Tax Information are updated at different times during the year and, therefore, may not always reflect same year values. Benton County assumes no liability whatsoever associated with the use or misuse of such data, and disclaims any representation or warranty regarding the completeness or accuracy of the data.

Note: Acreage and Square Footage data shown are approximate and may not be consistent with records maintained for appraisal purposes.

©2015 Benton County, Washington Government.

For more maps and information resources visit us at - <http://bentonproperty.max.governmaxa.com>

Map Layers 10/02/2015

Data source(s): Benton County, Washington Government.

EXHIBIT B

PORT OF KENNEWICK COVENANTS
Spaulding Business Park

Benton County Recording Cover Sheet

Return Address:
Port of Kennewick
101 Clover Island Drive
Kennewick, WA 99336

PLEASE PRINT OR TYPE INFORMATION:

Document Title(s)(or transactions contained therein):

1. Second Revision to Declaration of Protective Covenants and Restrictions – Spaulding Business Park, Richland, Washington
- 2.

Grantor(s)(Last name first, first name, middle initials):

1. Port of Kennewick
- 2.
- 3.
- 4.

Additional names on page ____ of document.

Grantee(s)(Last name first, first name, middle initials):

1. Public
- 2.
- 3.
- 4.

Additional names on page ____ of document.

Legal description (abbreviated: ie. lot, block, plat or section, township, range, qtr./qtr.)

Portion of Government Lot 3 and portion of SE ¼ of NW ¼ of Section 30, Township 9 N, Range 29 E.W.M.

Additional legal is on page 19 of document

Reference Number(s) of documents assigned or released:

Additional names on page ____ of document.

Assessor's Property Tax Parcel/Account Number

1-3099-100-0023-006; 1-3099-100-0023-007; 1-3099-0024-000; 1-3099-0025-000

Additional parcel numbers on page ____ of document.

The Auditor/Recorded will rely on the information provided on the firm. The staff will not read the document to verify the accuracy or completeness of the indexing information.

PORT OF KENNEWICK

RESOLUTION NO. 2004-14

**SECOND REVISION TO DECLARATION OF
PROTECTIVE COVENANTS AND RESTRICTIONS
SPAULDING BUSINESS PARK, RICHLAND, WASHINGTON**

THIS SECOND REVISED DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS is made and created on the date hereinafter set forth by the Port of Kennewick, a Washington municipal corporation, hereinafter referred to as "Declarant."

WHEREAS, Declarant is the owner of real property known as the Spaulding Business Park in the City of Richland, County of Benton, State of Washington, which property, legally described in Exhibit A attached hereto, was acquired by Declarant; and

WHEREAS, Declarant is authorized to sell or lease the property without bid under the provisions of Chapter 53 of the Revised Code of Washington (RCW); and

WHEREAS, for the orderly development of the Spaulding Business Park, it is necessary and desirable for Declarant as its present owner to establish protective covenants to ensure that, with the urbanization of the Tri-Cities area, the property owners and their tenants are adequately protected by restrictions and requirements that will ensure its value, attractiveness and best use; and

WHEREAS, Declarant will henceforth sell and lease parcels within the Spaulding Business Park subject to these protective covenants as hereinafter set forth; and

WHEREAS, Resolution Nos. 2003-03 and 2004-03, adopted by the Board of Commissioners of the Port of Kennewick on January 28, 2003 and January 27, 2004, respectively, created and subsequently amended a Declaration of Protective Covenants and Restrictions for the Spaulding Business Park, which the Board now wishes to further amend as provided by Section VI.B thereof;

NOW, THEREFORE, BE IT HEREBY RESOLVED that Declarant hereby declares that the Spaulding Business Park shall be held, sold, leased and conveyed subject to the following protective covenants; and

BE IT FURTHER RESOLVED that these covenants shall run with the property and shall be binding on all parties having or acquiring any right, title, or interest in the property or any part thereof, and shall inure to the benefit of each owner thereof; and

BE IT FURTHER RESOLVED that this Resolution No. 2004-14 shall supersede and replace Resolution Nos. 2003-03 and 2004-03 in their entirety.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 13th day of April, 2004.

PORT OF KENNEWICK
BOARD OF COMMISSIONERS

By: Gene Wagner
GENE WAGNER, President

By: John Olson
JOHN OLSON, Vice President

By: Dave Hanson
DAVE HANSON, Secretary



I. INTRODUCTORY FRAMEWORK

A. Purposes and Objectives

The Spaulding Business Park, hereinafter referred to as the "Park," presently owned by Port of Kennewick ("Declarant") was purchased to provide land for economic development purposes that integrates commercial and light industrial uses. These Protective Covenants will govern the development of the Park and are intended to provide a positive incentive for prospective Owners and Occupants. These Protective Covenants are intended to support creative, visually appealing site and building design in an interrelated environment that encourages architectural variation in the structures to be built in the Park. The Declarant, in establishing these Protective Covenants, seeks to achieve the following purposes and objectives:

1. Provide economic development opportunities.
2. Provide adequate natural light, clean air, and safety from fire and other dangers.
3. Provide for long-term economic protection and enhancement of the value of land and improvements through well-managed development and maintenance practices.
4. Minimize congestion and enhance vehicular and pedestrian circulation.
5. Preserve and enhance aesthetic values of the structures and improvements.
6. Promote public health, safety, comfort, convenience and general welfare.

These Protective Covenants are intended to complement and supplement the Municipal Code of the City of Richland, and other applicable local, state, and federal laws and regulations. All improvements and construction must be in compliance with local, state, and federal laws and regulations, including without limitation, standards for building and construction, land use, air emissions, sanitary systems, industrial effluent, and noise levels. In the event such other regulations are less restrictive than the regulations set out herein, then the more restrictive provision of these regulations shall apply.

B. Definitions

1. Additional Property

Any real property, other than the initial property described in Exhibit A, made subject to these Protective Covenants pursuant to the provisions herein.

2. Common Areas

Portions of the Park that are dedicated to the use of all Owners and Occupants, which may include but not be limited to signage, landscaping, walkways, sidewalks and lighting. Declarant may control these areas through fee ownership or by reserving an easement across Parcels conveyed to other Owners.

3. Design Review Committee

Design Review Committee (DRC) shall be a review and approval authority for all development activities within the Park. Said committee shall consist of appointees designated by the Declarant.

4. Hazardous Waste/Substances

Dangerous and extremely hazardous waste as described by RCW 70.105.010.

5. Improvement(s)

All structures or other improvement(s) to a Parcel of any kind whatsoever whether above or below grade, including, but not limited to, buildings, utility installations, storage, loading and parking facilities, walkways, driveways, landscaping, signs, site lighting, site grading and earth movement and any exterior additions, changes or alterations thereto, whether original or future construction.

6. Intent of Use

The intended explicit use of a Parcel by the Owner or Occupant, or anticipated uses by parties renting or leasing the facility.

7. Occupant

Any Person legally entitled to occupy and use all or any part or portion of a Parcel, including, without limitation, any Person leasing premises within the Park from the Declarant or another Owner.

8. Owner

All Persons or legal entities that hold legal ownership of Parcels within the Park, which include Declarant and others who purchase Parcels from the Declarant.

9. Parcel
Any subdivided or otherwise approved segregated lot.
10. Parcel Site Plan
The Parcel Site Plan and data provided for in Sections III.A and III.B herein, the primary purpose of which is to determine compliance of the proposed Improvements with this Declaration of Protective Covenants.
11. Park
The real property described in Exhibit A attached hereto and any part of the Additional Property made subject to these Protective Covenants.
12. Person
A natural person, firm, corporation, partnership or any legal entity, public or private.
13. Pro-rata Share
The percentage or proportionate share of the whole for which an Owner is responsible based on the relationship the land area that Owner's property bears to the total useable land area in the Spaulding Business Park defined as all land excluding dedicated streets
14. Protective Covenants (or Covenants)
This Declaration of Protective Covenants and Restrictions for Spaulding Business Park, as the same may be amended from time to time.
15. Sign
Any structure, device or contrivance, electric or non-electric, upon which any poster, bill, bulletin, printing, lettering, painting, device or other identification or advertising of any kind is used, placed, posted, tacked, nailed, pasted or otherwise fastened or affixed.
16. Storm Water Facilities
All facilities (above and below ground level) that serve the purpose of collecting, storing, and/or treating water runoff from the land and/or impervious surface of parking lots, roads and/or streets.
17. Temporary Structure
A structure not designed or approved for permanent placement and/or use.

II. REGULATIONS GOVERNING USES

A. Allowed Uses

The following list of allowed land uses are permitted unless otherwise restricted in this document, or by Section 23 of the City of Richland Municipal Code.

- | | |
|--|--|
| 1. Antique Shops | 32. Micro-Brewery |
| 2. Apparel & Accessory Stores | 33. Newspaper Offices & Printing Works |
| 3. Art galleries | 34. Nursery, Retail |
| 4. Automatic Teller Machines | 35. Office - Corporate |
| 5. Boat Building | 36. Office - Consulting Services |
| 6. Books, Stationery & Art Supply Stores | 37. Office - General |
| 7. Bottling Plants | 38. Office - Research and Development |
| 8. Building, Hardware, Garden Supply Stores | 39. Office Supply Store |
| 9. Cafeterias | 40. Parking Lot or Structure (as an accessory use only) |
| 10. Cinemas, Indoor | 41. Personal Service Businesses (except tattoos and body piercing) |
| 11. Commercial Recreation, Indoor | 42. Pet Shop & Pet Supply Stores |
| 12. Conference/Convention Facility | 43. Photo Processing, |
| 13. Contractor's Offices and Shops (no contractor's yards) | |



2004-021084

Pg: 5 of 21

06/15/2004 02:47P

Benton County

- | | |
|--|---|
| 14. Cultural Institutions | Copying & Printing Services |
| 15. Day Care Center | 44. Portable Food Vendors |
| 16. Delicatessen | 45. Public Agency Buildings |
| 17. Drug Store/Pharmacy | 46. Radio and Television Studios |
| 18. Electronic Equipment Stores | 47. Research, Development and Testing Facilities |
| 19. Financial Institutions | 48. Restaurants with Entertainment/Dancing Facilities |
| 20. Florists | 49. Restaurants/Lounge |
| 21. Food Stores < 5,000 Sq. Ft. | 50. Restaurants/Sit Down |
| 22. Furniture, Home Furnishings & Appliance Stores | 51. Restaurants/Take Out |
| 23. General Service Businesses | 52. Schools, Commercial |
| 24. Health/Fitness Facility | 53. Schools, Trade |
| 25. Hotel, motel, Inn, corporate apartment or other guest quarters | 54. Specialty Retail Stores |
| 26. Landscaping Material Sales | 55. Storage in an Enclosed Building |
| 27. Laundry/Dry Cleaning, Retail | 56. Telemarketing Services |
| 28. Light Manufacturing Uses | 57. Theater |
| 29. Mailing Service | 58. Travel Agencies |
| 30. Medical, Dental and Other Clinics | 59. Vehicle Leasing/Renting |
| 31. Micro and Macro Antennas (as an accessory use only) | 60. Video Rental Store |
| | 61. Warehousing and Distribution Facilities |
| | 62. Wineries |

Allowed uses shall be conducted entirely within enclosed buildings, unless such activities are adequately screened from view. Such screening shall be subject to review and approval by the DRC.

Allowed uses shall not inflict upon the surrounding properties smoke, dirt, glare, vibration, or noise beyond the maximum levels enforceable under applicable laws.

Operations and uses that are neither specifically prohibited nor specifically authorized in these Protective Covenants may be permitted in a specific case if operational plans and specific uses are submitted to and approved in writing by the Declarant. Should the Declarant disapprove of the intended use in writing, the Owner may resubmit an alternate use or uses utilizing the same procedures as detailed in Section III below. The Declarant shall be notified of changes in use substantially different than that specified on the approved Parcel Site Plan.

B. Restrictions

Uses that would violate federal, state or local laws or codes, or would likely constitute a nuisance are prohibited, as well as uses that sell indecent or pornographic literature, adult entertainment, or any other form of sexually oriented business.

III. DESIGN STANDARDS

A. Design Review Committee

No improvements shall be erected, placed, or altered on any Parcel until an application for approval of the Parcel Site Plan and specifications and the Intent of Use shall have been submitted and approved by the Design Review Committee or its duly authorized agent.

The Design Review Committee shall consist of the Port of Kennewick Commission, Executive Director, and Director of Planning & Development. Applications for approval shall be submitted to Declarant at the following address or to such other address as may hereafter be given in writing to Owners, contract purchasers or lessees involved:

Spaulding Business Park
Design Review Committee
Port of Kennewick
101 Clover Island Drive
Kennewick, WA 99336

Any action by the Design Review Committee on any application or submittal (including, without limitation, any Intent of Use or Parcel Site Plan) shall be in the nature of an approval, a conditional approval, or a disapproval (which disapproval shall set forth the reasons therefor), which action shall be communicated in writing conveyed by the Port Executive Director. Within ten (10) business days after receipt from an Owner, prospective purchaser, Occupant or prospective Occupant (each of the foregoing being referred to herein as an "applicant") of any application or submittal made pursuant to or in accordance with these Protective Covenants, the Design Review Committee shall approve, conditionally approve or disapprove such application or submittal or shall notify such applicant in writing if such application or submittal is unsatisfactory or incomplete in any way. If the Design Review Committee fails to notify an applicant in writing of its determination with respect to an application or submittal within ten (10) business days after receipt thereof, then such applicant may deliver written notice to the Design Review Committee (a "Determination Request Notice") requesting a determination with respect to such application or submittal and, if the Design Review Committee thereafter fails to notify such applicant in writing of its determination within three (3) business days after receipt of a Determination Request Notice, then for all purposes hereunder such application or submittal shall be deemed to be approved (without conditions) by the Design Review Committee. The Design Review Committee shall not unreasonably withhold, condition or delay its consent to any application or submittal from an Owner, prospective purchaser, Occupant or prospective Occupant, provided that the foregoing shall not preclude the Design Review Committee from withholding or conditioning its consent to an application or submittal which fails to satisfy the requirements contained in these Protective Covenants.

The Design Review Committee shall have the authority to waive or vary any of the requirements contained in these Protective Covenants.

To the extent permitted by applicable law, neither the Port of Kennewick as Declarant, nor its agents, employees, members, successors and assigns shall be liable for damages to any Owner or to any other Person submitting for approval Parcel Site Plans or an Intent of Use of the Property, or to any one or more of them, by reason of good-faith mistake in judgment arising out of or in connection with the approval or disapproval or failure to approve any Intent of Use and Parcel Site Plans. Every Person who submits an Intent of Use or Parcel Site Plan to the Declarant for approval as herein provided agrees by submission of such Intent of Use or Parcel Site Plan and every Owner or Person claiming by or through an Owner agrees by acquiring title to any part of the Park or any interest in the Park, that it will not bring any action or suit against the Declarant or any one or more of them, their respective agents, employees, members, successors or assigns to recover any such damages; provided, however, the foregoing shall not limit the rights of an Owner or other Person to seek injunctive relief or declaratory judgment.

Unless otherwise approved in writing by the Declarant, any Improvements constructed on any Parcel shall be completed within 12 months from the date of commencement of construction, subject to prevention, delay or stoppage due to strikes, lockouts, labor disputes, fire or other casualty, acts of God, acts of terrorism, inability to obtain services,

labor or materials or reasonable substitutions therefor, governmental actions, civil commotion, and other causes beyond the reasonable control of the Owner of such Parcel or the Person constructing the Improvements thereon (collectively, "Force Majeure"). No Improvements constructed elsewhere may be moved onto any Parcel in the Spaulding Business Park without prior Design Review Committee approval in writing.

B. Submissions to Design Review Committee

Prior to an initial sale by Declarant of any parcel, a prospective purchaser must submit in writing to the Design Review Committee for its approval a conceptual site plan of proposed construction (which shall be treated as a submittal and shall be subject to the relevant provisions of Section III.A above). Such plan shall show the locations of buildings and other architectural features (fencing, walls, etc.), exterior parking and landscape areas, and a preliminary building elevation showing proposed building materials.

The DRC shall evaluate the proposed development in accordance with these Protective Covenants and shall state in writing the changes, if any, necessary for approval of the proposed plan. Any prospective purchasers from Declarant may resubmit proposed uses and plans until the approval has been obtained. No parcel shall be sold by Declarant until such time as the DRC has reviewed and approved the proposed uses and plan in writing. Such approval shall not constitute a release of obligation to comply with these Protective Covenants (although such approval shall constitute a waiver or variance by the Design Review Committee of the requirements contained in these Protective Covenants in accordance with Section III.A above) or the City of Richland municipal code.

The acceptance of a deed by a grantee shall constitute an acceptance of all terms, conditions, covenants, limitations, restrictions, uses and decisions of the DRC as set forth in these Protective Covenants to which the property is heretofore made subject and shall be binding and conclusive on the grantee, its heirs, executors, administrators, successors and assigns.

After the initial conveyance by means of a deed from Declarant with regard to any specific parcel, no new use, building, addition, fence, wall, exterior lighting, exterior signs, parking facilities, or exterior plantings (however, there shall be no restriction as to seasonal plantings, or replacement of existing plants) shall be commenced, erected, or maintained unless and until a plan and specification showing the nature, kind, shape, materials, or location of same shall have been submitted to and approved in writing by the DRC; provided, however, the foregoing shall not apply to any interior improvements, nor to any reconstruction, repairs, remodeling or replacement of exterior plantings, if done in accordance with plans previously approved.

Prior to construction, the Owner shall deliver to the Design Review Committee, in a form reasonably satisfactory to the Design Review Committee, a complete Parcel Site Plan that includes the following data:

1. Plans and elevations of structures showing major dimensions, cross-sections, and typical wall sections.
2. Submission must include topography showing existing grades (available record information is acceptable) and proposed grades (with spot elevations as required to clarify drawings) as well as building corner elevations and floor elevations.
3. Proposed landscaping, including automatic underground or drip irrigation system plan.
4. Retaining walls.
5. Street names.
6. Locations of temporary and permanent fences.
7. Setbacks from building to property lines.
8. Easements and rights-of-way.
9. Exterior colors and materials of construction.
10. Driveways, parking areas, traffic circulation patterns and parking lot pathway lighting.
11. Locations of benches and patios.

12. Exterior storage and screening devices for trash, mechanical equipment and meters.
13. Light poles and transformers and other outside lighting.
14. Utility systems.
15. Roof projections and screening treatment.
16. Permanent and temporary sign specifications, location and layout.
17. HVAC unit locations.

The Owner shall also submit to the Declarant in writing the intended use or uses of the proposed facility at the time of submission of the Parcel Site Plans. Descriptions of the use or uses should be in detail, provided, however, no proprietary information shall be required of an Owner pursuant to any provisions of these covenants.

C. Alternative Design

In the event that a proposed building and/or site does not meet the literal standards identified in this Section III, an Owner, prospective purchaser, Occupant or prospective Occupant may apply to the Design Review Committee for a deviation from these site design standards. The Design Review Committee shall consider said deviation and may approve any deviation based on its review and a determination the application meets the following findings:

1. The proposal would result in a development that offers equivalent or superior site design than conformance with the literal standards contained in this Section III; and
2. The proposal addresses all applicable design standards of this Section III in a manner, which fulfills their basic purpose and intent; and
3. The proposal is compatible with and responds to the existing or intended character, appearance, quality of development and physical characteristics of the subject property and immediate vicinity.

Notwithstanding anything to the contrary contained in this Section III.C or elsewhere in these Protective Covenants, approval (including, without limitation, conditional approval or deemed approval) by the Design Review Committee of an application or submittal shall constitute the waiver or variance by the Design Review Committee of any requirements contained in these Protective Covenants which are not otherwise satisfied by such application or submittal, and any improvements thereafter constructed in accordance with such approved (or deemed approved) application or submittal (subject to any express conditions of approval) shall be deemed to satisfy the requirements contained in these Protective Covenants for all purposes hereunder.

D. Building Standards

The purpose and intent of this Section III.D is to encourage the creative and innovative use of materials and methods of construction, and to prevent indiscriminate and insensitive use of materials and design in any construction undertaken on the Property.

1. Building Design

- a. Building design shall reflect consideration of site orientation and local conditions including local sunny, arid and often windy climate factors.
- b. Building design and orientation shall consider impacts to other adjacent Occupants of the Park.
- c. Multiple-corners are encouraged on all principal structures. A minimum of five (5) corners on a building is required, unless otherwise exempted by the Design Review Committee.
- d. Multiple rooflines are encouraged. Where multiple roof lines are not proposed, the applicant shall provide justification for a singular roof line and provide other potential architectural mitigations where appropriate.
- e. Attractive entrances, architectural focal points, changing planes, awnings, overhangs, and amenities that provide for a "sense of arrival" and building "identity" are encouraged to add interest to plain buildings and scale down large buildings.

- f. Building walls are encouraged to avoid extended uninterrupted faces. Recessed faces or projected panels or variations in surface treatments are examples of "interrupted wall faces.
 - g. At least 25% of the wall area fronting on a street should be occupied with windows, alcoves, canopies, cornices, cupolas or similar architectural features.
 - h. Large buildings should have height variations to give the appearance of distinct elements.
 - i. Rooftop or outdoor mechanical equipment shall be screened from public view in a manner that is architecturally integrated with the structure. Screening shall be constructed to a finished standard using materials and finishes consistent with the rest of the building.
 - j. Roof-mounted equipment should be painted a compatible color with the roof screen.
 - k. Exterior building colors should be subdued. Primary colors or other bright colors should generally be used only as accents to enliven the architecture.
 - l. Reflective glass is not permitted for glazing.
 - m. Factory-built and pre-fabricated structures may be permitted, if approved by the Design Review Committee.
2. Exterior Wall Materials
- a. Recommended exterior finishes and architectural trims such as: stone, brick, wood trim, paint, concrete, masonry, tile, stucco, pre-finished metals, and glass.
 - b. Finish treatments and materials must be applied to all sides of a structure that are visible to the general public and Occupants of the same and other structures.
 - c. No concrete block shall be used on the exterior unless approved by the Design Review Committee. The effect of a material used on a structure shall be considered in relationship to all other structures in the development and shall be compatible with other structures.
3. Colors
- a. All colors shall be harmonious and compatible with colors of other structures in the Park and the natural surroundings. Concrete finishes must be painted or dyed.
 - b. The general overall atmosphere of color must be natural tones. Stained wood, natural stone, brick, dark aluminum finishes, etc. shall be used as background colors.
4. Mechanical Equipment
- a. All mechanical equipment, utility meters and storage tanks must be located in such a manner as to be concealed from the general public.
 - b. If concealment within the structure is not possible, then screening or landscaping shall conceal such utility elements.
 - c. Penthouses and mechanical equipment screening shall be of a design and material similar to and compatible with those used in the related structures.
 - d. Underground utility lines throughout the development are required.
 - e. Mechanical equipment shall be located in such a manner that does not cause a nuisance or discomfort from noise, fumes, odors, etc.
5. Exterior Fire Stairs
- a. All exterior fire stairs must be enclosed.
6. Garbage, Trash Collection, Loading Dock, and Other Service Areas
- a. All refuse containment, loading docks, and other service areas shall be located to minimize negative visual impacts, to be inconspicuous and not cause a nuisance to the public, to neighboring properties, or to Occupants of the same or adjacent structures.
 - b. Shared or "Common" refuse and recycling areas are permitted where continuous or integrated parking fields are also shared by more than one building or Parcel; provided, however, the foregoing shall not be construed to require any Parcels to share continuous or integrated parking fields without the prior written consent of the Owners of all such Parcels.

- c. All delivery and maintenance vehicle parking areas, truck docks and loading areas, refuse and service areas and outdoor storage areas shall be screened from public view and adjacent properties by means of a fence, masonry wall, landscaping, or a combination of landscaping and fencing materials that together create a six (6) foot tall sight-obscuring screening wall complementary to the principal structure.
- d. A delivery or "drop off" zone may be permitted at the front of a building and qualify as a "loading zone" if approved by the Design Review Committee.
- 7. Temporary Structures
 - a. Temporary Structures shall only be permitted during construction of permanent structures and shall be removed as soon as permanent structures are completed.
 - b. Such Temporary Structures shall be placed as inconspicuously as possible and cause no inconvenience to the general public.
- 8. Walks and Plaza Materials
 - a. Materials selected for walks and plazas, other than traditional standard concrete shall be coordinated to the materials of the structures.
 - b. Surfaces shall contain a non-skid finish.
 - c. Layout and design shall provide maximum comfort and safety to pedestrians.
 - d. Patterns for plaza paving should have an obvious relationship to the structures.
- 9. Utilities
 - a. All site utilities shall be placed underground. No utilities shall be constructed, placed or maintained on the property unless appropriately contained in conduits or structures. Utilities may include, but are not limited to: sewer, drainage, power, natural gas, telephone lines, television cables, microwave or radio signals, and the like.
 - b. With approval from the Design Review Committee, support devices that for practical reason cannot be placed underground or concealed must be screened from view to the satisfaction of the Design Review Committee.
 - c. Pad mounted equipment shall be appropriately located and screened in a manner consistent with required access and safety requirements.
- E. Landscaping, Parking, Storage and Exterior Lighting Standards

The requirements for the landscaping, parking areas, storage areas, and exterior lighting are as follows:

 - 1. Landscaped Areas

Selection of appropriate landscape material shall conform to the following guidelines:

 - a. Landscaping must meet the minimum requirements of the City of Richland and the requirements of this Section III.E.
 - b. A landscape design plan with plant name (common and botanical), key, size at installation/maturity (height, width & caliper), container type and quantity of each plant shall be submitted for approval by the Design Review Committee. All materials, such as mulch, etc., shall be clearly indicated, with description, on the plans. The plan should be at a scale and symbolized as to clearly indicate all plant locations. Necessary irrigation, exterior lighting and hardscape plans with details, sections and specifications shall be attached as needed.
 - c. All rights-of-way shall be planted with Chanticleer flowering pear trees (*Pyrus calleryana*) of a size and with the spacing described in this Section III.E.1.d below, or as approved by the Design Review Committee.
 - d. Street Frontage Trees that are required shall be of the same caliper size and height as existing adjacent street trees within the park (with a maximum 3 inch caliper for deciduous trees or eight foot height for evergreen trees). If no other street trees exist with the park at the time of a site's development, the minimum sizing below will be the standard.
 - e. Wherever trees are required in landscape buffer strips, the following minimum standards shall apply:

1. Evergreen trees shall be a minimum height of five (5) feet at the time of planting.
 2. Deciduous trees shall be a minimum 2 inch caliper at the time of planting.
 - f. All landscaped areas shall be served by an underground or drip irrigation system or shall be provided with a readily available water supply with at least one outlet located within 150 feet of all plant material requiring irrigation.
 - g. The Design Review Committee must approve landscape plans in conjunction with other plan components.
 - h. Landscaping in all setback areas shall consist of an effective combination of trees, ground cover, and shrubbery.
 - i. Five (5) shade trees must be provided for every 1,000 square feet of required landscaped area. (Required street trees may be included in this calculation.)
 - j. Sufficient shrubbery, hedges and ground cover must be planted to provide 50% minimum total coverage within two (2) years.
 - k. Any shrub area bordering any pedestrian or parking area shall not exceed 3 (three) feet in height for the first 4 (four) feet adjoining the area.
 - l. All unpaved areas not used for parking and storage shall be landscaped utilizing ground cover and/or shrubbery and tree material. Undeveloped areas proposed for future expansion shall be maintained in a managed condition, not conducive to fire, dust, weeds, or safety hazards.
 - m. The minimum width of any landscaped area is five (5) feet, if it contains a tree and three (3) feet if it is to contain shrubs or ground cover.
2. Landscaping Around Parking Areas
- a. Parking areas shall include landscape tree islands on an average of one island per 10 stalls, such that the maximum number of stalls between said islands does not exceed 13. An ADA access isle does not count as a stall in this calculation.
 - b. A landscape tree island shall have a minimum of five (5) feet of planting area from back of curb to back of curb, and be of equal depth to the adjacent stalls.
 - c. In "nose-to-nose" rows of parking, the required tree islands may be substituted by "Tree Diamond" planters. Tree diamonds are square, 6 feet wide from face of curb to face of curb (5 foot clear inside for the planting area). The tree is to be centered, and the "square" rotated such that all corners of the tree diamond intersect the parking stall striping. This diamond alignment will protect the tree from bumper damage. Nose-to-nose parking shall include tree diamonds placed an average of one island per 5 pairs of nose-to-nose stalls.
 - d. Landscaped areas must be protected from damage by vehicles by use of wheel stops, curbs or other appropriate devices. The maximum vehicle overhang into a landscaped area shall not exceed 24 inches.
 - e. Plant materials shall be designed so as not to obstruct visibility of vehicles of pedestrians or around corners.
3. Parking Areas
- a. Adequate off-street parking shall be provided to accommodate all parking needs of the site and eliminate the need for on-street parking.
 - b. All off-street parking areas shall be paved and meet the landscape standards set by the City of Richland and those outlined in Section III.E.2 above.
 - c. Parking areas shall provide walkways for the safe circulation of pedestrians to/from buildings and parking areas.
 - d. Parking/loading dock areas designed for truck maneuvering, parking and/or loading shall meet the requirements for perimeter landscaping only. No interior landscaping for truck parking/loading areas shall be required.
 - e. All parking areas, driveways and vehicle maneuvering areas shall be paved to provide dust-free, all weather surfaces.
 - f. Curbs, walls, decorative fences with effective landscaping, or similar barrier devices shall be located along the perimeter of parking lots, garages, and storage areas, except at entrances and exits indicated on approved parking

plans. Such barriers shall be designed and located to prevent parked vehicles from extending beyond the property lines of parking lots and garages or into property areas where parking is prohibited and in order to control drainage from parking lots.

g. Street curbs and drives shall be constructed in accordance with City of Richland requirements.

h. All barrier devices shall meet the approval of the Design Review Committee.

4. Storage Areas

a. All outdoor storage areas shall be visually screened from adjacent properties within the Spaulding Business Park and public streets by means of landscaping, sight-obscuring fences, or walls of material compatible with the related structure.

5. Exterior Lighting

a. The Design Review Committee must approve all exterior lighting systems.

b. The Design Review Committee may at some point adopt a fixture standard for consistent use within the Spaulding Business Park.

c. Lighting shall be designed to provide safety and security for Occupants of the development and supply reasonable illumination for on-site areas such as parking, loading, shipping and pathways.

d. Lighting shall be designed to minimize glare or objectionable effects to motorists and adjacent properties.

e. Site lighting poles shall not exceed 20 feet in height (as measured from the top of a 3 foot concrete base) and shall direct the light downward.

f. Lighting sources shall be shielded from adjacent properties.

F. Sign Standards

1. The purposes of these sign standards are to:

a. Aid in eliminating excessive and confusing sign displays.

b. Preserve and enhance the appearance of the Spaulding Business Park.

c. Safeguard and enhance property values.

d. Encourage signs that by their good design are integrated with and harmonious to the structures and sites they occupy while providing for Occupants' need for brand recognition.

2. These types of signs will be allowed on the property:

a. Business district identification sign (defined in 27.06.110, Richland Municipal Code)

These signs are located strategically near roadway entrances to the Spaulding Business Park. All business district identification signs will be designed and placed by Declarant on Common Areas to identify the Park and individual businesses therein, if appropriate.

b. Identification sign (as defined in 27.06.180, Richland Municipal Code)

These signs will be designed and placed by Owners within the Spaulding Business Park and must have Design Review Committee approval. They may be free-standing (27.06.170, Richland Municipal Code) single- or double-faced signs (27.06.145, Richland Municipal Code) or wall signs (27.06.285, Richland Municipal Code), naming buildings, Owners or Occupants, bay or suite numbers.

i. Free-standing sign requirements:

(1) Only one free-standing sign per Parcel is allowed.

(2) No free-standing sign shall exceed the building height, unless otherwise approved by the Design Review Committee.

(3) No free-standing sign shall carry any type of advertising for any business not being conducted on the Parcels for which such free-standing sign provides identification.

(4) Maximum size of 80 square feet total, unless otherwise approved by the Design Review Committee.

(5) No free-standing sign shall obstruct the driver's view entering or exiting driveways per City of Richland site obstruction standards.



2004-021084

Pg: 13 of 21

06/15/2004 02:47P
39.00 Benton County

- ii. Wall sign requirements, unless otherwise approved by the Design Review Committee:
 - (1) Wall sign may be placed directly on building façade.
 - (2) Maximum size of 24 square feet total.
 - (3) No wall sign face shall be perpendicular to the face of the building.
 - (4) No wall sign shall be installed on or above canopies, overhangs or roofs.
- c. Directional sign (as defined in 27.06.140, Richland Municipal Code)
Informational and directional signs relating to pedestrian and vehicular flows within the Spaulding Business Park project area shall conform, as nearly as possible, to the international symbols.
3. The following requirements will apply generally to all signs in the Park, unless otherwise approved by the Design Review Committee:
 - a. Signs shall not exceed 10 square feet each.
 - b. May provide safety measures as well as traffic management information.
 - c. Signs will be standardized throughout the site and must comply with City of Richland standards.
 - d. The Design Review Committee must approve all signs before installation.
 - e. Signs shall be constructed of materials suitable for outdoor use and complimentary to the material content and architectural style of the building.
 - f. No flashing, moving, reader-board, or audible signs are permitted.
 - g. No portable signs are permitted.
 - h. Wording on signs shall not describe the products sold, prices, or any type of advertising except as part of the Occupant's trade name or insignia.
 - i. Pylon or pole signs will be permitted provided a maximum of only one sign be installed per street frontage on each parcel.
 - j. No exposed conduit, tubing, or raceways will be allowed.
 - k. No exposed neon lighting shall be used on signs, symbols, or decorative elements.
 - l. All conductors, transformers, and other equipment must be concealed.

If any of the signage standards in these Protective Covenants are in conflict with the City of Richland's signage standards (Title 27 of the Richland Municipal Code), the more restrictive standards will apply.

IV. GENERAL PROVISIONS

A. Parcel Maintenance

The following standards are intended as general guidelines to encourage maintenance practices that will contribute to a Parcel that is attractive to the community and Owners and Occupants of other properties in the Park. These standards are supplemental to any maintenance standards contained in the City of Richland zoning ordinance or other local, state or federal laws and regulations. Generally the maintenance standards listed below are common management practices.

1. Property

- a. Each Owner or Occupant shall be responsible for the maintenance of its grounds including driveways, walkways, parking areas, storm water facilities, fences and other components within the Parcel boundaries.
- b. Repairs and rehabilitation will be done with the type of material originally installed thereon or such substitute that is, in all respects, equal in quality, appearance and durability.
- c. Snow and ice removal, the removal of debris and waste material and the washing and sweeping of paved areas is required when needed.
- d. All property, grounds and improvements shall be maintained to be clean and safe and function as originally designed.

2. Buildings

- a. The exterior appearance of each structure erected shall be maintained in a neat and clean condition.
 - b. Owners or Occupants shall keep the buildings, improvements and appurtenances thereon in a neat, clean and safe condition compatible with an urban light Industrial business park, and comply in all respects with applicable local, state and federal governmental ordinances, laws, regulations, requirements or directives.
 - c. Buildings, structures and appurtenances shall be painted or refinished when appearance dictates.
3. Utilities
- a. External utility lines for electrical, telephone or telecommunications services shall be properly maintained such that wiring is not exposed to introduce safety hazards or to threaten service interruptions due to shorting, grounding or other causes due to negligent maintenance.
 - b. Other utility Infrastructure systems shall be maintained in such a manner as to not create property damage or health hazards to neighboring Owners or Occupants.
4. Parking Lots
- a. Parking lots, including the landscaping within the general area, shall be maintained on a regular basis so as to provide safe and efficient vehicle and pedestrian usage and to ensure a satisfactory visual appearance.
 - b. Activities shall include periodic sweeping or washing of the surface; refuse removal, and painting of parking stall markers; and crack sealing, repairing pitted or damaged concrete or asphalt surfaces, and repaving when needed.
 - c. Signs or pavement markings shall also be kept clean and in good repair.
 - d. Snow and ice removal will also be required as necessary.
5. Exterior Lighting
- a. All external lighting systems on buildings or structures or on lighting poles will be kept clean and relamped to promote efficiency of systems and safety. This includes lighted signs.
6. Landscaping
- a. All landscaped areas shall be routinely maintained including the trimming, watering and fertilization of all grass, groundcover, shrubs or trees, removal of dead or waste materials and rapid replacement of any dead or diseased grass, groundcover, shrubs or trees.
 - b. Trash will be collected and removed as necessary to provide a visually acceptable appearance.
 - c. All landscaped areas and plants required by these standards must be permanently maintained in a healthy growing condition.
 - d. Dead or diseased plants must be replaced within 30 days of notification or as soon as practical in freezing weather or complex situations involving removal/replacement of large trees.
 - e. All plantings must be fertilized, irrigated and pruned at such intervals necessary to promote optimum growth.
 - f. All landscaped areas must be kept free of debris and weeds.
 - g. Plant material must not interfere with public utilities, restrict pedestrian or vehicular access or constitute a traffic hazard.
7. Signs
- a. All signs shall be maintained so as to be visually pleasing and readable.
 - b. Maintenance activities will include washing, painting, repairing the surface of mechanical or electrical components of the sign and any other activity required to return the sign to its original visual and functional condition.
 - c. Signs, poles, wiring, conduits and other related support features should also be maintained.

B. Common Areas and Maintenance

1. Land to be Maintained

determined. Each Owner shall pay the amount shown on the statement within thirty (30) days after receipt.

Annual increases in the cost of maintenance shall reflect increases in the cost of services needed to conduct the required maintenance.

5. Formation and Participation In an Owners Association

Owners of property subject to these restrictions shall form an Owners Association. The Owners Association shall be organized by the Declarant and governed according to rules, regulations, by-laws and procedures established by a majority of the Owners, with each Owner having votes in an amount equal to the Parcel acreage owned by such Owner. Any rights, powers, privileges obligations or duties of the Declarant may be transferred to the Owners Association, at the discretion of the Declarant, at any time after eighty percent (80%) of the Parcels have been sold. The Declarant shall have the absolute right to make such a transfer, without any obligation to seek or obtain consent or approval of such transfer from any Owner or Occupant. Such transfer shall be in writing and recorded at the office of the Auditor of Benton County, Washington. The transfer to the Owners Association of the obligations, as determined by the Declarant, will release the Declarant from further obligation other than those unfulfilled at the time of transferred liability and will transfer those obligations and duties to the Owners Association. Title to Common Areas will be transferred along with the obligations and duties, as well as the right to enforcement of Spaulding Business Park's rules and regulations.

The Owners Association shall have all powers and authority including but not limited to:

- a. Levy, collect, and enforce the collection of assessments to defray expenses attributable to carrying out the duties and functions of the Owners Association hereunder.
- b. Pay the costs of maintaining and repairing Common Areas within the Park.
- c. May enter into agreements with one or more qualified persons to provide for the maintenance and repair of Common Areas, collection of assessments and sending of all required notices to Owners.
- d. Contract and pay for any materials, supplies, labor or services that are necessary or proper for carrying out its powers and duties including: legal, accounting, management or other services; provided, that if for any reason any materials, supplies, labor or services are provided for particular Parcels or their Owners, the costs thereof shall be specifically charged to the Owners of such Parcels.
- e. Suspending the rights of an Owner to use the Common Areas for any period during which any assessment against their Parcel remains unpaid, or any violation of these Protective Covenants for which they are responsible remains unabated.
- f. Reserve the right to dedicate or transfer all or any portion of the Common Area including easements to any utility in accordance with the provisions of these Protective Covenants.
- g. Maintaining within the Park entry sign tracts and/or easements, Park Identification signs and related landscaping, fencing, and improvements as deemed necessary. The Owners shall have no right to use these tracts and/or easement areas except to maintain, repair, or improve the signs and landscaping. The Owners subject to these easements may not do anything in the easement areas that are inconsistent with, or detrimental to, the intended purpose.
- h. The Owners Association shall have the power to do all other things that may be deemed reasonably necessary to carry out its duties.

C. Nuisances

No noxious or offensive activity nor any activity which would constitute a public or private nuisance shall be conducted upon any property in the Park.

Allowed uses shall not cause or produce a nuisance to surrounding property. They shall not produce excessive vibration, sound or noise, electromechanical disturbances, electromagnetic disturbances, radiation, air or water pollution, fumes, gases, vapors, acids, dust, undue fire hazard, or the emission of strong, unusual or offensive odors or toxic matter as defined by law or regulation.

Nuisance shall include, but not be limited to any of the following conditions:

1. Any activity or occurrence that is not in strict compliance with applicable federal, state or local law, regulation or ordinance.
2. The discharge of illegal contaminated water, oil, grease, detergents or other improper liquids, solid waste, or other harmful matter into the ground or the storm water system.

D. Temporary Structures

Except during construction which has otherwise been approved by the Design Review Committee hereunder, no structure of a temporary character, trailer, tent, basement, shack, garage, barn or other outbuilding shall be used on any property at any time, either temporarily or permanently, without the permission of the Design Review Committee.

E. Garbage and Refuse Disposal

No property shall be used or maintained for warehousing, dumping or disposing of rubbish, trash, garbage, refuse or other waste.

Trash, garbage or other waste shall be kept in sanitary containers. All containers and equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition and in a screened enclosure.

F. Water and Sewer

No individual water or sewer system shall be permitted on any property.

V. LEGAL PROVISIONS

A. Subjecting Additional Property to this Declaration

The Port of Kennewick may acquire Additional Property from time to time, and said Additional Property may be considered part of the Spaulding Business Park. The Port of Kennewick, as Declarant, may subject Additional Property to the provisions of these Protective Covenants by filing of record with the County Auditor of Benton County, Washington, a "Supplemental Declaration of Protective Covenants and Restrictions for Spaulding Business Park" for each such addition, provided that such Supplementary Declaration makes specific reference to this Declaration and describes the Additional Property. Each Supplemental Declaration may contain such additions and modifications of this Declaration to be applicable solely to the Additional Property as the Declarant may choose. The Declarant is not bound to add to these Protective Covenants any Additional Property. The Additional Property that is added hereto by the Declarant need not, but may, be improved. Additional Property made subject to these Protective Covenants need not be contiguous to the property described in Exhibit A.

B. Conveyances and Leases Subordinated

All conveyances and leases of any portion of the Park shall be subject to and subordinate to the terms and provisions of these Protective Covenants.

C. Breach

In the event of any violation, attempted violation or breach of these Protective Covenants, notice shall be forwarded in writing from Declarant. Notice shall specify the deficiency, omission or violation and set forth the corrective action, if any, which must be taken, and the time limit for such action to be completed.

Any failure on the part of an Owner or Occupant to submit all required architectural plans and specifications per this document shall constitute default on the part of such Owner or Occupant. The Design Review Committee shall have within its power the authority and obligation to provide notice of violation to such Owner or Occupant to cease all construction activity, and take appropriate actions to compel such Owner or Occupant to comply with said notice.

It shall be the lawful right of Declarant to prosecute any proceedings at law, including but not limited to, injunctive relief and declaratory judgment, or in equity against the party or parties violating any provisions of these Protective Covenants, to either prevent such party or parties from perpetrating the violation or recover damages in compensation for such violation or seek any other remedies provided by law. Such monies so paid for corrective action together with interest thereon at the rate of 12% per annum shall be deemed payable by the violating party or parties. In any such dispute, the prevailing party shall be entitled to receive reasonable attorney's fees as set by the court.

The venue of any proceedings shall be in Benton County, Washington.

D. Appeal

Any aggrieved person may appeal a notice of deficiency, omission or violation. The party shall have 30 days from the date written notice is received to file a written appeal with Declarant. Said appeal shall specifically set forth the reason(s) the party is of the belief there is no violation of these standards.

Declarant shall review the appeal and make a decision within 30 days of receipt of the appeal.

An aggrieved party may request a hearing before Declarant, provided the request is in writing and accompanies the notice of appeal.

A decision from Declarant is a final administrative decision; however, no such decision shall preclude an Owner or Occupant from seeking judicial relief.

E. Declaration

Nothing contained herein shall be deemed a gift or dedication of any portion of the Park to or for the general public, nor for any public purpose whatsoever. It is the intention that this declaration shall be strictly limited to and for the purposes herein expressed.

F. Severance

Invalidation of any provision of these Protective Covenants shall in no way affect any of the other provisions, which shall remain in full force and effect.

VI. MISCELLANEOUS

A. Term

These Protective Covenants and restrictions shall remain in full force and effect for 30 years from the date of recordation, at which time they shall terminate; provided, however, that the term thereof may be extended for successive five (5) year periods by the affirmative written consent of not less than three-fourths (3/4) of the Owners within the Park.

B. Amendment

This Declaration may be amended (a) by an instrument executed by the Owners of no less than three-fourths (3/4) of the Owners' Parcels subject to assessment under this Declaration or (b) by an instrument executed by Declarant within three (3) years from the recordation hereof if such amendment is necessary or desirable in the sole judgment of Declarant to clarify this Declaration or to correct typographical or similar errors or as may be required by a title insurance company, provided: (1) that Declarant's written consent thereto shall be

required to any amendment pursuant to (a) above for 15 years from the date of recordation of these Protective Covenants or so long as the Declarant owns any of the property or any Additional Property that may be made subject to this Declaration under the provisions of Section IV.A; (ii) that the manner of determining the percentage of assessments allocated to each Parcel under Section III.B shall not be affected without the consent of the Owners of each parcel so affected. No amendment by the Declarant shall impose greater liability for Common Areas beyond those set forth in the site plan attached hereto as Exhibit B. All amendments shall become effective when recorded in the office of the Auditor of Benton County, Washington.

EXHIBIT A
TO
REVISED DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTONS

DESCRIPTION - BOUNDARY:

A PORTION OF GOVERNMENT LOT 3 AND A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 30, TOWNSHIP 9 NORTH, RANGE 29 EAST, WILLAMETTE MERIDIAN LYING SOUTH OF STATE HIGHWAY NUMBER 3, NOW COLUMBIA PARK TRAIL SOUTHEAST AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 3, THENCE NORTH 89° 25'22" WEST ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 3 A DISTANCE OF 30.01 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF GEORGIA STREET AND THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 89° 25'22" WEST ALONG SAID SOUTH LINE 1209.89 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF STATE ROUTE 240, SAID POINT IS A POINT ON A CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS NORTH 30° 19'31" EAST 1382.50 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE 132.23 FEET TO A POINT ON A LINE WHICH IS THE EAST 60.00 FEET OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 30; THENCE NORTH 00° 23'55" WEST ALONG SAID LINE 1241.31 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF SAID COLUMBIA PARK TRAIL; THENCE SOUTH 89° 05'05" EAST 737.30 FEET; THENCE SOUTH 01° 04'08" EAST 320.19 FEET; THENCE SOUTH 89° 31'08" EAST 354.56 TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF GEORGIA STREET; THENCE SOUTH 01° 04'08" EAST ALONG SAID WEST RIGHT-OF-WAY LINE 661.06 FEET TO SAID TRUE POINT OF BEGINNING.

CONTAINS 32.52 ACRES.

DESCRIPTION - ROADS:

A TRACT OF LAND FOR ROAD PURPOSES, BEING FOWLER STREET RUNNING FROM THE WEST RIGHT-OF-WAY LINE OF GEORGIA STREET TO THE WEST LINE OF PARCEL 3 OF THAT RECORD SURVEY 887, RECORDS OF BENTON COUNTY, AND SPAULDING AVENUE RUNNING FROM THE NORTH LINE OF SAID FOWLER STREET TO THE SOUTH LINE OF COLUMBIA PARK TRAIL SOUTHEAST (FORMERLY STATE HIGHWAY NUMBER 3); LYING IN GOVERNMENT LOT 3 AND THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 9 NORTH, RANGE 29 EAST, WILLAMETTE MERIDIAN, THE PERIMETER OF WHICH IS DESCRIBED MORE PARTICULARLY AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 3, THENCE NORTH 89° 25'22" WEST ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 3 A DISTANCE OF 30.01 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF GEORGIA STREET; THENCE NORTH 01° 04'08" WEST ALONG SAID RIGHT-OF-WAY LINE 186.66 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS SOUTH 88° 55'52" WEST 20.00 FEET, SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE WESTERLY ALONG SAID CURVE 30.84 FEET; THENCE NORTH 89° 25'22" WEST 108.52 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS NORTH 00° 34'38" EAST 730.00 FEET; THENCE WESTERLY ALONG SAID CURVE 221.27 FEET; THENCE NORTH 72° 03'20" WEST 90.30 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS SOUTH 17° 56'40" WEST 970.00 FEET; THENCE WESTERLY ALONG SAID CURVE 439.93 FEET; THENCE SOUTH 81° 57'32" WEST 142.47 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS NORTH 08° 02'38" WEST 730.00 FEET; THENCE WESTERLY ALONG SAID CURVE 109.81 FEET; THENCE NORTH 89° 25'22" WEST 112.26 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS NORTH 52° 33'10" WEST 50.00 FEET; THENCE WESTERLY ALONG SAID CURVE 92.73 FEET; THENCE NORTH 89° 25'22" WEST 9.41 FEET TO A POINT ON THE WEST LINE OF PARCEL 3 OF SAID RECORD SURVEY 887; THENCE NORTH 00° 23'55" WEST ALONG SAID WEST LINE 60.01 FEET; THENCE SOUTH 89° 25'22" EAST 10.43 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS SOUTH 52° 33'10" EAST 50.00 FEET; THENCE

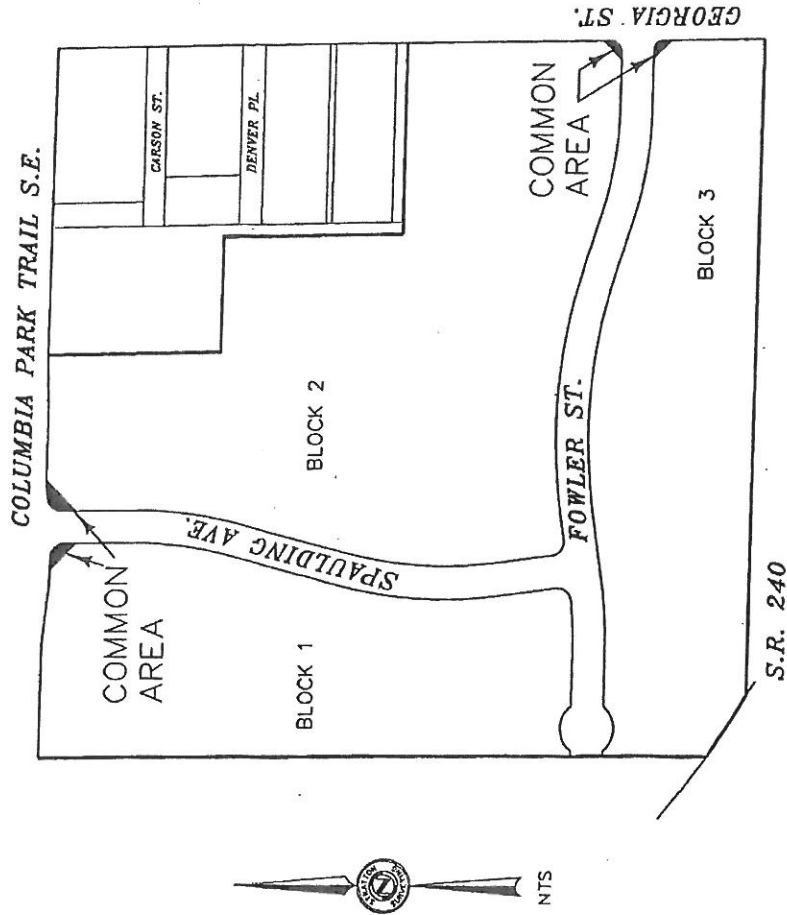
EASTERLY ALONG SAID CURVE 92.73 FEET; THENCE SOUTH 89° 25'22" EAST 112.26 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS NORTH 00° 34'38" EAST 670.00 FEET; THENCE EASTERLY ALONG SAID CURVE 81.05 FEET TO THE BEGINNING OF A COMPOUND CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS NORTH 06° 21'15" WEST 25.00 FEET; THENCE NORTHERLY ALONG SAID CURVE 40.01 FEET; THENCE NORTH 08° 02'28" WEST 107.41 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS NORTH 81°57'32" EAST 730.00 FEET; THENCE NORTHERLY ALONG SAID CURVE 291.49 FEET; THENCE NORTH 14° 50'12" EAST 212.22 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS NORTH 75°09'48" WEST 670.00 FEET; THENCE NORTHERLY ALONG SAID CURVE 178.16 FEET; THENCE NORTH 00°23'55" WEST 129.68 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS SOUTH 89°36'05" WEST 25.00 FEET; THENCE WESTERLY ALONG SAID CURVE 38.70 FEET TO A POINT ON A LINE PARALLEL AND DISTANT 15.00 FEET SOUTHERLY OF THE SOUTH RIGHT-OF-WAY LINE OF SAID COLUMBIA PARK TRAIL SOUTHEAST AS DEPICTED ON SAID RECORD SURVEY 887; THENCE NORTH 89°05'05" WEST ALONG SAID PARALLEL LINE 53.66 FEET; THENCE NORTH 83°06'15" WEST 105.57 FEET TO A POINT ON A LINE PARALLEL AND DISTANT 4.00 FEET SOUTHERLY OF SAID SOUTH RIGHT-OF-WAY LINE; THENCE NORTH 89°05'05" WEST ALONG SAID PARALLEL LINE 207.23 FEET TO A POINT ON THE WEST LINE OF PARCEL 6 OF SAID RECORD SURVEY 887; THENCE NORTH 00°23'55" WEST ALONG SAID WEST LINE 4.00 FEET TO THE NORTHWEST CORNER OF SAID PARCEL 6, SAID POINT BEING A POINT ON SAID SOUTH RIGHT-OF-WAY LINE; THENCE SOUTH 89°05'05" EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE 640.98 FEET TO THE NORTHEAST CORNER OF PARCEL 4 OF SAID RECORD SURVEY 887; THENCE SOUTH 01°04'08" EAST ALONG THE EAST LINE OF SAID PARCEL 4 A DISTANCE OF 4.0 FEET TO A POINT ON A LINE PARALLEL AND DISTANT 4.00 FEET SOUTHERLY OF SAID SOUTH RIGHT-OF-WAY LINE; THENCE NORTH 89°05'05" WEST ALONG SAID PARALLEL LINE 144.65 FEET; THENCE SOUTH 82°20'26" WEST 24.58 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS SOUTH 07°39'34" EAST 25.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE 36.10 FEET; THENCE SOUTH 00°23'55" EAST 134.78 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS SOUTH 89°36'05" WEST 730.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE 194.11 FEET; THENCE SOUTH 14°50'12" WEST 212.22 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS SOUTH 75°09'58" EAST 670.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE 267.53 FEET; THENCE SOUTH 08°02'28" EAST 107.69 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS NORTH 81°57'32" EAST 25.00 FEET; THENCE EASTERLY ALONG SAID CURVE 39.27 FEET; THENCE NORTH 81°57'32" EAST 51.46 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, THE RADIUS POINT OF WHICH BEARS SOUTH 08°02'28" EAST 1030.00 FEET; THENCE EASTERLY ALONG SAID CURVE 467.14 FEET; THENCE SOUTH 72°03'20" EAST 90.30 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS NORTH 17°56'40" EAST 670.00 FEET; THENCE EASTERLY ALONG SAID CURVE 203.09 FEET; THENCE SOUTH 89°25'22" EAST 105.64 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, THE RADIUS POINT OF WHICH BEARS NORTH 00°34'38" EAST 20.00 FEET; THENCE EASTERLY ALONG SAID CURVE 31.99 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF SAID GEORGIA STREET; THENCE SOUTH 01°04'08" EAST ALONG SAID WEST RIGHT-OF-WAY LINE 100.04 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINS 3.34 ACRES.

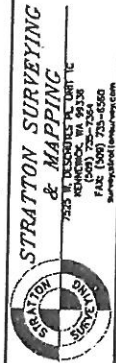
EXHIBIT B

SPAULDING BUSINESS PARK

BINDING SITE PLAN
2001-101
N 1/2, SEC. 30,
T. 9 N., R. 29 E., W.M.
CITY OF RICHLAND,
BENTON COUNTY,
WASHINGTON



SKETCH FOR
PORT OF KENNEWICK



7225 N. KENNESAW AVE. SUITE 100
KENNESAW, WA 98143
PHONE (206) 733-4350
FAX (206) 733-4350
www.strattonsurveying.com

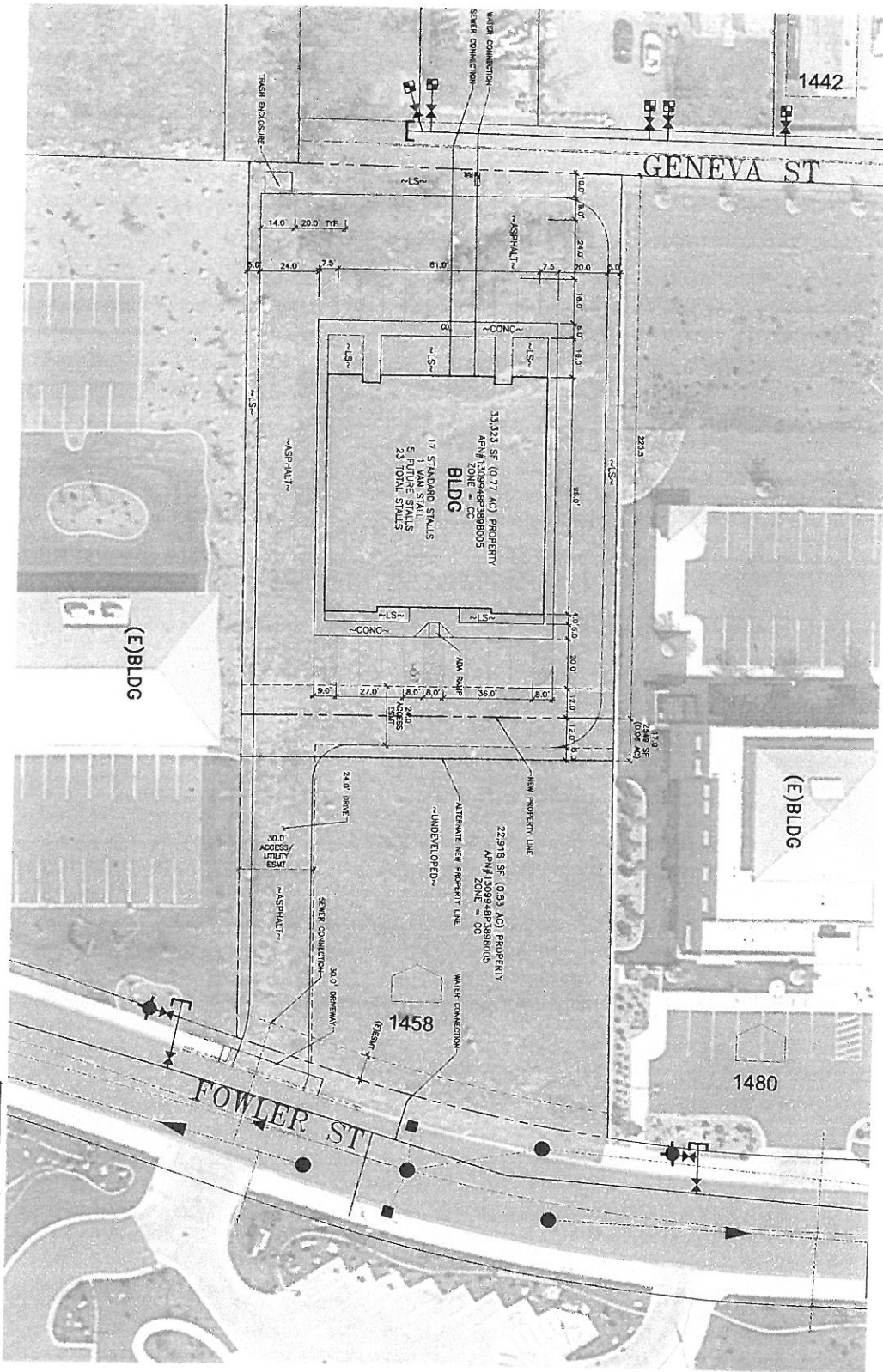
2726SK-COMMON.DWG
DATE: 3/3/04
DRAWN BY: RHS

SHT. 1 OF 1
JOB # 2726

EXHIBIT C

Site Plan

CIVIL SITE PLAN



CALL 811
2 BUSINESS DAYS
BEFORE YOU DIG



1" = 20'-0"

NOT FOR CONSTRUCTION

C101 SCALE: NOTED DATE: P14-0196003 P14-0196		SHEET NO. C101		SUPPORT ADVOCACY RESOURCE CENTER SARC NEW FACILITY RICHLAND, WA CIVIL SITE PLAN		REVISIONS DATE DRAWN CHD DESIGN APPD		1507 S. 10TH AVE. RICHLAND, WA 99354 P: 509.333.1488 F: 509.333.2173 WWW.BEHRMANN.COM	
--	--	--------------------------	--	--	--	---	--	---	--

PORT OF KENNEWICK

RESOLUTION NO. 2015-25

A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE PORT OF KENNEWICK CERTIFYING THE PORT'S 2015 LEVY FOR 2016 COLLECTION

WHEREAS, the Board of Commissioners of the Port of Kennewick met and considered its budget for the calendar year 2015 and 2016 at a special meeting on November 18, 2014, a quorum of the Commission being present; and

WHEREAS, a legal notice of public hearing on the Preliminary Budget of Port of Kennewick for the calendar year of 2015 and 2016 was published in accordance with RCW 53.35.020, RCW 53.35.045 and RCW 84.52.020, and such hearing being held on the 28th day of October, 2014; and

WHEREAS, the Port's actual levy amount from 2015 year was \$3,644,740; and

WHEREAS, the population of the Port is more than 10,000; and

WHEREAS, the Board of Commissioners of Port of Kennewick after hearing and after duly considering all relevant evidence and testimony presented, determined that the Port of Kennewick requires a regular levy for the 2016 tax year in the amount of \$4,200,000, which includes an increase in property tax revenue from the previous year, amounts resulting from the addition of new construction, improvements to property, any increase in the value of state-assessed property, and amounts authorized by law as a result of any annexations that have occurred and refunds made, in order to discharge the expected expenses and obligations of the district and in its best interest.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick substantiate that an increase in the regular property tax levy is hereby authorized for the levy to be collected in 2016 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be approximately \$45,000, which is a percentage increase of 1% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

BE IT FURTHER RESOLVED that the Board of Commissioners of the Port of Kennewick hereby direct the Director of Finance/Auditor to certify a copy of this resolution and forward the same to the Clerk of the Board of the County Commissioners in accordance with RCW 84.52.020.

APPROVED and dated by the Commissioners of the Port of Kennewick at a regular meeting on November 10, 2015.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

DON BARNES, *President*

SKIP NOVAKOVICH, *Vice President*

THOMAS MOAK, *Secretary*

CERTIFICATION OF TAX LEVY

STATE OF WASHINGTON County of Benton

In accordance with RCW 84.52.020, I, **Tammy Fine**, Director of Finance/Auditor for Port of Kennewick, do hereby certify to the Benton County legislative authority that the Commissioners of said district request that the following levy amounts be collected in 2016 as provided in the district's budget, which was adopted at a public hearing held on November 18, 2014. I hereby request the Board of County Commissioners of Benton County, Washington, to make said regular levy of the Kennewick Port District, as set forth below, and that said regular levy is for operation, maintenance, land acquisition, construction, and the levy is to be distributed as follows:

Expense (General) Fund	\$4,180,000
Administration Refund Fund	\$20,000

Total Regular Levy	\$4,200,000
---------------------------	--------------------

Population Certification:	Above 10,000
---------------------------	--------------

If the above certification is more than the Assessor's levy calculations, the Assessor's Office is directed to reduce the Construction Fund amount by the actual Assessor's levy calculation.

CERTIFIED this 10th day of November, 2015.

CERTIFIED BY:

**PORT of KENNEWICK
CFO/AUDITOR**


TAMMY FINE

HIGHEST LAWFUL LEVY CALCULATION

TAXING DISTRICT Port of Kennewick (Benton Co) 2014 Levy for 2015 Taxes

A. Highest regular tax which could have been lawfully levied beginning with the 1985 levy (refund levy not included).

Year	2014	\$3,529,747.72	×	101.000%	=	\$3,565,045.20
		Highest Lawful Levy		Maximum Increase 101%		

B. Current year's assessed value of new construction, improvements and wind turbines in original districts before annexation occurred times last year's levy rate (if an error occurred or an error correction was made in the previous year, use the rate that would have been levied had no error occurred).

\$233,822,977	×	0.333719810000	÷	\$1,000	=	\$78,031.36
A.V.		Last Year's Levy Rate				

C. Current year's state assessed property value less last year's state assessed property value. The remainder is to be multiplied by last year's regular levy rate (or the rate that should have been levied).

\$185,717,056	-	\$180,731,446	=	\$ 4,985,610.00		
Current Year's A.V.		Previous Year's A.V.		Remainder		

\$4,985,610	×	0.333719810000	÷	\$1,000	=	\$1,663.80
Remainder from Line C		Last Year's Levy Rate				

D. Regular property tax limit:	A+B+C	=	\$3,644,740.36
--------------------------------------	-------	---	----------------

Parts E through G are used in calculating the additional levy limit due to annexation.

E. To find the rate to be used in F, take the levy limit as shown in Line D above and divide it by the current assessed value of the district, excluding the annexed area.

\$3,644,740.36	÷	\$10,921,486,047	×	\$1,000	=	0.333722017710
Total in Line D		Current Assessed Value				

F. Annexed area's current assessed value including new construction and improvements, times the rate in Line E.

.....	×	0.333722017710	÷	\$1,000	=
Annexed Area's A.V.		Rate in Line E				

G. Regular property tax limit including annexation	D+F	=	\$3,644,740.36
--	-----	---	----------------

H. Statutory maximum rate times the assessed value of the district.

\$10,921,486,047	×	0.450000000000	÷	\$1,000	=	\$4,914,668.72
A.V. of District		Statutory Rate Limit				Statutory Amount

I. Highest Lawful Levy (Lesser of G and H)	=	\$3,644,740.36
--	---	----------------

J. Tax Base For Regular Levy

1. Total district taxable value (including state-assessed property, and excluding boats, timber assessed value, and the senior citizen exemption for the regular levy)	\$10,921,486,047
--	------------------

K. Tax Base for Excess and Voted Bond Levies

2. Less assessed value of the senior citizen exemption of less than \$35,000 income difference between the lower of the frozen or market value and the exempt value)
3. Plus Timber Assessed Value (TAV)
4. Tax base for excess and voted bond levies	(1-2+3) \$10,921,486,047

Excess Levy Rate Computation

Excess levy amount divided by the assessed value in Line K4 above.

.....	÷	\$10,921,486,047	×	\$1,000	=
Levy Amount		A.V. from Line K4 above				

Bond Levy Rate Computation

Bond levy amount divided by the assessed value in Line K4 above.

.....	÷	\$10,921,486,047	×	\$1,000	=
Levy Amount		A.V. from Line K4 above				

ACTUAL LEVY CALCULATION

TAXING DISTRICT Port of Kennewick (Benton Co) 2014 Levy For 2015 Taxes

Population: ☐ Less than 10,000 ☒ 10,000 or more
 Was a resolution/ordinance adopted authorizing an increase over the previous year's levy? ☒ Yes ☐ No
 If so, what was the percentage increase? 1.00%
 Was a second resolution/ordinance adopted authorizing an increase over the IPD? ☐ Yes ☐ No ☒ N/A
 If so, what was the percentage increase? _____

A. Previous year's actual levy times the increase as stated in ordinance or resolution (RCW 84.55.120). If the taxing district did not provide an ordinance or resolution use 100% in the field increasing the previous year's actual levy.
 Year 2014 \$3,529,747.72 × 101.000000000000% = \$3,565,045.20
Previous Year's Actual Levy 100% Plus the Percentage Increase
 B. Amount for new construction, improvements, and newly constructed wind turbines (Line B, page 1) = \$78,031.36
 C. Amount for increase in value of state-assessed property (Line C, page 1) = \$1,663.80
 D. Regular property tax limit: A+B+C = \$3,644,740.36

Parts E through G are used in calculating the additional levy amounts due to annexation.

E. To find the rate to be used in F, divide the levy amount as shown in D (page 1) by the current assessed value of the district, excluding the annexed area.

\$3,644,740.36 ÷ \$10,921,486,047 × \$1,000 = 0.333722017710
Total in Line D on page 1 Assessed Value

F. Annexed area's current assessed value including new construction and improvements, multiplied by the rate in E.

_____ × 0.333722017710 ÷ \$1,000 = _____
Annexed Area's A.V. Rate in Line E

G. Total levy amount authorized, including the annexation D+F = \$3,644,740.36

H. Total levy amount authorized by resolution (G) plus amount refunded or to be refunded (RCW 84.55.070).

\$3,644,740.36 + _____ = \$3,644,740.36
Total from Line G Amount to be Refunded Amount allowable per Resolution/Ordinance

I. Total amount certified by county legislative authority or taxing district as applicable. (RCW 84.52.020 and RCW 84.52.070) = \$3,930,000.00

J. Levy limit from line G on page 1, plus amount refunded or to be refunded (RCW 84.55.070).

\$3,644,740.36 + _____ = \$3,644,740.36
Line G, Page 1 Amount to be Refunded Total

K. Amount of taxes recovered due to a settlement of highly valued disputed property (RCW 84.52.018).

\$3,644,740.36 — _____ = \$3,644,740.36
Lesser of H, I, or J Amount Held in Abeyance Total

L. Statutory limit from line H on page 1 (dollar amount, not the rate) = \$4,914,668.72

M. Lesser of K and L \$3,644,740.36

N. Levy Corrections Year of Error: _____

1. Minus amount over levied (if applicable)

2. Plus amount under levied (if applicable)

O. Total: M +/- N \$3,644,740.36

Regular Levy Rate Computation: Lesser of L and O divided by the assessed value in line J1 on page 1.

\$3,644,740.36 ÷ \$10,921,486,047 × \$1,000 = 0.333722017710
Lesser of L and O Amount on line J1 on page 1

PORT OF KENNEWICK

RESOLUTION NO. 2015-26

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING AN INCREASE IN TAX LEVY CAPACITY PURSUANT TO RCW 84.55.120 AND WAC 458-19-005

WHEREAS, a public hearing was held by the Board of Commissioners for the Port of Kennewick regarding the 2015 and 2016 budget; and

WHEREAS, pursuant to RCW 84.55.120 and WAC 458-19-005, the rate of inflation (IPD rate) for 2015 is 1.591 percent and the limit factor for property taxes for 2015 is one hundred and one percent (101%); and

WHEREAS, the Port of Kennewick's levy amount from the previous year was \$3,644,740; and

WHEREAS, the Port has set its increase in tax levy capacity for the 2015 and 2016 budget at one percent (1%) and finds there is substantial need to set the levy limit at one hundred and one percent (101%); and

WHEREAS, the Board of Commissioners of the Port of Kennewick Taxing District, after hearing and after duly considering all relevant evidence and testimony presented, finds there is a substantial need to set the levy limit at one hundred one percent (101%), in order to discharge the expected expenses and obligations of the district and in its best interest; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Port of Kennewick Taxing District that an increase in the regular property tax levy, in addition to the increase resulting from the addition of new construction and improvements to property and any increase in levy value of state assessed property, is hereby authorized for the 2016 levy in the amount of approximately \$45,000 which is a one (1%) percentage increase from the previous year.

ADOPTED by the Board of Commissioners of the Port of Kennewick at a regular meeting held this 10th day of November 2015; and duly signed by its proper officers in the authentication of its passage on said date.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

DON BARNES, *President*

SKIP NOVAKOVICH, *Vice President*

THOMAS MOAK, *Secretary*



DRAFT PORT of KENNEWICK 2016 COMMISSION ORGANIZATION REPRESENTATION

NAME	MEETING SCHEDULE	MEETING TIME	MEETING PLACE	CURRENT COMMISSIONER REPRESENTING POK	COMMENTS
Benton-Franklin Council of Governments Board of Directors	3rd Friday	11:30 AM	EI Chapala: Columbia Drive	Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes
Benton-Franklin Council of Governments Policy Advisory Committee (PAC)	Second Thursday	7:00 AM	Cousin's	Commissioner Skip Novakovich	Alternate: Commissioner Thomas Moak
Benton-Franklin Council of Governments Local Good Roads & Transportation Association	3rd Wednesday every other month	5:30 PM	TBA	Commissioner Thomas Moak	Alternate: Commissioner Don Barnes Meets Feb, April, June, Aug, Oct, Dec. Locations TBA
Confederated Tribes of the Umatilla Indian Reservation (CTUIR)	As Called			Commissioner Skip Novakovich	Alternate: Commissioner Thomas Moak
Historic Downtown Kennewick Partnership	3rd Friday	7:30 AM	Downtown Kennewick Business Center	Commissioner Thomas Moak	
Tri-Cities Hispanic Chamber of Commerce	3rd Tuesday	11:30 AM	Pasco Red Lion	Commissioner Skip Novakovich	
Tri-City Regional Chamber Board of Directors Meeting	3rd Wednesday every other month	7:00 AM	Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Thomas Moak
Visit Tri-Cities (formerly Tri-Cities Visitor & Convention Bureau) (Full Board Meeting)	4th Wednesday	7:30 AM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Thomas Moak
TRIDEC Board of Directors Meeting	4th Thursday	4:00 PM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner Don Barnes	Alternate: Commissioner Skip Novakovich
TRIDEC Executive Board Meeting	2nd Thursday every other month	4:00 PM	Tri-Cities Business & Visitor Center Bechtel Board Room	Port of Pasco	Tri-Ports Executive Board Rep (Rotates Annually) 2014 - Port of Kennewick 2015 - Port of Benton 2016 - Port of Pasco
Trios Health, City of Kennewick and Port of Kennewick	Quarterly Meetings	5:30 PM	Trios Health's Administration Conference Room	Commissioner Thomas Moak	Alternate: Commissioner Don Barnes Jan, April, August & November
West Richland Area Chamber of Commerce	1st Wednesday	Noon	The Sandberg Event Center	Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes
West Richland Economic Development Committee	As Called			Commissioner Skip Novakovich	Alternate: Commissioner Don Barnes



**DRAFT PORT of KENNEWICK
2016 COMMISSION ORGANIZATION REPRESENTATION**

NAME	MEETING SCHEDULE	MEETING TIME	MEETING PLACE	CURRENT COMMISSIONER REPRESENTING POK	COMMENTS
WPPA Board of Trustees	As Called			Commissioner Skip Novakovich	Alternate: Tim Arntzen
WPPA Economic Development Committee	As Called			Commissioner Thomas Moak	Alternate: Tim Arntzen
WPPA Legislative Committee	As Called			Commissioner Skip Novakovich	Alternate: Tim Arntzen
WPPA Marina Committee	As Called			Commissioner Don Barnes	Alternate: Tim Arntzen