



# PORT OF KENNEWICK REGULAR COMMISSION MEETING

DECEMBER 12, 2023 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 Skip Novakovich called the Regular Commission Meeting to order at 2:00 p.m.

## ANNOUNCEMENTS AND ROLL CALL

The following were present:

**Board Members:** Skip Novakovich, President  
Kenneth Hohenberg, Vice President  
Thomas Moak, Secretary

**Staff Members:** Tim Arntzen, Chief Executive Officer  
Tana Bader Inglima, Deputy Chief Executive (via telephone)  
Nick Kooiker, Deputy Chief Executive Officer/CFO (via telephone)  
Amber Hanchette, Director of Real Estate  
Larry Peterson, Director of Planning  
Michael Boehnke, Director of Operations (via telephone)  
Bridgette Scott, Executive Assistant  
Lisa Schumacher, Special Projects Coordinator  
Carolyn Lake, Port Counsel (via telephone)

## PLEDGE OF ALLEGIANCE

Mr. Arntzen led the Pledge of Allegiance.

## PUBLIC COMMENT

No comments were made.

## CONSENT AGENDA

- A. *Approval of Direct Deposit and E-Payments Dated November 17, 2023***  
Direct Deposit and E-Payments totaling \$81,977.15
- B. *Approval of Warrant Register Dated November 28, 2023***  
Expense Fund Voucher Number 105397 through 105440 for a grand total of \$194,469.71
- C. *Approval of Direct Deposit and E-Payments Dated December 1, 2023***  
Direct Deposit and E-Payments totaling \$190,073.20
- D. *Approval of Warrant Register Dated December 12, 2023***  
Expense Fund Voucher Number 105441 through 105468 for a grand total of \$371,835.96
- E. *Approval of Regular Commission Meeting Minutes November 14, 2023***
- F. *Approval of Interlocal Agreement for Cable Bridget Illumination Update: Resolution 2023-33***

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

## PRESENTATION

### A. Vista Field Lot 25 Proposal

Mr. Arntzen reviewed the procedural process followed for this Vista Field proposal.

1. Letter of Intent (LOI) was received.
  - a. The port team vetted the letter to ensure it meets the criteria the Commission has asked staff to review, such as: verifying the developer's experience with similar projects, if the proposal seems to advance the concepts of the Master Plan, and the price.
  - b. Mr. Arntzen and the port team is satisfied the proposal meets the basic requirements and is realistic.
2. Collaborative Review Design Process
  - a. This proposal has been through the Collaborative Review Design Process at least twice.
  - b. The development group met and worked with the port team and the port's town architect DPZ; reviewed the proposal; and worked through comments and revisions.

Mr. Arntzen feels this proposal has a reasonable price and has a lot of potential. He feels this group has been easy to work with, has read the Master Plan, fully embraces the Plan, and will comply with it. We are at a very pivotal point in time and the Port Commission could authorize a 90-Day Exclusive Period (Right to Negotiate) (*EXHIBIT A*).

Ms. Hanchette gave a brief review of Phase 1 at Vista Field and introduced Vatik and Kylie Dulo, who are interested in purchasing lot 25, which is approximately 13,000 square feet (*EXHIBIT B*).

Mr. Dulo presented the proposal for a commercial and multi-residential unit for lot 25 at Vista Field (*EXHIBIT C*).

Ms. Hanchette reported Mr. Dulo and his architect have met with DPZ, the Port's town architect, and embraced the comments and made revisions based on DPZ comments. It has been a very collaborative design process. Ms. Hanchette reviewed the letter of intent and stated they have offered \$418,000, which is \$21.00 per square foot. There will be additional parking needs and that has been factored into their offer. Ms. Hanchette stated if the Commission moves forward with Resolution 2023-35, additional background review will commence.

Mr. Peterson stated this project embraces the concepts laid out by the citizens during the Charrette process in the Master Plan.

Commissioner Novakovich likes the project and stated Mr. Dulo has worked with the Port town architect and listened to the Master Plan and met those needs.

Staff and Commission discussed the joint-use parking lot and private parking.

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Commissioner Hohenberg likes the project and inquired about the extended closing.

Ms. Hanchette stated once a Purchase and Sale Agreement is approved, the project moves into escrow and the 12-month period begins. This will allow for design, engineering, structural, and mechanical and plumbing, and then permitting.

Commissioner Moak likes the project and appreciates the work of the team and the collaboration that has taken place.

***MOTION: Commissioner Moak moved to approve Resolution 2023-35 authorizing a '90 Day Right to Negotiate' time period with Vatik Dulo and Ryan Foster for Lot 25 at Vista Field; Commissioner Hohenberg seconded.***

## PUBLIC COMMENTS

No comments were made.

### ***Discussion:***

*Commissioner Moak stated there has been plenty of discussion and this is a great step for the Port, and he looks forward to 90 days hence or less and moving on from there.*

*Commissioner Hohenberg concurs.*

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

## ACTION ITEM

### ***A. Express Employment Professionals Proposal***

Mr. Boehnke presented Resolution 2023-34 for a contract with Express Employment Professionals for temporary labor.

Mr. Kooiker stated the Port went out for a Request for Proposal in October of 2023, and received two bids. The lowest bid came from Express Employment Professionals, who the Port has worked with since 2020.

***MOTION: Commissioner Hohenberg moved to approve Resolution 2023-34 authorizing the Port's Chief Executive Officer to execute all documentation necessary to contract with Express Employment Professionals to assist port operations with temporary workers; and further ratify and approve all action by port officers and employees in furtherance hereof; Commissioner Moak seconded.***

## PUBLIC COMMENTS

No comments were made.

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

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## REPORTS, COMMENTS AND DISCUSSION ITEMS

### **A. *Recap of Port of Camas-Washougal Presentation***

Mr. Arntzen gave a brief report on his presentation to the Port of Camas-Washougal and stated he received a nice thank you note from Commissioner Marshall for the opportunity.

### **B. *2024-2025 Commission Organization Representation***

Ms. Scott presented the draft 2024-2025 Commission Organization Representation and inquired if the Commission had any additions or revisions (*EXHIBIT D*).

Commissioner Novakovich stated we previously discussed removing the Washington Public Ports Association Marketing committee.

Mr. Arntzen reported that Ms. Bader Inglima will represent the Port at the Tri-Cities Chamber of Commerce, since it does not require a Commissioner. Mr. Arntzen inquired if Commissioner Hohenberg would like to free up some of his commitments and suggested the Tri-Cities Visitor and Convention Bureau.

Commissioner Hohenberg stated he is fine with that and inquired if Commissioner Moak would be interested in sitting on the Tri-Cities Visitor and Convention Bureau meetings.

Commissioner Moak has a conflict on those days.

Commissioner Novakovich stated the Historic Downtown Kennewick Partnership has redone their bylaws and inquired if Commissioner Moak would like to continue representing the Port.

Commissioner Moak will continue to serve on the HDKP Committee.

Ms. Scott will update the list and remove the WPPA Marketing Committee stated if the Commission has any other thoughts or concerns, please email her.

### **C. *Kennewick's Historic Waterfront***

#### **1. *Clover Island USACE East End Repair***

Ms. Bader Inglima presented photos from the 90 feet of stabilization work done by the USACE on the southeast End of the Island under the existing 1135 project (*EXHIBIT E*).

#### **2. *Christmas Sparkle***

Mr. Boehnke and Ms. Bader Inglima presented photos of Clover Island and the Willows Veteran's Christmas Tree.

The Commission applauded staff for all their work lighting the Veteran's Christmas Tree and Clover Island.

### **D. *Commissioner Meetings (formal and informal meetings with groups or individuals)***

Commissioners reported on their respective committee meetings.



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## *E. Non-Scheduled Items*

Ms. Lake wished everyone a happy holidays and looks forward to working with the Port Commission and staff in 2024.

Mr. Arntzen appreciates the effectiveness of the Commission working through the lot 25 proposal for Vista Field and collaborative design process. Blueberry Bridal was a smaller project; therefore, the collaborative design process was softened a bit because of the size of the business and staff learned we could do a lot of things informally. This proposal is a mid-to large size project, and staff wanted to ensure that all the documentation was in place. Mr. Arntzen asked the Commission to review the collaborative design process documents for suggestions or comments, and then staff could refine the process. Mr. Arntzen would like to have the documentation in place for the current businesses working on larger proposals. Ms. Hanchette, Mr. Peterson, and Ms. Bader Inglima worked on the documents and Mr. Arntzen stated the template will help staff methodically work through larger proposals.

Commissioner Hohenberg thought it was well played for the size of the project and for the information that was presented to the Commission. Commissioner Hohenberg had the opportunity during his weekly meeting with Mr. Arntzen to ask questions and follow up one on one. During his review of the documents, he considered how it worked for staff and it seemed the internal vetting process was thoughtful, and a lot of work went on behind the scenes before it reached the Commission. Commissioner Hohenberg appreciates the internal process and stated it makes the Commission's job easier.

Commissioner Moak will review the documents for further comments and stated the information that was provided was useful to the Commission to help make a decision. Commissioner Moak stated he would like to see a map that encompasses Phase 1 in future proposals.

Commissioner Novakovich concurs with the Commission comments and thought it was very well put together, informative, and presented in a way that lay people could understand.

Mr. Arntzen would appreciate any additional comments and stated some projects may not fit in the Master Plan and this is why we have DPZ on board to assist us with proposals. The Port set a low bar intentionally and for transparency, if a project makes it beyond the first step, it is not up to the CEO to make decisions on these projects. When the projects come before the Commission, there is an opportunity for critical debate on these issues and it is important to have the paperwork in place to fairly review a project for all parties.

Commissioner Novakovich stated that was a very good explanation and believes Mr. Arntzen should present "the good, the bad, and the ugly;" however, the Commission needs to stop short of asking for the CEO's recommendation as it is up to the Commission to evaluate and make decisions.

Mr. Arntzen appreciates that and stated the procedure isn't the fun part, but it will keep us fair with everyone. There may be a person that is disappointed, but the public set a high standard for Vista

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Field, and they expect the Commission to adhere to that. The Port has a few proposals in the queue that are likely to come forward after the first of the year, that will be very substantial, and the documentation will assist the Commission in making a decision.

Commissioner Moak confirmed that every proposal that comes before staff does not come to the Commission if it does not meet the standards.

Mr. Arntzen stated that is correct and per the policy, if the project does not meet the Master Plan standards, it will not move forward to the Commission. If the project is close to the Master Plan, Mr. Arntzen will move it forward, with some remarks.

Commissioner Hohenberg thanked Mr. Arntzen and agrees with his comments. Every project is important whether it is small or large and it may not be easy and that is why the process needs to be fair.

Commissioner Hohenberg echoed Ms. Lake's comments and wished everyone a safe and happy Christmas and holidays. Commissioner Hohenberg stated two years have gone by and he thanked his fellow Commissioners for answering his many questions and appreciates their support. Commissioner Hohenberg thanked staff over the last two years and stated the staff is awesome. Commissioner Hohenberg knew what he was getting into because of the opportunity to work with the staff in his previous capacity at the City of Kennewick. The transition from the City to the Port has been the perfect transition for Commissioner Hohenberg after 40 years. Commissioner Hohenberg thanked everyone and wished everyone a very merry Christmas.

Commissioner Moak had a lot of practice listening to Commissioner Hohenberg before he came on to the Port, so he was used to it and stated it has been good to have him on the Commission for the last two years.

Commissioner Moak reported he attended the WPPA Conference and stated there was less content that was relevant to the Port and was disappointed in the presentations. Commissioner Moak found meeting the vendors was more valuable than the Conference and spoke with Makers Architecture, PND, and Eco Land Services. Makers worked on the Clover Island Master Plan during 2020 and our virtual process was very successful, and there has not been a virtual demand since then. Commissioner Moak stated the Legislative Committee is doing a very good job working on issues and has been quite successful. Commissioner Moak wished everyone a happy holidays.

Commissioner Novakovich also attended the WPPA Conference and stated the Port of Sunnyside would like to tour Vista Field and Clover Island and suggested a joint meeting. Port of Pasco also indicated they would like a joint meeting as well. Commissioner Novakovich stated joint meetings take a lot of staff time and effort and suggested offering the Port of Sunnyside a tour of port properties and lunch.

Commissioner Novakovich discussed a possible need for a US flag disposal ceremony.

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Commissioner Novakovich agrees with Commissioner Moak's comments regarding the WPPA Conference regarding the content and relevance to the Port of Kennewick.

## PUBLIC COMMENTS

No comments were made.

## COMMISSION COMMENTS

No comments were made.

## PUBLIC COMMENTS

No comments were made.

## ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:34 p.m.

### APPROVED:

### PORT of KENNEWICK BOARD of COMMISSIONERS

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*Skip Novakovich*

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*Skip Novakovich, President*

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*Kenneth Hohenberg*

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*Kenneth Hohenberg, Vice President*

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**Thomas Moak**

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*Thomas Moak, Secretary*

## ***PORT OF KENNEWICK***

### **RESOLUTION No. 2023-33**

#### ***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK APPROVING INTERLOCAL AGREEMENT FOR CABLE BRIDGE ILLUMINATION UPDATE***

**WHEREAS** citizen champions, Visit Tri-Cities, and the Tri-Cities Rivershore Enhancement Council have been working to explore the modernization and enhancement of the lighting system for the Pasco - Kennewick Intercity Cable Bridge—a project in alignment with the port’s regional economic development objectives; and

**WHEREAS** the Port has allocated \$25,000 via its Opportunity Fund, as part of the commission’s approved budget for projects of community importance, and identified an update to the illumination of the Cable Bridge as a desirable project; and

**WHEREAS** the jurisdictions involved with the ILA (City of Pasco, Port of Pasco, City of Kennewick, Port of Kennewick) each engage in economic development activities and wish to obtain comprehensive and accurate cost estimating for updating lighting for the bridge which has become an iconic symbol for the community and east Kennewick’s Historic waterfront; and

**WHEREAS**, City of Pasco has agreed to manage the activities of the Interlocal Agreement, and Port of Kennewick will have no further funding obligations under this Agreement.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Port of Kennewick hereby approve the Cable Bridge Illumination Update Interlocal Agreement; and authorize the Port’s Chief Executive Officer to execute the agreement and take all necessary action to implement such agreement.

**ADOPTED** by the Board of Commissioners of Port of Kennewick on the 12th day of December 2023.

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

By:

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*Skip Novakovich*

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SKIP NOVAKOVICH, President

By:

DocuSigned by:

*Kenneth Hohenberg*

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KENNETH HOHENBERG, Vice President

By:

DocuSigned by:

**Thomas Moak**

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THOMAS MOAK, Secretary

## ***PORT OF KENNEWICK***

### **RESOLUTION No. 2023-34**

#### ***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK AUTHORIZING A CONTRACT WITH EXPRESS EMPLOYMENT PROFESSIONALS***

**WHEREAS**, in mid-March 2020 the coronavirus pandemic forced the Washington State Department of Corrections to recall all local offsite work crews back to the Coyote Ridge facility in Connell, Washington leaving a significant deficit in labor within port operations; and

**WHEREAS**, a request for proposals for temporary workers was advertised and posted on the Port website with specifications to prospective businesses for temporary labor to perform maintenance duties at various port properties; and


**WHEREAS**, Express Employment Professionals was selected as the lowest responsible bid for temporary labor services to perform maintenance duties at various port properties.


**NOW, THEREFORE, BE IT HEREBY RESOLVED** that the Board of Commissioners of the Port of Kennewick hereby authorizes the Port's Chief Executive Officer to execute a two-year contract (Exhibit A) with Express Employment Professionals for \$350,000, effective January 1, 2024.

**ADOPTED** by the Board of Commissioners of the Port of Kennewick on the 12th day of December 2023.

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

By:   
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SKIP NOVAKOVICH, *President*

By:   
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KENNETH HOHENBERG, *Vice President*

By:   
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THOMAS MOAK, *Secretary*

## ***PORT OF KENNEWICK***

### **RESOLUTION No. 2023-35**

#### ***A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF KENNEWICK TO APPROVE A 90 DAY RIGHT TO NEGOTIATE PERIOD WITH VATIK DULO AND RYAN FOSTER***

**WHEREAS**, the Port of Kennewick (“Port) Commission has authorized port staff to market parcels for sale within the Vista Field redevelopment project; and

**WHEREAS**, port staff has received a proposal for construction of a 5-story mixed use building on Lot 25 within the first phase of Vista Field redevelopment from developers Vatik Dulo and Ryan Foster; and

**WHEREAS**, the proposal has received preliminary staff, legal and design review related to the Vista Field master plan and Collaborative Design Process.

**NOW, THEREFORE, BE IT RESOLVED** that the Port of Kennewick Board of Commissioners hereby approves a ‘90 Day Right to Negotiate’ time-period with Vatik Dulo and Ryan Foster for construction of a 5-story mixed use building on Lot 25 within the first phase of Vista Field redevelopment.


**BE IT FURTHER RESOLVED** that the Port of Kennewick Board of Commissioners hereby ratify and approve all action by port officers and employees in furtherance hereof; and authorize the Port Chief Executive Officer to take all action necessary in furtherance hereof.

**ADOPTED** by the Board of Commissioners of Port of Kennewick on the 12<sup>th</sup> day of December, 2023.


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

By:   
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SKIP NOVAKOVICH, President

By:   
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KENNETH HOHENBERG, Vice President

By:   
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THOMAS MOAK, Secretary



# Vista Field Development Proposal Collaborative Design Process Review

**Date:** December 12, 2023  
**To:** Port Commission  
**From:** Tim Arntzen, CEO

## I. PROJECT PROPOSAL:

- Vista Field Phase I - LOT 25
- 40,000+/- square feet
- 5 story mixed-use building
  - First floor – commercial
  - Second & Third floors - multi-family
  - Fourth & Fifth floors – condominiums

DPZ enthusiastically recommends that this proposal be approved...the proposal advances the vision of Vista Field...we strongly support this request because the location is appropriate.

## II. INITIAL PROJECT REVIEW:

I have reviewed the project as described in the Letter of Intent (LOI) submitted by Vatik Dulo and Ryan Foster, hereafter referred to as the “Developer.” The Developer’s LOI was originally submitted on October 6, 2023, and is attached hereto as Exhibit “A.”

Briefly stated, the project contemplates an approximate 40,000 square foot, 5 story mixed use building on Vista Field lot #25. The project is more completely described in the LOI (Exhibit “A”), and the maps and renderings attached as Exhibit “B” will assist in project evaluation.

After consultation with Amber Hanchette, Director of Real Estate and Larry Peterson, Director of Planning, and pursuant to steps set out in the Collaborative Design Process (as formally adopted by the Port Commission), I have concluded that the project, on its face, meets the basic criteria of the CDP. In short, the LOI demonstrates a likelihood that the:

- (1) Development concept is “likely” to assist with redevelopment of Vista Field;
- (2) Developer possesses the relevant experience in developing projects like those set forth in its LOI;
- (3) Price and terms appear to be reasonable.



Below is a summary discussion related to the above criteria:

Real Estate:

- ✓ That the Developer followed the port's proposal submission checklist in formatting their letter of intent;
- ✓ In each request for information, they have been responsive and accommodating;
- ✓ Port staff were able to meet Akula staff at the Developer's office in Camas, Washington and tour several sites where the Developer had projects in progress or early-stage development.

Planning:

The proposal embraces the Vista Field master plan principles of new urbanism (mixed-use buildings along the roadway which shields the parking areas). The proposed building and site design check many priorities including:

- ✓ Commercial (hospitality/specialty retail) connected to the adjacent stream Azure Drive woonerf and the octagonal fountain and plaza area;
- ✓ Includes 28 residential units ranging in size and orientation from leasable studio, 1- & 2-bedroom apartment to ownership opportunities with the 2-level condominium units;
- ✓ Provides mass and interest from Crosswind Boulevard {terminated vista};
- ✓ Building details consistent with the Vista Field design guidelines.

The proposal embraces the Vista Field master plan principles of new urbanism (mixed-use buildings along the roadway which shields the parking areas). The proposed building and site design check many priorities.

Joint-use parking lot improvements as envisioned by the master plan would serve much of the vehicle parking demand generated by this building. The 5-story mass is softened somewhat by the 4<sup>th</sup> and 5<sup>th</sup> levels being "stepped back", which also creates outdoor patio spaces for those top floor condominium units.

Ground floor retail space could become small restaurants and coffee or wine bars with roll up doors and outside seating to enjoy the sound of the passing stream or the activity on the adjacent woonerf (shared residential street). Residents coming and going {and providing some support to the ground floor retail} would add to the life and vibrancy at Vista Field. Opportunities for urban living with unit sizes ranging from 500sf studios to 1,200+sf 2-bedroom apartments likely help assure a diverse tenant mix. Additionally, 2-level condominiums with sweeping views of the Columbia River, Badger Mountain and the south Kennewick hills have the potential to result in Vista Field residential units being the most desirable locations within the Tri-Cities.





## CEO DIRECTION TO STAFF:

Based on my review, and in accordance with the CDP, I have arranged for the parties to participate in both preliminary and secondary collaborative design processes. On October 26, 2023, the parties met for the initial CDP project review; and on December 6, 2023, the parties met for the secondary review. Following is a summary of the two processes.

## III. COLLABORATIVE DESIGN PROCESS REVIEW:

### A. Consistency with Master Plan *(summary by Matt Lambert, DPZ CoDesign)*

After a thorough review of the Lot 25 proposal and coordination with Akula Group and their architect through two Town Architect review meetings, DPZ enthusiastically recommends that this proposal be approved. Beyond the technical review components, which I'll briefly discuss, the proposal advances the vision of Vista Field by providing a significant amount of ground floor commercial space at a critical location along with housing that will enliven streets and public spaces. The one requested variance is for additional height, accommodating more residential units. We strongly support this request because the location is appropriate, Akula Group has worked with us to ensure visual compatibility, and the additional residents afforded by the variance are needed at this early stage of development to activate Phase 1.

The proposed building would be a great first addition to the Vista Field Redevelopment project and provide a visible and real example of the type of development long envisioned by the citizens.

We find that the proposal is consistent with the master plan and the intended use and configuration for Lot 25, which is a mixed-use building give active frontages along Crosswinds and Azure, activating the stream and the plaza. We've worked with the design and ownership teams on materials and details of the building's elevations, which align with the design standards. At this point in the design review process, we have arrived at a design that both the ownership and town architect teams are happy with. We met with Akula Group and their architect on October 26th and December 6th and have approved their schematic design. Upon your approval of the proposal, we will continue to work with the ownership and design team to further refine details as the building enters the next two rounds of review at Design Development and Construction Document phases. Akula Group and their architect have been great to work with and we are confident they will deliver a great building that meets the goals and aspirations of Vista Field. *Matt Lambert, DPZ CoDesign.*

### B. Purchase Price Discussion

The developer is proposing to purchase Lot 25 at the port's asking price and to include a price adjustment for the additional parking necessary to support the building size and various uses envisioned for their project.



#### **IV. FINANCIAL ANALYSIS:**

(Revenue to Port; Port Sale Expenses, Economic Impact; Developer's Financial Capability).

##### **A. Revenue to Port: \$418,000**

##### **B. Port Sale Expenses:**

Estimated construction cost for common-area parking: approximately \$324,000, 4% real estate commission, and closing costs.

##### **C. Developer's Financial Capabilities:**

Letters of reference from two financial institutions included with memo.

#### **V. LEGAL ANALYSIS:**

(Could the proposal subject the port to potential legal issues; does the project place burdens on the port or other purchasers, etc.?)

At first review, proposed project is compliant with the Vista Field master plan in terms of use, location, and site plan. Additional background on Developers to be performed by legal counsel during due diligence period.

#### **VI. CONCLUSION AND RECOMMENDATIONS:**

The proposed building would be a great first addition to the Vista Field Redevelopment project and provide a visible and real example of the type of development long envisioned by the citizens.

#### **VII. EXHIBITS:**

- A: LOI / Banking Reference
- B: Mutual Intentions Agreement
- C: Site Map
- D: Project Renderings

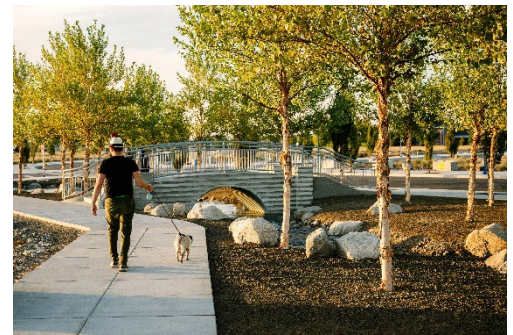


EXHIBIT A

Dave Sobolik  
Knipe Realty powered by ERA  
217 W Evergreen Blvd  
Vancouver, WA 98660  
dave@sobolikrealestate.com  
503.939.4241

October 6, 2023  
Revised LOI - December 7, 2023

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

Dear Port of Kennewick,

I am writing to officially submit a Letter of Intent (LOI) on behalf of my client, Vatik Dulo and Ryan Foster/and or assigned, who is keenly interested in purchasing commercial land within the Port of Kennewick. This LOI succinctly outlines the terms and conditions my client proposes to meet, aligning with your criteria and specifications.

1. **Offering Party:**

- Legal Name of Offering Party: ***Pending formation of new LLC.***, and/or assigned.
- ***Vatik Dulo*** [Vatik Dulo] **12/08/2023** [Date]
- ***Ryan Foster*** [Ryan Foster] **12/08/2023** [Date]

2. **Party to Use and Occupy the Property (if different):**

- Legal Name of Occupying Party (if different): Vatik Dulo and Ryan Foster/and or assigned.

3. **Property Details:**

- Property Address: 678 Crosswind Boulevard / 6724 Azure Drive
- Parcel Number: LOT 25
- Land Size: 13,077 sq.ft.
- Zoning: MIXED USE

4. **Offer Terms:**

- Total Offer Price: \$418,000 (\$21/SF for land & \$11/SF price adjustment for parking)
- Earnest Money: 5% of Purchase Price.
- Administrative Processing Fee: \$500

- Vatik Dulo and Ryan Foster/and or assigned will have 68 designated spaces for the residents off site on an agreed upon location. The additional requested parking will be provided in the joint-use parking.
- Vatik Dulo and Ryan Foster/and or assigned will be provided by the Port, a joint-use trash enclosure in the joint-use parking lot.
- Vatik Dulo and Ryan Foster/and or assigned will rent adjacent Port owned land next to the subject lot so that they can store building materials and job site trailer during construction

**5. Proposed Contingencies:**

- Contingencies:
  1. General Feasibility
  2. Financing Contingency
  3. Title Contingency

**6. Proposed Closing Date:**

- Proposed Closing Date: Twelve (12) months after mutually agreed upon terms are signed by both parties. This will allow for design, engineering and permitting approval with a 4-month extension option with a \$6,000 extension fee.

**7. Proposed Use and Development:**

- Proposed Use of the Property: Retail, multi-family, condominiums.
- Timing for Construction or Development: 8-12 months for development, 12-14 of construction.

**8. Building Details (if applicable):**

- Size and Type of Building to be Erected: See Addendum A & B
- Main Level: 4,000 – 7,000 sf of retail. 8 – 12 internal parking spaces on main level.
- Levels 2 & 3: 6 studios, 11 1-beds, 9 2-beds. A total of 26 rental units.
- Level 4: 4 – 7 condominiums for VRBO and private ownership.

**9. Design Concepts:**

- Attached as Addendum A & B

**BUYER/S BACKGROUND**

1. Financial Capability – letter of credit or proof of funds
2. 3 References – One from a financial institution

**BUILDER EXPERIENCE**

1. Akula Group, Inc. is well versed in the permitting and regulatory processes. One of our fundamental business services we offer clients is permitting and planning services, and our work has exposed us to many jurisdictions and agencies in California, Oregon, and

Washington State. Our work has gain us experience in many governmental departments including but not limited to engineering, building, fish & wildlife, biologists, archeological departments. Going through these permitting processes has enabled us to work with numerous architectural firms, consultants, and clients in various states in the U.S.

2. Mr. Ryan Foster is the proprietor of a prominent golf course marketing enterprise, boasting a continually expanding workforce of over 150 employees. Over time, the enterprise has strategically expanded to encompass six locations across the nation, achieving remarkable gross sales figures exceeding 31 million dollars in the year 2022. Notably, this enterprise was initiated in 2015 with limited initial capital, reflecting a commendable example of bootstrapped entrepreneurship. The forthcoming fiscal year holds the promise of surpassing the preceding year's financial performance, with an anticipated profit margin of 45%.

In addition to his achievements in the realm of golf course marketing, Mr. Foster has embarked on a successful retail venture predominantly involving Salon studios in Camas, Washington. This enterprise comprises the rental of 36 suites/offices catering to the health and beauty industry. Notably, this undertaking has yielded commendable profit margins averaging around 40%. Mr. Foster plans on leveraging his proven retail experience to make the retail component of this development a success.

Foster's proficiency in financial matters has also led him into the domain of real estate. His diversified real estate portfolio includes ownership of Airbnb properties, investment in a condominium project, and active participation in the development of apartments in Vancouver, Washington, in collaboration with Vatik.

3. Buyer Experience with "new urbanism," Smart Growth," "Green building or similar development principles".
  - a. Being predominantly an infill developer has allowed us to work very closely with surrounding communities and meet their needs while still delivering economically viable developments. We've done projects ranging from economical townhomes to high-end residential neighborhoods. As a developer we do not box ourselves into any single product type. We plan on leveraging our experience in these different types of developments to make the Vista Field development an extremely successful project, because we plan to retain this property for decades.

**KEY PERSONNEL** – Akula Group, Inc. will be the developer of the property. Vatik Dulo is the Owner and main Project Lead with 20 years of construction experience. Jeenou is the Senior Project Manager and has 11 years of contracts management in construction and real estate. Eugene Dulo is the construction management and consulting designer and has 25 years of experience. This comprises the core leadership team, but we employ additional supporting staff and all of our subcontractors are well-seasoned experts in their fields.



My client envisions this property as an ideal location for their Commercial and Residential mix-use building which promises to be a substantial asset to both the local community and the Port of Kennewick.

Here are some key points that underscore my client's intent and vision for this property:

- **Purpose of Purchase:** The primary aim of this acquisition is to establish a thriving business that will significantly contribute to the economic growth of the region. This initiative includes job creation, local commerce stimulation, and value addition to the Port of Kennewick.
- **Community Engagement:** My client is dedicated to working closely with local authorities, community members, and stakeholders to ensure seamless alignment with the Port's objectives and strict compliance with all relevant local regulations and guidelines.
- **Environmental Responsibility:** Environmental sustainability is a priority for my client's project. They are committed to implementing eco-friendly practices that minimize the environmental impact of their operations and development.

I kindly request an opportunity for my client and myself to discuss this matter further with the Port of Kennewick and its representatives. We are eager to gain a deeper understanding of your specific requirements and procedures for land acquisition within your jurisdiction, and to address any questions or concerns you may have.

Please indicate a suitable time for a meeting or any additional documentation necessary to initiate this process. My client and I are enthusiastic about the prospect of working collaboratively to realize our shared vision.

Thank you for considering this Letter of Intent, meticulously crafted to encompass all the vital elements outlined in your requisites.

Sincerely,

*David Sobolik*

Dave Sobolik  
Knipe Realty powered by ERA

December 6<sup>th</sup> 2023



RE: Vatik Dulo / Akula Group

To whom it may concern,

This letter is to inform you about our Lending experience with Vatik Dulo and the Akula Group for the past 9 years. We have successfully done many projects with them, and all loans have been in good standing with Zero late payments. They have proven to be a pleasure to work with over these past 9 years. Below is the list of projects we have worked with them on.

- 1472 N Columbia Ridge Way, Washougal, WA 98671
- 1492 N Columbia Ridge Way, Washougal, WA 98671
- 1916 NW 42<sup>nd</sup> Ave, Camas, WA 98607
- 1910 NW 42<sup>nd</sup> Ave, Camas, WA 98607
- Lender for Hidden Oaks located at the corners of NW 5<sup>th</sup> Ave and SW 6<sup>th</sup> Avenue (6-lot subdivision)
- 9232 SE Bush Street, Portland, OR 997226 (providing soft costs for a 6 unit development)
- SW Lovhar Lot, Gresham, OR (Lot development)

Please feel free to email or give me a call with any questions,

[Jeffgarb@comcast.net](mailto:Jeffgarb@comcast.net)

360-567-7560

Respectfully,

Jeff Garbarino

Manager, Red Oak Investments LLC



investments | trust | banking

1211 SW FIFTH AVENUE  
PORTLAND, OR 97204

November 30, 2023

**RE: Ryan Foster**

To whom it may concern-

Ryan Foster has been a client of Key Private Bank Family Wealth in Portland, OR since the summer of 2022 and I've been Ryan's Relationship Manager. I can verify that Ryan controls significant amounts of liquidity invested in the broader markets and has access to substantial lines of credit.

As you progress with your diligence, I will be happy to provide further detail as necessary for you to move forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Bruemmer", written over a horizontal line.

**Alex Bruemmer, CTFA, ATFA**  
Sr. Vice President & Sr. Relationship Manager  
Key Private Bank

Key Private Bank is part of KeyBank National Association (KeyBank). Bank and trust products are provided by KeyBank, Member FDIC and Equal Housing Lender. Credit products are subject to credit approval. Investment and insurance products are:

**NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE • NOT A DEPOSIT  
• NOT INSURED BY ANY FEDERAL OR STATE AGENCY**

Key Private Bank does not give legal advice.

ADL3546



## Mutual Intentions Agreement

### AGREEMENT RELATING TO POTENTIAL TRANSACTION




Form Date: February 8, 2017

This Agreement confirms the mutual intentions of the Port of Kennewick, through its staff ("Port") and the undersigned and its affiliates (Undersigned) with respect to the potential transaction described below (the Potential Transaction):

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#### General Understanding of the Parties:

1. Discussions between the parties are to explore the viability of the Potential Transaction and shall not create an obligation on either party to take or refrain from any action.
2. The Port may, in its discretion, arrange for further action including but not limited to introducing the concept to the Commission or appropriate third parties for the purpose of gathering information and analyzing feasibility and cost. The parties understand that complete confidentiality cannot be guaranteed.
3. Except as specifically set forth above, neither party shall publicly communicate information related to the Potential Transaction, until the Potential Transaction is presented to the Port Commission in a public commission meeting.
4. A binding obligation shall only be created by a written agreement setting forth all material terms and conditions of the proposed transaction, signed by the parties; no binding agreement shall be effective except upon the affirmative vote by a majority of the Port Commission in a public commission meeting.
5. Each party shall be responsible for all costs it incurs with respect to this matter, including but not limited to professional and attorney's fees and costs. Neither party shall be responsible for any damages, whatsoever, incident to this matter.
6. The Port makes no representations with respect to the Potential Transaction and the Undersigned agrees to exercise all due diligence it deems necessary.
7. The terms of this Agreement shall survive any applicable closing.

DocuSigned by:  7E1E58631FE7494...	Vatik Dulo	8/29/2023
Undersigned		Date
DocuSigned by:  281EEA2541244A0...	Ryan Foster	8/29/2023
Undersigned		Date
DocuSigned by:  8975D1F39D14F5...	Tim Arntzen	8/30/2023
Port of Kennewick		Date

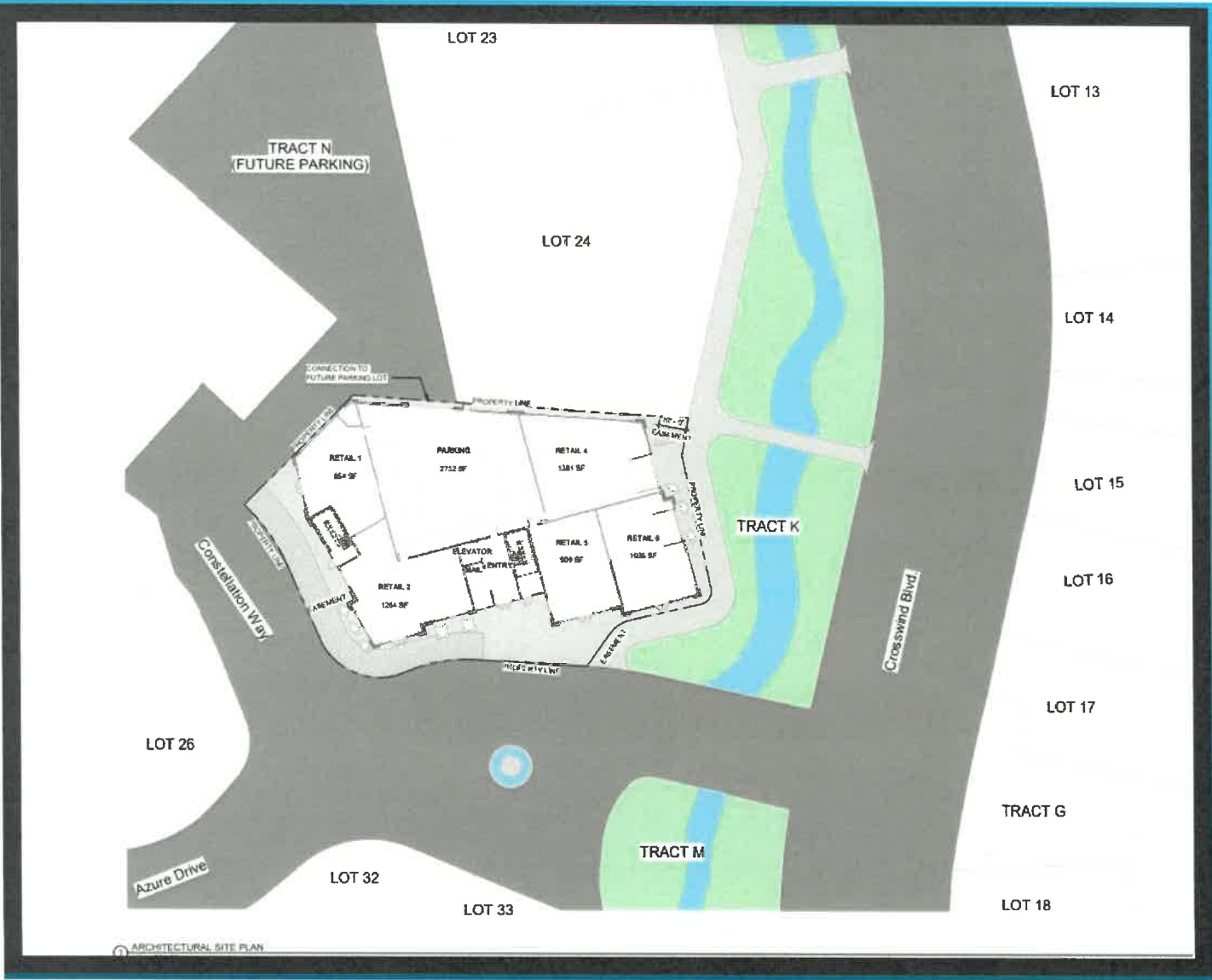


EXHIBIT B

# SITE PLAN

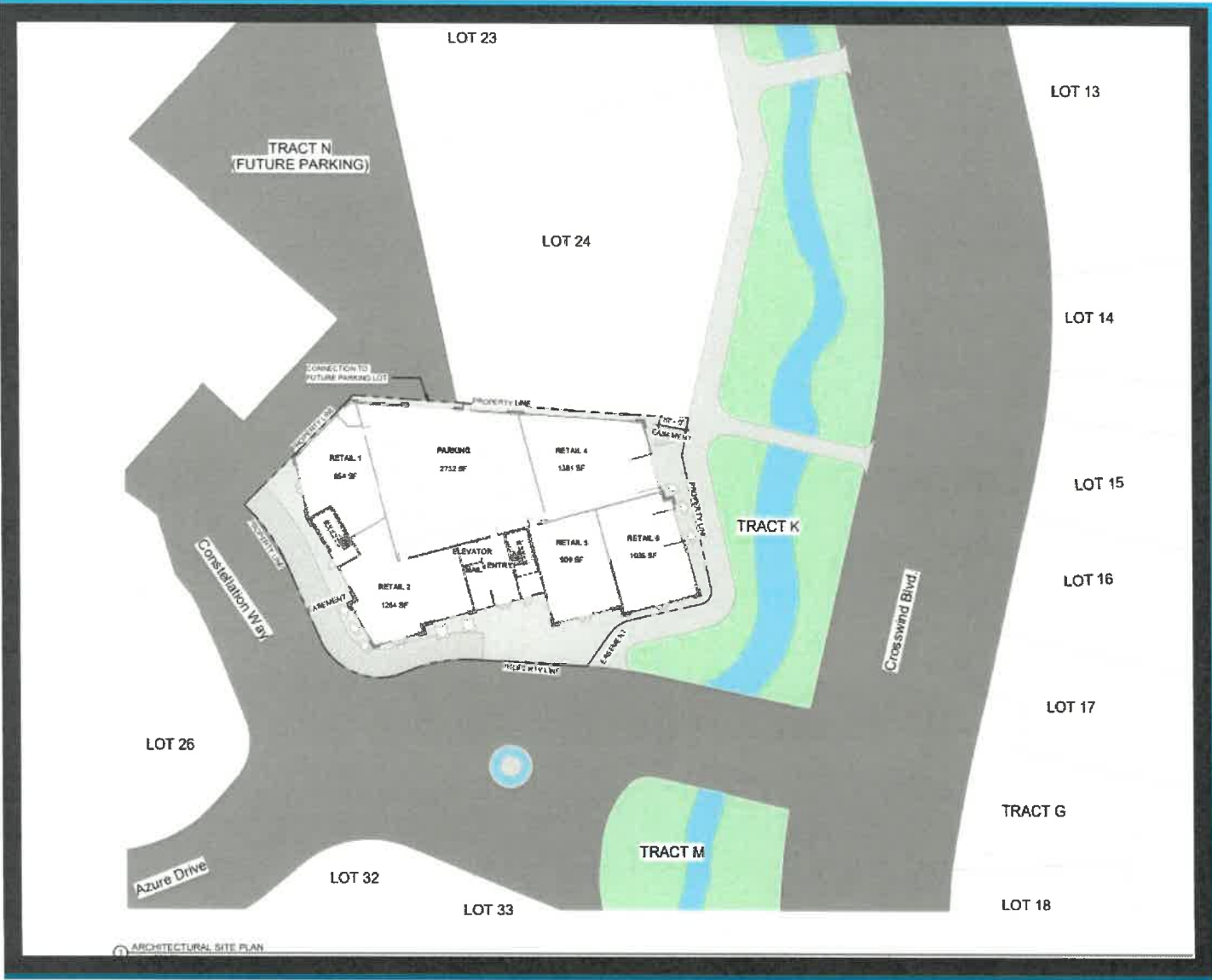


EXHIBIT B

# SITE PLAN



WELCOME TO VISTA FIELD





CROSSWIND BOULEVARD





① FRONT ELEVATION  
1/8" = 1'-0"

## RESIDENTIAL ENTRANCE – AZURE DRIVE



DARK BROWN BRICK FINISH

WOODTONE SIDING

RED/BROWN BRICK FINISH

METAL AWNING

① REAR ELEVATION B  
1/8" = 1'-0"

TERRACES AND LIGHT FILLED SPACES







② CONSTELLATION WAY ELEVATION  
1/8" = 1'-0"

# CONSTELLATION WAY







## PORT of KENNEWICK

### 2024-2025 COMMISSION ORGANIZATION REPRESENTATION

NAME	MEETING SCHEDULE	MEETING TIME	MEETING PLACE	2022-2023 COMMISSIONER REPRESENTING POK	2022-2023 COMMENTS
Benton-Franklin Council of Governments <b>Board of Directors (BOD)</b>	3rd Friday	10:00 AM	BFCOG Conference Room 587 Stevens Drive, Richland	Commissioner <b>Skip Novakovich</b>	Alternate: Commissioner Ken Hohenberg
Confederated Tribes of the Umatilla Indian Reservation (CTUIR)	As Called			Commissioner <b>Skip Novakovich</b>	Alternate: Tim Arntzen
Historic Downtown Kennewick Partnership <b>Board Meeting</b>	4th Monday	5:30 PM	HDKP Conference Room 30 N. Benton St	Commissioner <b>Ken Hohenberg</b>	Alternate: Commissioner Skip Novakovich
Tri-Cities Hispanic Chamber of Commerce (Luncheon)	3rd Tuesday	11:30 AM	Pasco Red Lion	Commissioner <b>Skip Novakovich</b>	Alternate: Commissioner Ken Hohenberg
Tri-City Regional Chamber <b>Board of Directors Meeting</b>	3rd Wednesday every other month	7:30 AM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner <b>Ken Hohenberg</b>	Alternate: Commissioner Skip Novakovich Meets Feb, April, June, August, October, December
Visit Tri-Cities (formerly Tri-Cities Visitor & Convention Bureau) <b>(Full Board Meeting)</b>	4th Wednesday	7:30 AM	Tri-Cities Business & Visitor Center Bechtel Board Room	Commissioner <b>Ken Hohenberg</b>	Alternate: Commissioner Skip Novakovich
TRIDEC <b>Board of Directors Meeting</b> (Full Board)	4th Thursday every other month beginning January	4:00 PM	Tri-Cities Business & Visitor Center Bechtel Board Room & Virtually	Commissioner <b>Ken Hohenberg</b>	Alternate: Commissioner Skip Novakovich
TRIDEC <b>Executive Board Meeting</b>	4th Thursday every other month beginning February	4:00 PM	Tri-Cities Business & Visitor Center Bechtel Board Room	Port of Pasco	Tri-Ports Executive Board Rep (Rotates Annually) 2024 - Port of Benton 2025 - Port of Pasco 2026 - Port of Kennewick Meets Feb, April, June, August, October, December
West Richland Area Chamber of Commerce (Luncheon)	1st Wednesday	Noon	The Mayfield Gathering Place	Commissioner <b>Skip Novakovich</b>	



## PORT of KENNEWICK

### 2024-2025 COMMISSION ORGANIZATION REPRESENTATION

NAME	MEETING SCHEDULE	MEETING TIME	MEETING PLACE	2022-2023 COMMISSIONER REPRESENTING POK	2022-2023 COMMENTS
WPPA Board of Trustees	As Called			Commissioner <b>Skip Novakovich</b>	Alternate: Tim Arntzen
WPPA Legislative Committee	As Called			Commissioner <b>Skip Novakovich</b>	Alternate: Tim Arntzen
WPPA Marina Committee	As Called			Commissioner <b>Ken Hohenberg</b>	Alternate: Tim Arntzen
WPPA Marketing Committee	As Called			Commissioner <b>Skip Novakovich</b>	Alternate: Tim Arntzen

#### Non-Port Appointed Committees and/or Boards Commissioners Represent:

##### Commissioner Skip Novakovich

HAEIFAC Board  
HAEIFAC Private Loan Committee  
Wallowa Band Nez Perce Trail Homelands Board and Executive Board  
Tamastlikt Trust Board for the CTUIR  
Pacific Printing Industries Board  
Printing Industries of America Board  
Washington State Army Advisory Council

##### Commissioner Ken Hohenberg

Washington State Criminal Justice Training Center  
Washington Auto Theft Preventative Board  
Northwest High Intensity Drug Trafficking Area (HIDA)  
HAPO Credit Union Board  
Boys & Girls Club of Benton and Franklin Counties Advisory Committee

##### Commissioner Tom Moak

Kennewick Housing Authority  
Kennewick Kiwanis Club

# Clover Island USACE 1135 Southeast Shoreline Fix







Dec. 5  
to Dec. 7

300 cy  
420 tons  
840,000 lbs  
of rock









# Adding Christmas sparkle to foster economic development on Kennewick's Historic Waterfront

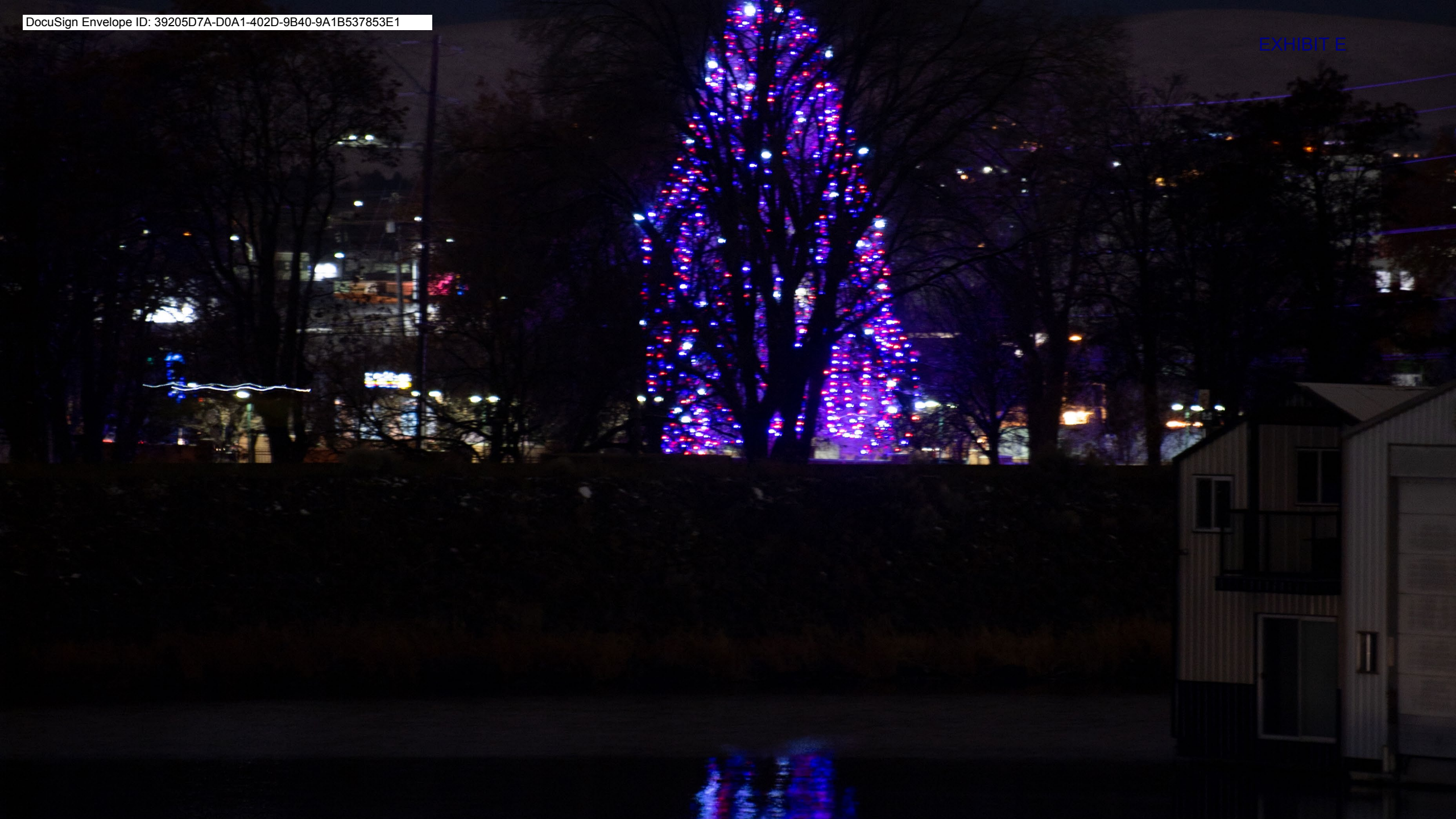














Kennewick's Clover Island lighthouse decked out for Christmas and to honor veterans ~ *Tri-City Herald*

Port honors veterans with red, white, blue Christmas tree decorations ~ *NBC Non-Stop Local*

Christmas Lights Brighten Kennewick's Historic Downtown ~ *NewsTalk 870*

Christmas Lights Brighten Kennewick's Waterfront ~ *Tri-Cities Area Journal of Business*

Port of Kennewick Honors Veterans with Christmas Decorations ~ *Fox41 Yakima*

Christmas Lights Brighten Kennewick's Historic Waterfront ~ *610 KONA*

Port of Kennewick Honors Veterans with Christmas Decorations ~ *NBC Non-Stop Local*

Christmas Lights Brighten Kennewick's Historic Waterfront ~ *Washington Public Ports Assn*





## **Port of Kennewick Honors Veterans with Christmas Decorations ~ *NBC's Dan Hanson***

"We made a conscious effort to light the tree not just with random Christmas colors, but red, white and blue in honor of all the men and women who served in our military."

Air Force veteran Chris Littrell served six years and said having a community who is willing to honor veterans serving or have served will help encourage future vets.

"It plants the seed in young people's minds of wanting to follow in those footsteps and serve," said Littrell. "It means a lot and the significance of it for me, speaking for myself as a veteran, is remembering and celebrating the collective service that we have done as a group of veterans."



Photo taken by/used with permission of Jessie Wicker & Ice Harbor Brewing Company at the Marina.

