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AGENDA

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

February 27, 2024
2:00 p.m.

- I. CALL TO ORDER**
- II. ANNOUNCEMENTS AND ROLL CALL**
- III. PLEDGE OF ALLEGIANCE**
- IV. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- V. CONSENT AGENDA**
 - A. Approval of Direct Deposit and ePayments February 16, 2024
 - B. Approval of Warrant Register Dated February 27, 2024
 - C. Approval of Regular Commission Meeting Minutes February 13, 2024
- VI. ACTION ITEM**
 - A. Vista Field Collaborative Design Process; Resolution 2024-03 (**TIM/TOM**)
- VII. PRESENTATION**
 - A. Vista Field Lot #15 Proposal; Resolution 2024-04 (**AMBER**)
- VIII. REPORTS, COMMENTS AND DISCUSSION ITEMS**
 - A. Oak Street DB-D Fire, David Robison (**LARRY/MICHAEL**)
 - B. Governor's Smart Communities Award March 12, 2024 (**TANA**)
 - C. Commissioner Meetings (formal and informal meetings with groups or individuals)
 - D. Non-Scheduled Items
(**LISA/BRIDGETTE/TANA/NICK/LARRY/AMBER/MICHAEL/CAROLYN/TIM/KEN/TOM/SKIP**)
- IX. PUBLIC COMMENT** *(Please state your name and address for the public record)*
- X. ADJOURNMENT**

***PLEASE MUTE YOUR MICROPHONE UNLESS YOU ARE SPEAKING
AND SILENCE ALL NOISE MAKING DEVICES***



PORT OF KENNEWICK REGULAR COMMISSION MEETING

DRAFT

FEBRUARY 13, 2024 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 (via telephone)
Bridgette Scott, Executive Assistant (via telephone)
Lisa Schumacher, Special Projects Coordinator
David Phongsu, Marketing/Capital Projects Coordinator (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 January 31, 2024**
Direct Deposit and E-Payments totaling \$126,256.48
- B. Approval of Warrant Register Dated February 13, 2024**
Expense Fund Voucher Number 105611 through 105662 for a grand total of \$157,377.92
- C. Approval of Regular Commission Meeting Minutes January 23, 2024**
- D. Approval of Warrant Register Dated January 25, 2024**
Expense Fund Voucher Number 105608 through 105610 for a grand total of \$119,034.12

MOTION: Commissioner Novakovich moved to add Item D, Approval of Warrant Register Dated January 25, 2024 to the Consent Agenda; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

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

PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 13, 2024 MINUTES

DRAFT

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Vista Field Southern Gateway Project*

Mr. Peterson reported that the Vista Field Southern Gateway project is out for bid and bids are due March 5, 2024 and will be presented to the Commission on March 12, 2024. The project is funded solely by a Benton County Commission allocation of \$3,410,000 of Rural Community Capital Funds (RCCF). Mr. Peterson stated the base bid includes two alternates: a second bathroom and the 8-foot metal airplane artwork.

Commission and staff discussed the bidding process and the potential pricing for the alternates.

B. *Kennewick Waterfront*

1. *Stage Update*

Mr. Kooiker reported that the stage is scheduled for completion on February 28, 2024 (*Exhibit A*). There has been a lot of staff planning for the arrival of the stage and Mr. Kooiker stated the stage will be delivered soon and stored. In May, hotel staff and Port staff will receive training. Mr. Kooiker is working on the licensing and insurance portion, while Mr. Peterson is working on the site preparation.

Mr. Peterson stated the portable stage is 32 feet long by 8 feet wide, and opens up to a 32x24 stage and is 23 feet high with a light rigging. The stage needs supporting groundwork and we are working with local contractors to install a concrete slab for the foundation.

Commissioner Moak inquired if the Port can move the stage to Vista Field for temporary use.

Mr. Peterson stated yes, the Port is installing a goose neck hitch on one of the Port trucks.

2. *WineVit Update*

Ms. Bader Inglima stated the Port had a promotion booth at the Annual WineVit event last week and outlined the additional advertising for the event. Ms. Bader Inglima stated the conference was very well attended by industry attendees and vendors (*Exhibit B*).

Ms. Hanchette thanked Mr. Phongsa for working the booth and he made a lot of good contacts for the Port to follow up with. The Port was an advertising sponsor for the State of the Industry luncheon and Ms. Hanchette was part of the flash talk, where she talked about Columbia Gardens, and focused on the available parcels for sale, and the access to the City of Kennewick's affluent treatment system, which was installed as part of a partnership.

C. *Governor's Smart Communities Award*

Ms. Bader Inglima shared that the Port received the Governor's Smart Partnership award for the 1135 Clover Island restoration project. John Snyder from the Governor's office will be presenting the award on March 12, 2024 at 11:30 a.m. at the lighthouse plaza along with our partners: Confederative Tribes of the Umatilla Indian Reservation, US Army Corps of Engineers, the Washington State RCO, Benton County, and the City of Kennewick (*Exhibit C*).

PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 13, 2024 MINUTES

DRAFT

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

Commissioners reported on their respective committee meetings.

E. Non-Scheduled Items

Mr. Kooiker stated the two-year financial and accountability audit process has been completed and the Port had our exit interview last week. Ms. Bader Inglima sent out a press release indicating the Port has had 28 years of clean audits. Mr. Kooiker stated the Port remains transparent.

Ms. Bader Inglima added she received an email from the *Tri City Herald* prior to the press release offering congratulations to the Port for a clean audit.

Mr. Peterson reminisced on the history of Clover Island and stated prior to 2009, the improvements we see today did not exist. Mr. Peterson stated the improvements are about partnerships and people.

Mr. Arntzen walked around the lighthouse this morning and was pleased to see a lot of vehicles already in the parking lot. The island is accessible to everyone, and Mr. Arntzen enjoys seeing the dog walkers and others enjoying the amenities.

Mr. Arntzen stated in December 2023, staff presented a revised collaboration design process and asked for Commission comments and revisions. Commissioner Moak had comments and with his permission, Mr. Arntzen wanted to discuss them and bring back any proposed additions to the policy. Mr. Arntzen appreciates Commissioner Moak's review and believes it will make the document better and would like to share it at the next Commission Meeting.

Commissioner Moak stated staff did a good job presenting the proposal in December and the collaboration design process worked great for the proposal. Commissioner Moak stated the next proposal could require additional pieces for review and wanted the process to take into consideration what the best way is to ensure the Commission gets the information needed to make a decision. Commissioner Moak stated Commissioner Novakovich made a comment in December that the Commission does not want staff to tell us what to do. Commissioner Moak thinks it is important to make two motions for the proposal to remain transparent with the public. Commissioner Moak appreciated working with Mr. Arntzen and staff and stated a few enhancements to the document will make the job easier for the Commission.

Commissioner Novakovich asked for the collaboration design process revisions to be placed on the Agenda for the next meeting.

Mr. Arntzen will work with Commissioner Moak and stated the intention is to present the revisions at the next Meeting and take additional comments from the Commission and then make any necessary revisions and submit the second draft to the Commission at a later date.

Commissioner Moak appreciates Mr. Peterson's comments regarding the history of Clover Island and stated so much has happened in 15 years. The lighthouse hasn't been there that long, but it is

PORT OF KENNEWICK REGULAR COMMISSION MEETING

FEBRUARY 13, 2024 MINUTES

DRAFT

now engrained in the community, and you can see that by all of the pictures that have been taken and the weddings that have been held. The Port had a lot of help enhancing the island, with assistance from our partners, contractors, and the community. Commissioner Moak appreciates when we have an opportunity to be reminded what this Port has done in terms of its stewardship of creating an environment that allows us to celebrate on March 12, 2024.

Commissioner Novakovich congratulated Mr. Kooiker and staff on another year of clean audits and stated the Port will continue to remain transparent. Commissioner Novakovich congratulated the Commission for setting a transparent environment.

Commissioner Novakovich commented on the history of the island and recalls when Peter Batchelor toured our open spaces and stated the community turned its back to the river. The river is the greatest asset we could have, and the Port has done a great job of bringing back the magic of the river.

PUBLIC COMMENTS

No comments were made.

COMMISSION COMMENTS

No comments were made.

ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 2:47 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Skip Novakovich, President

Kenneth Hohenberg, Vice President

Thomas Moak, Secretary

Clover Island Mobile Stage



COMING SPRING
2024...
our brand new stage!!



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Clover Island Inn

5d · 🌐



we are working on our 2024 Thunder On The Island summer concert season and will be announcing this years lineup SOON!

- make sure you LIKE US and FOLLOW US for all the updates and visit our new website at www.ThunderOnTheIsland.com



thunderontheisland.com

Clover Island Inn Thunder on the Island Summer Concert Series



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WineVit® 2024

CONVENTION & TRADE SHOW

MONDAY - WEDNESDAY
FEBRUARY 5 - 7, 2024





EXHIBIT B



Columbia Gardens Marketing Brochure & Postcard



Columbia Gardens... an Urban Wine & Artisan Village

313-325 E Columbia Gardens Way, Kennewick, WA 99336

Join Palencia/Monarcha Winery, Bartholomew Winery, Muret-Gaston Wine Bar, Gordon Estate Winery, six food trucks, and Swampy's BBQ restaurant at Columbia Gardens Wine & Artisan Village.

A limited number of shovel-ready parcels are available for sale or ground lease for private-sector development of wineries, breweries, distilleries, tasting rooms, bistros, restaurants, retail, specialty shops, and more. Buildable lots are zoned urban mixed-use and are within a federally designated Opportunity Zone.

On-site utilities include a city-owned pre-treatment facility to wine production wastewater, sewer, electric, natural gas, water, telecommunications. Infrastructure and public amenities feature a loop roadway, shared parking lots, sidewalks, landscaping, a riverfront path, and food truck plaza.

Columbia Gardens is a place to sample local wines and meet the people who make them. A place to explore public art, view stunning sunsets, walk, bike, and discover aquatic wildlife alongside a scenic nature path.



Amber Hanchette
Director of Real Estate
(509) 586-1186
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COLUMBIAGARDENS.ORG

Port of Kennewick | 350 Clover Island Drive, Suite 200, Kennewick, WA | PortofKennewick.org

Columbia Gardens Wine & Artisan Village





PORT of KENNEWICK
Established 1915
WINE & ARTISAN VILLAGE

- Five shovel-ready parcels for sale/lease
- Zoned urban mixed-use
- City-managed wastewater treatment
- IRS "Opportunity Zone"

- High-volume traffic counts on Columbia Drive
- Quick access to U.S. 395 and State Routes 240 and 397
- Pedestrian-friendly, walkable destination development
- Adjacent to Clover Island Riverwalk & Sacagawea Heritage Trail

Port of Kennewick
509.586.1186
PortofKennewick.org



Tuesday, February 6th

State of the Industry

🕒 8:00 AM – 10:00 AM

📍 Room EFGH, Three Rivers Convention Center

📺 Recorded Video: [Watch video](#)

Description

This session provides an overview of the current business environment including global and national trends and with an emphasis on current data and shared knowledge to help you make informed decisions about your operations. Hear from industry and topic experts to gain relevant information and business and what may come next for the Washington Wine Industry from wine sales to industry strategic planning.

8:00am Welcome and Introductions

- Washington Wine Industry Supply, Demand, and Outlook
- National and Global Wine Market
- Under-demand vs. Oversupply and the Implications for Wineries and Growers
- Washington's Strategy in Response to the Current Market
- Q&A

10:00am Conclusion

Sponsored by Port of Kennewick



PORT of KENNEWICK

Wednesday, February 7th

Trade Show Flash Talks

🕒 12:45 PM – 2:00 PM

📍 Room GH, Three Rivers Convention Center

1:30

Port of Kennewick

Columbia Gardens is a Port of Kennewick development site where the Port has created a food and wine destination complete with production wineries and tasting rooms, food trucks, public artworks, and a scenic riverwalk pathway; in addition, the site boasts an on-site municipally-managed facility to treat winery wastewater

Kennewick

Smart Partnership Award

Port of Kennewick & Partners: Using two separate Master Plans in 2005 and 2021, the Clover Island Restoration & Revitalization plan restores a critical part of the community waterfront after years of industrial use. Federal, state and tribal partners all worked together to restore this important community asset with public art, recreational amenities and upland development.



March 12, 2024
11:30 a.m.
Lighthouse Plaza





AGENDA REPORT

TO: Port Commission

FROM: Tim Arntzen

MEETING DATE: February 27, 2024

AGENDA ITEM: Amendments to the Guidelines for Vista Field development proposals (aka: Collaborative Design Process) Follow Up

I. REFERENCE(S):

1. Resolution 2024-03 and Exhibit “A”, clarifying amendments to the Guidelines for Vista Field development proposals (aka: Collaborative Design Process)
2. Resolution 2022-27, Guidelines for Vista Field Development Proposals

II. FINANCIAL IMPACT: N/A

III. DISCUSSION:

In the December 12, 2023 Commission meeting, staff presented the Letter of Intent (LOI) for the Akula Group. The LOI included a report from staff on the Collaborative Design Process (CDP), a process that each proposer participates in with the port team. At the December meeting, Commissioners provided brief comments regarding the reporting of the process by staff to the Commission. Commissioner Moak forwarded written comments to me and I shared those comments with staff and legal counsel for review and comment. Commissioner Moak and I have discussed the input from staff and legal counsel, and staff proposes to include those observations into the CDP reporting. At today’s meeting, I would like to share Commissioner Moak’s comments with the full Commission for review. Commissioner Moak has agreed to join me in presenting this topic to the Commission.

It is interesting to note that an actual LOI is included in the commission packet for this meeting. And, at the staff level, we have incorporated Commissioner Moak’s comments into our reporting of the CDP related to this LOI.

Therefore, the Commission will be reviewing the changes Commissioner Moak suggested, and later in this meeting, the Commission will have the benefit of seeing how the comments fold into a current LOI (essentially a “live-fire drill” for the Commission).

IV. ACTION REQUESTED OF COMMISSION:

Motion: I move to approve Resolution 2024-03 amending the Collaborative Design Process as described in the agenda report and as shown on Exhibit “A” attached hereto. I further move 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.

PORT OF KENNEWICK

RESOLUTION No. 2024-03

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK APPROVING CLARIFYING
AMENDMENTS TO THE GUIDELINES FOR VISTA FIELD
DEVELOPMENT PROPOSALS (COLLABORATIVE DESIGN PROCESS)***

WHEREAS, Resolution 2022-27 approving the Guidelines for Vista Field Development proposals [aka: Collaborative Design Process (CDP)] was approved by the Commission on September 27, 2022; and

WHEREAS, the Commission has proposed revisions to the Port's CDP, which guides Commission analysis of proposals for development at Vista Field; and

WHEREAS, staff have reviewed those clarifying revisions and have determined the incorporation of the revisions will provide for an enhanced CDP; and

WHEREAS, the proposed clarifying revisions are related to Section III of the CDP, and are set forth in Exhibit "A" hereto.

NOW, THEREFORE, BE IT RESOLVED that the Port of Kennewick Board of Commissioners hereby approves the revisions as an amendment to the CDP.

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 27th day of February, 2024.

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

By: _____

SKIP NOVAKOVICH, President

By: _____

KENNETH HOHENBERG, Vice President

By: _____

THOMAS MOAK, Secretary

RESOLUTION No. 2024-03
EXHIBIT "A"

Tim

You asked for some feedback on the information provided related to the Collaborative Design Process and the information provided to the Commission. It certainly helped for starters that the first larger proposal seemed to hit all the right buttons and was an easy call for the Commission. You indicated that not all the proposals we review are going to be so cut and dried.

Commissioner Novakovich mentioned that he did not want to see a recommendation from staff on these proposals. Based on that, I believe there should be several drafted motions (**#1**) before the Commission for each proposal: one (such as we had last week) that is a motion to approve, one that is a motion to deny, and maybe one that is a motion to refer to staff to work with the developer. (There could be a fourth one where the Commission tries to amend or provide direction from the Commission table. I'm not sure that's a good thing, but possible.) Whatever the Commission does, it shouldn't be fumbling around for wording. It makes everyone look bad. And whatever direction that comes from the Commission should be clear to staff, the developer, and the public. I don't like trying to create motions on the run. The closer we follow a script, no matter what the outcome, the better.

RESPONSE #1

Yes, this is a promising idea. I have talked with my directors and the suggestion is that we draft two motions: one to approve and another to deny. If denied, the Commission could ask staff to work with the developer to further refine the proposal. The motion for approval, according to the Collaborative Design Process (CDP), adopted by the Commission, grants a 90-day period for port staff and the developer to finalize negotiations. Should the Commission grant the developer the 90-days, it could also attach directives which would guide negotiations. At the conclusion of the 90-day period, the Commission could review the proposal to ensure the Commission directives have been adequately addressed.

I come from a background at the City of Kennewick where we were dealing with land use issues in a quasi-judicial setting and had to create findings if we were going to come up with a different conclusion than staff had. And there were specific legal dos and don'ts. (**#2**) I don't know that we are in a quasi-judicial setting here, are we? (**#3**) Can the Commission just deny a proposal without specific reasons? (I know we can't discriminate on the basis of age, sex, etc.) (**#4**) What are the legal requirements?

RESPONSES #2 - 4:

The Purchase and Sale (PSA) Process and Letter of Intent (LOI) are not bound by quasi-judicial requirements. Thus, the Commission could legally reject a proposal for any number of reasons. However, for good public policy reasons, it would be most appropriate if the Commission identifies objective criteria for a rejection or referral back to staff, such as inadequate price, lack of experience in New Urbanism, failure to follow master plan or design standards, etc. I know that these are not 100% "objective" standards, but they are more solid than rejecting a proposal without stating any reasons. And you are correct, the Commission

would not reject a proposal based on “protected class” criteria, such as race, age, sex, etcetera. In addition, transparency in stating the “why’s” would both: (a) help staff understand what to bring forward in the future and (b) minimize unpredictability, since unpredictability equals risk—and risk can be managed if there is some consistency and predictability to the Port’s actions.

A couple potential scenarios

- The Mayor of Kennewick calls up each Commissioner and says she doesn’t like a particular developer or project and says we should turn it down. (#5) Would this contact be required to be disclosed? Or the content of the communication?
- The developer takes each Commissioner separately to Cedars (high cost) or Starbucks (low cost) to answer questions or just to get to know us (#6) Would this contact, or expenditure be required to be disclosed? Or the content of the communication?

I am thinking it would be helpful (when we don’t have a specific project in front of us) for Carolyn to talk about any legal implications of any of this. (#7) How do we keep away from lawsuits or potential lawsuits or public records requests that could expose the port? What is best practice? What is the law? Are there any other legal-type of issues we need to keep in mind?

RESPONSES #5 - 7:

We would certainly seek to avoid a “serial meeting.”

MRSC notes: A serial meeting occurs when a majority of members of a governing body have a series of smaller gatherings or communications that results in a majority of the body collectively taking action even if a majority is never part of any one communication. Such a meeting violates the OPMA because it amounts to taking “action” — as defined in [RCW 42.30.020\(3\)](#) — outside an open meeting. Serial meetings can occur with or without technology, but the range of communication options available nowadays to members of a governing body increases the risk.

If, for example, the mayor had dinner with the Commission President and talked specifics about a development proposal, then met with another Commissioner to talk specifics about the same proposal, this would likely be considered a serial meeting which is prohibited by law (RCW 42.30.020). If a Commissioner does have a meeting with another elected official, such as the mayor, and even if the circumstances do not create a serial meeting, port policies should be considered. Port policies require the content of the discussion to be shared with the other Commissioners in a public meeting, so that all Commissioners are privy to the same information (see: Commission Policies, Section 3.9). This ensures that each Commissioner has access to pertinent information.

Several comments about the actual document:

I would like to see the report from the Town Architect as a separate document (#8) rather than his comments included or paraphrased in the document. His focus is on certain new urbanism/design issues whereas staff deals with that and more. He may have some perspectives that could be different than staff’s (and that’s OK). Staff may also want to reiterate points of the Town Architect.

RESPONSE #8:

Yes, we will attach a complete, independent review from the Town Architect. Please note that the volume of materials attached will be commensurate with project site—meaning that a 3,500-square-foot building and a 40,000-square-foot five-story building will likely have a different volume of documentation.

It would be nice (not required) in Exhibits (#9) if there were newspaper articles about some of their similar projects, such as from a local Business Journal or local paper. The developer may have these. Or even internet links to various similar projects of the developer.

RESPONSE #9:

Staff perform basic due diligence when a LOI is received. We can attach all information we discover as an attachment. Should the Commission grant the proposer the 90-day look-see period, additional due diligence is usually performed and this information as well will be attached. We will strive to not include innuendo or unverified information.

I like how you have broken the report into sections.

As I indicated at the Commission meeting, (#10) I would like to see a better map showing where the development is related to the broader identifiable VF area.

RESPONSE #10:

Yes, we will attach a more detailed map.

I guess Section VI: Conclusion and recommendations would go away per Commission Novakovich's suggestion, or at least the recommendation part.

I wasn't sure with the last project whether they had worked with either the Port of Camas-Washougal or Port of Vancouver or whether that was appropriate to ask. If they had, I would have liked to have heard whether those ports had anything to say about them. (I would guess it would be favorable.)

I appreciate your asking the port Commission for feedback. I'm sure if or when we get to something more controversial, we may find different needs, but I think your first stab at providing information to the Commission was good and generally met our needs and was well organized.

Tom

PORT OF KENNEWICK

RESOLUTION 2022-27

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PORT OF KENNEWICK RESCINDING RESOLUTION 2016-23 AND APPROVING THE AMENDED GUIDELINES FOR VISTA FIELD DEVELOPMENT PROPOSALS

WHEREAS, the Board of Commissioners of the Port of Kennewick approved Resolution 2016-23 on September 27, 2016 amending the procedure by which the Port of Kennewick (Port) shall provide public notice of Vista Field development opportunities and the process by which the Port shall receive, evaluate and accept development proposals; and

WHEREAS, the collaborative design process within the Guidelines needs to be amended to simplify the process and attract investors; and

WHEREAS, the Commission shall continue to evaluate the effectiveness of this policy over time and reserves the right to expand, amend or rescind this policy as appropriate.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby rescinds Resolution 2016-23.

BE IT FURTHER RESOLVED, that the Board of Commissioners of the Port of Kennewick hereby approves and adopts the amended Guidelines for Vista Field Development Proposals as attached in Exhibit A, and directs the Chief Executive Officer (CEO) to take all action necessary to implement these procedures.

ADOPTED by the Board of Commissioners of the Port of Kennewick this 27th day of September, 2022.

PORT OF KENNEWICK BOARD OF COMMISSIONERS

DocuSigned by:
By: *Skip Novakovich*
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SKIP NOVAKOVICH, *President*

DocuSigned by:
By: *Kenneth Hohenberg*
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KENNETH HOHENBERG, *Vice President*

DocuSigned by:
By: **Thomas Moak**
A35176A2D2CD413...
THOMAS MOAK, *Secretary*

PORT OF KENNEWICK

GUIDELINES FOR VISTA FIELD DEVELOPMENT PROPOSALS

These guidelines identify the procedure by which the Port of Kennewick (Port) shall receive, evaluate and accept development proposals.

I. NOTICE OF DEVELOPMENT OPPORTUNITIES

The Port will prepare project information including a description of development-ready site(s); and notify the public of site availability by various methods as appropriate, including making direct contact with potential builders.

II. RECEIPT OF DEVELOPMENT PROPOSALS

A builder wishing to develop available Vista Field property shall submit a Letter of Intent (LOI) describing the builder's experience and the proposed development concept for the site as described in the Proposal Submission Checklist (Attachment "A").

III. EVALUATION OF DEVELOPMENT PROPOSALS

LOIs will be reviewed by the Port CEO. If the LOI demonstrates that the builder possesses the relevant experience, that the development concept is likely to assist with the redevelopment of the property and that the price and terms are reasonable, then the CEO will arrange for the parties to participate in a preliminary collaborative design process described below.

- A. Preliminary Collaborative Design Process. The Port and builder (working through each party's design team) shall meet to refine the development concept described in the LOI. This meeting may be by telephone conference or other preliminary discussion. The preliminary collaborative design process shall consist of:
 - 1. Initial project development concept will be reviewed. The parties will endeavor to produce rough project sketches and assemble photographs and other illustrative materials.
 - 2. Upon successful completion of the initial meeting, a design meeting will be conducted whereby the parties will refine the development concept and the rough sketches in order for the builder to produce a schematic design mutually acceptable to the parties.
- B. Initial Evaluation by Port Commission. Upon successful completion of the preliminary collaborative design process, the CEO shall present all relevant project information to the Port Commission for evaluation. The Port Commission may take any action deemed appropriate with respect to proposal evaluation, including but not limited to requesting the parties to further refine the proposal through final design. In this case, the Port Commission shall grant the builder exclusive negotiating rights with respect to the proposal and site for a period of 90 days. During the exclusive negotiating period, the Port will not accept any other proposal for the site.

- C. Final Collaborative Design Process. Provided the parties enter into the final collaborative design process, the builder, at its expense, shall produce of a set of drawings acceptable to the Port including site and representative floor plans with elevations for the major elements of the project. Schematic drawings shall also include exterior sections reflecting proposed architectural design and building materials. Emphasis will be placed on exteriors and especially, elevations facing streets and public spaces. The plans shall include a conceptual site plan which should include a sample or conceptual planting plan for site vegetation. Additionally, the builder shall describe the proposed schedule of development. Any contingencies that may affect this timeline shall be identified by builder. The Port may request additional project information.
- D. Final Presentation to Port Commission. Upon successful completion of the final collaborative design process, the CEO shall report to the Port Commission related to the overall progress of the project, including a staff recommendation related to the project. The Port Commission shall either reject the development proposal or direct the CEO to negotiate a purchase and sale agreement (or ground lease) with the builder. If the parties are unable to execute a purchase and sale agreement within 60 days, the proposal shall expire, and each party shall be relieved of all further obligations related to the proposed development.

IV. POST PURCHASE AND SALE AGREEMENT MATTERS

- A. Project Refinement. Upon execution of a purchase and sale agreement, the builder shall apply to the City of Kennewick (City) for project review and permitting. Should the City require changes to the project which materially alters the project, the parties will then attempt to negotiate the changes required in order for the builder to receive City approval of its project. If the parties are unable to negotiate changes required in order for the builder to receive City approval within a 60 days, the development proposal shall expire, each party shall be relieved of all further obligations. Any earnest money deposited by the builder shall be refunded to the builder, less any applicable administrative fee.
- B. Construction Progress. The Port will monitor construction and provide periodic updates to the Port Commission.

V. MISCELLANEOUS MATTERS

- A. All discussions between the parties are to explore the builder's qualifications and the viability of a development proposal. A binding obligation shall only be created by a written agreement setting forth all material terms, signed by the parties; and approved by an affirmative vote by the Port Commission;
- B. The Port may arrange for further action including introducing the concept to the Port Commission or appropriate third parties in order to perform due diligence and the parties understand that complete confidentiality cannot be guaranteed;
- C. Each party shall be responsible for all costs it incurs with respect to this matter, including professional and attorney's fees and costs;
- D. The Port makes no representations with respect to the property and the builder agrees to exercise all due diligence it deems necessary;

- E. Development proposals may be subject to disclosure under the Washington State Public Records Act;
- F. The Port reserves the right to verify builder credentials and to request supplemental information; and
- G. The Port Commission may waive any of these requirements for builders where the total project value, including land price, is expected to be less than \$1,500,000.

Vista Field Development Proposal Collaborative Design Process Review

Date: February 27, 2024
To: Port Commission
From: Tim Arntzen, CEO

DPZ is excited to recommend that the Lot 15 proposal for Kuki Izakaya be approved.

LPR Architecture has understood the goals of the "Industrial Chic" aesthetic.

I. PROJECT PROPOSAL:

- Vista Field Phase I - LOT 15
- 3,513+/- square foot restaurant

II. INITIAL PROJECT REVIEW:

I have reviewed the project as described in the Letter of Intent (LOI) submitted by Yoori Nah and Bumki Hong, hereafter referred to as the "Developer." The Developer's LOI was originally submitted on August 16, 2023, and is attached hereto as Exhibit "A."

Briefly stated, the project contemplates an approximate 3,513 square foot, single story building on Vista Field lot #15 for the purpose of operating an upscale Japanese dining experience. 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 has selected a Builder who possesses the relevant experience in constructing quality projects like those set forth in attached Builder resume;
- (3) Price and terms appear to be reasonable.

Below is a summary discussion related to the above criteria:

Real Estate:

- ✓ That the Developer generally followed the port's proposal submission process by providing a letter of intent and business plan summary;
- ✓ The Developer is the owner of Ara Sushi in Richland on George Washington Way.
- ✓ The Developer is the owner of Chicken and Bowl in Richland on Swift Boulevard.
- ✓ In each request for information, they have been responsive and accommodating;
- ✓ Port staff were able to meet on numerous occasions with the Developer's team and assist in the proposal development process.
- ✓ Port staff was able to visit an existing business location owned and operated by the Developer.
- ✓ Tri-Cities Area Journal of Business, December 14, 2023; excerpt:

A new restaurant called Chicken & Bowl also is in the works in Richland, according to a liquor license application filed with the state. It's owned by BK Hong and Yoori Nah, who also own Ara Sushi & Grill, a Richland restaurant that's listed for sale.

They couldn't be reached to talk about Chicken & Bowl, which is set to occupy a former boba tea shop at 530 Swift Blvd., but they previously said that they love the Tri-Cities area.

They met on a blind date in 2019 and opened Ara Sushi a couple of years later after relocating from the west side. "We love Tri-Cities so much. I think it is a good and beautiful rural-feeling city to raise kids and have a great retirement life," Hong told the Journal of Business in November.

(Note: Chicken and Bowl opened January 2024)

- ✓ Tri-Cities Area Journal of Business, November 10, 2023; article included with memo. The Developer decided to retain Ara Sushi for the foreseeable future.

Planning:

The proposal embraces the Vista Field master plan principles of new urbanism (buildings positioned along the roadway and shielding parking areas) and the proposed building and site design check many priorities including:

- ✓ Commercial (hospitality) along the main corridor and in close proximity to public open space features (stream & pedestrian bridges);
- ✓ Provides interesting public realm along Crosswind Blvd.;
- ✓ Building details consistent with the Vista Field design guidelines;

A restaurant use along Crosswind Blvd. provides the draw to the area and will help to serve future Vista Field residents. The placement of an outdoor seating area along Crosswind Blvd. also helps enhance the vibrancy and promotes interaction between patrons and pedestrians. Design incorporates zero lot line (no setback) along the south property line which is consistent with and helps demonstrate urban type development. This zero-setback layout also helps facilitate similar urban development on the adjacent lot to the south.

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 January 17, 2024, the parties met for the initial CDP project review; and on January 31, 2024, the parties met for the secondary review. Following is a summary of the two processes.

The proposal is consistent with the Vista Field master plan and the intended character of Crosswind Boulevard, focused on pedestrian-activated uses.

III. COLLABORATIVE DESIGN PROCESS REVIEW:

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

Complete memo provided as Exhibit “C.”

IV. FINANCIAL ANALYSIS:

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

A. Revenue to Port: \$95,000

B. Port Sale Expenses:

Four percent (4%) real estate commission and closing costs. Proceeds of sale to help offset cost of construction for common-area parking to be jointly used by several parcels.

C. Developer's Financial Capabilities:

Letters of reference from lender, and two suppliers 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 and restaurant use would be a welcome addition to the first phase of Vista Field providing future residents and visitors an urban dining experience along the highly visible Crosswind Boulevard corridor.

VII. EXHIBITS:

A: LOI / References / Mutual Intentions Agreement

B: Site Map / Project Renderings

C: Vista Field Town Architect Summary



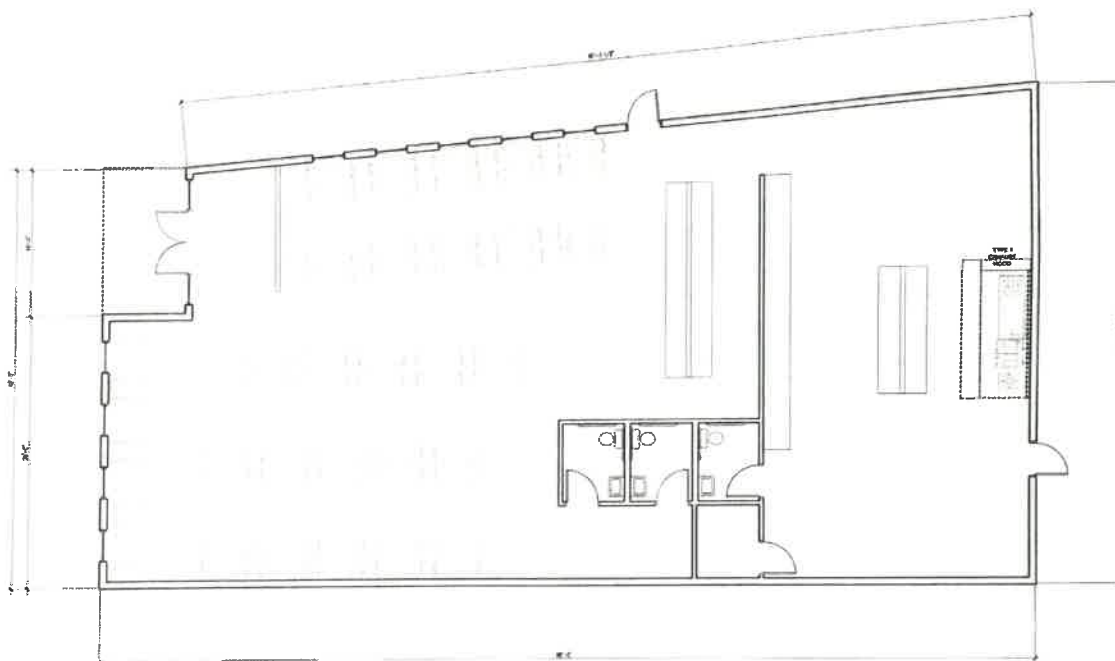
EXHIBIT A

August 16, 2023

Yoori Nah
arasushigrill@gmail.com

Location:	697 Crosswind Blvd in Kennewick WA 99336. Lot #15.
Legal name:	Yoori Nah
Total offer price: Use:	\$95,000 (est.)
Time:	Japanese Restaurant
Payment:	The construction is planned to be completed in 2-3 years
Closing Date: Size of building:	Cash purchase TBD One-story restaurant of approximately 3,500 square feet

Rough sketches:



Yoori Nah

Date: 08/16/2023

Kuki Izakaya Japanese Bar & Grill

EXHIBIT A

1. Mission Statement

Kuki Izakaya (“KKI”)’s main mission is to create a strong bond and connection between the restaurant and customers. The misconception about restaurants having a purpose only to serve food needs to be broken. KKI values customers’ satisfaction and memories. It will offer food and drink in a pleasing environment so that customers can make unforgettable memories with their friends and loved ones.

2. Executive Summary

KKI will offer Japanese food, drink, and service. Sushi rolls, sashimi and other Japanese style food are all on the menu and KKI will also serve vegetarian items. The restaurant will be owned by Yoori Nah and the restaurant will be managed primarily by Bumki Hong who has 5 years of restaurant management experience in Seattle and currently runs a Japanese sushi restaurant business in Richland.

Sales projections assume 800 to 1,000 customers visiting this restaurant per week which will result in weekly sales of approximately \$27,000 or annual sales of \$1,300,000 for the first year. As the business grows, it is expected to have 1,200 to 1,800 customers per week that will increase the weekly sales to \$36,000 to \$54,000 or annual sales of \$1,700,000 to \$2,600,000 in the 2nd & 3rd years.

3. The business

Business description

KKI intends to serve Japanese cuisine dishes such as sushi rolls, udon, ramen, and Japanese kitchen food. Additionally, KKI will offer alcoholic beverages such as cocktails, beer, wine, and sake. The business will add Uber Eats and other delivery services and have promotional events on Facebook, Instagram, and the restaurant’s website, which will increase business revenues and profits.

Legal structure

The business will be run as a Subchapter S corporation.

Service Description

KKI will offer traditional Japanese style food including sushi. It will also have Asian fusion food and drink attracting customers with local wines and Japanese traditional sakes. We will provide full dining service and also take-home service by Uber Eats and DoorDash.

Intellectual Property Description

Kuki Izakaya will be registered as a trademark with its own logo created by the owner.

Location

The owner plans to build a restaurant building on Lot #14 at Vista Field in Kennewick, Washington, that will have approximately 3,500 square feet of space. The owner will run the Kuki Izakaya restaurant business. Construction will be completed in approximately 2 years.

Management & Personnel

KKI will have team members as follows:

- **Restaurant Manager (1)**

The manager has 5 years of experience as a restaurant manager in Tukwila, Washington. The restaurant's monthly sales have increased from approximately \$100,000 to \$160,000 since he was hired. He is currently working as a sushi chef for Ara Sushi & Grill in Richland, Washington.

- **Full-time main sushi chef (2)**

The first chef has 8 years of experience as a sushi chef in California and Seattle and is currently working for Ara Sushi & Grill in Richland Washington.

The second chef has more than 6 years of experience as a sub-manager and Japanese teppanyaki chef at the Japanese Steak House and traditional Japanese teriyaki restaurant.

- **Full-time kitchen chef (1)**

An experienced kitchen chef currently working for Ara Sushi & Grill in Richland, Washington.

- **Hostess & Waitstaff (5)**

- **Dishwasher (2)**

Insurance

KKI will be insured by Nationwide Insurance Company. Coverage will include general liability and property insurance.

Security

KKI will be secured by an ADT security system.

Litigation

KKI has not been related to any lawsuit.

Risk Factors

KKI has seasonal risk factors since sushi is typically enjoyed during summertime. However, there will be year-round alternatives featuring a variety of Asian specialties.

Strength

KKI has built great teamwork over a long period of time as all of our team members bring their own skills and experiences in the restaurant industry.

Simplified Menu

Appetizer: 15 Japanese style appetizers such as sushi pizza, chicken karaage, etc.

Beverages: Herbal tea, juice, and soda.

Desserts: Three different desserts (for example, Banana bridge).

Main Dishes: 20 different dishes such as ramen, unagi don, rose cream udon, and pork katsu.

Sushi: 40 different sushi rolls: Traditional and regular roll (hand roll as requested by customers), special roll.

Alcoholic beverages: Beer, wine, cocktails, and hot and cold sake.

Lunch and dinner specials.

Happy hour.

Hours of Operation

Sunday-Monday: 11:00am to 9:00pm

Friday-Saturday: 11:00am to 10:00pm

KKI will be closed for holidays.

4. Marketing

Target Market

As the restaurant will be located in an upscale residential and commercial development, KKI will target residents in the community as well as nearby business employees, and will also attract visitors to this “destination” development with great food and service.

Owners put Richland sushi restaurant on market



TCAJOB

November 10, 2023

Jamie Council

A popular Richland sushi restaurant is for sale.

BK Hong and Yoori Nah are selling Ara Sushi & Grill. Their traditional Japanese and Korean restaurant is at 430 George Washington Way, Suite 430, on the top floor of the Riverwalk Shopping District building and was listed in September.

The restaurant posts an annual net profit of \$243,000 and is listed for \$470,000.

The couple plan to open other businesses and need to sell the restaurant to free up capital and concentrate on other ventures, according to their MLS listing.

This doesn't tell the full story. Nah and Hong are both from Korea and met in 2019 on a blind date.

Nah was, and still is, a dental hygienist, and Hong was a restaurant manager. Like many other couples, they had to cancel their wedding due to the pandemic.

Though they intend to sell Ara Sushi, they plan to stay in the area.

"I met my wife. Now I have two lovely kids and three dogs," Hong said. "We love Tri-Cities so much. I think it is good and beautiful rural-feeling city to raise kids and have a great retirement life."

Hong works nights and weekends. While they are living their dream, they said they need a change of pace. The couple plans on finally being able to have a wedding.

Due to some health issues, Nah's family is unable to travel by air so she said it would be nice for her parents to meet their grandchildren.

"We haven't had any family time," Nah said. "We haven't even been able to go on any family trips. Family time and then we'll move on to the next project."

The couple opened their restaurant in February 2021, after relocating from the west side, where Hong was a restaurant manager for five years with hopes of opening an establishment to call his own.

They had trouble finding an affordable place near Kirkland during the pandemic. Nah happened to stumble upon their current building's listing and convinced her husband to check out the area.

"He instantly saw the vision of the restaurant in this location," Nah said. "The people in Tri-Cities are amazing. They are so relaxed and very polite, and we love the weather."

Their menu features everything from sushi rolls and sashimi to traditional dishes such as bibimbap, bulgogi and pork katsu. They also have a selection of sake, beer and wine.

The 2,294-square-foot restaurant has a capacity of 49, including a patio area for additional seating and private events. They have 10 full-time employees and two part-time workers.

Prior to Ara Sushi, the building was home to The Landing Bistro and Lounge, Fox and Bear Public House and Katya's Bistro & Wine Bar.

With an expanding urban area between Comstock Street and Bradley Boulevard, including new apartments under construction, Nah and Hong expect to see an increase in foot traffic.

"It's a growing area," Nah said. "The new owners will be very busy."

The sale includes Ara Sushi's trademark, phone number and all operational assets such as equipment, tables, security cameras and audio equipment. It has a 4.8 Google review rating with more than 300 reviews.

The restaurant's annual gross income is \$927,000, with \$684,000 in operating expenses, according to their listing. The couple don't own the building, so the potential buyer would take over the lease that ends in February 2031 with a monthly rent of \$4,664.

It is co-listed with Kristine Connolly of Coldwell Banker Tomlinson, and Alex Duff of eXp Commercial on the west side of the state.

Connolly can be contacted at kristine@cbt-tc.com or via phone at 509-440-0090. Duff can be reached at alex.duff@expcommercial.com or 206-604-7440. Go to: commercialmls.com/Search/listingdetailsfull/671689.

Ara Sushi remains open and continues to operate as normal. Go to: arasushigrill.square.site.



lpr
ARCHITECTURE

lpr
ARCHITECTURE
7525 W. DESCHUTES PL. SUITE 2A KENNEWICK, WA 99336
WWW.LPRARCHITECTURE.COM | KYLE@LPRARCHITECTURE.COM

KUKI IZAKAYA RESTAURANT
PERSPECTIVE

SD01

**Vista Field, Lot 15 Proposal**

Dear Commissioners,

DPZ is excited to recommend that the Lot 15 proposal for Kuki Izakaya Restaurant be approved. The owner is enthusiastic and motivated to move to construction quickly and their team has been proactive and responsive. LPR Architecture has understood the goals of the "Industrial Chic" aesthetic and have created a design that expresses the mixture of traditional and modern materials, the storefront in particular, the most critical aspect for a vibrant main street. The team has been a pleasure to work with, quickly responding to direction and engaging in positive dialog to address design options. They have read and understood the design code and have been proactive in seeking more information on interpretations for this particular design aesthetic.

The proposal is consistent with the master plan and the intended character of Crosswind Boulevard, focused on pedestrian-activated uses. While the lot type calls for live-work buildings, we've seen that applications along this portion of Crosswind Boulevard have been for commercial buildings that fit our "Main Street" designation. This is due in part to some difficulties in building code and financing around live-work units. As a result we have directed applicants to use the standards for a "Main Street" designation because Crosswind Boulevard is intended to be Vista Field's first Main Street. The design proposal activates the streetscape with outdoor dining and gathering, and takes advantage of the alley to create a prominent corner dining room. While alley-facing building elevations are not required to meet glazing requirements, care has been given to these by the proposers design team as well.

We have met with Yoori Nah and LPR on January 17th and 31st and have approved their schematic design and design development applications. 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 round of review for Construction Documents. We have enjoyed working with this team and we are confident they will deliver a great building that meets the goals and aspirations of Vista Field.

Sincerely yours,

Matthew Lambert, Partner, DPZ CoDesign



February 5, 2024

Yoori Nah
2433 George Washington Way
Richland, WA 99354

RE: Commercial Construction - TBD

Yoori,

Please provide this letter as proof of engagement for commercial construction financing. After reviewing your credit, income, asset information, we have determined that your credit meets our requirements to qualify for construction financing subject to final plans, specs and appraisal supporting the project.

The conditional approval is based on the following loan terms:

Loan Purpose:	Construction	Loan Amount: \$1,500,000.00
Occupancy:	Owner Occupied Restaurant	
Property Type:	Commerical	
Max Combined Loan-to-Value:	75.000%	

To continue with the process of obtaining loan approval, you will need to satisfy the following conditions:

1. Within 60 calendar days from the date of this letter, deliver a fully executed purchase contract for your proposed subject property with the port of Kennewick
2. The subject property will need to meet normal and customary requirements for determining value, condition and title.
3. Provide any necessary information required throughout the underwriting process.
4. Your creditworthiness and financial position must not change materially and must meet Summit Funding, Inc.'s full lending qualifications.
5. Satisfy all of Summit Funding, Inc.'s pre-closing and pre-funding loan conditions that are required to close and fund the loan.

Your inquiry is not considered an application for credit until such time as you have chosen a property and locked your loan, the interest rate and loan terms detailed above may change. This is not an offer or commitment to extend credit.

Once your land offer is accepted, please provide detailed plans, specs and construction budget. Please do not hesitate to contact us if you have any questions during this process.

Thank you once again for choosing Summit Funding, Inc.

Mark A Manthei

Mark Allen Manthei
Loan Officer/Branch Manager
NMLS# 116408
509-416-0777
teammanthei@summitfunding.net
8412 West Gage Blvd. Suite B,
Kennewick, WA 99336



Young Ocean, Inc

20233 80th Ave S. Kent, WA 98032
Tel: +1-253-395-1900 Fax: +1-253-395-8899
<http://youngocean.com>

February 7th, 2024

The Port of Kennewick

Re. Isabelle Na & Bumki Hong c/o Ara Sushi & Grill, and Chicken & Bowl

To whom this may concern,

Young Ocean Inc is a food wholesaler located in Kent, Washington serving thousands of restaurants and retailers in the Pacific Northwest.

Young Ocean Inc has been supplying seafood, meat, and dry goods to Ara Sushi & Grill and Chicken & Bowl at 430 George Washington Way, Suite 201, Richland, WA since March 2021, and we are very satisfied with his business growth as well as his timely payments on the products that we supply him.

We have been notified that Mr. Hong and Ms. Na are planning to open a new restaurant in their own building at Vista Field in Kennewick, WA. We are fully confident that his business track record and acumen shall benefit the Port of Kennewick's plan to develop a new village there, and his growth would also benefit Young Ocean Inc, a Washington's minority-owned business, as well.

Young Ocean Inc recommends Mr. Hong, Ms. Na, and their business to be a good candidate as a part of the city's development plan.

Please feel free to contact us at (253) 395-1900.

Thank you,

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

Young Ocean, Inc
Sean Chae
Executive Vice President

February 6, 2024

The Port of Kennewick

Re. Isabelle Na & Bumki Hong c/o Ara Sushi & Grill, and Chicken & Bowl

Dear Sir/Madam,

CreditCard Discount Services Inc., DBA CDS is a merchant service provider serving thousands of merchants in Washington and nationwide.

CDS has been servicing Mr. Bumki Hong, the principal owner of Ara Sushi & Grill at 430 George Washington Way, Suite 201, Richland, WA since January of 2021. Since then, we have seen steady YoY growth in revenue of the business during the tough post-COVID economic environment.

CDS has also financed the lease of the POS system the restaurant needs in processing orders and payments based on his good credit standing. Since March of 2021, the merchant has never been late in lease payments, and the lease matures this month.

Mr. Hong has opened another restaurant, Chicken & Bowl at 530 Swift Blvd in Richland also, in January of this year, and we look forward to seeing another success story of his there.

As we hear he is planning to open a new restaurant in his own building at Vista Field in Kennewick, we expect his expertise in operating an F&B business shall benefit the Port of Kennewick's plan to develop a new village there. By serving his new business, CDS, a Washington's minority-owned small business, may also grow. CDS recommends him and his business to be a good candidate as a part of the city's development plan.

If you have any question, please feel free to contact me at (425) 248-2800.

Sincerely,

KC Lee

Director of Operation

CDS



John S. Hawley
Owner
509-987-2777
Js.hawley@yahoo.com

To: Port of Kennewick

My name is John Hawley, Owner Construction Services of Washington LLC which opened operation in 2017.

My background:

- Graduate from Washington State University with a degree in accounting
- Have been around and worked in the construction industry throughout my working career managing projects large and small
- Responsibilities have been
 - Interface with customers
 - General administrative
 - Financing
 - Estimating projects and submitting bids
 - Permitting applications and submission
 - Management and coordination of subcontractors
 - Coordination and negotiations with insurance companies
 - Completion of projects
- Projects range from
 - Remodels small and large
 - State projects for underground utilities around Washington state
 - New construction homes (Spec and custom)
 - Commercial renovations and tenant improvements
 - New Construction commercial buildings
 - Fire and water remediation
 - Commercial site development
 - Residential site development
- Projects in process
 - Creason Ridge subdivision
 - 55 single family residential properties
 - Landing Phase 2 – Retail strip center
 - 9800 Square Foot Strip mall with Port of Pasco
- Investment property – managing member/owner
 - The landing LLC
 - 15,222 square foot flex space building with Port of pasco
 - Creason Ridge subdivision
 - 55 single family residential properties
 - Landing Phase 2 – retail strip center

CSW WORKS COMPLETED

NAME OF PROJECT	DESCRIPTION OF PROJECT	YEAR	CONTRACT AMOUNT
BERGSTROM ADDITION	HOUSE ADDITION	2017	182,000.00
LOERA REMODEL	WHOLE HOUSE REMODEL	2017	355,000.00
WONDRACK FIRE DAMAGE	FIRE REMEDIATION AND REMODEL	2017	192,000.00
TAGGARES REMODEL	WHOLE HOUSE REMODEL	2018	88,000.00
MATTHEWS LOT RETAINING	BUILD UP AND RETAIN PROPERTY	2018	110,000.00
LOERA POOL HOUSE	NEW CONSTRUCTION POOL HOUSE AND POOL	2018	187,000.00
BERGSTROM SHORT PLAT	9 PARCEL SUBDIVISION WITH INFRASTRUCTURE	2019	880,000.00
RODRIGUEZ REMODEL	WHOLE HOUSE REMODEL	2019	68,000.00
BERGSTROM REMODEL	WHOLE HOUSE REMODEL OF RENTAL PROPERTY	2019	70,440.00
GREG SMITH SHOP	NEW CONSTRUCTION SHOP	2020	76,000.00
4314 ORVILLE	NEW CONSTRUCTION SPEC HOME	2020	555,000.00
4306 ORVILLE	NEW CONSTRUCTION CUSTOM HOME	2021	497,000.00
CLEARWATER COLLISION RENOVATIONS	BODY SHOP REPAIRS AND RENOVATIONS	2021	88,000.00
97810 E SAGEBRUSH	NEW CONSTRUCTION CUSTOM HOME	2021	843,000.00
NEARY REMODEL	KITCHEN AND LIVING AREA REMODEL	2021	42,000.00
1451 W KLAMATH	NEW CONSTRUCTION CUSTOM HOME	2021	615,000.00
LANDING COMMERCIAL	NEW CONSTRUCTION OFFICE SPACE	2022	1,780,000.00
WOODEN HOME DEMO	HOUSE DEMOLITION AND PROPERTY CLEARING	2022	74,000.00
RECORDS SHOP	NEW CONSTRUCTION SHOP	2022	124,000.00
MYHRE SHOP	NEW CONSTRUCTION SHOP	2022	132,000.00
APS TENANT IMPROVEMENTS	NEW CONSTRUCTION OFFICE IMPROVEMENTS	2022	119,000.00
HERNANDEZ BASEMENT	BASEMENT REMODEL	2022	78,000.00
THIEL WATER DAMAGES	WATER DAMAGE REPAIRS	2023	98,000.00
IRON BEAR WATER DAMAGES	WATER DAMAGE REPAIRS	2023	105,000.00
HEIDER BATH/BED REMODEL	BATHROOM AND BEDROOM REMODEL	2023	74,000.00
ESNW TENANT IMPROVEMENTS	NEW CONSTRUCTION OFFICE IMPROVEMENTS	2023	220,000.00
CALLAWAY REMODEL (IN PROGRESS)	WHOLE HOME REMODEL	2023	482,000.00
OLSEN IMPROVEMENTS	DECK AND EXTERIOR IMPROVEMENTS	2023	69,000.00
8211 SUNSET	WHOLE HOME REMODEL	2023	171,000.00
4218 ORVILLE (IN PROGRESS)	NEW CONSTRUCTION CUSTOM HOME	2023	486,000.00
TRI CITIES KARATE (IN PROGRESS)	CAR DAMAGE REPAIRS	2024	115,000.00

TOTAL \$ **8,975,440.00**

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):

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.

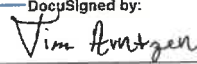
7. The terms of this Agreement shall survive any applicable closing.


Undersigned- Isabelle Na

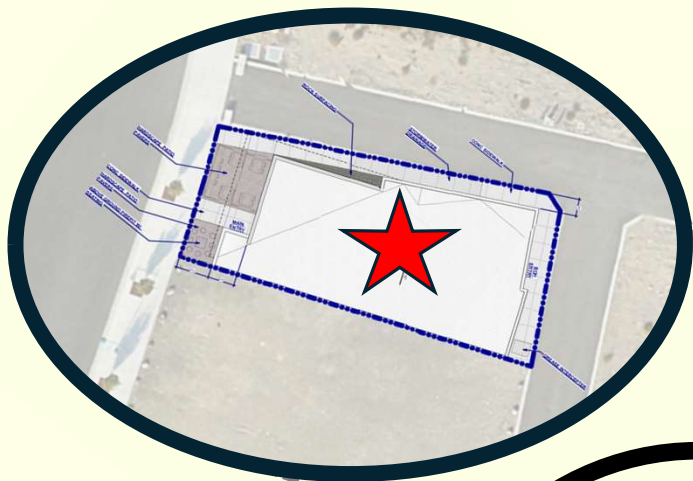
11/2/2022
Date

Undersigned

Date

DocuSigned by:

Port of Kennewick Tim Arntzen

11/3/2022
Date



VISTA FIELD

Phase #1, Lot 15

Kuki Izakaya
Restaurant

*(Yoori Nah &
Bumki Hong)*



MOTION TO APPROVE:

I move approval of Resolution 2024-04 authorizing a '90 Day Right to Negotiate' time-period with Kuki Iszakaya for construction of a 3,513 square foot, single story building on Lot 15 within the first phase of Vista Field redevelopment. And, I direct the CEO to address the following matters (if any):

1. _____
2. _____
3. _____

MOTION TO DENY:

I move to approve Resolution 2024-04 rejecting a '90 Day Right to Negotiate' time-period with Kuki Iszakaya for construction of a 3,513 square foot, single story building on Lot 15 within the first phase of Vista Field redevelopment for the following reason: _____

PORT OF KENNEWICK

RESOLUTION No. 2024-04

***A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF THE PORT OF KENNEWICK TO
APPROVE A 90 DAY RIGHT TO NEGOTIATE PERIOD
WITH KUKI ISZAKAYA***

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 from Kuki Iszakaya for construction of a 3,513 square foot, single story building on Lot 15 for the purpose of operating an upscale Japanese dining experience, within the first phase of Vista Field redevelopment; 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 Kuki Iszakaya for construction of a single story building on Lot 15 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 27th day of February, 2024.

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

By: _____

SKIP NOVAKOVICH, President

By: _____

KENNETH HOHENBERG, Vice President

By: _____

THOMAS MOAK, Secretary



AGENDA REPORT

TO: Port Commission

FROM: Larry Peterson

MEETING DATE: February 27, 2024

AGENDA ITEM: Oak Street 1628 E. 3rd Ave. – Suggested Course of Action Options

I. REFERENCE(S):

1. Resolution 2024-02
2. Diagram of Oak Street Industrial Park

II. FINANCIAL IMPACT: Unknown

III. DISCUSSION:

The Port purchased the 13,233sf warehouse building at 1628 E. 3rd Ave. in the Port's Oak Street Industrial Park in October 2001. The Port has utilized a few of the 24ft x 50ft bays as storage for Port maintenance equipment and leased the remaining space to either individual businesses or as overflow for tenants in the larger Oak Street Development Buildings 1 and 2. The building was actually constructed in two phases with the center 5,400sf warehouse [Bays 6-8] and attached 864sf office being the original building and a 1993 addition added 4,800sf of warehouse to the north [Bays 2-5], 1,800sf warehouse to the south [Bay 9] and a 369 sf office attached to Bay 9. *{not sure about the numbering and why there is no Bay 1}*

APRIL 2023 FIRE & INSURANCE RESPONSE

The building suffered fire damage in April 2023 and work with the Port's insurance carrier identified two options. *[cause of fire within Bay 9 leased to a welding company was not established]* First option was receiving a lump sum payment of \$477,000± and accepting the condition of the building As-Is. The second option involved the insurance company funding the rebuilding of the structure to the pre-fire condition. On January 9, 2024, the Commission passed Resolution 2024-02 which opted to follow the route of the insurance funded rebuild.

Immediately following that decision, the Port engaged the services of David Robison of Strategic Construction Management (SCM) to assist in completing the rebuild task. SCM initiated discussions with City Building & Fire department officials and made outreach to various contractors to identify the best path forward. Although City officials would permit

reconstruction to a pre-fire condition, concern about application of current life health & safety codes and the associated costs and/or the wisdom of lobbying against incorporating suggested life, health & safety upgrades lead to a bigger policy question.

The Port is in the “driver’s seat” and can pivot as new information is discovered.

Does the warehouse consisting of pole barn type construction with no heating or cooling system or fire suppression system belong in the Port’s portfolio long-term?

Is it wise to rebuild a structure lacking key life, health & safety elements and does lobbying against inclusion of these life, health & safety elements open the Port to future liability when another fire incident occurs?

RECONSIDERING COURSE OF ACTION

Once these bigger questions arose SCM and Port staff discussed implications of various scenarios ranging from partial to complete demolition of the structure. Cost, future use, permitting process and timing questions were discussed. SCM then discussed these various scenarios with contractors, design professionals and City Building & Fire personnel. Initial responses and “loose” estimates from the contractors indicated this option merits further consideration.

Working backwards from the presumption of the \$477,000 “cash-out” and using rough demolition cost estimates yielded a scenario which results in a beneficial use for the Port, remains within the available insurance proceeds and doesn’t require deviations from current life, health & safety regulations. This scenario is depicted in the attached drawings.

PARTIAL DEMO SCENARIO involves

Retaining Bays 2-5 (1993 construction)

Demolish Bays 6-9 and abutting **office** space;

Add exterior siding & support to southern end of Bay 5;

Retain demo area **slab** and **add chain link fence** to create “enhanced bullpens”;

Provide bathrooms - either **placement of affordable pre-fabricated bathroom** or making **upgrades to existing bathroom** in the adjacent 1,100sf Port office building.

Only Port maintenance team utilizes the **revised building**, which significantly reduces the risk as activities can be controlled.

If this scenario is selected the Port would have to coordinate the 60-day lease termination notification with the two (2) remaining tenants. This period could run parallel to the permitting and bidding process, which would allow these two welding businesses additional time to secure alternative locations.

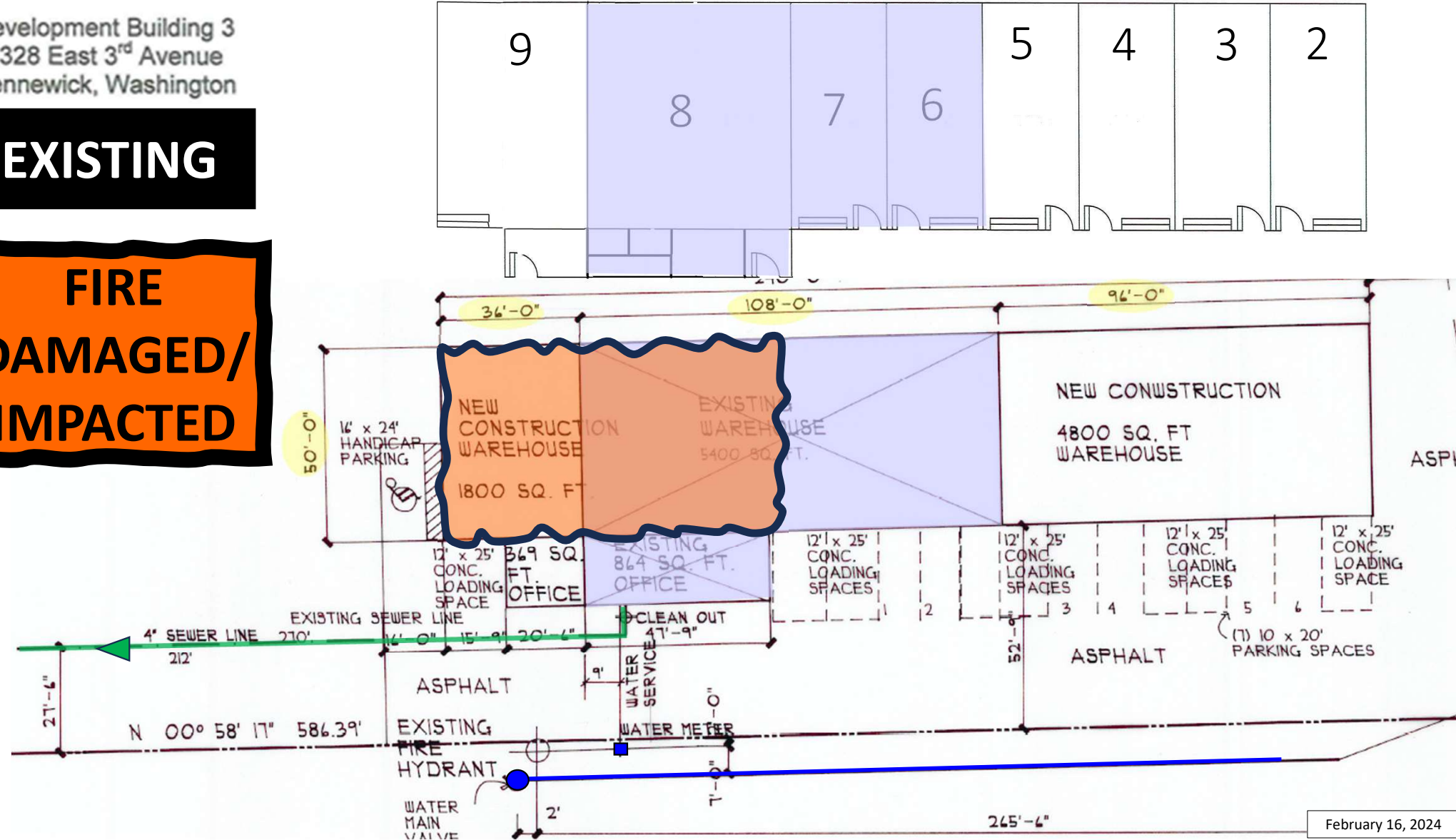
IV. ACTION REQUESTED OF COMMISSION:

Commission discussion and staff direction.

Development Building 3
1328 East 3rd Avenue
Kennewick, Washington

EXISTING

FIRE
DAMAGED/
IMPACTED



Development Building 3
1328 East 3rd Avenue
Kennewick, Washington

Retain/Demo

New Exterior Skin & Some Framing & Man Doors

Retain Existing Electrical Services to Bays 2-5

Retain Existing Electrical Service to Bay 6 for Exterior Power/Lighting Network

Potential Bathroom Location & Utility Extensions

..... S.S. H2O

