

AGENDA

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

Tuesday, June 25, 2019
2:00 p.m.

- I. CALL TO ORDER**
- II. PLEDGE OF ALLEGIANCE**
- III. APPROVAL OF AGENDA**
- IV. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- V. CONSENT AGENDA - A**
 - A. Approval of Direct Deposit and ePayments Dated June 18, 2019
 - B. Approval of Warrant Register Dated June 18, 2019
 - C. Approval of Warrant Register Dated June 25, 2019
 - D. Approval of Regular Commission Business Meeting Minutes June 11, 2019
- VI. CONSENT AGENDA – B**
 - A. Approval of Warrant Register for PS Media Dated June 25, 2019
- VII. PRESENTATION**
 - A. Kennewick Waterfront Master Plan, Julie Bassuk, Makers Architecture (**TOM**)
- VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Vista Field
 - 1. Tri-Cities Area Journal of Business – High-End Apartments (**TIM**)
 - 2. Electrical Vehicle Charging Stations (**TIM**)
 - 3. Pending City of Kennewick Re-Zoning Comments (**TANA/TIM**)
 - B. Three Rivers Acquisition Group Request to Extend Land Sale Closing (Oak Street); Resolution 2019-12 (**LUCY**)
 - C. Southridge Real Estate Auction Update (**TIM/LUCY**)
 - D. Industrial Development Districts – Issuance of Revenue Bonds Update; Resolution 2019-13 (**LUCY/TIM**)
 - E. WPPA Commissioner Seminar (**BRIDGETTE/TIM**)
 - F. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - G. Non-Scheduled Items
- IX. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- X. EXECUTIVE SESSION**

Real Estate, Minimum Price, per RCW 42.30.110(1)(c)
(Ask public if they are staying, and if not, where they can be located if the Executive Session ends early.)
- XI. ADJOURNMENT**

PLEASE SILENCE CELL PHONES



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

JUNE 11, 2019 MINUTES

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

The following were present:

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

Staff Members: Tim Arntzen, Chief Executive Officer
Amber Hanchette, Director of Real Estate and Operations
Nick Kooiker, Chief Financial Officer
Larry Peterson, Director of Planning and Development
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant
Lucinda Luke, Port Counsel

PLEDGE OF ALLEGIANCE

Commissioner Novakovich led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

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

PUBLIC COMMENT

No comments were made.

CONSENT AGENDA

- A. Approval of Direct Deposit and E-Payments Dated June 4, 2019**
Direct Deposit and E-Payments totaling \$112,072.65
- B. Approval of Warrant Register Dated June 11, 2019**
Expense Fund Voucher Numbers 101148 through 101188 for a grand total of \$187,053.79
- C. Approval of Regular Commission Business Meeting Minutes May 28, 2019**

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

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PRESENTATION

A. Industrial Development Districts – Issuance of Revenue Bonds, Scott McJannet of K & L Gates

Ms. Luke stated at the Washington Public Ports Association (WPPA) Spring Conference, K & L Gates had a round table presentation regarding Industrial Development Districts (IDD). Ms. Luke introduced Scott McJannet, one of the presenters at the round table who offered to come to the Port of Kennewick and provide a more in depth presentation on IDD's.

Scott McJannet thanked the Commission for the opportunity to follow up on the WPPA round table and presented a customized, hypothetical IDD for the Port of Kennewick. In 1996, the Port of Kennewick created its first IDD with a six year levy period.

What is New Levy Authority:

Ports have had the authority for IDD's since 1955 and additional levies (IDD levies) since 1957.

- The levy is a substantial financial tool for port districts;
- Port's regular levy is \$.45/\$1,000;
- IDD levy is an additional \$.45/\$1,000;
 - Limited to two 6-year periods.

The Impact of a Levy:

- Potentially Doubles the Tax Levy
 - Regular tax levy is capped at \$.45/\$1,000
 - IDD levy is an additional \$.45/\$1,000

Which leads to a substantial revenue increase; however, there could be political issues. Additionally, the six levy years do not need to be consecutive.

Per RCW 53.36.160, new legislation permits up to two multi-year levy periods, not to exceed a 20 year period, with a max rate remaining at \$.45/\$1,000; even though the actual levy rate may be lower. Because of the 20 year cap, an aggregate amount is collected over each levy period.

Because the Port collected the first IDD in 1996, directed at Clover Island, it can utilize the second of its two multi-year levy periods. If the Port determined to impose an IDD levy for first collection in 2020, the base year is 2019. Based on the Port's assessed valuation in 2019 at \$13,624,080,348, and the max amount to be collected during the first multi-year period is $\$2.70 \times 13,624,020 = \$37,784,854$ is the approximate amount the Port may collect over a 20 year period.

Commissioner Moak asked Mr. McJannet if the Port used all six years in 1996, and if we did not, what happens with the remaining years.

Mr. McJannet believes the time has lapsed from the first levy period and the Port would need to open another six year period. The IDD offers port districts a method of financing that can be implemented incrementally. The original purpose of an IDD is to provide for development and redevelopment of marginal properties and grant powers of eminent domain and express authority to spend money for the purpose of development and redevelopment.

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How to implement IDD as a financial tool:

- Establish an industrial development district;
- Adopt or amend comprehensive scheme;
- Adopt a resolution during the base year (the year before the first collection year) approving the use of a first or second multi-year levy period.

Industrial Development Districts:

- Original purpose: to provide for development and redevelopment of marginal properties;
- Grant the powers of eminent domain and express authority to spend money for the purpose of development and redevelopment;
- Recognition that this is development and redevelopment

Process:

- Port should identify “marginal lands”;
- Decide on boundaries of IDD
 - A port may have one or more IDD
 - An IDD may cover all or any portion of the boundaries of the Port
- Publish notice of a public hearing on the question of formation of an IDD
 - Notice to be published at least 10 days prior to hearing
- Port Commission holds public hearing
- Port Commission adopts resolution forming the IDD
 - Resolution identifies boundaries and makes findings regarding marginal lands

Projects in the comp scheme should reference the need to finance the costs of improvements.

What to do with the levy as collected:

- Levies are to be deposited in a special fund;
- Need not be spent in the year of collection;
- May be spent for improvements within the boundaries of IDD;
- If not spent on those improvements, shall be used to pay debt service on general obligation indebtedness (bonds or otherwise).

Mr. McJannet stated regardless of the boundaries of the IDD, the IDD levy is assessed upon all taxable property in the Port and the multi-year levy does not eliminate the politics of taxation; it does however, permit a port to plan for and implement a plan of development in a flexible manner.

Commissioner Novakovich thanked Mr. McJannet for the information and inquired if, once the boundary of the IDD is established, can it be changed at any time.

Mr. McJannet stated yes, the IDD offers flexibility and the Commission would need to amend the IDD to bring in new properties.

Commissioner Moak confirmed the Port could create an IDD for the entire Port district, but use the funds on Clover Island, as per the Comp Scheme.

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Mr. McJannet stated the Port could do that; however, there could be a small risk regarding the entire district as “marginal” properties. Mr. McJannet stated that every Port project is for the public good and the properties can be improved from a health and welfare stand point.

Commissioner Barnes inquired if there are any examples of multiple ports collaborating on an IDD.

Mr. McJannet stated other ports could contribute financially; however, it would need to be through an Interlocal Agreement (ILA) with the use of regular levy funds or bonded funds for a shared joint project. An IDD is established within specific port boundaries.

Commissioner Barnes stated that is a very large number that could perhaps assist the Vista Arts Center; however, for that to fall on directly on the Port of Kennewick constituents would not be a very popular political decision. Commissioner Barnes mulled if there are ways to involve other ports.

Commissioner Moak stated as the law as currently stands, it does not allow for a multi-jurisdictional IDD.

Mr. McJannet believes the Port would need to establish an IDD and then enter into an ILA with other entities and free up money elsewhere. The Port could use the IDD to redirect funds to a Port project and then free up funds elsewhere. Mr. McJannet will research using IDD funds within other port districts and report back to Ms. Luke.

Ms. Luke confirmed with Mr. McJannet that the next step for the Commission would be to identify marginal lands within the district for a potential IDD.

Mr. McJannet stated if the Commission would like to further explore an IDD, the first step is to decide which properties might form one or more IDD’s within the Port district. Once that assemblage of properties is identified, K & L Gates can structure a resolution and help determine why properties are identified as marginal lands.

Commissioner Moak confirmed that the Port would need to wait until 2020 to establish an IDD.

Mr. McJannet stated that is correct and reiterated that forming an IDD in no way obligates the Port to move forward with the IDD levy.

Commissioner Moak stated once the Port makes the decision to form an IDD, we are locked in on the base levy rate.

Mr. McJannet stated yes, once the Port decides to collect the IDD levy.

Commissioner Moak thanked Mr. McJannet for being here and Ms. Luke for setting up the presentation.

Ms. Luke thanked Mr. McJannet for coming over and we will be in touch after additional Commission discussion.

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Mr. Arntzen inquired if the Commission would like us to follow up with Mr. McJannet and bring back additional information.

The consensus of the Commission is for staff to gather additional information, without a commitment.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Columbia Drive Update*

Mr. Peterson presented a construction update of Columbia Gardens Phase 2B, tasting room building and parking lot.

Commissioner Moak mentioned that the bus shelter tarp needs to be replaced.

Ms. Hanchette stated staff will recover the bus shelter and reported that she is working with the engineer on the slab and up lighting. Once she receives updated drawings from the engineer, the Port can go out for bid on the installation of the bus shelter and artwork.

Commissioner Moak appreciates all the good work happening at Columbia Gardens.

B. *Vista Field Update*

Mr. Peterson presented a construction update on Vista Field infrastructure phase 1A. Total Site Services (TSS) is working in a coordinated effort on the construction.

Commissioner Barnes thanked Mr. Peterson and stated although it may not look like a lot of progress has been made, it is very hard to see any remnants of a former airport.

Commissioner Novakovich expressed his excitement at seeing two large projects working in tandem and congratulated staff on all of the hard work.

Commissioner Moak inquired how TSS is interfacing with Paramtrix, Hall Engineering, Strategic Construction Management and the City.

Mr. Peterson stated the team is working well together and the process is moving smoothly. Mr. Peterson is pleased with the amount of equipment and manpower TSS has brought to the project.

C. *Duffy's Pond*

Ms. Hanchette updated the Commission on Duffy's Pond, which is owned by the US Army Corps of Engineers (USACE) and leased by the City of Kennewick. As an adjacent land owner, the Port has partnered with the USACE and the City on vegetation management and making the trail safer. One of the challenges of Duffy's Pond is that it is filled in with siltation and the water level is very shallow, which brings algae and a smell during the summer months. One of the Port's goals is to try and figure out how to add depth and movement to Duffy's Pond. The Port contracted with Eco-land Services, who is very familiar in dealing with bodies of water such as this. Andrew Ellison of Eco-Land Services is working with our partners and exploring ways to create depth and add movement and possibly treat the algae. The USACE is reviewing all of its submersible lands, which includes Duffy's Pond and the review requires consultation from a number of different

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agencies, which has been going on for many years. The USACE does not foresee the review being completed this year, therefore the Port cannot treat the pond for algae this year. Although the USACE supports the treatment, the Port cannot move forward, because of the review process. Mr. Ellison is discussing the possibility of adding water to the pond to add depth with the USACE; however, there are several calculations for USACE to consider. Staff continues to work with Mr. Ellison on options and ideas about what course of action may be feasible for Duffy's Pond. Ms. Hanchette continues to encourage conversations with USACE and the City, in an effort to come up with a plan.

Discussion ensued regarding Duffy's Pond.

Commissioner Moak appreciates the work and staff trying to come up with ideas to assist our partners.

D. Revision of Port Commission Rules of Policy and Procedure, Section Five

Commissioner Moak stated the motion on the table has already been moved and seconded at the May 28, 2019 Commission Meeting and asked Ms. Luke if she had any comments.

Ms. Luke stated she has not received any further input with regard to the posted revisions.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Novakovich moved to approve Resolution 2019-10, revising Section 5 of the Commission Rules of Policy and Procedure consistent with the attached revised Section 5; Commissioner Moak seconded.

Discussion:

*Commissioner Barnes requested clarification and stated the Commission Meeting Minutes on February 13, 2018 included a red line strike out, updated version of these policies and procedures, including references to resolutions that were noted in the red line strike out version. Commissioner Barnes noted that this current document in our agenda packet does not include any of these updates that were discussed and referenced in that meeting on February 13, 2018.**

Commissioner Moak stated the policies were discussed, but not approved.

Commissioner Barnes read from the minutes of February 13, 2018 (see EXHIBIT 1 for that section):

"Ms. Scott stated in January, the Commission requested a copy of the current Port Commission Rules of Policy and Procedures. This document was originally created and adopted in February of 2011. Since then, the Commission has modified several items within the Policy by resolution, for example, Public Comments, Port Financial Goals, CEO Delegation of Authority, and the CEO

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Evaluation Process. Staff reviewed the document and made mostly clerical revision ... and updated the document to reflect the changes approved by resolutions.”

Commissioner Barnes stated if there were changes made by Resolution that were referenced in this document on February 13, 2018, those changes are not reflected in this current document.

Commissioner Moak does not believe the changes are related to Section five and this discussion is related to Section five only.

Ms. Luke stated that is correct, the Commission has the most recent complete set of rules, which is the 2016-01 amended version. As far as additional changes made by Resolutions, those have not yet been incorporated. Ms. Luke focused on providing a copy of the most recent, complete document and then the proposed Section 5 revisions.

Commissioner Barnes stated the red-line strike out version provided as part of the February 13, 2018 meeting noted changes in Section 5 and inquired if those changes had been incorporated.

Ms. Luke recommended the Commission take care of these changes now, and at some point in the future, it would be appropriate to look at the complete document to fold in all revisions that have been made through resolutions, so that we have an updated version of the rules. Ms. Luke believes Commissioner Moak has been working on revisions.

Commissioner Barnes has overarching general concerns that if by adopting these changes, are we creating a policy that impedes or restricts, the rule of majority, pathways or avenues, for end runs, to the democratic process.

**Clerks Note:*

The Port Commission Rules of Policy and Procedure were adopted on February 11, 2011, Resolution 2011-05. Resolution 2014-04 amended Section 6 of the Port Commission Rules of Policy and Procedure. Resolution 2016-01 amended Section 6 of the Port Commission Rules of Policy.

The Commission received as part of the February 13, 2018 Final Agenda Packet, a DRAFT Port Commission Rules of Policy and Procedure with red-line strike outs. Commissioners were asked to review that document; however those changes have not been incorporated and adopted.

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

E. Spaulding Business Park (Tri-Cities Chaplaincy) Property Update – Resolution 2019-11

Ms. Hanchette stated the Port sold land in Spaulding Business Park to Tri-Cities Chaplaincy in 2017 to expand their parking lot for the Administration Building. The Purchase and Sale Agreement (PSA) outlines an obligation to construct within an 18 month term, which expires in June. The Commission has the option to exercise the right to repurchase the .53 acres under the PSA or relinquish the repurchase option. Ms. Hanchette stated Gary Castillo, executive director of Tri-Cities Chaplaincy informed her that staff has been concentrating on locating and procuring

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a site for a new hospice house. Chaplaincy has been working with Meier Architecture's civil engineers on the parking lot design and has been instructed to move forward and believes the plans will be executed within the next 35 days. Ms. Hanchette inquired if the Commission would like to exercise the buyback option for \$137,508 or release the property.

Commissioner Moak is happy to hear that the Chaplaincy has secured a new location for the hospice house which offers a tremendous service to the community. It is clear that Chaplaincy is prepared to move forward with the construction of the parking lot.

MOTION: Commissioner Barnes moved to relinquish the repurchase option for .53 acres at the Spaulding Business Park sold to Tri-Cities Chaplaincy via Purchase and Sales Agreement dated March 28, 2017 and Statutory Warranty Deed recorded December 8, 2017, per Resolution 2019-11; Commissioner Novakovich seconded.

PUBLIC COMMENT

No comments were made.

Discussion:

Commissioner Barnes supports Resolution 2019-11 and stated various entities have purchased property from the Port over the years, where the PSA included a buy-back option. Purchasers have included individuals, speculators, developers, or businesses looking for an opportunity to establish their business; however, in this particular case, the entity provides a tremendous service to our community and is not a speculator. Commissioner Barnes whole heartedly supports this relinquishment and stated Chaplaincy provides a tremendous service, and he appreciates what they do in our community.

Commissioner Moak stated there are design guidelines in the CCR's for Spaulding Business which outlines what can be constructed. Commissioner Moak stated it is good to have buy-back clauses, even if it is just to get an update with the purchaser to see that they are moving forward on their project. Commissioner Moak appreciates the work on this.

With no further discussion. All in favor 3:0

F. Teambuilding Event Report

Mr. Arntzen stated part of the CEO's Goals and Objectives for 2019-2020 was to conduct a staff retreat/team building event. A small team of employees worked on the details of the retreat, which was held in Coeur d'Alene, Idaho and Spokane, Washington, May 30-31, 2019. The retreat included a walking arts tour of Coeur d'Alene, an annual safety training, and a tour and presentation of the Kendall Yards project in Spokane. Mr. Arntzen stated it was a good opportunity for staff to get away from day to day business and build bonds and see some new things. Mr. Arntzen stated not all of the staff has been able to see what a New Urbanist project looks like, so our visit to Kendall Yards gave everyone an idea of what the Port is trying to accomplish at Vista Field.

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Mr. Peterson reported that Kendall Yards is located on the north bank of the Spokane River, just across from downtown Spokane. Greenstone Development purchased the cleared site in 2004 and incorporated many of the principles of new urbanism. This is the closest example of what the Port is trying to do at Vista field. Staff toured the neighborhood and then met with Ike Bubna from Greenstone Development, who spent an hour explaining the site's history, principles, management, challenges, and efforts involved in Kendall Yards. Mr. Peterson stated the development utilizes simple ideas and sits on 77 acres, with a grocery store anchoring the development. This was a good learning experience for staff and it was an opportunity for everyone to see and hear what we are doing at Vista Field.

Commissioner Moak inquired if Kendall Yards is a private development and if it is fully built out.

Mr. Peterson stated the development is private; however the City maintains the trail. Mr. Peterson estimated that the development is 50% complete. Mr. Bubna of Greenstone indicated they will be constructing several 3-5 story buildings in the near future.

Commissioner Barnes inquired how long has Greenstone be working on the development.

Mr. Peterson stated there were two firms that purchased and cleaned up the area; however, both companies went bankrupt. Greenstone purchased the property in 2004.

Ms. Hanchette stated a portion of the staff retreat was dedicated to safety and we focused on the Port office and Marina. Staff had a lively question and answer session and discussed what to do if certain situations arise.

Commissioner Moak asked Mr. Arntzen if he thought it was a good retreat.

Mr. Arntzen believes it was a very good retreat and staff members commented that it was beneficial and they got a lot out of it.

G. Discuss Cancellation of July 23, 2019 Meeting due to WPPA's Commissioner's Seminar

Ms. Scott stated this year, the WPPA Commissioner's Seminar falls on Monday, July 22 through Wednesday, July 24, 2019, and the Regular Commission Business Meeting is scheduled for July 23, 2019. The Seminar will be held in Suncadia and at this time, WPPA has not posted an agenda for the Seminar. Ms. Scott stated if the Commission would like to attend the Seminar, staff will need to know ahead of time, to be able to notify the public of the cancellation of the Regular Commission Business Meeting.

Commissioner Barnes inquired if there is something significant to discuss at the July 23 Commission Meeting.

Mr. Arntzen would need to review the potential agenda topics and report back to the Commission.

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Commissioner Novakovich stated the Commission could call a Special Meeting if there was something important to discuss.

Mr. Arntzen stated staff could move any important business topics to the July 9 or August 13 Regular Commission Business Meeting move.

Commissioner Barnes would like to attend the WPPA Commissioner's Seminar.

Commissioner Moak indicated that he will not be attending the WPPA Commissioner's Seminar.

Commissioner Novakovich would like to attend the WPPA Commissioner's Seminar.

The consensus of the Commission is to address the cancellation of the July 23, 2019 Regular Commission Business Meeting on the June 25, 2019 Regular Commission Business Meeting.

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

Commissioners reported on their respective committee meetings.

I. Non-Scheduled Items

1. Commissioner Moak recently attended the open house for the new Richland City Hall, where Mayor Thompson paid tribute to those who came before him and started the process. Commissioner Moak stated the Commission has been involved in many ground breaking and ribbon cutting ceremonies because of the people who made decisions several years ago. And today, the Port continues to work on developing those projects because of decisions made many years ago. Commissioner Moak appreciated Mayor Thompson's recognition of the people who had a long term vision and the partners who helped make it happen. Commissioner Moak stated it is good to be reminded of all those who came before us and the partnerships that helped make projects happen.
2. Mr. Arntzen has been working with Julie Bassuk from Maker's Architecture on the Clover Island Master Plan. Mr. Arntzen stated Ms. Bassuk will present a scope of work to the Commission, of what she believes the Master Plan might encompass. Mr. Arntzen stated the contract with Maker's will be less than \$10,000 and lets Ms. Bassuk interview our partners, who will be involved in the larger process, about the vision for Clover Island. From there, staff and Ms. Bassuk can further define the larger scope and what the budget might entail for the Master Plan.

Mr. Arntzen reported that Ms. Bader Inglima is attending the Public Relations Society of America (PRSA) Public Affairs and Government Summit. Ms. Bader Inglima has been working on the branding process and each Commissioner has been involved in the process. Mr. Arntzen stated staff continues to move forward with the process and was pleased to hear the positive responses. Branding is more than a logo or street names, but is an in depth process to get the feeling for Vista Field. Mr. Arntzen appreciates the Commission feedback and patience, but it is important to get the brand right.

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Commissioner Moak appreciated the interdisciplinary work of Rusty George and Senen Antonio from DPZ Partners, and staff and what the brand meant and how they viewed it.

3. Mr. Kooiker will present a budget update at the June 25 Regular Commission Business Meeting.
4. Mr. Arntzen recently met with Renee Adams, Executive Director of the Art Center Task Force (ACTF) and Steve Wiley. Mr. Arntzen stated the Letter of Intent (LOI) between the Port and ACTF has technically expired; however, ACTF will be submitting a new LOI. Mr. Arntzen has great confidence in ACTF as they continue to fundraise and work through administrative items.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick inquired if Vista Field would be considered a marginal land.

Commissioner Moak believes Mr. McJannet would say yes, because it does not have any streets.

No further were made comments.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 4:01 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Thomas Moak, President

Don Barnes, Vice President

Skip Novakovich, Secretary



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State pitches new pay rules

Proposal would up minimum salary for exempt eligibility

BY TRI-CITIES AREA JOURNAL
OF BUSINESS STAFF

Hundreds of thousands of workers could earn overtime pay under a new proposal from the state Department of Labor and Industries.

The proposed changes would significantly increase the minimum amount employees

must earn before they can be exempt from receiving overtime pay and could impact more than 250,000 workers, according to the agency.

The changes, which affect executive, administrative and professional workers, as well as outside salespeople, across all industries, could mean some employers will have

to provide minimum wage, overtime and paid sick leave or increase salaries to those who were previously considered exempt.

The state's proposal also updates the test used to determine who qualifies for the overtime exemption and more closely aligns the state rule with federal standards.

Washington employers currently are using

►PAY, Page 47

High-end living near Vista Field on the way

Developers planning luxury apartments with an 'edge'

BY ELSIE PUIG
for Tri-Cities Area Journal of Business

Longtime Tri-City commercial developers are planning their most ambitious project to date: a luxury apartment complex on 8.25 acres adjacent to Vista Field, across from Lawrence Scott Park in Kennewick.

Although the project is in its very early stages — the Chavallo family currently is looking for an architect — the vision already is there. They hope to build an urban oasis featuring multi-level buildings.

"We'd like to have a pool inside and outside, a volleyball court and a place to have barbecues, a clubhouse with a theater," Jose Chavallo said. "If we can attract the right people, it could be a real fun place to live."

Tammy and Jose Chavallo started out flipping houses when Jose was a firefighter and gradually made their way into commercial development. They own New Environment Corp.

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Wanted: Construction workers



Courtesy Elite Construction & Dev.

Finding skilled workers for construction job sites continues to be a challenge across the industry, as many building projects are underway across the Tri-Cities, including Pasco's Elite Construction & Dev.'s work on a new multi-level building for Chicago Title Co. of Washington at 8009 W. Tucannon Ave. in Kennewick.

Lacking laborers

Construction companies face shortage of skilled workers

BY JEFF MORROW
for Tri-Cities Area Journal of Business

Tri-City construction companies must try harder than ever to recruit skilled workers.

Amos Construction recently stationed an

because they don't have enough people," said Joel Bouchey, regional coordinator for Inland Northwest Associated General Contractors. "The other part is the workforce in construction is aging."

And those older workers are not being replaced with a younger workforce

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They developed several well-known buildings, like Vista Engineering, Anderson Dental, Nouveau Day Spa, Tuscan Suites on Grandridge Boulevard and the Chavallo Complex on Deschutes Avenue.

Most of their developments feature a Tuscan or Mediterranean style but the proposed apartment complex will be different.

"We want something edgy, and new, and to be competitive," Jose said.

Plans to develop the land have been nearly nine years in the making. The Chavallos bought five acres in 2010 with the idea to build a \$10 million veterans facility, but zoning restrictions at the time did not allow for it.

They gradually added more acres and ideas about how to best develop the land. They've researched different commercial projects for the land, including a mini storage facility. They finally settled on a high-end apartment complex, which Jose said would complement the vision already underway for Vista Field — but they needed the city to amend its comprehensive plan and zoning requirements to allow for high-density residential development in the area. The area had been previously zoned for residential low.

That came earlier this year in March. According to zoning restrictions, they can build up to 224 units.



Jordan Chavallo stands with his father Jose on their home's deck overlooking Kennewick's Vista Field in the distance. The Chavallo family's business, New Environment Corp., plans to build luxury apartments on 8.25 acres adjacent to Vista Field, where construction is underway to turn the former airfield into a pedestrian-focused urban center.

Photo by Elsie Puig

"We wanted to lead with this idea of creating a place where residents could work, live, and play, ride bicycles to work and be near shopping," Jose said. "I've been joking with this idea that you want to live in the best but pay like the rest, be proud of where you live and enjoy Vista Field's vision."

"We would just like to add something to their vision," Jose said. "The port is already doing a great job."

Construction is underway to turn the former Vista Field airport into a 103-acre pedestrian-focused urban center. The first shovel-ready parcels are expected to be made available through the Port of Kennewick to private-sector developers by spring 2020.

"We're trying to develop a town center," said Thomas Moak, president of the Port of Kennewick Commission. "The more density and opportunity to create a

town center within that district is a positive thing for the community and for Vista Field."

Moak said he had sent letters to the city in support of developing Chavallo's property even before his role on the port commission and he's excited to see more from the developer.

"For potential shops and businesses, the more residents there are around with disposable income to spend in the area and can walk to businesses for (Chavallo's) property, that is within the vision of the Port of Kennewick," Moak said.

Vista Field is listed as an opportunity zone or a special designated census tract where certain investments are eligible for preferential federal tax treatment.

Jose moved here with his family more than 50 years ago from Sunnyside where his family lived and worked as field workers. After school, he joined the military and then worked as a firefighter for the Hanford Fire Department until 2000, when he and his wife decided to focus full time on building and developing.

Both their children, Chanel and Jordan Chavallo, also have joined the family business. They have one employee and a civil engineer. They usually build about one to two commercial buildings a year and some custom homes.

They hope to break ground on the project no later than the first quarter of 2020.



skope
Irrigation Inc.

1304 E. Hillsboro St., Pasco, WA
(509) 545-8420 • skoneirrigation.com

Reinke
MORE RIGHT THAN RAIN



AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Real Estate & Operations

MEETING DATE: June 25, 2019

AGENDA ITEM: Oak Street Industrial Park Land Sale – Three Rivers
Acquisitions Request to Extend Closing

- I. REFERENCE(S):** Purchase and Sale Agreement dated May 14, 2018
Resolution 2018-07 and Site Map; attached.
Agenda Report dated April 24, 2018
Addendum #1 dated June 14, 2019
Request letter from buyer dated June 17, 2019

- II. FISCAL IMPACT:** \$375,000 revenue to the Port.

- III. DISCUSSION:** An offer to purchase approximately 12.33 acres (\$30,414 per acre) of port-owned vacant land in the Oak Street Industrial Park (Kennewick) by Three Rivers Acquisitions LLC was accepted by the port commission in April 2018.

Following a 12-month feasibility period, closing on this transaction was scheduled for June 14, 2019. Buyer is requesting a 30 day extension of closing due to a medical condition.

The Purchaser intends to create an industrial business park for warehousing, manufacturing, logistics/delivery and construction-related trades. The Purchaser projects annual business park sales in excess of \$15 million at full build out with over 60 family wage jobs created. Principal owners have background in construction, development and finance.

- VI. ACTION REQUESTED OF COMMISSION:**
To make a determination on buyer's request for a 30 day closing extension.

EXHIBIT "A"



6/17/2019

To the Port of Kennewick Commissioners,

We are writing this letter to request a 30 day extension to close on the Oak st. Property that was scheduled for a June 14th, 2019 close date. We are asking for a July 15th, 2019 close date.

We have had a few events that happened, which created a delay in funds that were expected to come in around the end of May. These funds are tied up in other properties currently, that were suppose to be completed and closed out.

The delay is partly due to material delivery delays and then, partly from my diagnosis with cancer. This is a very treatable cancer and I have been going through chemo treatments for the last 3 weeks. Unfortunately, they have left me weak and very tired. Traveling back and forth to Seattle every week. These treatments will hopefully be completed in 4 weeks (if the tumor has shrunk enough to remove). I am very positive about the treatments and am confident that everything will come back clear, however, it has made it difficult to keep all my projects moving forward to completion. The days spent in Seattle have put us behind schedule as well.

We are extremely excited about this project and the industrial businesses we hope to attract. We have had a lot of interest from large companies that have considered adding a location to the Tri-Cities area, but, as with all large projects, they have been taking longer than anticipated.

Thank you for your consideration on this matter and we look forward to finding a way to move forward with the Port of Kennewick on this project.

Sincerely,

A handwritten signature in dark ink, appearing to read "Troy Faulker", with a long horizontal flourish extending to the right.

Three Rivers Acquisitions, LLC
Troy Faulker Manager

COLOR COPY

REAL ESTATE PURCHASE AND SALE AGREEMENT

1. **PARTIES.** THIS AGREEMENT is made and effective on the 14th day May, 2018, by and between the

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

hereinafter "Seller", and

Three Rivers Acquisitions LLC, or assigns

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 located in Benton County, State of Washington, legally described in Exhibit "A" attached hereto and incorporated hereby reference (hereinafter referred to as the "Property").

Tax Parcel Nos.: See Exhibit "A" attached.

3. **PURCHASE PRICE.** The total purchase price is Three Hundred Seventy-Five Thousand and 00/100 Dollars (\$375,000.00). The Purchase Price, inclusive of any applicable Earnest Money deposit, shall be paid all in cash at Closing.

4. **EARNEST MONEY.** Receipt is hereby acknowledged of Eighteen Thousand Seven Hundred Fifty and 00/100 Dollars (\$18,750.00) 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.

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 Approval of Seller's Disclosure Statements. Purchaser shall have ten (10) business days to review Seller's Disclosure Statements. This contingency shall be deemed waived or satisfied unless Purchaser provides written notice to the contrary within said ten (10) business days. If Purchaser provides such notice, this Agreement shall terminate and the earnest money shall be refunded.

6.3 Feasibility Determination/Environmental Due Diligence. For a period of 12 months 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. 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 12 months, 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.

6.4 Survey. A survey has been conducted on the Property and a copy has been provided to the Purchaser. This contingency shall be deemed waived or satisfied unless Purchaser provides written notice to the contrary within ten (10) business days from the date of this Agreement.

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.

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	Purchaser
Excise Tax	Recording Fees
Title Insurance Premium	½ Closing Fee Costs
½ 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, if any, 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 but in any event no later than 13 months from the effective date of this Agreement as set forth above. "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 Light Industrial Business Park. The parties agree that the Purchaser's use of the Property shall be to construct a light industrial business park with anticipated tenants' industries ranging from heavy equipment leasing, warehousing/logistics, custom door and molding manufacturing, online retail for heavy equipment sales and parts, and construction. The light industrial business park will be built in accordance with the following conditions:

10.1.1 Construction 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; and,

10.1.3 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 light industrial business park 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 paid by Purchaser, with all closing costs and real estate taxes paid by Purchaser, payable in cash at closing. Seller must give Purchaser written notice of its intent to repurchase the property within sixty (60) months of the date deed is recorded transferring the Seller's title to this land. In the event this repurchase provision is invoked, payment for improvements made to the site by the Purchaser which benefit the future development of the Property shall be made by Seller. Value of improvements which benefit the Property shall be established, unless otherwise agreed by the parties, from the average of two appraisals (one obtained by Seller and one obtained by Purchaser) performed to determine the residual value of site improvements made by the Purchaser.

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.

10.3 No Assignment or Encumbrances. Purchaser shall not assign, encumber or transfer any right or interest in the Property during the first eighteen (18) months after deeds are recorded transferring the Seller's title to this land without the Seller's written approval, which approval shall not be unreasonably withheld.

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.

11. Notices. All notices required by this Agreement shall be considered properly delivered when (1) personally delivered, (2) when transmitted by facsimile or email showing date and time of transmittal, or (3) sent by regular overnight courier, delivered or mailed by U.S. registered or certified mail, return receipt requested, and, if mailed, shall be considered delivered three (3) business days after deposit in such mail. The addresses to be used in connection with such correspondence and notices are the following, or such other address as a party shall from time to time direct:

Purchaser: Three Rivers Acquisitions, LLC
Address: 8220 GAGE BLVD FMB 738
KENNEWICK, WA 99336
Phone No.: 509.440.2285
Fax No.: _____
Email: TFoy@LEVEKEANDPage.com

Seller: Port of Kennewick, a Municipal Corporation
350 Clover Island Drive, Suite 200
Kennewick, WA 99336
Attn: Tim Arntzen, Chief Executive Officer
Phone No.: (509) 586-1186
Fax No.: (509) 582-7678

With copy to: Lucinda J. Luke
Carney Badley Spellman, P.S.
701 Fifth Avenue, Suite 3600
Seattle, WA 98104-7010
Phone No.: (206) 607-4111
Fax No.: (206) 467-8215
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. Note that the Seller is a public entity subject to the Public Records Act and may be required to the disclosure of records related to this transaction.

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 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 either 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 attorneys' fees 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 attorneys' 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. Jurisdiction and venue of any suit arising out of or related to this Agreement shall be exclusively in Benton County Superior Court, Benton County, State of 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. Seller shall pay Christeen Weitz, River Realty Homes, a commission pursuant to compensation rates specified in the Port of Kennewick Resolution No. 2015-29 adopted December 8, 2015.

Except as specifically disclosed herein, neither party has had any other 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.

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

Port of Kennewick,
A Washington Municipal Corporation
By Authority of its Board of Commissioners

By: [Signature]
Tim Arntzen, Chief Executive Officer

Approved as to form:

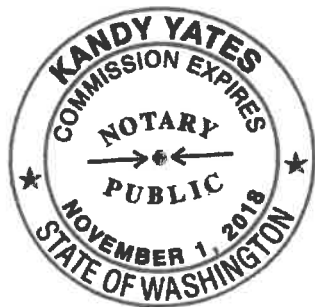
[Signature]
Lucinda Luke, Port Attorney

Three Rivers Acquisitions, LLC,
A Washington Limited Liability Company

By: [Signature]

[Signature]
Nick Koosker, CFO

Printed Name & Title: Troy P. FAULKNER MANAGER



See page 10.

[Signature] 5/2/18

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

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

Port of Kennewick,
A Washington Municipal Corporation
By Authority of its Board of Commissioners

By: _____
Tim Amtzen, Chief Executive Officer

Three Rivers Acquisitions, LLC,
A Washington Limited Liability Company

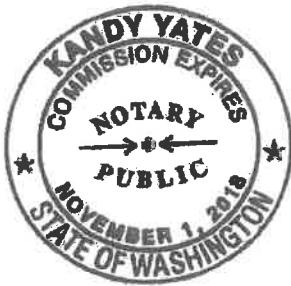
By: _____
Troy P. Faulkner

Printed Name & Title: Troy P. FAULKNER MANAGER

Approved as to Form:

Lucinda Luke 5/8/18
Lucinda Luke, Port Attorney

Nick Koolker
Nick Koolker, CFO



See page 10.

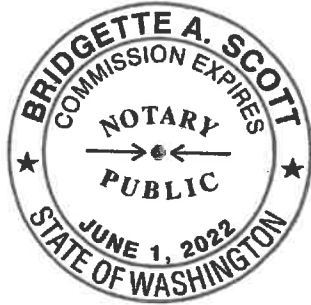
Angela 5/2/18

ACKNOWLEDGEMENTS

State of Washington)
)ss:
County of Benton)

On this day personally appeared before me Tim Arntzen to me known to be the **Chief Executive Officer** 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 municipal 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 14th day of May, 2018.



Bridgette A. Scott
Notary Public in and for the State of
Washington
Residing at: Richland
My Commission Expires: 06-01-2022

State of Washington)
)ss:
County of Benton)

On this day personally appeared before me Tray P. Faulkner, to me known to be the Manager of Three Rivers Acquisitions, LLC, the limited liability company that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the use and purpose therein mentioned, and on oath stated he is authorized to execute the said instrument.

GIVEN under my hand and official seal this 2 day of May, 2018.

Kandy Yates

Kandy Yates
Notary Public in and for the State of
Washington
Residing at: Pasco, WA
My Commission Expires: 11/1/18

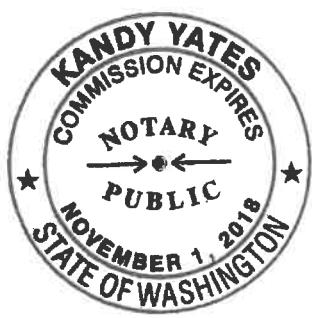
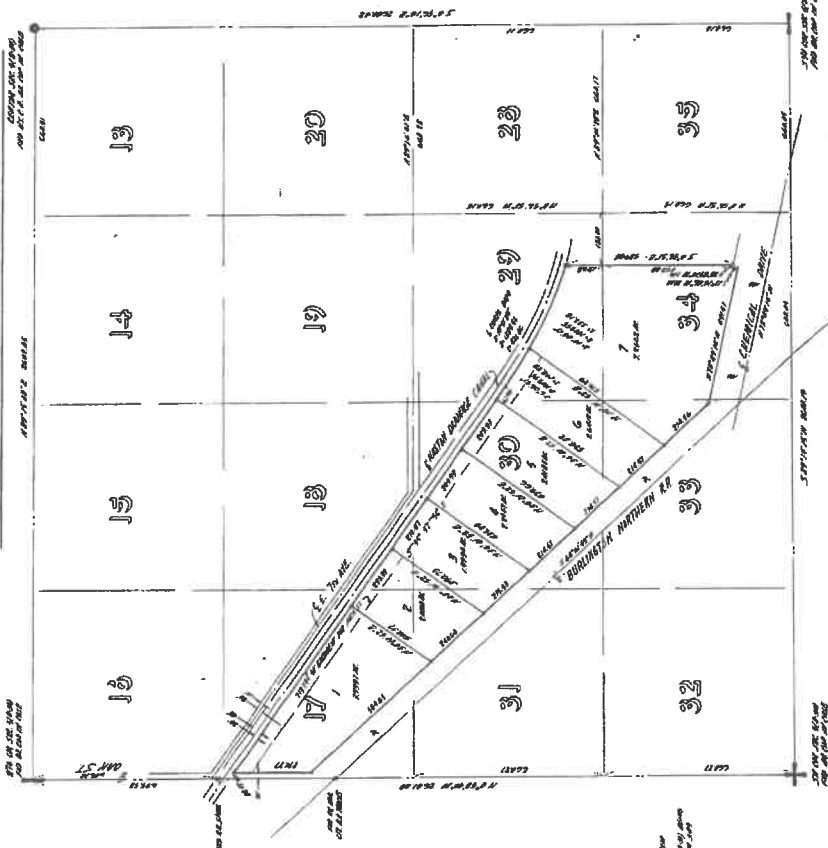


EXHIBIT A
(Legal Description & Survey)

SOUTH OAK STREET INDUSTRIAL PARK

A SUBDIVISION RECORDED UNDER THE PROVISIONS OF RCW 51.08.290

[illegible][illegible]

20466, MS1800017049 3/24/2002
1000 02:00 P-025
40 200 2400000 400000000 000000

DESCRIPTION

THOSE WHOSE DEPENDENCY ON THE STATE IS SO GREAT THAT THEY MUST BE PROVIDED WITH A MEANS OF SUPPORT. THE STATE MUST BE ABLE TO PROVIDE THEM WITH THE NECESSARY SUPPORT, AND THIS IS THE ONLY WAY TO ENSURE THAT THEY ARE NOT ABANDONED TO THE MERCY OF THE MARKET.

Appendix

THE NEW YORK PUBLIC LIBRARY
ASTOR LENOX TILDEN FOUNDATION
455 FIFTH AVENUE
NEW YORK 17, N.Y.

Autonomous **PRELUDE**

С. 10

SUPREMACY'S CERTIFICATE

[illegible]

June 1, 1977



FILING CERTIFICATE

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 01-24-01 BY 60322 UCBAW

2000

12410
Vol. 326
Page 97

2492 1977

2/17/94 9-408 77 81

SOUTH OAK ST. HOUSTON PARK

PREPARED UNDER CITY OF KENNEWICK SHORT PLAT ORDINANCE NO. 1887

WE, THE POINT OF KENNEMUK, HEREBY CERTIFY THAT WE ARE THE OWNERS OF THE TRACT OF LAND DESCRIBED HEREON AND THAT WE HAVE CAUSED SAID LAND TO BE SURVEYED AND PLATTED INTO LOTS AS SHOWN AND THE EASEMENTS ON THE SHORT PLAT ARE GRANTED FOR THE USES SHOWN THEREON.

STATE OF WASHINGTON) ss
COUNTY OF BENTON

ON THIS DAY OF _____, 1979 A.D., BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON, DULY COMMISSIONED AND SWORN, PERSONALLY APPEARED _____ AND _____ TO ME KNOWN TO BE THE PRESIDENT AND SECRETARY, RESPECTIVELY, OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK, THE CORPORATION THAT EXECUTED THE FOREGOING OWNER'S CERTIFICATE AND ACKNOWLEDGED THE SAID OWNER'S CERTIFICATE TO BE THE FREE AND VOLUNTARY ACT AND DEED OF SAID CORPORATION, FOR THE USE AND PURPOSES THEREIN MENTIONED, AND ON DAILY STATED THAT THEY WERE AUTHORIZED TO EXECUTE THE SAID OWNER'S CERTIFICATE AND THAT THE SEAL AFFIXED (IF ANY) IS THE CORPORATE SEAL OF SAID CORPORATION.

IN WITNESS WHEREOF I HAVE SET MY HAND AND AFFIXED MY OFFICIAL SEAL THE DAY
AND YEAR FIRST ABOVE WRITTEN.

NOTARY PUBLIC IN AND FOR THE STATE OF WASHINGTON
RESIDING AT _____ MY COMMISSION EXPIRES _____

APPROVALS

THE IRRIGATION ASSESSMENTS ON THE LAND DESCRIBED HEREON HAVE BEEN PAID TO _____, AND INCLUDING THE YEAR _____, AND THE IRRIGATION EASEMENTS AS SHOWN HEREON ARE HEREBY APPROVED.

NOT IN IRRIGATION DISTRICT

THE UTILITY EASEMENTS SHOWN HEREON ARE HEREBY APPROVED BY BENTON COUNTY

1/23/79
DATE
Utility Eng.
TITLE
Mitchell J. Hubbard
BENTON COUNTY P.U.D. NO. 1

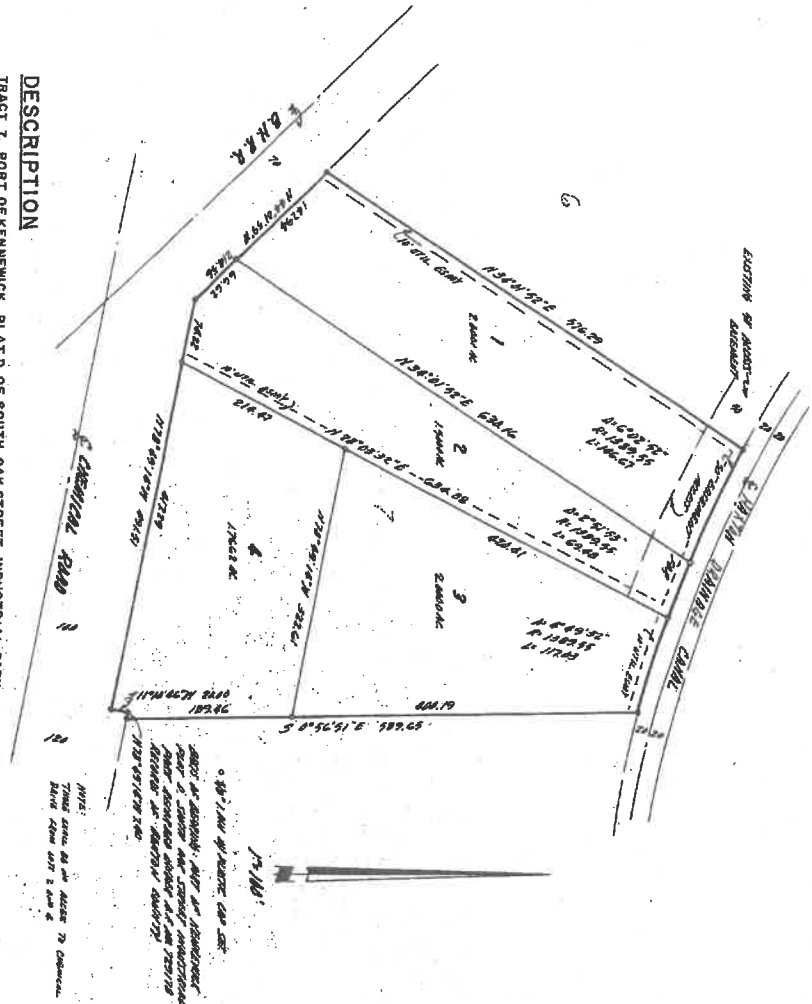
I HEREBY CERTIFY THAT THE TAXES ON THE LAND DESCRIBED HEREON HAVE BEEN PAID TO AND INCLUDING THE YEAR _____.

DATE _____

THE ANNEXED SHORT PLAT IS HEREBY APPROVED BY AND FOR THE CITY OF KENNEWICK,
BENTON COUNTY, WASHINGTON.

30K
CITY OF KENNEWICK PLANNING DIRECTOR
FEB. 5, 1979
DATE

FILED FOR RECORD AT THE REQUEST OF _____ AT _____
 _____ MINUTES PAST _____ M., THIS _____ DAY OF _____
 19____, AND RECORDED IN VOLUME _____ OF SHORT PLATS, PAGE _____,
 RECORDS OF BENTON COUNTY, WASHINGTON.

BENTON COUNTY AUDITOR
FEE, NUMBER

DESCRIPTION

TRACT 7, PORT OF KENNEWICK, PLATD OF SOUTH OAK STREET INDUSTRIAL PARK, EXHIBIT A, RECORDED UNDER AUDITOR'S FILE NO. 729178, JUNE 2, 1977 IN VOLUME 328, PAGE 841, RECORDS OF BENTON COUNTY, WASHINGTON.

SURVEYOR'S CERTIFICATE

I, DAVID G. CHRISTENSEN, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF WASHINGTON, HEREBY CERTIFY THAT THE SHORT PLAT AS SHOWN HEREON IS BASED ON AN ACTUAL FIELD SURVEY OF THE LAND DESCRIBED AND THAT ALL COUSERS AND DISTANCES ARE CORRECTLY SHOWN AND THAT SAID SHORT PLAT IS STATED ON THE AROUND AS INDICATED HEREON.

425
DATE

Wm. A. Harrison

WASHINGTON REG. NO. 13562



TOPOG MAP FOR RAT POLAND & SONS CONSTRUCTION	
STRATTON SURVEYING & MAPPING 1550 GRAMMERCY BLVD SUITE 300 BELLEVUE, WASHINGTON 98135 (206) 735-7594	
P-4582-D-1290	SHT. 1 OF 1
DATED 3/7/90	JOB # 845
DRAWN BY A.M.	

PORT OF KENNEWICK

RESOLUTION No. 2018-07

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH THREE RIVERS ACQUISITIONS LLC

WHEREAS, Three Rivers Acquisitions LLC (Purchaser), has offered to purchase approximately 12.33 acres of the area graphically depicted on "*Exhibit A*" at the Port of Kennewick's Oak Street Industrial Park, in Kennewick, Washington from the Port of Kennewick (Seller) for \$375,000 or approximately \$30,414 per acre; 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 Chief Executive Officer to execute a Purchase and Sale Agreement with Three Rivers Acquisitions LLC and hereby authorizes the Port's Chief Executive Officer to execute all documents and agreements on behalf of the Port to complete the transaction as specified above.

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

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 24th day of April, 2018.

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

By: 

THOMAS MOAK, President

By: 

DON BARNES, Vice President

By: 

SKIP NOVAKOVICH, Secretary

EXHIBIT "A"





AGENDA REPORT

TO: Port Commission

FROM: Amber Hanchette, Director of Real Estate & Operations

MEETING DATE: April 24, 2018

AGENDA ITEM: Oak Street Industrial Park Land Sale – Three Rivers Acquisitions

I. REFERENCE(S): Resolution 2018-07 and Site Map; attached.

II. FISCAL IMPACT: \$375,000 revenue to the Port.

II. DISCUSSION: An offer to purchase approximately 12.33 acres (\$30,414 per acre) of port-owned vacant land in the Oak Street Industrial Park (Kennewick) has been submitted by Three Rivers Acquisitions LLC.

- Property has been in the Port's real estate portfolio since 1972 generating little to no revenue.
- The property is located at Oak Street and 7th Avenue with no improvements on the property.
- Property is located in a flood plain and near the City of Kennewick's sewer treatment plant.
- Property has been used over the years as a construction debris stockpile.
- Zoned Light Industrial

Terms:

- Purchaser takes property in "As Is" condition
- Purchaser requests 12 month feasibility period
- 30 day close after feasibility expiration
- 5% earnest month deposit

The Purchaser intends to create an industrial business park for warehousing, manufacturing, logistics/delivery and construction-related trades. The Purchaser projects annual business park sales in excess of \$15 million at full build out with over 60 family wage jobs created. Principal owners have background in construction, development and finance.

VI. ACTION REQUESTED OF COMMISSION:

Motion: I move approval of Resolution 2018-07 authorizing the Port's Chief Executive Officer to execute all necessary documentation associated with the land sale to Three Rivers Acquisitions and to take all other action necessary to close this transaction.

EXHIBIT "A"



**ADDENDUM #1
TO REAL ESTATE PURCHASE AND SALE AGREEMENT**

THIS AGREEMENT is made on the 14th day of June 2019, by and between the Port of Kennewick, a Washington municipal corporation, Three Rivers Acquisitions LLC, (collectively "the parties"), of that certain Commercial Purchase and Sale Agreement dated May 14, 2018, a copy of which is attached hereto and incorporated herein by reference;

THE PARTIES hereby agree to amend the Commercial Purchase and Sale Agreement as follows:

Paragraph 9.4, Closing Date – Possession is amended to read:

This transaction shall be closed no later than June 26, 2019. "Closing" shall be the date on which all documents are recorded and funds are available for disbursement.

All other terms and conditions of the subject purchase and sale agreement dated May 14, 2018, shall remain the same.

Purchaser:

THREE RIVERS ACQUISITIONS, LLC

By: Troy Faulkner *MANAGER*

Troy Faulkner, Manager

Seller:

PORT OF KENNEWICK:

By: Tim Amitzen

Tim Amitzen, Chief Executive Officer

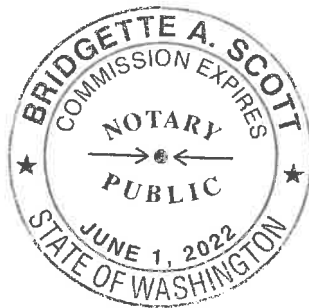


ACKNOWLEDGEMENTS

State of Washington)
)
County of Washington)

On this day personally appeared before me Tim Arntzen to me known to be the **Chief Executive Officer** 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 municipal corporation for the uses and purposes therein mentioned, and on oath stated he is authorized to execute the said instrument on behalf of said municipal corporation.

GIVEN under my hand and official seal this 14th day of June, 2019.



Bridgette A. Scott
Notary Public in and for the State of
Washington
Residing at: Richland WA
My Commission Expires: 06-01-2022

State of Washington)
)
County of Benton)

On this day personally appeared before me **Troy Faulkner** to me known to be a **Manager of Three Rivers Acquisitions LLC**, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated he is authorized to execute the said instrument on behalf of said limited liability company.

GIVEN under my hand and official seal this ^{18th} 14th day of June, 2019.



J. A. Haag
Notary Public in and for the State of
Washington
Residing at: Kennewick
My Commission Expires: 09-25-2019

STATE

PORT OF KENNEWICK

RESOLUTION No. 2019-12

***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF
KENNEWICK AUTHORIZING A 30-DAY CLOSING EXTENSION WITH
THREE RIVERS ACQUISITIONS LLC***

WHEREAS, the Port commission accepted an offer to purchase approximately 12.33 acres of the area graphically depicted on “*Exhibit A*” at the Port of Kennewick’s Oak Street Industrial Park, in Kennewick, Washington from Three Rivers Acquisitions LLC (Purchaser) for \$375,000 on April 24, 2018; and

WHEREAS, Purchaser requests a 30 day extension to close on the property purchase and;

WHEREAS, the Port commission approves Purchaser’s request for a 30 day extension to close said transaction;

WHEREAS, Port staff and the Port attorney have reviewed the extension request and find it is in proper form; 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.

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and further that the port Chief Executive Officer is authorized to take all action necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 25th day of June 2019.

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

By: _____
THOMAS MOAK, President

By: _____
DON BARNES, Vice President

By: _____
SKIP NOVAKOVICH, Secretary



AGENDA REPORT

TO: Port Commission

FROM: Tim Arntzen, CEO

MEETING DATE: June 25, 2019

AGENDA ITEM: Resolution 2019-13; Authorizing the Port CEO to execute contract with K and L Gates for legal representation related to Industrial Development District (IDD)

- I. DISCUSSION:** On June 11, 2019 the Port attorney and the Port CEO introduced Scott McJannet, attorney with K and L Gates of Seattle, Washington. Mr. McJannet and Cynthia Weed represent various governmental entities and are regular participants at port conferences related to governmental and finance matters.

At the June 11, 2019 Commission Meeting, Mr. McJannet briefed the Commission related to IDD's. After the briefing, and with consent from the Commission, the CEO was directed to work with Port Counsel and Mr. McJannet to bring additional IDD information to the Commission. The Port Attorney is working to secure a contract for continued assistance from K and L Gates for additional legal analysis related to the IDD issue.

II. POTENTIAL COMMISSION ACTION:

***Motion:** I move approval of Resolution 2019-13, authorizing the Port's Chief Executive Officer to execute a contract with K and L Gates, to identify IDD areas, and further action related to an IDD. The Commission further authorizes the CEO to take all action to implement the intent of this Resolution.*

PORT OF KENNEWICK

RESOLUTION 2019-13

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING THE PORT CHIEF EXECUTIVE OFFICER TO EXECUTE CONTRACT WITH K AND L GATES

WHEREAS, On June 11, 2019 the port attorney and legal counsel with K and L Gates of Seattle, Washington presented information related to Industrial Development Districts (IDDs) to the port commission; and

WHEREAS, the Commission requested that the Port CEO contract with K and L Gates for additional legal analysis related to the IDD issue; and

WHEREAS, a scope of work anticipated to include identification of the IDD areas will be provided.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick authorizes the Chief Executive Officer to execute a contract for this project; and

BE IT FURTHER RESOLVED that all action by port officers and employees in furtherance hereof is ratified and approved; and the port Chief Executive Officer is authorized to take all action and to pay all expenses necessary in furtherance hereof.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 25th day of June, 2019.

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

By:

THOMAS MOAK, *President*

By:

DON BARNES, *Vice President*

By:

SKIP NOVAKOVICH, *Secretary*