



PORT OF KENNEWICK REGULAR COMMISSION MEETING

JULY 28, 2020 MINUTES

Commission Meeting recordings, with agenda items linked to corresponding audio, can be found on the Port's website at: <https://www.portofkennewick.org/commission-meetings-audio/>

Commission President Commissioner Don Barnes called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

ANNOUNCEMENTS AND ROLL CALL

The following were present:

Board Members: Commissioner Don Barnes, President (via telephone)
Skip Novakovich, Vice-President (via telephone)
Thomas Moak, Secretary (via telephone)

Staff Members: Tim Arntzen, Chief Executive Officer (via telephone)
Tana Bader Inglima, Deputy Chief Executive Officer (via telephone)
Amber Hanchette, Director of Real Estate and Operations (via telephone)
Nick Kooiker, Chief Finance Officer (via telephone)
Larry Peterson, Director of Planning and Development (via telephone)
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant (via telephone)
Lucinda Luke, Port Counsel (via telephone)

PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: Commissioner Novakovich moved to approve the Agenda as presented; Commissioner Moak 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 July 15, 2020***
Direct Deposit and E-Payments totaling \$62,047.18
- B. Approval of Warrant Register Dated July 28, 2020***
Expense Fund Voucher Number 102258 through 102283 for a grand total of \$96,789.53
- C. Approval of Regular Commission Meeting Minutes July 14, 2020***

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

PRESENTATION

A. Center Parkway Infrastructure, Richland Public Works Director Pete Rogalsky

Mr. Arntzen stated City of Richland has been working on the Center Parkway project for nearly twenty years and Pete Rogalsky, Richland Public Works Director is here today to update the Commission on that project and discuss a potential partnership. Mr. Arntzen stated there is an opportunity for the Commission to assist the City of Richland by potentially adding a line item to the 2021-2022 Budget or partnering on a Rural County Capital Funds (RCCF) joint application. Mr. Arntzen relayed that the City of Richland has lined up several partners to see this project come to fruition.

Mr. Rogalsky stated the City of Richland and the City of Kennewick signed an Interlocal Agreement (ILA) twenty years ago to improve property access and access to State Route 240, Center Parkway and Tapteal Drive. During that time, the City worked with the three major railroads to resolve any rail obstacles. Mr. Rogalsky stated the project will bring in approximately \$52,000,000 in economic development, improve the street system and create additional retail opportunities. The City of Richland has support from the City of Kennewick, the Washington State Transportation Improvement Board, Benton Franklin Council of Governments and the Washington State Utilities and Transportation Commission rail crossing authorization. Mr. Rogalsky stated the City needs \$2,650,000 to complete the project and there is a funding gap. The City intends to put forth an RCCF application for the Center Parkway project for their share of the funds. Mr. Rogalsky stated the City has also discussed partnerships opportunities with Benton County, Port of Benton, City of Kennewick, and Port of Kennewick, either utilizing RCCF funding or another means of funding, with each agency determining what option fits best. Mr. Rogalsky stated the City would utilize the funds for property acquisition and construction. Mr. Rogalsky, Mr. Floyd, and Mr. Arntzen discussed a potential contribution of \$400,000, if the Commission deems the project partnership valuable.

Commissioner Novakovich expressed his support for the request and stated the Port is preparing the 2021-2022 Budget and could spread the contribution over two years. Commissioner Novakovich believes this would be a very prudent move for the Commission to approve.

Commissioner Moak thanked Mr. Rogalsky for the presentation and supports moving this project forward.

Commissioner Barnes believes this project would improve the access to the property along SR 240 and would be desirable for economic development and he looks favorably upon this request.

Mr. Rogalsky thanked the Commission for their time and expressions of support. Additionally, Mr. Rogalsky reported that the Richland City Council will be considering an agreement with the rail lines to fix the intersection of Steptoe and Tapteal Drive.

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B. Washington Street, Kennewick City Manager Marie Mosely

Mr. Arntzen stated improving the connectivity on Washington Street has been a topic of discussion for several years. Recently, Mr. Arntzen and City Manager Marie Mosely discussed potentially partnering on an RCCF application to improve Washington Street. Mr. Arntzen reiterated that the Port will be working on the 2021-2022 Budget and could commit to a level of funding and add as a line item in the Budget, provided the Commission favors the project and partnership. Mr. Arntzen introduced Chief Ken Hohenberg, who will be speaking for Ms. Mosely today.

Chief Hohenberg thanked the Commission for the opportunity to speak for Ms. Mosely and read her statement into the record:

I wanted to take this opportunity to thank the Port Commission and staff for the tremendous partnership we have. During the State of the Cities Chamber luncheon, Mayor Britain discussed the many projects in Kennewick and mentioned the importance of the partnership with the Port.

We are excited about the future of Kennewick and our partnership with the Port will continue to be very important. Recently we discussed the Port projects with Ben Floyd and reaffirmed the importance of leveraging taxpayer dollars in partnership with the Port. We are hoping to be able to continue to use the Rural County Capital Funds in partnership with the Port and Benton County to bring the visions for Vista Field, Columbia Gardens, and Clover Island to reality.

The City has a \$500,000 Complete Streets Grant that we will be using to improve the east side of Washington Street to begin the connection from the Waterfront to the Downtown. We want to continue to work with the Port on the connectivity to make Clover Island, Columbia Gardens and the Downtown more vibrant. We are hoping to be able to work with the Port of Kennewick on investment in this project, leveraging the \$500,000 grant dollars to begin this connection.

In addition, we want to continue to work with the Port on implementing the vision that the community developed for Vista Field. We are beginning with the building of Fire Station #3 that is currently under construction. The road connection that the Port has developed is a tremendous step towards making this a destination location. We encourage the Port to continue to stay the course on implementation of the vision and making this a unique destination location. We would like to work with the Port on the next project that will begin implementing this vision and potentially collaborating with our Rural County Capital Funds.

In alignment with our partnership, we want to continue to work with the Port on Vista Field and connecting the Waterfront to the Downtown and continuing to provide unique destination opportunities for our community. We are excited about our future collaboration and appreciate the partnership we have developed over the years.

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Chief Hohenberg stated the connection over the railroad on Washington Street towards Clover Island is very cumbersome and believes enhancing Washington Street will make the area much more walkable and allow for easier access to the downtown, Clover Island, and Columbia Drive. Chief Hohenberg thanked the Port for installing unique projects such as the clock tower and the lighthouse and stated the amenities have a natural attraction and stated he is proud to be associated with Port staff.

Commissioner Barnes thanked Chief Hohenberg for his gracious remarks and stated on behalf of the Port, we value the relationship that we have developed with the City of Kennewick.

Discussion ensued amongst the Commissioners regarding the Washington Street connectivity project.

Mr. Arntzen thanked Chief Hohenberg for his comments and filling in for Ms. Mosely. Mr. Arntzen stated the Commission could make an appropriate contribution to the Washington Street project in the amount of \$250,000 per year, for two years. Mr. Arntzen believes it would be prudent to add a line item to the 2021-2022 Budget; however, he would like to confer with staff and bring back the financing at a future meeting.

Commissioner Barnes looks favorably upon this approach and would like to defer any final decisions until we are refining the Budget.

Commissioner Moak asked about the plan for Washington Street.

Mr. Arntzen has not seen the documents and stated the most recent proposal will not complete the Street. The bulk of the work will take place on the East side because there are less barriers and Mr. Arntzen believes the plan is to make the area visibly appealing, safe, and functional.

C. Vista Field Hangar Project, Strategic Construction Management, David Robison

Mr. Arntzen stated the Commission asked staff to produce a report of development strategies for the Vista Field Corporate Hangars, which includes potential uses and finance options. Mr. Arntzen introduced David Robison of Strategic Construction Management (SCM), who will be presenting the Hangar Report. Mr. Arntzen stated the action staff is requesting today is that the Commission receive the Hangar Report and he understands there will be additional discussion on how the Port moves forward after receiving the report.

Mr. Robison thanked the Commission for taking the time today to discuss the Hangar Remodel Report and thanked Port staff and Kim Harvey of SCM for all of their work on the Report. Mr. Robison stated the detailed Hangar Remodel Report (Exhibit A) was developed pre-COVID; and is still relevant.

Mr. Robison outlined the following:

- Best and highest use for hangars;
- Challenges of hangars;
- Potential opportunities;

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- Lease rate opportunities;
- Possible tenants and tenant improvements;
- Concept drawings;
- Budget and finance options; and
- Development timeline.

Commissioner Moak thanked Mr. Robison for the report and inquired if he got a feel from the realtors about what would be more desirable, whether to renovate or tear down?

Mr. Robison stated no one indicated whether the Port should tear them down or renovate them; however, everyone did say, as a gateway to Vista Field, the Port has an opportunity to make them something special. Whatever the Commission decides, we need to look seriously at the opportunity for entry and what the curb appeal will look like.

Commissioner Novakovich read a portion of an email (Exhibit B) staff received from DPZ regarding the Hangars, which states the Hangars should be retained.

Commissioner Barnes appreciates Commissioner Novakovich's remarks and stated his take-away from the email was the word "lean" and the Hangar Report is far from that.

Commissioner Novakovich thanked SCM and staff for providing the Hangar Report and stated staff is only asking the Commission to accept the report.

Commissioner Barnes stated only two redevelopment scenarios are presented in this report and inquired if any consideration was given to a leaner approach, somewhere in between renovating the Hangars or demolishing them.

Mr. Arntzen stated the goal was to complete an architectural and engineering analysis for the Hangars, together with an estimated budget and draft financing plan for Commission consideration. Mr. Arntzen stated the report provided information on remodeling and when staff saw the direction of the finances, added demolition as an alternative for the Commission to consider. Mr. Arntzen viewed that the directive from the Commission was to provide an analysis that would not only bring the Hangars up to code, but provide design features that DPZ and the community thought were important. Mr. Arntzen stated having seen the Report, he thinks it could be valuable for future discussion to create a phase 2 of the Report that discusses value engineering or other alternatives.

Commissioner Barnes believes there is an opportunity for a private/public partnership that could utilize the Opportunity Zone designation at Vista Field, where the Port is protected without spending \$800 per square foot. Commissioner Barnes cannot support that amount of money for the Hangar Remodel and is in favor of staff exploring DPZ's lean approach for repurposing the Hangars at the gateway.

Mr. Arntzen believes the objective has been achieved, to complete the architectural and engineering analysis of the Hangars with a budget estimate and potential finance plan. Mr.

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Arntzen stated the report was a crucial tool for staff and although the numbers in the Report are staggering, it does not make the Report insufficient. Mr. Arntzen thinks staff turned in a Report that was directed by the Commission and he did not believe it was appropriate to include other alternatives. Mr. Arntzen is in favor of a working on a phase 2 of the report that could discuss additional alternatives.

Commissioner Barnes hears what Mr. Arntzen is saying; however, he is frustrated because we have known for over a year of what the potential costs would be. Commissioner Barnes stated it is a fine Report and SCM did excellent work, but he cannot support a Port funded remodel with these numbers. Commissioner Barnes is asking staff to explore a leaner approach that DPZ has been advocating and report back at a later date.

Commissioner Novakovich understands Commissioner Barnes comments and the numbers shocked him as well; however, the Commission is being asked to receive the Report, which gives us information to work with. Commissioner Novakovich believes we should give staff the opportunity to look at additional options such as value engineering.

Commissioner Moak stated CKJT Architects did a great job on the renderings; however, the buildings still look like hangars and does not believe they present the greatest face for the South face of Vista Field. Commissioner Moak mulled if there could be something different in that location where the Port could utilize the design standards and the collaborative design process to rebuild.

Mr. Peterson added additional comments regarding the Hangar Remodel Report.

Commissioner Moak is not in favor of staff discussing the Hangars with DPZ because we do not have a Commission consensus. Commissioner Moak believes there needs to be more discussion to figure out where we want to go and some consensus about how we are going to get there.

Mr. Arntzen requested that the Commission approve receiving the report and stated receiving the report does not endorse any of the findings nor does it say the Port will allocate the funds to the project.

PUBLIC COMMENT

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick does not think the discussion emphasized what the hangars truly represent, large, sheltered spaces that are readily accessible because of the large hangar door. Mr. Burdick believes there are two possible uses for the hangars that could be used for short to medium term that would satisfy the objective of being lean and creating:

- Transient tenant use where specific events are held on certain days of the week, for example, a farmer's market, a flea market, and even a Christmas market.
- Create a dirty art space which includes sculpture, metal art, or pottery.

Mr. Burdick feels this would provide something that is not available in the community now.

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Ken Hohenberg, 211 West 6th Avenue, Kennewick. Chief Hohenberg stated one of the good things about retaining those buildings is that the Port retains control and decides what goes in there and how it is used. Chief Hohenberg stated looking back at everything the Port has done, the Port always does it right. Chief Hohenberg understands the struggles with cost and the decisions on where the funding will go, but at the end of the day, he is sure the Port will do the right thing and create a nice amenity.

No further comments were made.

MOTION: Commissioner Novakovich moved to approve Resolution 2020-13, accepting the Hangar Report produced by Strategic Construction Management. Commissioner further moves to approve goal #11 of the CEO's goals and objectives and further move 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 and to pay all expenses necessary in furtherance hereof; Commissioner Moak seconded.

Discussion:

Commissioner Moak thanked Mr. Robison for the Report and many other good pieces of work for the Port. Mr. Robison provided the information that the Commission requested and even though the answers were not what we expected, it gives us something to mull over. Clearly, the Commission is not happy about what direction to take or how to move forward, but as Mr. Robison stated, the Report has done its job by illuminating some discussion. Commissioner Moak thinks Mr. Burdick's comments seemed in-line with some of the comments made by Lizz Plater-Zyberk of DPZ in terms of the lean aspect, but that is another issue. Commissioner Moak stated the mission is to approve the report, which, based on the discussion, has been very effective and he is proud to support it.

Commissioner Novakovich listened to the CEO's comments and agrees with his stance and his frustration on the fact that we are accepting the report that provided a lot of discussion and comments. Furthermore, he agrees with Commissioner Moak's comments and supports accepting this report as presented.

Commissioner Barnes stated the Motion does not just accept the report, which he has no qualms about, but it also approves goal #11 for our CEO's goals and objectives. Commissioner Barnes believes that goal #11 has to do with development strategies for the hangars. Commissioner Barnes expressed his frustration and disappointment that there are only two redevelopment strategies and neither are lean. Commissioner Barnes has no qualms with the report or what it says, and does not like the numbers, which he believes he made very clear. The Port of Kennewick has gone to great pains to design the Phase 1 infrastructure to be compatible with the existing three hangars. That is, the narrow entrance road that goes between two hangars and the Port built-out Phase 1 infrastructure with a water feature. For the Port of Kennewick to now decide to demolish the hangars now that we made all of the effort and design work to weave them into the design, would bring great criticism upon the Port of Kennewick and he is not in favor of that. Nor is he in favor of spending this level of funding to invest in the hangars. Commissioner Barnes' level of disappointment has to do with the strategies that came forward

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and he was hoping there would be more than just the two strategies. Commissioner Barnes will vote in favor of this Motion and reiterated that his disappointment that there were only two redevelopment strategies and neither are close to the budget or lean. Commissioner Barnes believed we had an excellent opportunity to explore other options.

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

RECESS

Commissioner Barnes called for a recess for at 4:27 p.m. until 4:35 p.m.

Commissioner Barnes reconvened the meeting at 4:35 p.m.

EMERGENCY DELEGATION UPDATE

A. Carbitex Rent Deferral and Lease Addendum

Mr. Arntzen reported as a result of the Commission discussion regarding the rent deferral for Carbitex at the last meeting, staff reached out to Mr. Boninger and relayed the Commission's concerns.

Ms. Hanchette reached out to Mr. Boninger and was able to reach a potential repayment structure that lessens the Port's risk for the requested rent deferral. Ms. Hanchette presented the new lease terms with the repayment option for the rent deferral for Carbitex.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-12, granting July, August and September rent deferral to Port tenant Carbitex and lease addendum to amortize deferred rent equally over fifteen (15) months (October 1, 2020 through December 31, 2021) and further move 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 and to pay all expenses necessary in furtherance hereof; Commissioner Moak seconded.*

Discussion:

Commissioner Moak stated this was before the Commission two weeks ago and the tenant requested more of the burden to be put on the landlord. Staff worked with Mr. Boninger to come up with a fair resolution for an important tenant of the Port. There is still some risk involved anytime you defer rent; however, we have made those concessions for other tenants during this time of COVID. Staff did a good job minimizing the risk for the Port and he is happy to support the Motion.

Commissioner Novakovich reiterated Commissioner Moak's comments and agrees with him. Commissioner Novakovich congratulated Ms. Hanchette for negotiating a fair and equitable solution for the Port of Kennewick.

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Commissioner Barnes thanked Ms. Hanchette for her work on this and stated these are exceptionally difficult times for many businesses and when the Port can work with a valued tenant that is trying to create jobs and trying to grow and to be a good citizen. If the Port can help them, then Commissioner Barnes thinks it is a win/win and benefits the relationship long term and he hopes that it continues. Commissioner Barnes thanked Ms. Hanchette and Ms. Luke on their work with this.

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

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. Vista Field

1. Interlocal Agreement with City of Kennewick re: Fire Station #3

Mr. Arntzen stated before the Commission is an Interlocal Agreement between the Port of Kennewick and the City of Kennewick regarding Fire Station #3, which is located on the boarder of Vista Field. The City has agreed to incorporate the design elements from the Vista Field design and the Port would contribute \$125,000 for street improvements.

Discussion ensued between staff and Commission related to the specifics of the Interlocal Agreement.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved to approve Resolution 2020-14, adopting the Interlocal Agreement between the Port of Kennewick and the City of Kennewick related to the access street for Fire Station Number 3, located near Vista Field; and to take all other action necessary to close this transaction; and further ratifies and approves all action by port officers and employees in furtherance hereof; Commissioner Moak seconded.*

Discussion:

Commissioner Novakovich thinks this is a great opportunity that shows the City of Kennewick that we really appreciate what they do for us. The Port is looking at a lot of expenses at Vista Field and we have a partner that is willing to join in on some that expense. Commissioner Novakovich is in favor of this and thinks it is a great benefit to the Port and Vista Field.

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

2. Construction and Task Status Update

Mr. Peterson reported that the water features at Vista Field were turned on July 13-17. They were filled, operated, and tested and there was a very minor correction, which Total Site Services (TSS) is repairing and working towards substantial completion.

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B. Clover Island/Columbia Drive

1. Kennewick Waterfront Master Plan Update

Mr. Peterson stated Makers architecture and urban design continues to hold telephone interviews with stakeholders regarding the Kennewick Waterfront Master Plan. Mr. Peterson stated additional names have been added to the list for interviews, as recommended by some of the initial stakeholders.

C. 2021-2022 Budget & Work Plan Ideas

Mr. Arntzen recently shared five budget ideas with the Commission and would like to get additional feedback and Commission comments:

1. Should the new budget take into account the Coronavirus?

Commissioner Barnes stated generally speaking yes but he would like to acknowledge that the Budget that Mr. Kooiker and Ms. Fine produce presently, is very conservative and Mr. Kooiker recently provided some comments that he was thankful we had allowed for a conservative approach. When the pandemic started, the Port of Kennewick was in excellent shape with the Budget. Commissioner Barnes would see this question as “should there be additional reserves for the pandemic?” Commissioner Barnes stated Mr. Kooiker and Ms. Fine’s approach has been satisfactorily until this point because it has served the Port very well through the first half of this year, which has been the height of the pandemic to present.

Commissioner Moak read this question as to whether there might be stimulus that the Port needs to provide to our various development and that we are providing assistance to our tenants during the pandemic. Commissioner Moak stated we need to take into account the pandemic because we are still in the middle of it. We do not know when it is going to end or what it is going to be like for our tenants or for the Port. Commissioner Moak thinks as we go forward, if staff can identify Coronavirus impacts, the Commission can make certain determinations in terms of how much to add to the budget. Commissioner Moak appreciates Commissioner Barnes’ comments that we may have a sufficient cushion, but it is unknown if it is enough. Commissioner Moak understands the problem and thinks we need to look at what we can do to address it, maybe through the Budget or other means.

Commissioner Novakovich thinks we need to remain flexible because there are too many unknowns and believes that is what Commissioner Moak was alluding too.

2. Should the Port place emphasis on finishing projects currently queued up as opposed to filling the budget with new projects?

Commissioner Novakovich thinks we would be doing the public a disservice if we started taking on new projects and didn’t pay attention to the ones we already have. The public looks to the Port for a very high level, not only the projects that we undertake and complete but how we maintain them. Commissioner Novakovich thinks if we were to let that go and not move forward with positive maintenance and upkeep of Port projects, we may lose some credibility. Commissioner Novakovich stated we need to continue being flexible and believes new projects may be a mistake and maintain what we have.

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Commissioner Moak loves these projects and he does not disagree with Commissioner Novakovich; however, he believes if anyone has ideas for new projects, we should consider them. Commissioner Moak thinks we should be open to new ideas and thoughts and then figure out where they fit within the priorities of the Port. Commissioner Moak would not want his words to be misconstrued, he supports these projects, but believes the Port should be open to looking at potential projects, even though there aren't any new projects to consider at this time.

Commissioner Barnes is in favor of finishing up the queued-up projects and thinks it is important to watch for new projects and opportunities. For Budget purposes, the emphasis should be on existing projects.

3. *Should the Port shift from maximizing construction of new projects to adequately funding operations activities?*

Commissioner Moak stated some of these are short term problems and the Coyote Crew may be back once the pandemic is over, but we don't know when that will be. Vista Field will eventually have an owner's association in place, in addition to Mr. Boehnke taking on more administrative duties. Commissioner Moak thinks temporary labor will be sufficient until we have a better idea of when the Coyote Crew will return. If the question is if the Port needs a more robust maintenance program because of additional work, then the answer would be yes.

Commissioner Novakovich thinks we need to take care of what we have and agrees with Commissioner Moak's comments about filling in with temporary labor to take care of our properties. Commissioner Novakovich stated we need to budget for taking care of what we have, as he has stated previously.

Commissioner Barnes agrees with Commissioners Moak and Novakovich's comments and stated we need to budget for what we have and take care of our properties.

4. *Overall philosophy: Should the Port identify one major project (ie Vista Field) or a bunch of small projects?*

Commissioner Barnes stated in this case, we need to strike a balance where we focus on Vista Field, but at the same time, be mindful of other opportunities that are within our budget means and make a significant difference with our jurisdictional partners. At this meeting, we have discussed Fire Station #3 and the Washington Street project with the City of Kennewick and the Center Parkway project with the City of Richland.

Commissioner Moak is not sure he agrees with the overall philosophy as it is presented. The Port is allocated .45 cents per \$1,000 and we are running at about 60% of that. Commissioner Moak believes we are at less than \$.30 cents per \$1,000. Commissioner Moak believes there is another option and does not think the Port should continue to stay at 60%, which is going down all the time, in order to do the kind of work that the Port of Kennewick has done. We have done some great projects and Commissioner Moak thinks we should continue to do great projects. He does not think we should ask to do very little

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because of the situation. The Port has built this on savings, on RCCF funds, which will eventually go away, and on property sales. The Port does not have a lot left to go on if we are going to continue to do the kinds of projects we have done in the past. In some ways, Commissioner Moak rejects the idea that that is our only option of what Mr. Arntzen has presented. This is a policy decision of the Board and the CEO has to work with what he is given and Commissioner Moak stated from a policy perspective, he is not sure he agrees with it.

Commissioner Novakovich thinks what is presented makes sense and we should focus on one large project and make sure we do it right and work on smaller projects. Commissioner Novakovich stated if Commissioner Moak is suggesting that we raise our taxes, he thinks this Commission has made it very clear to the public on numerous occasions that we were not going to do that. The Commission has stated we were going to develop our projects without raising taxes and Commissioner Novakovich would be opposed to going down that road right now. Commissioner Novakovich stated that may not be the case in the future, but to even bring it up at this time, is not the right thing to do.

5. *The Hangar project will be a major decision point.*

Commissioner Moak is concerned with putting all of the discretionary funds into the Hangar project. This is what he referred to in his previous comments, the Port does not have any money left for any projects and we are depending on our Levy. Commissioner Moak expressed his concern over putting all of our funds into one project and stated the Commission needs to decide what to do with the Hangars. Commissioner Moak appreciates Mr. Arntzen's comments about additional ideas, but until we can agree, it will be continue to be a lengthy discussion.

Commissioner Barnes stated the Commission was presented with two hangar scenarios and he did not like the costs associated with either option. Commissioner Barnes reiterated his request of exploration and development of further scenarios that include lean development. He does think there are other things that can be done at the hangars and believes the Port could still control those uses, either through leases or other transactions.

Commissioner Novakovich agrees with Commissioner Barnes' comments and he would like to give staff an opportunity to discuss comments made today with DPZ or other consultants and report back to the Commission at a later date with a lean approach or other viable options.

D. Communications with Public

Ms. Bader Inglima conveyed her recent communications with the public, the media, consultants and the US Army Corps of Engineers. Additionally, Ms. Bader Inglima stated that PS Media is finalizing the television spots featuring Clover Island and Columbia Drive, which will start airing in August.

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E. Director Reports

Mr. Kooiker reported that he is working on the second quarter financial update, which will be presented at the August 25, 2020 Commission Meeting. In addition to the budget update, staff continues to work on the draft 2021-2022 Budget.

Ms. Hanchette stated the Clover Island Marina is the busiest it has ever been and the island is thoroughly being enjoyed by public. Last weekend, our guest moorage was full and included a 70-foot yacht from Mercer Island. The owners were very excited that there were amenities within walking distance.

Ms. Luke is updating the current moorage agreement and working with staff on the return to office protocols during COVID -19 and what it might look like.

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

Commissioners reported on their respective committee meetings.

G. Non-Scheduled Items

Commissioner Barnes stated staff recently mentioned a report on Port properties subject to buy back clauses would be forthcoming. Commissioner Barnes realizes that staff has been busy and there are a lot of things to work on, but he is looking forward to receiving that report.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated besides the concepts of lean building and vibrancy, one other thing that has been discussed by the Commission and staff is the idea of pop-up retail. It is his feeling that the Hangars might provide a few possibilities that include pop-up retail in the near future. Mr. Burdick stated the hangar could act as a kiosk and/or food court, similar to what you see in Columbia Center Mall.

No further comments were made.

COMMISSION COMMENTS

No comments were made.

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ADJOURNMENT

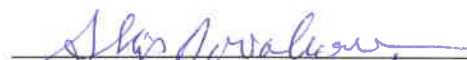
With no further business to bring before the Board; the meeting was adjourned 5:48 p.m.

APPROVED:

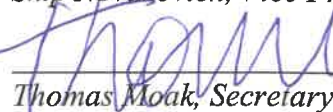
PORT of KENNEWICK BOARD of COMMISSIONERS



Don Barnes, President



Skip Novakovich, Vice President



Thomas Moak, Secretary

*The July 28, 2020 Commission Meeting Minutes were Approved by the Port of Kennewick Commissioners on August 11, 2020 at the Regular Commission Business Meeting.



VISTAFIELD

HANGAR BUILDING ANALYSIS

Prepared for:
Port of Kennewick

July 20, 2020
Final

Prepared by:
Port of Kennewick staff and
Strategic Construction Management

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- 1. Existing Structures
- 2. Best and Highest Use
- 3. Tenant Menu
- 4. Lease Rate Opportunity
- 5. Marketing

3. Conceptual Designs & Budget

- 1. DPZ & CKJT Architects Vision
- 2. Tenant Improvements
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EXECUTIVE SUMMARY

As the Phase #1A—Infrastructure--of the Vista Field Development nears completion, the Port of Kennewick enlisted Strategic Construction Management to analyze the best use opportunity for the three former hangar buildings located at the edge of the Phase #1A buildout. The report will offer recommendations by local real estate professionals for the best and highest use of the hangar buildings for both the current and anticipated future needs of the community. This includes suggested renderings and budgets to prepare the hangar buildings for use within the next 12 – 18 months. Further, the report provides a comparative analysis to assist the Port of Kennewick in determining whether remodeling the existing buildings or demolishing and rebuilding are in the best overall interests of the project.

Working with the Port of Kennewick team, a timeline and finance plan have also been developed to provide a path forward. Using this plan, the Port of Kennewick's real estate team will be empowered to work with potential tenants for immediate occupancy upon completion of the hangar building remodels.

NOTE: This analysis was initiated in February 2020. Since this was prior to the world changes resulting from the COVID-19 pandemic , it is important to note that the market conditions including demand and cost reflect conditions prior to April 2020. The short and long-term economic impacts are still unknown as the effects of the pandemic continue to change daily, so this report does not attempt to speculate or predict the impacts.



SCOPE OF WORK

OBJECTIVES

The analysis of the three hangar buildings in the Vista Field development will address the following:

- Hangar Use Opportunities
 - Best and highest use evaluation based on recommendations from local, commercial real estate experts.
 - City of Kennewick and State of Washington requirements or restrictions that may impact development.
- Design options based on best and highest use opportunities.
- Budget based on conceptual drawings and current market rates.
- Comparative analysis of remodeling existing structures versus demolish structures and rebuild.
- Financing pathway for development.
- Timeline for development.

EVALUATION RESOURCES

David L. Robison, CCM, LEED AP Principal, Strategic Construction Management, Inc.

Kim Harvey, Strategic Construction Management, Inc.

Larry Peterson, Port of Kennewick

Amber Hanchette, Port of Kennewick

Nick Kooiker, Port of Kennewick

Terrance Case, CKJT Architects

Mike Marley, CKJT Architects

Chris O'Neill, O'Brien Construction

Bill & Ruth Dingfield, Coldwell-Banker Realty

Terry Blankenship, Eastside Commercial Real Estate

Vicki Montegeaudio, NAI Tri-Cities

Dirk Stricker, NAI Tri-Cities

Kirt Shaffer, Tippetts Company

David Robison and Kim Harvey of Strategic Construction Management served as point of contact for the project.

HANGAR USE ANALYSIS

EXISTING STRUCTURES

Overview

The Port of Kennewick owns three metal buildings located at 6600 W. Deschutes. These former aircraft hangar buildings were part of the Vista Field Airport, and they serve as one of the main entry points to the Vista Field Development site.

These buildings were constructed in 2000 and 2002 under type VN status (non-rated storage), and they are approximately 50' x 90' with interior beam clearances. Each building offers bi-fold hangar doors on the N/NW walls.

The center (B) and western (C) buildings each currently include the following amenities:

- 1 restroom
- Office space
- Office/conference space

The eastern building (A) is open without interior improvements.

HANGAR USE ANALYSIS

EXISTING STRUCTURES

The buildings are identified from east to west as A, B and C. They are identified as follows:

Hangar A

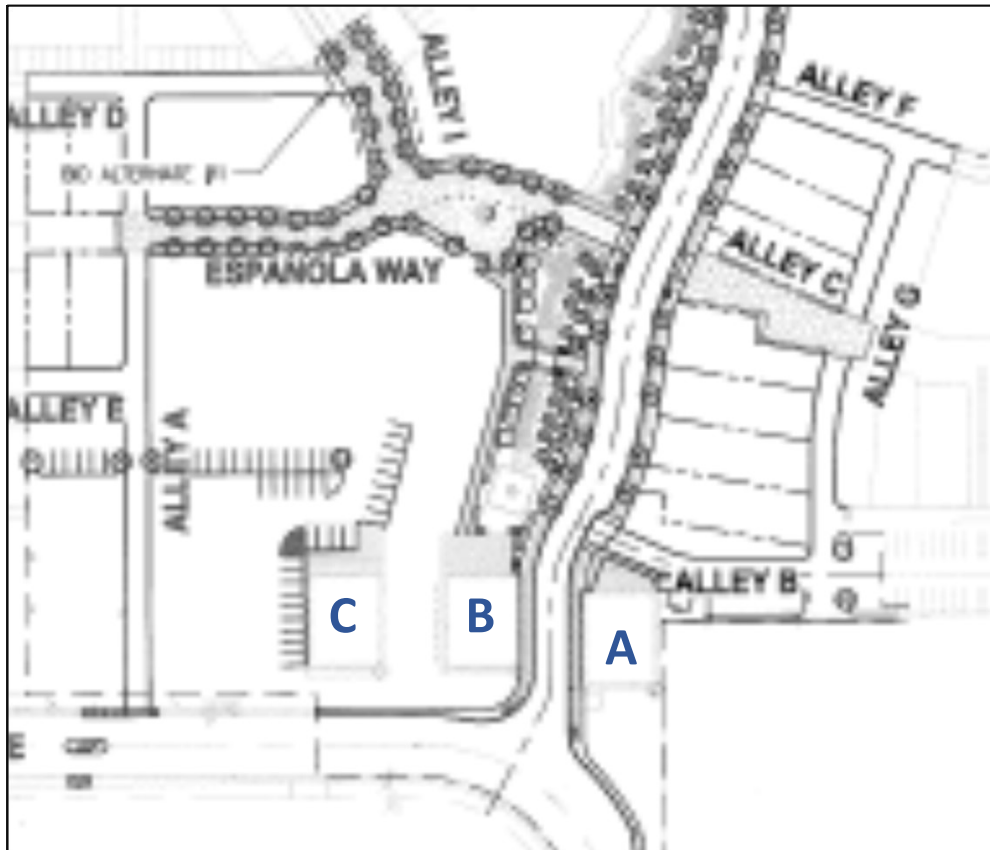
Located east of Crosswind Boulevard, this building sits adjacent to the future Vista Field amenities including a triangular patio area, two (2) electric vehicle charging stations and twelve (12) parking spaces.

Hangar B

Located west of Crosswind Boulevard, this building sits adjacent to the main fountain for the Vista Field stream, a large rectangular patio area, temporary food truck cluster, and 24-40 shared parking spaces are positioned nearby.

Hangar C

Located west of Hangar B, this building sits adjacent 24-40 shared parking spaces, the temporary food truck cluster, and within 120' of the Alley A/Deschutes access road to the Vista Field Development.



HANGAR USE ANALYSIS

BEST AND HIGHEST USE

Overview

The Vista Field Development will incorporate a new urbanism model – a neighborhood-scale planning approach focused on mixed-uses, vibrant public spaces, multi-modal access, pedestrian-scale streets, and a density of development not typically found in other areas of the Tri-Cities. The hangar buildings reside in a prominent location on the site.

Per the Vista Field Redevelopment Master Plan 2017 in coordination with the City of Kennewick:

The Urban Mixed Use (UMU) district allows mixing of residential, commercial and entertainment uses, both vertically and horizontally, while requiring all off-street parking to be located behind the buildings. All rules, regulations and covenants are crafted with the focus on placemaking. Building height and setback restrictions are intentionally relaxed to allow greater flexibility, while assuring vehicle parking demands are addressed.

This collaboration creates the opportunity to develop these buildings using different models over time to best serve the overall development.

Strengths

- Located adjacent to a main throughway. Crosswind Blvd. connects Canal Drive to Deschutes and abuts Hangars A & B.
- All hangars abut Deschutes.
- Adjacent to the future Vista Field Food Truck Park.
- Few constraints due to the availability of utilities to each structure.
- Per the City of Kennewick, no preconceptions for use.
- Due to master plan language, no re-zoning required.
- Easily dividable to smaller footprints.

Challenges

- Cost of compliance with applicable building codes including Washington State Energy Codes.
- Converting buildings designed for storage into public venues.
- Parking constraints.
- Delivery issues.
- Infrastructure costs.
- Daytime traffic vs nighttime traffic in the near term.

Opportunities

- Branding opportunity to tie to former airport location and set the facilities apart.
- Ideal square footage in the current market is 1,500 sf.

HANGAR USE ANALYSIS

TENANT MENU

The hangar spaces lend themselves to multiple use types; however, the uses should be congruent with the overall Vista Field direction which will result in a walkable neighborhood with entertainment and shopping venues. The Vista Field Development will incorporate an active community with moderate density housing and loft living.

Based on feedback from local, commercial real estate professionals, a mix of the following use types are ideal.

Professional

Attorney
Accountant
Real Estate office
Computer/Tech store
Phone store
Bank

Services

Hair Salon
Barber shop
Nail Salon

Fitness

Gym
Yoga
Massage/Spa

Food & Beverage

Coffee Shop
Bakery
Sandwich Shop
Small grocery retail
Wine Bar
Restaurant

Medical Office Space

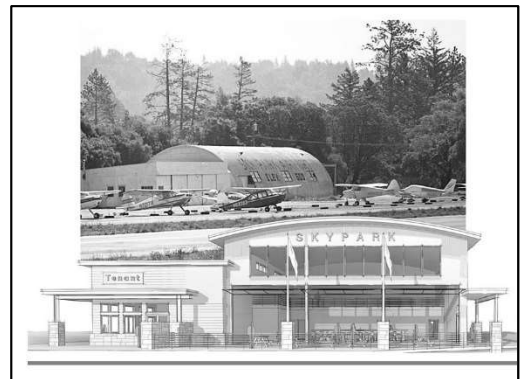
Chiropractor
Eye Clinic
Vet Clinic
Urgent Care

Specialty

Specialty Pet store
Ice Cream store
Convenience store
Police Substation

Mixed Use

Antique Mall
Common/shared space (rentable open space for events, meetings, etc)
Food Hall
Recreational Courts – Basketball, volleyball, etc.



The Hangar at Sky Park

HANGAR USE ANALYSIS

LEASE RATE OPPORTUNITY

Lease rates vary largely depending upon the use type. Recommendations include:

- Developing spaces as vanilla box
- Providing discount to draw the right tenant mix that adjusts based on Vista Field Development growth and market stability

Rates in the current market fall in the following ranges:

Vanilla Box (eg Brewery)	\$13psf
Office Space	\$15 psf
Retail	\$9 - \$12 psf

Based on the overall goals for the project, the Port of Kennewick can anticipate rates of \$9 - \$15 psf.



Hangar 2 Lowry

HANGAR USE ANALYSIS

MARKETING

For the overall success of the project, bringing in the right tenant mix initially will be key. Consider the following options when developing the plan to market the buildings to the community.

Incentives

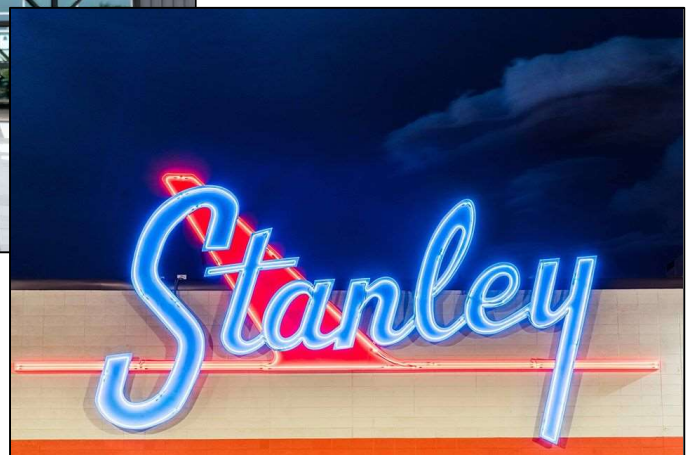
While the prominent Vista Field Development location is a substantial incentive for developers and renters, the Port may consider offering rent incentives appropriate for the use type. Local brokers indicate a willingness to work with the Port to assist in finding the right tenant mix, but they will need to understand the full range of options available to the right tenant and entice their clients to this property.

Branding

While these buildings may not be ideal for corporate franchises, industrial chic is en vogue. Tenants interested in becoming the next gathering space or flex space within a chic environment that has a compelling local story—Vista Field Airport—will find interest in these facilities.

Community

Prior to the current COVID-19 pandemic, developments that foster a sense of community were gaining traction, and as we emerge from the social isolation required in the current environment, this will be a stronger pull. Tie the overall hangar opportunities to the overall Vista Field community development concept including the proximity to the food truck park, the gathering spaces, and the other amenities of the development that foster community.



CONCEPTUAL DESIGNS & BUDGET

ARCHITECTURAL OPPORTUNITIES

In 2017, CKJT developed several concepts based on the current structures for the Port of Kennewick. These are preliminary shelf designs based on initial input from the DPZ team. These designs maximize the use of the current structures as designed.

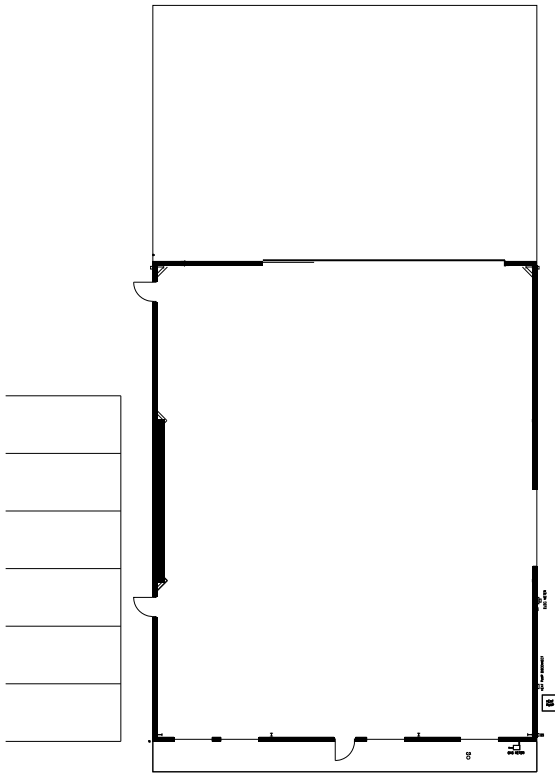
The buildings incorporate an “arcade” at the exterior of two of the buildings to provide a well-lighted, covered, open-air concept conducive for outdoor dining. Walk paths will also be incorporated for moving between vendor storefronts.

Additionally, the team created multiple floor plan options using Building B as the base. Each floor plan details options for subdividing. Of course, there are endless other options.

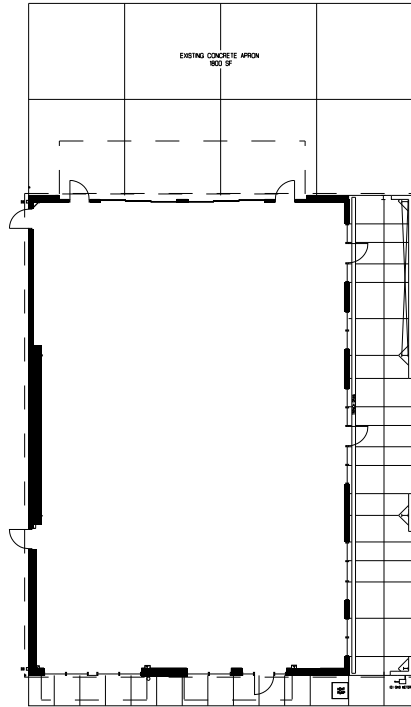
Further, the designs depict options that either maintain the existing office areas on the east side of the building or remove that existing space. Maintaining the existing offices offers a lower cost for tenant improvements because the mechanical mezzanine is above these office areas.

The proposed improvements to the buildings are as follows and noted on the plans.

- Use of existing conditions such as the exterior roof, metal panel siding, modifying only the areas between existing steel columns with storefront glazing, entry, and sliding glass doors to the exterior courtyard. Canopies are an added element of interest and weather protection.
- Enhancement of the exterior elevations with simple ribbed metal panels to add an architectural element of interest.
- Brick, stone, and wood planks at the façade will also enhance the look as well as add a sense of permanence and purpose.
- Exterior wall lighting sconces will add both ambiances as well as lighting the pathways to vendor storefront entries.

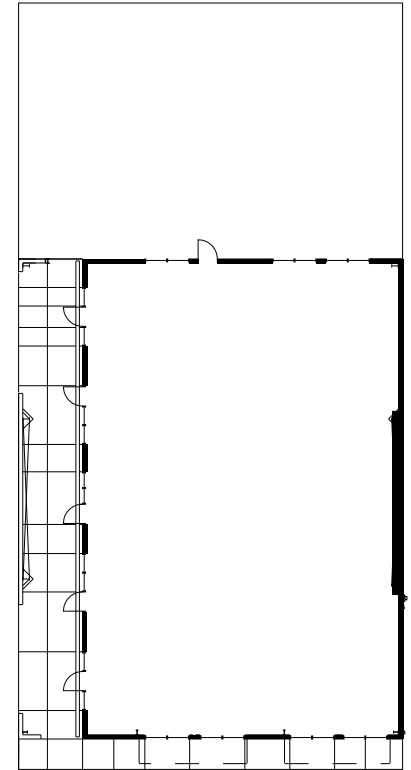


BUILDING 'C'



BUILDING 'B'

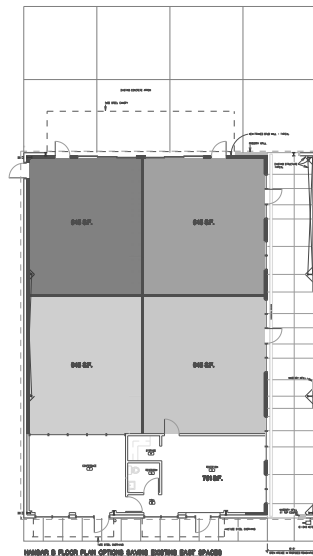
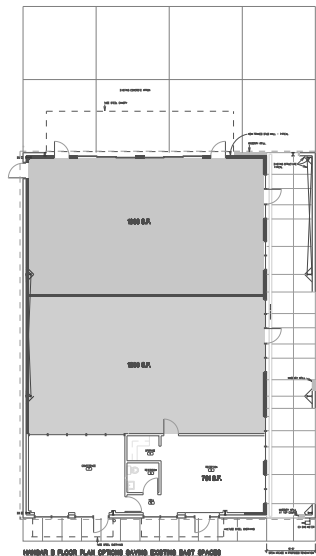
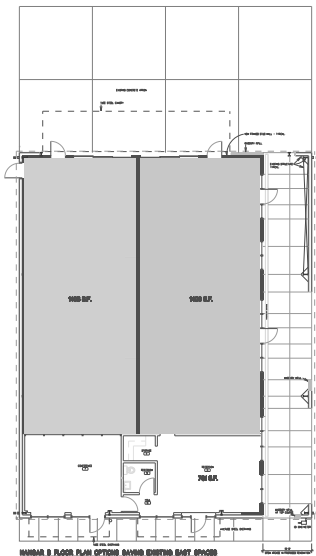
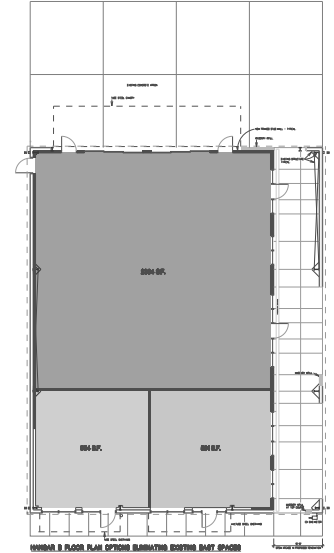
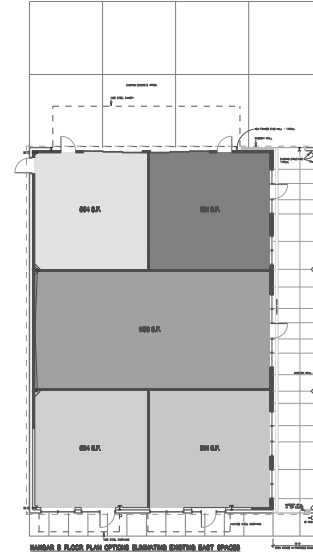
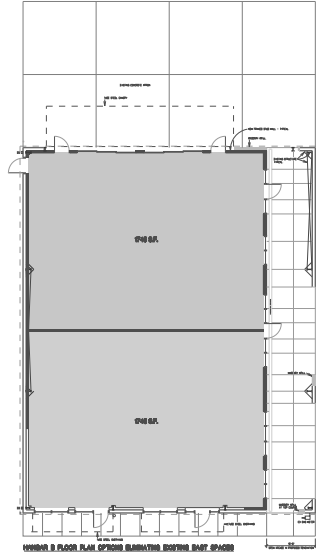
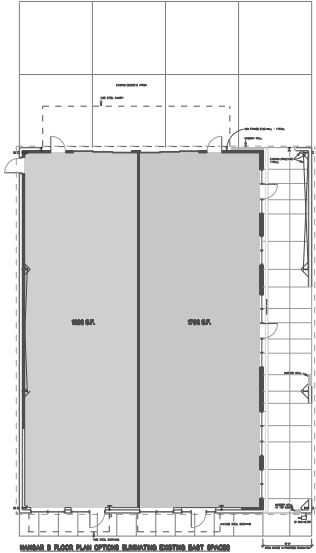
CROSSWIND BOULEVARD



BUILDING 'A'

WEST DESCHUTES AVENUE

"B"



CONCEPTUAL DESIGNS & BUDGET

Tenant Improvements

The hangar buildings can be divided to best fit the available tenant mix and the highest use. To provide the Port of Kennewick with the maximum flexibility in determining next steps, the tenant improvement estimates are provided below separate from the building renovation estimates.

Restaurant, Kitchen, and Dining Area

Proposed square footage: 3,500 square feet

Budgeted cost per square foot: \$250 - \$350 psf

Restaurant uses will require Type I Hood, commercial kitchen equipment, fire suppression, refrigeration, and freezers as well as heating, ventilation air conditioning, and lighting.

Office, Conference/Open Office Area

Proposed square footage: 120 to 425 square feet

Budgeted cost per square foot: \$150 - \$250 psf

Tenant improvements consist of typical multi-tenant improvements with independent resources such as heating, ventilation and air conditioning, electrical metering, and restroom cores. Entry to the building would be through card key access, and all offices could be private or combined in a lease transaction.

Mixed Use – Food Hall, Market, Small Shops

Proposed square footage: 80 to 600 square feet

Budgeted cost per square foot: \$125 - \$350 psf

- This area within the building offers few unique options. The leasehold improvements could be limited to the simple demarcation of leasable space, and each vendor would be responsible for bringing in prepared foods either from their primary restaurants, food trucks, or outside kitchen facilities.
- Tenant improvements would consist of restroom core, heating, ventilation, and air conditioning as well as lighting. Flooring would be polished concrete while wall finishes would be the exposed structural steel and gypsum board with a color selected food-grade sheet goods as the wall finish.

CONCEPTUAL DESIGNS & BUDGET

Conceptual Master Budget

Three budget scenarios were developed which included 1, 2, and 3 buildings from which the individual cost of any one building can be assessed.

The conceptual budget includes all anticipated costs from soft costs such as design, permitting, and construction oversight to construction costs and Washington State sales tax. Contingencies are also included in anticipation of the bid climate and escalation due to timing.

Vista Field
Metal Hangar Buildings

Conceptual Budget
One Building Renovation

	Description	Budget	\$ psf (4,500 sf)	Comments
1	Soft Costs			
2	A/E Design & Construction Services	\$ 262,706.84	\$ 58.38	11% of Subcontract Costs
3	CM Services	\$ 71,647.32	\$ 15.92	3% of Subcontract Costs
4	Permits & Fees Allowance	\$ 45,000.00	\$ 10.00	Utility connections fees excluded
5	Geotech	\$ -	\$ -	Remodel not new construction, so Geotech services will not be required
6	HVAC Commisioning	\$ 4,000.00	\$ 0.89	
7	Builders Risk Insurance	\$ 11,941.22	\$ 2.65	
8	Special Inspections/Testing/Survey	\$ 2,500.00	\$ 0.56	
9	Subtotal Soft Costs	\$ 397,795.38	\$ 88.40	
10	Sitework/Building Renovations	\$ 1,163,244.00	\$ 258.50	Hangar B - 4,500 sf shell
11	Tenant Improvements	\$ 1,225,000.00	\$ 350.00	Restaurant space at 3,500 sf - \$350 psf
12	Subtotal Direct Subcontract Costs	\$ 2,388,244.00	\$ 530.72	
13	Inflation/Escalation	\$ 59,706.10	\$ 13.27	One year of inflation at 2.5%
14	Subcontract Bonds	\$ 24,479.50	\$ 5.44	1% of Subcontract Costs
15	Total Contract Cost (TCC)	\$ 2,472,429.60	\$ 549.43	
16	WSST	\$ 212,628.95	\$ 47.25	8.60%
17	Total Contract Cost (TCC) plus WSST	\$ 2,685,058.55	\$ 596.68	
18	FFE			FFE by tenant.
19	Subtotal Total Contract Cost & Soft Cost	\$ 3,082,853.93	\$ 685.08	
20	Construction Contingency (30%)	\$ 805,517.56	\$ 179.00	Contingency includes sales tax
21				
22	TOTAL	\$ 3,888,371.49	\$ 864.08	Includes soft costs

Vista Field
Metal Hangar Buildings

Conceptual Budget
Two Building Renovation

	Description	Budget	\$ psf (9,000 sf)	Comments
1	Soft Costs			
2	A/E Design & Construction Services	\$ 467,663.68	\$ 51.96	11% of Subcontract Costs
3	CM Services	\$ 127,544.64	\$ 14.17	3% of Subcontract Costs
4	Permits & Fees Allowance	\$ 69,724.40	\$ 7.75	Utility connections fees excluded
5	Geotech	\$ -	\$ -	Remodel not new construction, so Geotech services will not be required
6	HVAC Commisioning	\$ 8,000.00	\$ 0.89	
7	Builders Risk Insurance	\$ 21,257.44	\$ 2.36	
8	Special Inspections/Testing/Survey	\$ 5,000.00	\$ 0.56	
9	Subtotal Soft Costs	\$ 699,190.16	\$ 77.69	
10	Sitework/Building Renovations	\$ 2,326,488.00	\$ 258.50	Hangar A - 4,500 sf shell & Hangar B - 4,500 sf shell
11	Tenant Improvements Hangar A - Office	\$ 700,000.00	\$ 200.00	Office space - \$200 psf
12	Tenant Improvements Hangar B - Restaurant	\$ 1,225,000.00	\$ 350.00	Restaurant space at 3,500 sf - \$350 psf
13	Subtotal Direct Subcontract Costs	\$ 4,251,488.00	\$ 472.39	
14	Inflation/Escalation	\$ 106,287.20	\$ 11.81	One year of inflation at 2.5%
15	Subcontract Bonds	\$ 43,577.75	\$ 4.84	1% of Subcontract Costs
16	Total Contract Cost (TCC)	\$ 4,401,352.95	\$ 489.04	
17	WSST	\$ 378,516.35	\$ 42.06	8.60%
18	Total Contract Cost (TCC) plus WSST	\$ 4,779,869.31	\$ 531.10	
19	FFE			FFE by tenant.
20	Subtotal Total Contract Cost & Soft Cost	\$ 5,479,059.47	\$ 608.78	
21	Construction Contingency (30%)	\$ 1,433,960.79	\$ 159.33	Contingency includes sales tax
22				
23	TOTAL	\$ 6,913,020.26	\$ 768.11	Includes soft costs

Vista Field
Metal Hangar Buildings

Conceptual Budget
Three Building Renovation

	Description	Budget	\$ psf (13,500 sf)	Comments
1	Soft Costs			
2	A/E Design & Construction Services	\$ 768,875.03	\$ 56.95	11% of Subcontract Costs
3	CM Services	\$ 209,693.19	\$ 15.53	3% of Subcontract Costs
4	Permits & Fees Allowance	\$ 114,632.28	\$ 8.49	Utility connections fees excluded
5	Geotech	\$ -	\$ -	Remodel not new construction, so Geotech services will not be required
6	HVAC Commisioning	\$ 12,000.00	\$ 0.89	
7	Builders Risk Insurance	\$ 34,948.87	\$ 2.59	
8	Special Inspections/Testing/Survey	\$ 7,500.00	\$ 0.56	
9	Subtotal Soft Costs	\$ 1,147,649.36	\$ 85.01	
10	Sitework/Building Renovations	\$ 3,489,773.00	\$ 258.50	Hangar A - 4,500 sf shell, Hangar B - 4,500 sf shell, Hangar C - 4,500 sf shell
11	Tenant Improvements Hangar A - Office	\$ 700,000.00	\$ 200.00	Office space - \$200 psf
12	Tenant Improvements Hangar B - Restaurant	\$ 1,225,000.00	\$ 350.00	Restaurant space at 3,500 sf - \$350 psf
13	Tenant Improvements Hangar C - Market	\$ 1,575,000.00	\$ 350.00	Mixed use/market at 4,500 sf - \$350 psf
14	Subtotal Direct Subcontract Costs	\$ 6,989,773.00	\$ 517.76	
15	Inflation/Escalation	\$ 174,744.33	\$ 12.94	One year of inflation at 2.5%
16	Subcontract Bonds	\$ 71,645.17	\$ 5.31	1% of Subcontract Costs
17	Total Contract Cost (TCC)	\$ 7,236,162.50	\$ 536.01	
18	WSST	\$ 622,309.97	\$ 46.10	8.60%
19	Total Contract Cost (TCC) plus WSST	\$ 7,858,472.47	\$ 582.11	
20	FFE			FFE by tenant.
21	Subtotal Total Contract Cost & Soft Cost	\$ 9,006,121.84	\$ 667.12	
22	Construction Contingency (30%)	\$ 2,357,541.74	\$ 174.63	Contingency includes sales tax
23				
24	TOTAL	\$ 11,363,663.58	\$ 841.75	Includes soft costs

ALTERNATIVE BUILDING APPROACH

DEMOLISH AND REBUILD

The existing metal hangar buildings at Vista Field may hold a nostalgia for the community. The location acts as the gateway for the Vista Field Development and create the first impression for visitors and future residents.

The following pages of this section will develop estimates to replace rather than remodel the buildings to offer an alternative option. For this analysis, we reviewed the cost per square foot for five recent public projects in the Tri-Cities area. Each project incorporates elements that may be found in buildings constructed to replace the hangar buildings.

	Project Location	Project Name	Construction costs based on project bid or budgeted cost	Project Square Footage	\$ psf	Project Description
1	City of Kennewick	Fire Station 63	\$ 4,538,577	13,045	\$ 347.92	8,000 sf apparatus bay, 2,612 sf of living quarters with full kitchen
2	City of Kennewick	Golf Clubhouse	\$ 1,101,911	2,500	\$ 440.76	Single-use facility with full kitchen, bar, and seating area
3	Port of Kennewick	Columbia Drive Phase #2B	\$ 1,527,411	2,568	\$ 594.79	Split into two facilities with small wet bar kitchen area and restroom cores
4	City of Pasco	Fire Station 83	\$ 4,730,616	10,612	\$ 445.78	4,298 sf apparatus bay, 8,747 sf of living quarters with full kitchen
5	City of Pasco	Fire Station 84	\$ 7,526,306	16,663	\$ 451.68	8,000 sf apparatus bay, 2,616 sf of living quarters with full kitchen, and 6,047 sf of Fire Administration Building
					\$ 456.19	Average Construction Cost PSF

The table reflects average construction cost per square foot excluding soft costs, sales tax, and contingency to develop an average cost per square foot. That will be used in the following pages to create a construction cost and develop a master budget estimate for the alternative approach. Further, we will assume the following:

- Demolish the three existing structures—Hangars A, B & C
- Base construction costs on average psf from the table above
 - Structure shells anticipated as wood frame, wood, and metal-clad siding with storefront glazing similar to the CKJT Plans developed for the remodels. All rough plumbing, electrical and HVAC systems will be in place in preparation for distribution.
 - Structure size to be 3,500 sf per building
 - Replacement structures would lie on either side of Crosswind Blvd to welcome guests to the Vista Field community
 - Tenant Improvements completed in only one building initially
- Base soft costs on estimates developed for the conceptual hangar building
- Incorporate 30% contingency – the new build option incorporates a contingency 5% higher than the conceptual budgets for the remodels due to the potential for unforeseen conditions created with demolition of existing structures

Vista Field
Metal Hangar Buildings

Budget Estimate
One New Building

	Description	Budget	\$ psf (3,500 sf)	Comments
1	Soft Costs			
2	A/E Design & Construction Services	\$ 317,751.24	\$ 90.79	11% of Subcontract Costs
3	CM Services	\$ 86,659.43	\$ 24.76	3% of Subcontract Costs
4	Permits & Fees Allowance	\$ 35,000.00	\$ 10.00	Utility connections fees excluded
5	Geotech	\$ 12,000.00	\$ 3.43	
6	HVAC Commisioning	\$ 12,000.00	\$ 3.43	
7	Builders Risk Insurance	\$ 28,886.48	\$ 8.25	
8	Special Inspections/Testing/Survey	\$ 7,500.00	\$ 2.14	
9	Subtotal Soft Costs	\$ 499,797.14	\$ 142.80	
10	Sitework/Building Construction	\$ 1,596,647.63	\$ 456.19	One 3,500 sf shell
11	Demolition	\$ 67,000.00	\$ 14.89	Demolition of one 4,500 sf metal hangar buildings
12	Tenant Improvements Restaurant	\$ 1,225,000.00	\$ 350.00	Restaurant space at 3,500 sf - \$350 psf
13	Subtotal Direct Subcontract Costs	\$ 2,888,647.63	\$ 825.33	
14	Inflation/Escalation	\$ 43,329.71	\$ 12.38	One year of inflation at 1.5%
15	Subcontract Bonds	\$ 29,319.77	\$ 8.38	1% of Subcontract Costs
16	Total Contract Cost (TCC)	\$ 2,961,297.12	\$ 846.08	
17	WSST	\$ 254,671.55	\$ 72.76	8.60%
18	Total Contract Cost (TCC) plus WSST	\$ 3,215,968.67	\$ 918.85	
19	FFE			FFE by tenant.
20	Subtotal Total Contract Cost & Soft Cost	\$ 3,715,765.81	\$1,061.65	
21	Construction Contingency (30%)	\$ 964,790.60	\$ 275.65	Contingency includes sales tax
22				
23	TOTAL	\$ 4,680,556.41	\$1,337.30	Includes soft costs

Vista Field
Metal Hangar Buildings

Budget Estimate
Two New Buildings

	Description	Budget	\$ psf (7,000 sf)	Comments
1	Soft Costs			
2	A/E Design & Construction Services	\$ 577,752.48	\$ 82.54	11% of Subcontract Costs
3	CM Services	\$ 157,568.86	\$ 22.51	3% of Subcontract Costs
4	Permits & Fees Allowance	\$ 70,000.00	\$ 10.00	Utility connections fees excluded
5	Geotech	\$ 24,000.00	\$ 3.43	
6	HVAC Commisioning	\$ 24,000.00	\$ 3.43	
7	Builders Risk Insurance	\$ 52,522.95	\$ 7.50	
8	Special Inspections/Testing/Survey	\$ 15,000.00	\$ 2.14	
9	Subtotal Soft Costs	\$ 920,844.29	\$ 131.55	
10	Sitework/Building Construction	\$ 3,193,295.26	\$ 456.19	Two 3,500 sf shells
11	Demolition	\$ 134,000.00	\$ 14.89	Demolition of two 4,500 sf metal hangar buildings
12	Tenant Improvements Restaurant	\$ 1,225,000.00	\$ 350.00	Restaurant space at 3,500 sf - \$350 psf
13	Tenant Improvements Office	\$ 700,000.00	\$ 200.00	Office space at 3,500 sf - \$200 psf
14	Subtotal Direct Subcontract Costs	\$ 5,252,295.26	\$ 750.33	
15	Inflation/Escalation	\$ 78,784.43	\$ 11.25	One year of inflation at 1.5%
16	Subcontract Bonds	\$ 53,310.80	\$ 7.62	1% of Subcontract Costs
17	Total Contract Cost (TCC)	\$ 5,384,390.48	\$ 769.20	
18	WSST	\$ 463,057.58	\$ 66.15	8.60%
19	Total Contract Cost (TCC) plus WSST	\$ 5,847,448.06	\$ 835.35	
20	FFE			FFE by tenant.
21	Subtotal Total Contract Cost & Soft Cost	\$ 6,768,292.35	\$ 966.90	
22	Construction Contingency (30%)	\$ 1,754,234.42	\$ 250.60	Contingency includes sales tax
23				
24	TOTAL	\$ 8,522,526.77	\$1,217.50	Includes soft costs

FINANCIAL PLAN

Developed by the Port of Kennewick team

Bank Financing

This form of financing requires the Port to provide collateral, but due to regulations, the Port of Kennewick may not collateralize public property such as the hangar buildings or the wine village buildings. As a public entity, the Port may collateralize tax revenues; however, this is a significant process that requires state involvement and approval. Additionally, the process to secure a \$5 million loan would cost a minimum of \$30,000.

Further, bank financing for hangar buildings would also be subject to tax because the properties will ultimately be leased to private parties. This would result in the Port paying a higher interest rate than otherwise required.

Unencumbered Funds

These funds are derived from budget surplus, land sale, budget earmarks or budget savings. In the ensuing table, that includes:

- Southridge Land Sale – This is a sale of land, so funds are immediately available.
- West Richland Raceway Sale – The amount including in the table constitutes the down payment for the sale of the raceway to the City of West Richland.



FINANCIAL PLAN

Developed by the Port of Kennewick team

Encumbered Funds

These funds have contingencies attached that may or may not make their use available for the project. It is recommended that these funds be used first in development of the hangar buildings to preserve the unencumbered position of the Port of Kennewick.

In the ensuing table, that includes:

- Rural County Capital Funds – Use of these funds require Benton County approval. It is important to note that the funding in the table notes the amount available as of this report date, but this amount does increase monthly.
- Culinary School (Willows) – The Port of Kennewick earmarked \$500,000 from the Rural County Capital Funds to be used in the development of a culinary school in coordination with the City of Kennewick and Columbia Basin College. To date, plans for this facility have not moved forward which may make these funds available pending future plans.

Unencumbered Funds	
Southridge Land Sale	\$ 1,300,000
West Richland Raceway Sale	\$ 500,000
Total Unencumbered	\$ 1,800,000
Encumbered Funds	
Rural County Capital Funds (RCCF) - Current Balance	\$ 1,400,000
Willows (RCCF)	\$ 500,000
West Richland (RCCF Balance)	\$ 700,000
Total Encumbered	\$ 2,600,000
Total Possible Funding	\$ 4,400,000
2021/2022 Capital Budget	To Be Determined

DEVELOPMENT TIMELINE

With the presentation of this report to the Port of Kennewick Commissioners, the team seeks direction from the Commissioners prior to proceeding. If directed to proceed, the next step for the Port is securing architectural design services.

After the design team is chosen, design for the redevelopment of the hangars would proceed with staff actively participating in the process and providing Commissioners with timely updates. We anticipate the design process will require four months to complete. Near the close of design, the design team will submit plans to the City of Kennewick for permit (60 days) and begin developing the bid documents.

The bidding process typically involves 21 – 30 days for initial advertising to bid opening, and historically, bid opening taking place from mid-January through the end of April yields the greatest number of bidders and the most competitive prices.

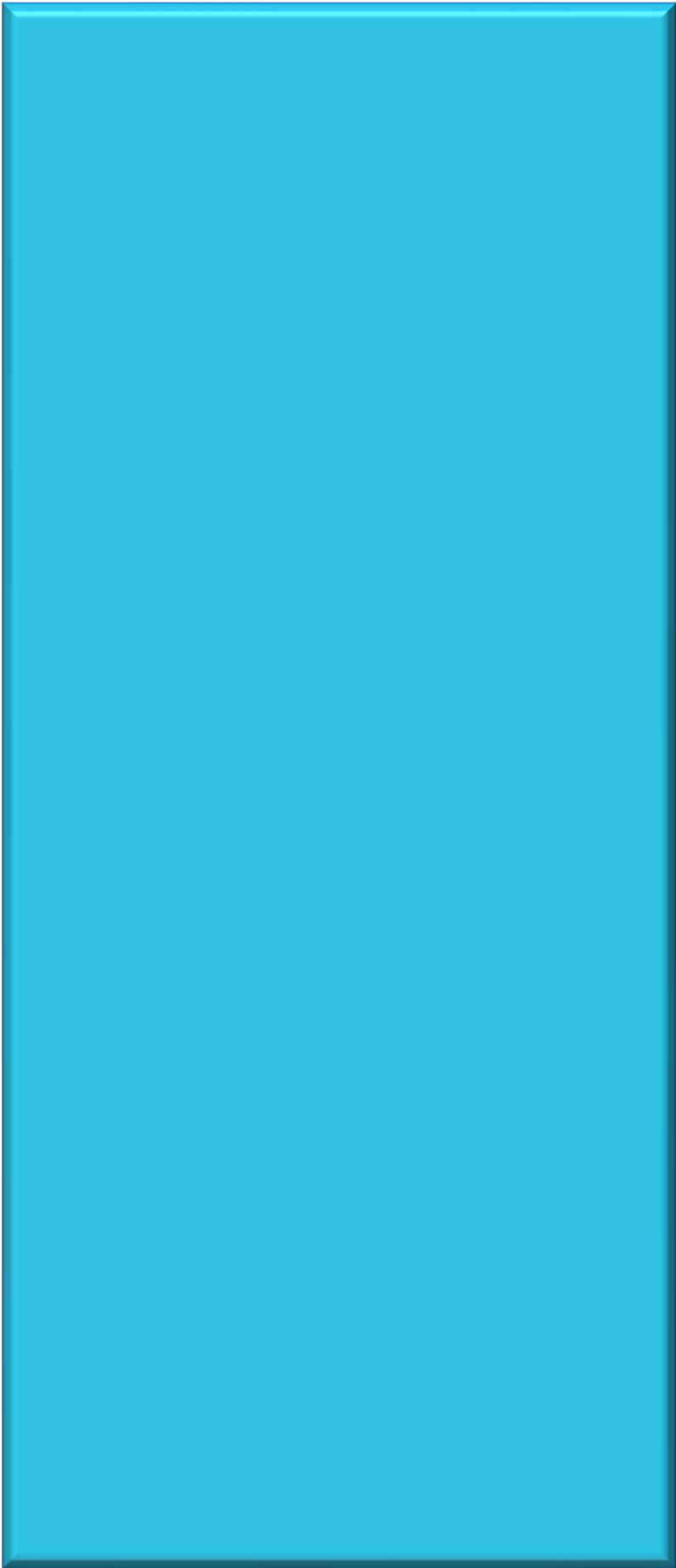
The Commission approval process timeframe from the bid opening date to Commission approval and contractual routing to issuance of the notice to proceed is allocated 30 days. Then, the construction process timeframe from the notice to proceed to substantial completion will be allotted 240 days.

While the design and construction process take place, staff will concurrently begin developing and RFQ/RFP process for leasing then begin tenant selection.

Ideally, new tenants will occupy the redeveloped hangar buildings as some of the first occupants of Vista Field by March 2022.

The overall timeline has been afforded 18 months for completion from the time Commission directs staff to begin the process.

Task	Day	Time Allotted
Decision to proceed	1	
Design services sought with contract negotiated and awarded	45	44
Project submitted for permits	165	120
Project advertised for bid	195	30
Bid opening	225	30
Notice to proceed issued	255	30
Construction	495	240
Substantial completion	525	30
Tenant move-in	555	30



APPENDIX

MASTER BUDGET

Overview

After conceptual design, the master budget is the first step in the process. It is important to note that maintaining the master budget is a collaborative effort for each project that involves the architect, cost estimators, engineering teams, construction manager, and owner. The process begins with the master budget development and follows through with design management, pre-construction services, and ultimately, construction.

Soft Costs

The costs for planning, property preparation, design, permitting, builder's risk insurance, and relevant testing—geotechnical, special inspections, commissioning, asbestos, lead—form the soft costs for a construction project.

For the purposes of this budget, please note the following sources:

- A/E Design & Construction Services costs were estimated at an order of magnitude level for the project based on recent public bids in Kennewick, Richland, and Pasco and the estimated square footage of each hangar building.
- Permits & Fees were estimated by the City of Kennewick based on the anticipated construction cost.
- Geotech will not be required as this is remodel only.
- HVAC Commissioning has been estimated based on recent public projects. HVAC is based on permitting under the current code—the new code will not be adopted in Washington until November 2020.
- Builders Risk Insurance estimates for one year of construction were estimated based on recent projects. When the Port of Kennewick is ready to move forward with the projects, a quote will need to be procured from the Port of Kennewick's insurance provider – Basin Pacific.
- Special Inspections/Testing has been estimated based on recent public projects.

Subcontract Costs

More commonly known as construction costs, these costs incorporate sitework, demolition (where applicable), building construction, tenant improvements (where applicable), alternates, and allowances.

Alternates are used during the value engineering process after the initial master budget is adopted to create add-on opportunities based on the bids and available remaining budget. Allowances are tracked outside the construction cost as well because these constitute items where details have not yet been determined. For example, asbestos abatement might be included as an allowance in a budget prior to the asbestos survey completion.

MASTER BUDGET

Contingency

In a Master Budget, several forms of contingency are included, and as the project progresses, these are reduced as more detail develops for the project.

Design/Estimating Contingency is set early in the design process while plans are still in a conceptual stage. As the design moves from schematic to design to construction documents, this contingency reduces accordingly.

Inflation/Market Escalation is critical in the current construction market. While market conditions are included in the new construction budget, this line item anticipates further challenges to the budget such as market changes, prevailing wage, tariff threats, natural disaster rebuilding from other areas of the country that adds pressure to resources, or CDL law changes driving this cost.

Subcontract Bonds are a part of every project, and these are typically considered at 1% of the subcontract costs added to the design contingency and inflation.

Risk Contingency accounts for the items that are difficult to anticipate. These may include unforeseen conditions during construction/demolition, weather delays like the winter of 2016/2017, or other issues that arise during construction.

Construction Contingency accounts for all other circumstances that cannot be predicted at the early stages of a budget process.

WSST

Washington State sales tax is included in the budget process to cover all areas of construction.

FFE

Furniture, fixtures and equipment accounts for items typically procured outside the construction bidding process. Based on the entity's requirements, these may be acquired by RFP, direct purchase, or other processes.

Other

Other line items cover items custom to a specific project. For example, marketing materials, branding, artwork may be incorporated into the Other line item.

MASTER BUDGET

Construction

The hangar building budget estimates renovation for the three hangar buildings to the point that they can become leasable space. Tenant improvements are included as separate line items in this version of the master budget to provide the Port of Kennewick with the flexibility to develop the spaces based on the right tenants.

Construction estimates are based on a concept and the requirements provided by Port of Kennewick staff only. To refine the estimates for a thorough master budget, schematic design documents and the review of a licensed estimating company are required.

This includes:

- Considering building code requirements but may not represent all code requirements
 - Completing site improvements to create a complementary aesthetic to the overall Vista Field Development vision
 - Develop exterior improvements to create a unique offer in the community
 - Adding windows
 - Installing multiple and different entry points
 - Create a restroom core for each building
 - Provide all utilities to support multiple functions for each building
-

RESOURCES

Real Estate Professionals

In developing this report, Strategic Construction Management interviewed the following commercial real estate professionals to assess current market conditions and potential for the Vista Field Development.

Terry Blankenship
Eastside Commercial Real Estate

Vicki Montegeaudio & Derrick Stricker
NAI Tri-Cities

Bill & Ruth Dingfield
Coldwell Banker

Kirt Shaffer
Tippett Company

Architects

In 2017, the Port of Kennewick contracted with CKJT Architects to determine the viability of repurposing the hangar buildings as well as the code requirements. These renderings and assessments were used in developing the master budget estimate.

Photo Reference Links

<http://stanleymarketplace.com/about/>
<https://thelongbeachexchange.com/>
<https://hangar2lowry.com/>
<https://www.hangaratskypark.com/>



SHOPPING CENTER BUSINESS
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Pop-Up Stores Offer Reprieve to Retail Owners, Say Ancillary Retail Expo Panelists

February 11, 2020

Published in [Conference Coverage](#), [Entertainment](#), [Features](#), [Louisiana](#), [Pop-Up Retail](#), [SCBlog](#) [Permalink](#)



Cynthia Czech, senior vice president of specialty leasing and business development for Pacific Retail Partners, leads a panel discussion on income enhancement at the Ancillary Retail Expo in New Orleans. Not pictured are the panelists: Craig Herkimer, managing member, KevaWorks; Ted Fagenson, senior vice president of business development, Volta Charging; and John Merenda, vice president of sales and marketing, Innovative Vending Solutions.

New Orleans — As legacy retailers continue closing stores and mall and mixed-use developers face the prospect — and reality — of vacant store spaces, specialty leasing and business development teams are becoming more important. The millennial consumer, who can buy almost anything online, needs a good reason to visit a property. Malls and shopping centers that will thrive in this climate will deliver exceptional ancillary retail experiences and come up with new reasons to attract visitors.

“Ancillary” can mean pop-up stores, sponsorships, events or any other revenue sources outside of traditional long-term leasing. Ancillary retail can also include any programming that increases foot traffic or retains visitors at properties.

But pop-ups are the clear superstars of ancillary retail today. During a town hall session at France Media's Ancillary Retail Expo, where attendees could ask questions to a panel of developers and retailers, moderator Joe Purifico, general counsel and principal for JBC & Associates, noted how important pop-ups have become.

“The pop-up store industry has grown from virtually nothing 30 years ago to approximately \$25 billion a year in terms of retail sales and rental revenue to mall developers,” said Purifico. “Ten percent of developers’ revenue comes from the pop-up industry. We are no longer the little sister of the industry — we are here.”

The Ancillary Retail Expo is the only conference dedicated to helping retail property owners increase revenue through nontraditional sources. The two-day conference ran from Monday, Feb. 3 through Tuesday, Feb. 4 at the New Orleans Marriott in the French Quarter. In addition to a bustling exhibit hall and multiple networking events and opportunities, educational sessions covered trends in automated retail, sponsorships, out-of-home media, digital brand incubation, sourcing the right pop-up for the right property and more.

The ancillary retail sector is becoming more sophisticated and evolving rapidly past the carts and kiosks of yesteryear that were virtual afterthoughts during the heyday of the shopping mall. Ancillary retail is a direct answer to many questions about the health of the retail real estate industry today.

Malls are welcoming established retailers who want to test new concepts through short-term stores. But most of the time, landlords are finding themselves leasing turnkey spaces to up-and-coming, online-only merchants and helping them realize success and brand exposure through brick and mortar. For many, brand incubation is a key to survival.

Commercial real estate giant Unibail-Rodamco-Westfield (URW) is a big believer in digital incubation. The company presented during a session devoted to the retail owner's several pop-up success stories from the recent past, including the Holiday Market and Verishop. Amy Alyeshmemi, vice president of asset strategy and innovation, and Matt Diaz, vice president of specialty leasing, also previewed an upcoming pop-up program called “The Capsule Collection,” a new network of pop-up spaces launching later this year.

REBusinessOnline will release more information on next year's event in coming weeks. Click [here](#) to receive the latest updates on the 2021 Ancillary Retail Expo.

— Lynn Peisner



Food Halls Spice Up Mixed-Use Projects

March 26, 2019 Published In [Entertainment](#), [Features](#), [From The Magazine](#), [Restaurants](#)
[Permalink](#)



Time Out Market in Boston's Fenway neighborhood will feature 16 curated food offerings as well as two bars.

Developers turn to unique eateries as ammunition in the 'amenities arms race.'

By David Cohen

In order to articulate their mixed-use office and multifamily projects against the threat of e-commerce competitors, developers are increasingly incorporating food halls into their properties to attract tenants.

According to Cushman & Wakefield, 61 percent of adults say they would prefer to spend money on experiences, including eating out at restaurants, over purchasing an item from a store.

Measuring Success

A successful food hall, according to Welles, is located in a high-traffic area and has plentiful seating. A curation of the mix of cuisines is also critical. "You need to have a good cross-section of options, from fresh and healthy to the exotic, from Korean to Mediterranean," he says.

In order to analyze financial success, a food hall should be judged by the dollars per square foot it generates relative to the rest of the development as well as by the overall impact it has on the greater project, explains Welles. A quality food hall will strengthen the landlord's ability to lease office and other retail space as well as impact the quality of those leases in terms of tenant creditworthiness and the amount of rent tenants are willing to pay.

"The financial success is still case by case based on the individual food hall operation," adds David LaPierre, vice chairman at CBRE in New York City. "If they're successful, they bring traffic to a project. And bringing traffic hopefully leads to more sales, which in turn can translate to better returns. Developers of food halls have learned that things need to be adaptable, authentic and of the highest quality to compete for the customer's dollar. When it connects right, a food hall can transform a project."

As an example of the tremendous value that a successful food hall can create, Google recently purchased Chelsea Market in Manhattan for \$2.4 billion. Opened in 1997, the nearly 1.2 million-square-foot development was one of the first modern food halls and now features office and retail space in addition to the ground-floor food hall.

Overbuilt in Manhattan?

Amid the intensifying demand for food hall offerings, there is also trepidation that the concept is being overbuilt in some markets.

Some of the concern is in New York City, where there are now more than 25 active permanent food halls and an additional 10 under construction or in development, according to Cushman & Wakefield.

But the firm notes that not a single permanent food hall project has failed in New York City to date. In fact, only four food hall projects throughout the United States have closed in the past two years, and one of those was a temporary project. Of the three that did fail, two were in San Francisco and one was in Portland, Oregon.

In New York City that will feature a food hall include Brookfield's highly anticipated Manhattan West mega project, as well as the Essex Crossing development on the Lower East Side. Essex

"Food halls are the latest and greatest in the amenities arms race," says Aaron Jodka, research director at Colliers International in Boston. "While most buildings are able to find ways to add bike storage, a gym, conference spaces or game rooms, not everyone can accommodate a food hall. It's a unique differentiating factor in the marketplace, and we are starting to see that really expand."

There isn't a single accepted definition of a food hall, but most agree that it is a collection of local artisan restaurants and other boutique food-oriented retailers under one roof. Some are large and include 30 or more vendors, others are smaller or specialize in only one type of cuisine. Some food halls are more bar-centric and include a variety of drink offerings, others focus more on the dining aspect.

Above all, a food hall can be differentiated from the traditional mall food court by the uniqueness of culinary offerings. A food court typically includes a number of chain restaurants while a food hall characteristically consists of all local or unique artisan concepts.

Trending Up

In 2019, the trend is still going strong, and a number of food halls have sprouted up over the past several years across the nation.

There are currently approximately 180 food halls in existence in the U.S., according to Cushman & Wakefield. The firm predicts that by the end of 2020 that number could reach upwards of 300.

Oftentimes, diners flock to food halls for a vast array of authentic and quality culinary options at a variety of price points. Food halls are also an opportunity for up-and-coming chefs and restaurateurs to build a following in a new market because startup costs are lower than opening a stand-alone concept due to a variety of factors, including common seating areas, smaller square footage and reduced staffing costs. There is also built-in foot traffic.

In urban areas, food halls have become popular with office workers who can get in, grab a quick lunch and get back to the office. Landlords and developers of office and mixed-use space have been quick to respond to the trend by adding food halls to new and existing projects.

"The era of sitting down to a served lunch is behind us," says Chase Welles, senior broker with SCG Retail in Manhattan. "Today's workers want super tasty food, and they want it now. Often the lunch hour has become a shorter lunch jaunt. A conveniently located, well-curated food hall can cater to the needs of a group popping out for a quick bite."

For dinner crowds, the food hall is an experience meant to last a bit longer. The most successful food hall appeals to the senses with appealing visuals, inviting spaces and enticing aromas. Vendors are upscale. Culinary options are almost always focused on authenticity and freshness.

Crossing, a 2 million-square-foot project being developed by Delancey Street Associates, will feature the Essex Street Market and Market Line. When completed, the 150,000-square-foot market and food hall will be the largest market in the city.

Outside Manhattan in Queens, a 1.2 million-square-foot mixed-use development is nearing completion that will include a 25,000-square-foot food hall. Named Tangram, after the Chinese puzzle, the project is on track to be completed by 2020.

Japan Village, a 20,000-square-foot Japanese food and drink marketplace, celebrated its grand opening in November at the 6 million-square-foot Industry City mixed-use complex in Brooklyn.



Japan Village, a 20,000-square-foot Japanese food and drink marketplace, celebrated its grand opening in November at the 6 million-square-foot Industry City mixed-use complex in Brooklyn.

The food hall, which was curated by owners Tony and Takuya Yoshida, features a specialty Japanese grocer, 11 food stalls and a traditional Japanese pub. It is the only all-Japanese food hall in New York City.

"Having all of these different elements of Japanese cuisine come together under one roof is a truly compelling offering," says Jim Somoza, director of development for Industry City. "Typically, there will be one place that specializes in ramen, another in tempura, and another still that specializes in soba and udon. At Japan Village, you can find all of that and much more in one place."

Industry City consists of 16 buildings spread across 35 acres on the waterfront of Sunset Park, Brooklyn. The complex is currently home to around 7,500 workers and is projected to grow to more than 20,000 in the next several years.

The ownership group, which includes Belvedere Capital, Jamestown and Angelo Gordon & Co., has invested more than \$250 million in infrastructure improvements to the property, including the addition of courtyards, experience-driven dining and retail as well as event programming.

It is at Industry City generates traffic for the other retail tenants and helps build community. JG Retail, which represents Industry City. "It keeps the area active and vibrant, generating the type of environment many companies seek to keep their employees engaged, stimulated and creative."

Japan Village was designed to make visitors feel as though they have stepped foot inside a traditional Japanese village square.

The food hall will be divided into four sections: Japanese grocery store Sunrise Market; food stalls with a variety of authentic Japanese vendors; Wakuwaku, a traditional Japanese restaurant and cocktail bar; and Kuraichi, a Japanese liquor store.

"Our goal is to share everything we love about Japan with our local community in a fun and authentic way," says Tony Yoshida of Japan Village. "Working with Industry City allows us to provide a space where anyone can immerse themselves in Japanese culture through traditional foods, interactive seminars, and family-friendly events."

Philly's Foodie Connection

Philadelphia is home to one of the nation's oldest food halls, the Reading Terminal Market. Originally opened in 1893, the open-air market has gone through various incarnations over the years. Today the location serves as a popular culinary destination for tourists and locals alike.

Offerings at the Reading Terminal Market include traditional Philly-influenced foods like cheesesteaks, roast pork sandwiches and Amish-style soft pretzels as well as more varied selections like shawarma, pad thai, po'boys, and chicken tikka masala.

"The Reading Terminal Market was the original food hall," says Michael Barmash, senior managing director at Colliers International in Philadelphia. "It's one of the top tourist destinations in the city. When visitors come to Philadelphia they want to go there. It has been upgraded and run very successfully over the last 20 years."

But the City of Brotherly Love has much more to offer than just cheesesteaks and soft pretzels. In recent years, Philadelphia's burgeoning foodie scene has blossomed.

In 1990, only one out of every 26 people in Philadelphia worked at a restaurant or bar. Today that number is 1 in 13, according to research from CBRE.

"This boom has been going on in Philadelphia for years now," says Ian Anderson, director of research at CBRE in Philadelphia. "The food and beverage industry has been growing and growing. It's an indication of a long-term change in people's eating habits."

A short stroll away from the Reading Terminal Market, another historic building was recently transformed. Washington, D.C.-based developer MRP Realty. Completed in 1895, the 123-year-old building was the first commodities exchange in the United States as well as one of the first steel-framed buildings ever constructed.

In November, the Bourse Food Hall officially opened with 30 artisanal food and retail vendors. Tenants at the market include Hawaiian-inspired Abunal Poke, Indian street food concept Chaat and Chal, breakfast food purveyor Grubhouse, Chinese fare Pinch Dumplings, and Marino Brother's Cheesesteaks.

"The thing about food halls is that there has been a shift away from some of the branded, commoditized food offerings," says Anderson. "It's beyond people eating healthier. It's people venturing out to more interesting, innovative and local cuisines as well. You want local flavor, something authentic and something with a variety of foods. That's what's driven the success of places like Chelsea Market in Manhattan, and I think that's what is going to drive the success of the Bourse building too."

For a taste of local flavor, a number of Philadelphia foodie institutions have set up stalls in the revitalized space, including gourmet grilled cheese outfit Mighty Melt, ice cream shop Scoop DeVille and sticky bun baker Barry's Buns.

MRP Realty's \$40 million renovation of the Bourse building also includes nine floors of office space above the food hall.

"The group that bought the Bourse had to do something to put it back on the map," says Barmash. "It's a key location right in the historical district and now that it's open they are going to get pretty wide recognition. It's a home run, frankly."

Fenway's Foodie Paradise

Boston's first successful large-scale food hall project, Eatlry Boston, which opened in 2016 in the city's Back Bay neighborhood, has led to two more food hall projects set to open this year.

The first, High Street Place in Boston's financial district, will span more than 18,000 square feet with room for more than 20 food stalls. The project will unite two office buildings at 180 Federal Street and 100 High Street, which are both owned by real estate private equity firm Rockpoint Group.

The second, Time Out Market in Boston's Fenway neighborhood, will feature 16 curated food offerings as well as two bars. The 21,500-square-foot food hall will be housed in the former Landmark Center at 401 Park Drive, an Art Deco designed structure that was built in 1929 as a Sears, Roebuck and Co. warehouse.

The addition of Time Out Market is only part of Boston-based developer Samuels & Associates strategy to expand and renovate 401 Park Drive.

Besides the food hall, the redevelopment project will include more than two acres of publicly accessible dining space and a new 14-story, 500,000-square-foot office and lab building. The building's existing 978,000-square-foot office and retail component will also be renovated.

"Boston is new to the food hall scene," says Peter Sougarades, principal at Samuels & Associates. "I think that Time Out is slightly different in that it is a unique brand. It's really about curating this high level of food service, food quality and not creating a cookie-cutter experience."

Time Out is a media group that provides entertainment, food and drink recommendations to an international audience. The company currently operates in 108 cities across the world. At each Time Out Market, food editors sample local restaurant offerings and invite restaurant concepts to be part of the market. This results in a uniquely curated dining and entertainment concept.

Time Out Market Boston, which replaces a former Best Buy location at 401 Park Drive, will be the fourth such food hall project Time Out has launched. Time Out Market Lisbon opened in Portugal in 2014 and locations in Miami and New York are both in development. In 2017, more than 3.6 million people visited Time Out Market Lisbon.

Samuels & Associates is particularly active in the Fenway neighborhood with a number of projects under development or recently completed. Some of its notable projects include Pierce Boston, a mixed-use tower built to house 349 residential units and 20,000 square feet of retail space; and the Van Ness, a mixed-use complex that features 172 residential units, office space and more than 200,000 square feet of retail space.

"Samuels has done a phenomenal job bringing the Fenway neighborhood up as a destination for office, retail and residential where historically it's where you go to see a baseball game," says Jodka of Colliers. "Adding the food hall to Landmark Center will continue to differentiate it in the neighborhood."

"The addition of Time Out Market is really going to be a nice transition in the next phase of Fenway's foodie paradise," adds Sougarades. "There's been so much positive change in the neighborhood recently, and Time Out is only going to add to that and usher Fenway into this new phase in terms of what kind of food and experiences that Fenway has to offer."

—

This article originally appeared in the February 2019 issue of Shopping Center Business magazine.



Ancillary Retail Expo Panel Talks Sponsorship and Experiential Marketing

February 25, 2020 Published In [Ancillary Retail](#), [Conference Coverage](#), [Operations](#), [SCBlog](#) [Permalink](#)

Creativity is the name of the game when it comes to designing and selling sponsorships and experiences at America's shopping malls.

That was the subject of a panel discussion, "Sponsorship and Experiential Marketing Trends," at the InterFace Conference Group's Ancillary Retail Expo 2020, held Feb. 3 and 4 at the New Orleans Marriott. Panelists detailed how sponsorships can bring added revenue to retail centers both large and small, and the best ways to do so in today's retail world.

Editor's note: InterFace Conference Group is a division of France Media Inc., publisher of Shopping Center Business and Ancillary Retail. [Click here to subscribe](#) to receive email alerts when the 2021 Ancillary Retail Expo is announced.

The six-member panel featured several industry leaders Lisa DeBow, principal at Cloudburst Advisory Group; Kirsten Dodwell, vice president of marketing at Global Mall Media; Sarah Williams, senior director of partnership marketing at The Irvine Co.; Debbie Milhouse-Sokol, director of business development at CBL & Associates Properties; and Heidi Kempf, director of partnership marketing at PREIT. Bill Ingraham, Centennial's senior vice president of business development, served as moderator.

Ingraham first asked panelists to talk about sponsorship spend and the growing "experience economy."

"We all want something to give us a little bit more connection," Ingraham said. "We're connected here on our phones, but there's something special that you get, or that a brand can get, from an engagement with an actual human being in a meaningful way. That's what sponsorship and event marketing can deliver for our advertising partners."

It's a growing field. IEG has predicted that sponsorship revenues will continue to grow 4 percent year over year, just as they have for the past five years. It's a \$24 billion business, mostly through sporting and entertainment venues. Event marketing spend is also on the rise, with most chief marketing officers dedicating at least 20 percent of their budget to event marketing and experiences.

For just one example of a successful partnership, Williams said Irvine has a long-term relationship with Hoag Health Network in Orange County, California, and the panel agreed that non-profit health systems tend to make for great marketing relationships — especially because a presence in the mall engages the hospital with the wider community.

"Healthcare is, I think, one of the easiest categories for us to tackle because they do see the benefit of a long-term relationship," Williams said. "It's a really lucrative category."

The group also shared success stories with experiential marketing. Kempf, a former journalist, talked about how a local casino called Sugarhouse started an app when New Jersey legalized online gambling and wanted people to sign up.

"They have a mascot, King Cash, who came to the mall; they did a prize wheel and we had music," she said. "It was all about the engagement. That's an example of where they really needed to get people to sign up and they gave them I think \$50 or \$100 to spend if they first went in and gambled. It was a way for them to introduce the app to the market and create a splash around it."

Ingraham noted that casinos can also be strong marketing partners because they are willing and able to spend on out-of-home media.

Dodwell shared a success story involving a new Reebok shoe that was launched with an in-store event at retailers like Foot Locker.

"They showed the new leather shoe and told everyone where to get it," said Dodwell. "They had music going on and a guy with an airbrush decorating the shoe. It was a good way to tie in to something that's available to purchase at the shopping center."

So, how does one approach revenue generation? Is it through dedicated inventory, through sizzle reels and marketing materials, or just through rolling up the sleeves and going for it?

Milhouse-Sokol said CBL has been fortunate to have really good support from its marketing team.

"They'll assist us in putting together templates," she said. "They can be customized for each individual, whether it's mall walkers or holiday sponsorships with Santa sets. A lot of it starts with building your list. You have to have a good list, plus you have to have a good toolbox to make sure that you have all the assets and are ready to go after it."

Everyone on the panel agreed that it's important to research clients ahead of time in order to know what they're looking for, and to listen to their needs during the negotiation process.

Some research on your clients to make sure you know what their objective is," said DeBow. "From a hospital standpoint, what's their specialty? If it's not children, I wouldn't pitch a play area. But there are other

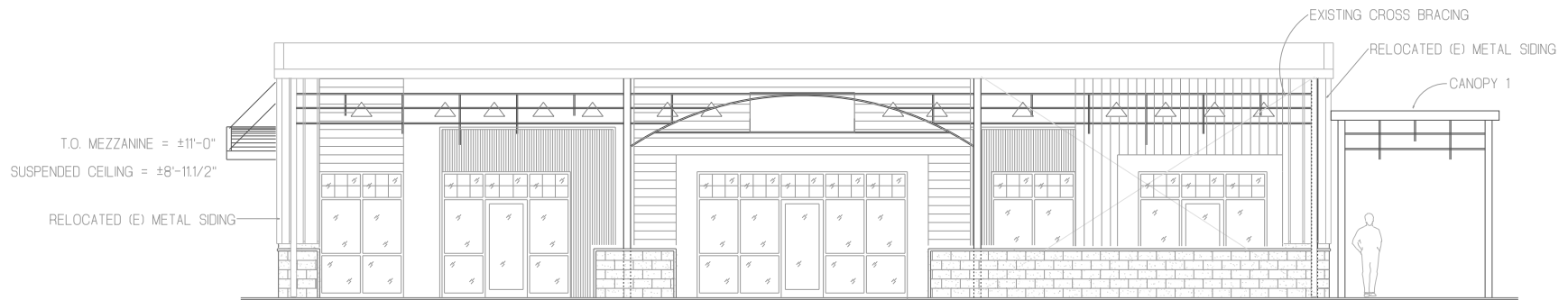


ckjt architects, pllc
128 Vista Way Kennewick WA (509) 783-5444

CONCEPT DRAWINGS



DESCHUTES AVENUE ELEVATION



CROSSWIND BLVD BUILDING ELEVATION



CROSSWIND BLVD WALL ELEVATION

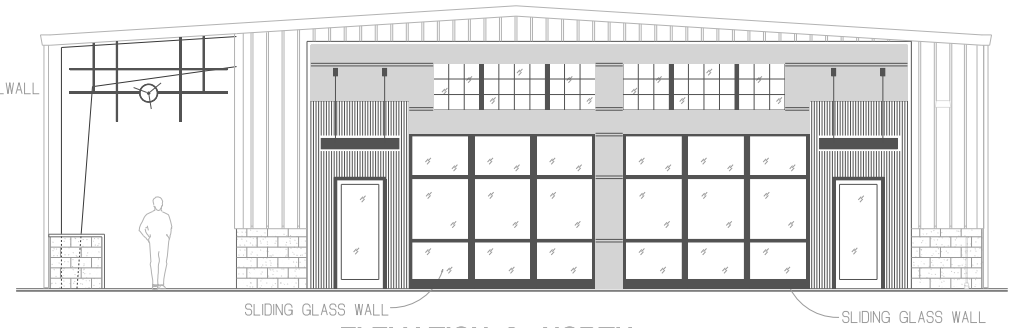
VISTA FIELD HANGAR 'B' - OPTION 1

ckjt architects, pllc

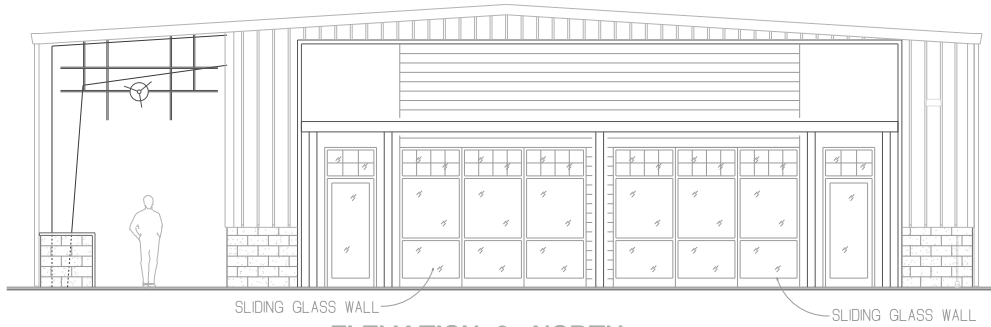
128 vista way | kennewick, wa 99336 | 509.783.5444



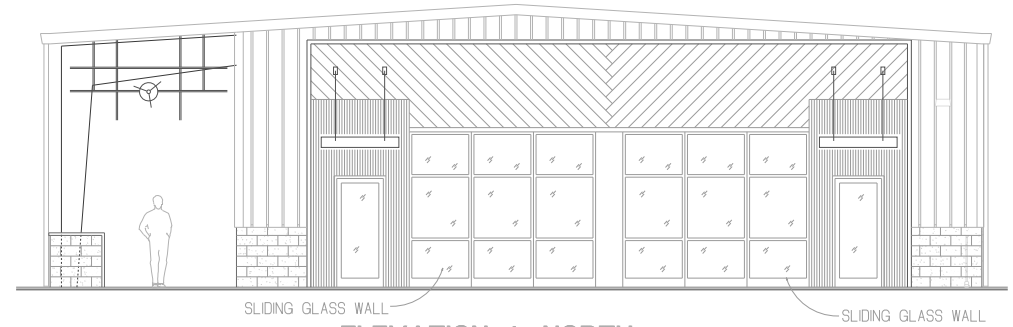
ELEVATION 1 NORTH



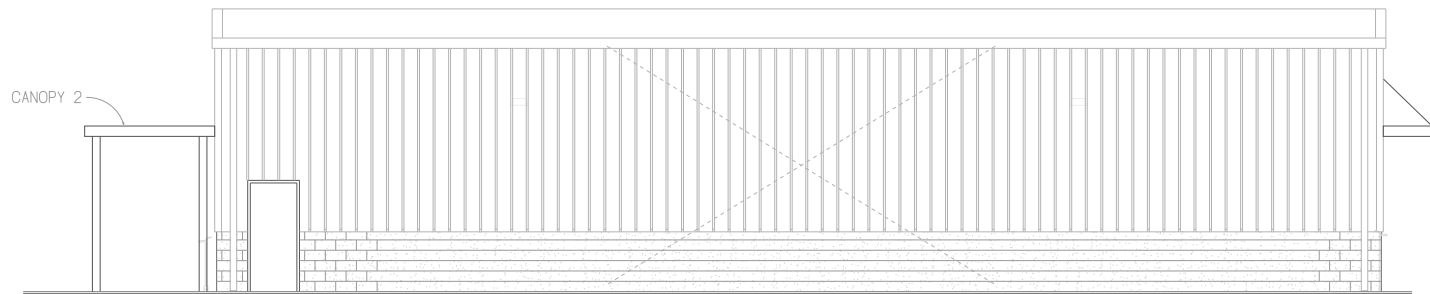
ELEVATION 3 NORTH



ELEVATION 2 NORTH



ELEVATION 4 NORTH



ELEVATION WEST

VISTA FIELD HANGAR 'B' - OPTION 1

ckjt architects, pllc

128 vista way | kennett, mo 63850 | 508.783.5444

T.O. MEZZANINE = ±11'-0"
SUSPENDED CEILING = ±8'-11 1/2"



DESCHUTES AVENUE ELEVATION

T.O. MEZZANINE = ±11'-0"
SUSPENDED CEILING = ±8'-11 1/2"



CROSSWIND BLVD BUILDING ELEVATION

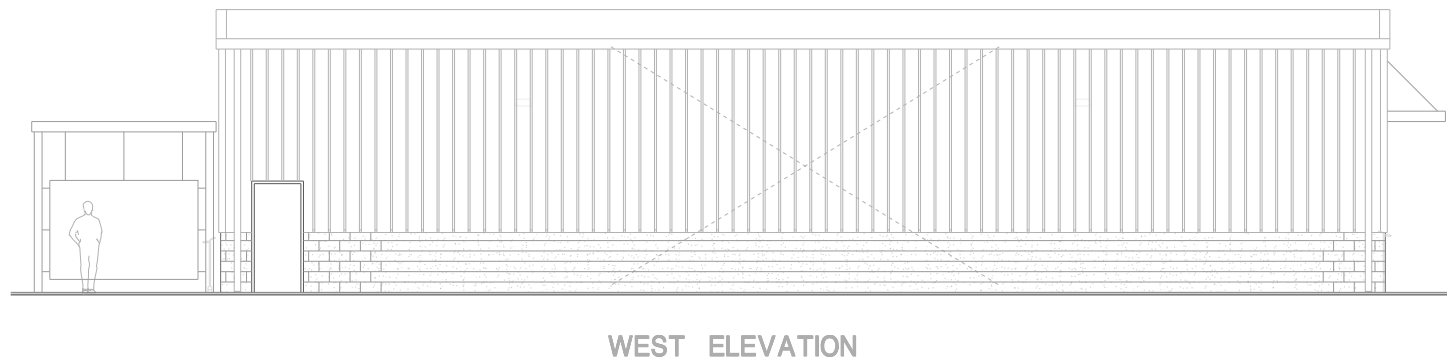
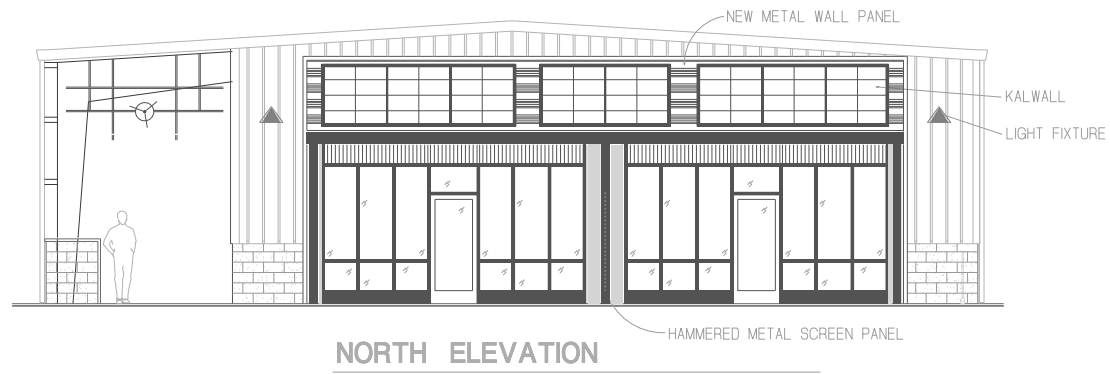
T.O. MEZZANINE = ±11'-0"
SUSPENDED CEILING = ±8'-11 1/2"



CROSSWIND BLVD WALL ELEVATION

VISTA FIELD HANGAR 'B' - OPTION 2

ckjt architects, pllc
128 vista way kennewick, wa 98336 509.783.5444



VISTA FIELD HANGAR 'B' - OPTION 2

From: Elizabeth Plater-Zyberk <epz@dpz.com>
Date: 7/24/20 1:57 PM (GMT-08:00)
To: Larry Peterson <LPeterson@portofkennewick.org>
Cc: "Senen Antonio (senen@dpz.com)" <senen@dpz.com>, "Matthew Lambert (matt@dpz.com)" <matt@dpz.com>
Subject: Re: Vista Field Redevelopment - DPZ input (Specifically on Hangar Reuse)

Dear Larry,

Your description of the cost of renovation for the hangars may be somewhat shocking, but the reconsideration of a master plan component such as this during implementation should not be surprising. The goal is to accommodate changing conditions while maintaining the intent and principles that formed the plan.

Of the possible actions to take in response to the construction cost estimates, we would endorse maintaining the hangars in place, with lesser adjustments to allow for their use as protection (from sun, wind and rain) for programming and temporary uses. They provide a setting for early activities to take place on the site as the first vertical development gets underway. Like Wynwood Yard, providing space for open air markets, eateries, artists at work, pop-up performances, they could be a venue for early activation.

The hangars play an important role in Vista Field's first phase - as gateway structures to the new street on the site, and as a background against which new buildings will appear to be adding to an existing place and space, thus multiplying the Impact of new construction. The hangars are the initial vertical identity for the site, a significant presence that establishes and contains the space of the first street.

Their removal would open the space and views to the surrounding area in a way that would diminish the focus on the foreground - the street, park and water-course where a significant investment has just been made. And while removal may have the upside of no maintenance after the initial expense, it also precludes the possibility of the benefit of returns from their use in the future when such an investment is deemed to be appropriate.

Thus, for several reasons, we believe that the hangars are important components of early place-making at Vista Field, and respectfully suggest that their 'lean' re-use as outdoor spaces be considered.

I hope this is an adequate response to your considerations. Please let us know if further elaboration would be useful.

Lizz Plater-Zyberk

Elizabeth Plater-Zyberk, FAIA CNU
Partner DPZ CoDESIGN
1023 SW 25th Avenue
Miami, FL 33135

PORT OF KENNEWICK

RESOLUTION 2020-12

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
PORT OF KENNEWICK AUTHORIZING EMERGENCY RENT DEFERRAL TO CARBITEX, LLC
RELATED TO COVID-19 IMPACTS**

WHEREAS, Carbitex LLC is a tenant in the Oak Street Industrial Park leasing 16,600 square feet of light industrial office and warehouse space and employing over 40 people; and

WHEREAS, Carbitex LLC operations were shut down with no revenue generation for over two months due to Washington State Governor Inslee's Stay Home Order; and

WHEREAS, Carbitex received federal Payroll Protection Program assistance. However, as that funding is coming to an end, operational expenses and COVID-19 compliance measures are straining financial resources until customer orders pick back up; and

WHEREAS, Pursuant to state law, tenants shall remain liable for leasehold excise tax which is payable to the state and cannot be waived; and

WHEREAS, the Port Commission has been fully briefed by staff related to this matter; and

WHEREAS, the Port Commission deems it prudent to authorize temporary emergency rent deferral for July, August and September 2020 to be repaid by end of calendar year 2021;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Port of Kennewick hereby grants emergency rent deferral for Carbitex, LLC as follows:

- (1) Rent deferral for July, August and September 2020; and
- (2) Addendum to amortize deferred rent equally over 15 months (October 1, 2020-December 31, 2021); and
- (3) Pursuant to state law, tenants shall remain liable for leasehold excise tax.


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

ADOPTED by the Board of Commissioners of the Port of Kennewick this 28th day of July, 2020.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

By: 
DON BARNES, *President*

By: 
SKIP NOVAKOVICH, *Vice President*

By: 
THOMAS MOAK, *Secretary*

LEASE ADDENDUM NO. 1

THIS FIRST ADDENDUM TO LEASE is entered into this ___ day of July, 2020 between the **PORT OF KENNEWICK**, a Washington municipal corporation hereinafter referred to as ("Landlord" or "Port"), and **CARBITEX, LLC**, a Washington limited liability company hereinafter referred to as ("Tenant");

W I T N E S S E T H

WHEREAS, Landlord and Tenant are parties to that certain commercial lease dated January 1, 2020 and covering the following described premises:

Light manufacturing and administrative offices

WHEREAS, the Parties recognize the extraordinary circumstances and unexpected downturn in revenue experienced by Port tenants during the current COVID-19 pandemic;

WHEREAS, the Port understands the need of its tenants to address this temporary uncertainty and loss of revenue and wishes to assist its tenants through various available means;

WHEREAS, the Port has identified that it may assist its tenants by temporarily deferring rent payments, waiving late fees, and waiving finance charges;

WHEREAS, the Tenant has requested rent deferral for the months of July, August and September 2020 (\$8,241.83 per month / \$24,725.49);

WHEREAS, the Parties understand that the deferred rent must be repaid by end of calendar year 2021;

WHEREAS, the Port has received notice from the Washington State Department of Revenue that due to the unforeseen circumstances with COVID-19, the Department of Revenue has provided some temporary additional guidance when rent has been temporarily deferred. The Department notified the Port that if contract rent payments are deferred for a few months, the leasehold tax payments can be delayed until the tax payment is received by the Port. The Department further stated that this delay of leasehold tax payments applies where the deferral is short-term in nature.

NOW THEREFORE IT IS HEREBY AGREED to amend certain basic lease provisions as follows:

1. Article 3.1: Base Rent and Leasehold Tax are deferred for the months of July, August & September 2020.
2. Article 4.1 (a) (b): Late fees and finance charges are waived July, August & September 2020.
3. Repayment of deferred rent and deferred leasehold taxes shall be paid to the Port pursuant to the schedule attached hereto and incorporated herein by reference as Schedule 1.

IN ALL OTHER ASPECTS, except as modified herein, the Parties confirm the terms, conditions, provisions, covenants and promises contained in the above-referenced original lease agreement and agree they remain in full force and effect and agree to be bound by the same.

IN WITNESS WHEREOF, the Parties hereto have set their hands the day and year first above written.

By Authority of the
Board of Commissioners

PORT OF KENNEWICK

CARBITEX, LLC

By: _____

By: _____

Tim Arntzen, Chief Executive Officer

Ron Boninger, President

Reviewed:

Approved as to form:

By: _____

By: _____

Title: Nick Kooiker, Port CFO

Title: Lucinda Luke, Port Legal Counsel

STATE OF WASHINGTON

ss.

COUNTY OF _____

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

Dated this ____ day of _____, 2020.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

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

My appointment expires _____

STATE OF WASHINGTON

ss.

COUNTY OF _____

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

Dated this ____ day of _____, 2020.

(Signature of Notary)

(Legibly Print or Stamp Name of Notary)

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

My appointment expires _____

SCHEDULE 1

DEFERRED RENT AND LEASEHOLD TAX REPAYMENT SCHEDULE

Deferred Rental Amount:

July 2020	\$8,241.83
August 2020	\$8,241.83
September 2020	<u>\$8,241.83</u>
Total Deferred Rental:	\$24,725.49

Repayment Time Period: 15 months. Beginning October 1, 2020 through December 31, 2021.

Amortization Calculation: $\$24,725.49 / 15 = \$1,648.37$ per month in addition to regular rental amount due.

New rental payment due beginning October 1, 2020:

Regular Rental Amount -	\$8,241.83
Deferred Rent Payment -	\$1,648.37
Monthly Rental Amount Due beginning October 1, 2020 -	\$9,890.20

PORT OF KENNEWICK

Resolution No. 2020-13

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK ACKNOWLEDGING THE RECEIPT OF THE HANGAR REPORT

WHEREAS, The Commission directed that staff present development strategies with respect to the Vista Hangars; and

WHEREAS, The Port CEO, working with the Port CFO, Port Planner and others, including an outside construction management firm has researched this matter and has provided detailed information; and

WHEREAS, The Commission-directed task has been concluded and the results are hereby presented to the Commission for consideration; and

WHEREAS, Staff recommends that the Commission acknowledge the receipt of the Vista Hangar Report as detailed in Exhibit A.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick hereby acknowledge the receipt of the Vista Hangar Report.

BE IT FURTHER RESOLVED the Commission acknowledges Goal 11 of the CEO's 2019-20 Goals and Objectives to "Complete architectural and engineering analysis for the Vista Hangars, together with estimated budget and draft financing plan for commission consideration" is complete.

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

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 28th day of July, 2020.

PORT of KENNEWICK BOARD of COMMISSIONERS

By: 
DON BARNES, *President*

By: 
SKIP NOVAKOVICH, *Vice President*

By: 
THOMAS MOAK, *Secretary*

PORT OF KENNEWICK

Resolution No. 2020-14

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK AUTHORIZING THE PORT CHIEF EXECUTIVE
OFFICER TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE CITY OF
KENNEWICK FOR STREET FUNDING FOR FIRE STATION NUMBER 3
NEAR VISTA FIELD***

WHEREAS, the City of Kennewick is building a new fire station in the Vista Field area, which will enhance public safety within the area and the City at large; and

WHEREAS, the City will concurrently build Fire Station Number 3 and an access street and the Port has agreed to pay one-half of the actual construction costs of the Street, up to \$125,000; and

WHEREAS, the Port and City have outlined the general provisions, landscaping, and dedication of said street in the Interlocal Agreement.

NOW, THEREFORE; BE IT HEREBY RESOLVED that the Board of Commissioners of the Port of Kennewick approves the Interlocal Agreement and instructs the Port CEO to execute the Interlocal Agreement, and take all action necessary to implement the Interlocal Agreement.

ADOPTED by the Board of Commissioners of the Port of Kennewick on the 28th day of July, 2020.

**PORT OF KENNEWICK
BOARD OF COMMISSIONERS**

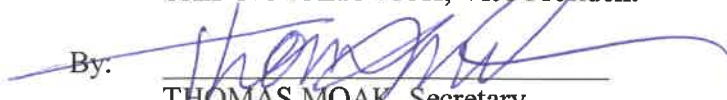
By:


DON BARNES, President

By:


SKIP NOVAKOVICH, Vice President

By:


THOMAS MOAK, Secretary

**INTERLOCAL AGREEMENT
BETWEEN PORT OF KENNEWICK AND CITY OF KENNEWICK
REGARDING FIRE STATION No. 3**

I. PARTIES

This Interlocal Agreement (Agreement) is entered into this ____ day of _____, 2020, between the PORT OF KENNEWICK, a Washington municipal corporation (“Port”), and the CITY OF KENNEWICK, a Washington municipal corporation, (“City”) referred to collectively as the “Parties”. The Parties agree as follows:

II. RECITALS

- 2.1 Economic Development Authority. The Port and the City are authorized, including under Chapters 39.33 and 39.34 of the Revised Code of Washington, to contract with each other and other public agencies in order to effectively and efficiently operate, administer and carry out their programs and public projects.
- 2.2 Overview of Project Areas. The Port owns approximately 103 acres of land in the Vista Field area of Kennewick, Washington. The Port is developing the land under the principles of New Urbanism and according to the Master Plan and Development Agreement the Port has in place with the City of Kennewick. The City is building a new fire station in the Vista Field area which will enhance public safety within the area and the City at large. The Parties recognize that successful development of the fire station described herein benefits the economic and social welfare of the City and the Port district.
- 2.3 City Fire Station Construction. The City is in the process of constructing Fire Station Number 3 on a site adjacent to Vista Field. Concurrent with construction, the City will build an access street with accompanying landscaping and utilities on the Northwest side of the project as shown on Exhibit “A” (the Street), attached hereto. Because the Street will benefit future Port activities at Vista Field, the Port agrees to pay one-half of actual construction costs of the Street, up to \$125,000, including a \$7,000 design and construction management fee. Prior to commencement of construction, the Port shall dedicate the Street to the City and the City shall accept said dedication.
- 2.4 Opportunity for Collaborative Development. The Parties recognize that successful economic development of the Project Area benefits the economic and social welfare of the City and the surrounding area. The Parties seek to memorialize their understanding related to street trees and landscaping which will be located in the public right of way adjacent to future Fire Station #3. The street trees and landscaping shall be as set forth on Exhibit “A” hereof. The term “street trees” shall refer to plants, trees, tree grates, tree lights and underground utilities supporting trees such as irrigation lines and electrical lines.

III. ADMINISTRATION

- 3.1 Responsibilities. This Agreement shall be administered by the City Manager or her designee and the Port Chief Executive Officer or his designee. Working in partnership and on behalf of their respective agencies these individuals shall be responsible for:
- a. Establishing policies for implementing this Agreement;
 - b. Providing periodic progress reports;
 - c. Monitoring progress of the Parties and other entities in the fulfillment of their respective responsibilities; and
 - d. Following applicable City and Port bid and prevailing wage laws, policies and procedures when awarding contracts for this project.
- 3.2 Port Obligation. The Port shall, at its expense, maintain all street trees and associated irrigation systems and power systems to the tree wells as referenced in Exhibit "A" and shall perform all ordinary maintenance and repair thereof.
- 3.3 City Obligation. The City shall grant the Port the right of ingress to and egress from the public right of way in order for the Port to perform its obligations under this Agreement.
- 3.4 Document Review. The Parties shall cooperate by sharing all relevant information, including planning, financial and environmental documents, to the extent allowed by law.
- 3.5 Expenses and Financial Contingency. Except as otherwise provided, the obligations of each Party shall be performed at the sole expense of said Party.

IV. GENERAL

- 4.1 Amendment. This Agreement shall not be altered except in writing signed by each Party.
- 4.2 Governing Law. Each of the Parties has independent authority to contract; and, this Agreement is pursuant to that authority and shall be governed by, construed and enforced in accordance with the substantive laws of the State of Washington.
- 4.3 Venue. The venue for any action arising out of this Agreement shall be the Superior Court for Benton County.
- 4.4 Non Waiver. Nothing in this Agreement and no actions taken pursuant to this Agreement shall constitute a waiver or surrender of any rights, remedies, claims or causes

of action a Party may have against the other Party or others under any provision of this Agreement or any provision of law.

- 4.5 Agreement Term. The term of this Agreement shall commence on its execution by both Parties and end December 31, 2040 ("Agreement Term"). By mutual agreement, the Parties may elect to renew the Agreement on mutually agreeable terms and conditions.
- 4.6 Inspection of Records and Filing. The records and documents with respect to all matters covered by this Agreement shall be subject to inspection by the Parties during the term of this Agreement and for three years after its termination. This Agreement shall be filed or listed pursuant to RCW 39.34.040.
- 4.7 No Separate Legal Entity. It is not the intention that a separate legal entity be established to conduct the cooperative undertaking nor is the joint acquisition, holding or disposing of real or personal property anticipated.
- 4.8 Severability. In the event any term or condition of this Agreement or application thereof to any person, entity or circumstance is held invalid, such invalidity shall not affect any other terms, conditions or applications of this Agreement which can be given effect without the invalid term, condition, or application. To this end, the terms and conditions of this Agreement are declared severable.
- 4.9 Defense and Indemnity. Each party shall indemnify, defend, protect, hold harmless, and release the other, its officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs or expense (including attorneys' fees and witness costs) arising from or in connection with or caused by any act, omission, or negligence of such indemnifying party.
- 4.10 Breach. In the event of a breach of this Agreement, the non-breaching Party shall retain all legal and equitable remedies against the breaching Party.

V. EXECUTION AND APPROVAL

- 5.1 Warranty of Authority. Each Party to this Agreement warrants that it has the authority to enter into this Agreement.
- 5.2 Execution. The person executing for a respective Party has been duly authorized to and does execute the Agreement on behalf of that respective Party.

PORT OF KENNEWICK

Date: _____

By: _____
TIM ARNTZEN, Chief Executive Officer

Approved as to Form:

LUCINDA LUKE
Attorney for Port of Kennewick

CITY OF KENNEWICK

Date: _____

By: _____
MARIE E. MOSLEY, City Manager

Approved as to Form:

LISA BEATON, City Attorney

Exhibit A

