

**PORT OF BENTON
COMMISSION MEETING MINUTES
December 14, 2016**

- A. CALL TO ORDER:** The regular monthly meeting was called to order at 8:30 a.m. at the Port of Benton Commission Meeting Room, 3250 Port of Benton Boulevard, Richland, Washington. Present were Commissioners Jane F. Hagarty, Roy D. Keck and Robert D. Larson. Staff members present included Executive Director, Scott D. Keller, PPM ®; Director of Finance, Stuart Dezember, CPA; Director of Airports and Operations, John Haakenson; Director of Maintenance, Kevin Howard; Director of Economic Development and Governmental Affairs, Diahann Howard; Director of Real Estate, Teresa Hancock; Director of Communications and Marketing, Wally Williams and Port Counsel, Tom Cowan. Also in attendance were Abbey Cameron, Kevin Sliger, Pam Larsen, Zach Ratkai, Terry Christensen and Stan Jones.
- B. PLEDGE OF ALLEGIANCE:** Stuart Dezember, led those present in reciting the Pledge of Allegiance.
- C. CURRENT BUSINESS:**

The Director of Finance briefed the Commission on the consent items.

A motion was made by Commissioner Larson; seconded by Commissioner Hagarty; and unanimously passed by the Commission to approve the revised agenda. Commissioner Keck stated the changes were cancelling one action item and moving Item d, originally scheduled under consent agenda, to an action item.

- 1. CONSENT ITEMS: A motion was made by Commissioner Larson; seconded by Commissioner Hagarty; and unanimously passed by the Commission, approving the November 9, 2016, Commission Meeting Minutes, Resolution 16-23, to cancel warrants 58898, 62312 and 62714, and Resolution 16-24, to cancel warrants 64157 and 64999.**
- 2. RESOLUTION 16-25, A motion was made by Commissioner Larson; seconded by Commissioner Hagarty; and unanimously passed by the Commission authorizing the Executive Director to enter into a purchase and sale agreement with Savage Stone Holdings, LLC, for one acre of industrial property within the Richland Business Park, formerly known as the Manufacturing Mall.**
- 3. UNSCHEDULED BUSINESS/VISITORS:** Terry Christensen, City of Richland Liaison, thanked Port Commission and staff for their economic development efforts over the past year and long term partnership. Commissioner Keck thanked Councilman Christensen for the City's efforts in decorating John Dam Plaza. Zach Ratkai, City of Richland, thanked the Port for their partnership in economic development. Kevin Sliger, Ben Franklin Transit, and Stan Jones, Arculus Design and Technical Services, wished the Port Commission and staff a Merry Christmas.

4. **HANFORD COMMUNITIES:** Pam Larsen provided the 2016 Annual Report of the Hanford Communities. She thanked the Director of Economic Development and Governmental Affairs for serving on the Administrative Board. She also provided Commission and staff with a copy of the Overview of Hanford Communities 2016 activities.
5. **WALTER CLORE WINE AND CULINARY CENTER:** Abbey Cameron, Executive Director, provided an update of the 2016 budget and activities. The 2017 budget has not yet been finalized. They have launched several successful marketing campaigns and made some recent changes to staff. She thanked the Port Commission and staff for their partnership and support.

D. COMMISSIONER COMMENTS:

Commissioner Larson commented on his attendance at the Richland Airport Christmas Party and his recent visit to Bombing Range Brewery in the Port's Tri Cities Enterprise Center building. He complimented the Deputy Auditor, Kitty Thomas, on the smooth transition of both Commissioner and employee life insurance benefits to the Port's new life insurance provider, MetLife.

Commissioner Hagarty stated the Walter Clore Wine and Culinary Center's 2017 budget should be finalized next week. She will provide the copy to staff. She commented on her attendance at the Prosser Economic Development Association (PEDA) stating Benton County has provided \$20K to their budget.

Commissioner Keck commented on his attendance at the Washington Public Ports Association (WPPA) Annual meeting and the Save our Dams Meeting in Pasco.

- E. **COUNSEL COMMENTS:** Counsel commented on the Port's recent public records requests received. There are two requests that are large and will take several months to complete. He also advised Commission and staff to consider the purchase of hardware and software to begin digitizing all Port records.
- F. **EXECUTIVE DIRECTOR COMMENTS:** The Executive Director and the Director of Economic Development and Governmental Affairs updated the Commission on the Corps of Engineers recent meeting in the Tri Cities regarding dams. Commission directed staff to send a letter of support and draft a resolution to be presented at the January 18, 2017, Commission Meeting.

The Director of Finance and the Director of Economic Development and Governmental Affairs updated the commission on the recent meeting of the Inland Port Feasibility Summit. Partners include the Northwest Seaport Alliance (Port of Seattle, Port of Tacoma), City of Richland, Central Washington Corn Processors, BNSF and three steam ship lines. This meeting was to discuss the possibility of an inland port in the City of Richland. A short-term action plan for shippers and rail providers was developed. The initial phase will be to maximize the existing rail loop. The Port and City are also conducting a rail master plan to support future growth.

The Executive Director updated the Commission on his discussion with Benton County on the .09 Rural Funds. He advised that funds will be divided between eight agencies (Benton County, Port of Benton, Port of Kennewick, City of Prosser, City of Richland, City of Kennewick, City of Benton City and City of West Richland), paid annually for the next eight years. Port staff recommends building a development building in Prosser Vintner's Village and taking some additional time to plan a development building in Richland, Washington. The Port would like to pursue working with partners and possibly locating additional funds to tie it in with the USS Triton Submarine Sail Park expansion and the B Reactor Tours office expansion needs.

The Executive Director discussed the Capital Development's land lease and buildings located at 2920-2940 George Washington Way and 2939 Richardson Road Richland (Technology and Business Campus). The Real Estate specialist explained the terms needed for the buyout and assignment of leases to be executed.

A motion was made by Commissioner Larson, seconded by Commissioner Hagarty, and unanimously passed by the Commission authorizing the Executive Director to negotiate and sign a purchase agreement with Capital Development Company for its buildings and improvements, including a due diligence period for the Port to complete its review and investigations and providing that the purchase will be subject to the approval by the Commission.

The Executive Director discussed the Interlocking Associates, LLC/SIGN building lease located at 2952 George Washington Way, Richland. Interlocking Associates, LLC/SIGN Inc. is the main tenant and one of the sub tenants has lost a major contract and will be evaluating their lease options. There is additional vacant space existing. Interlocking Associates, LLC/SIGN has requested the property be returned to the Port to manage entirely and allow them to focus on their business. It was discussed and agreed that this would provide additional development building space for the Port's growing tenants.

The Executive Director updated the Commission on a new Benton City residential property available for sale located adjacent to our most recently purchased building at 723 9th Street. The sale price is \$67,000. Commission authorized the Executive Director to pursue due diligence and purchase and sale agreements regarding this property.

The Executive Director presented three requests for additional funds for task orders totaling \$20,000 for JUB Engineers 2016 Agreement for Professional Services, regarding Richland Airport General Engineering in the amount of \$5,000; Lamb Weston-Fisher construction project support, in the amount of \$10,000 (this amount is fully reimbursable through Lamb Weston) and Prosser Airport General Engineering, in the amount of \$5,000.

A motion was made by Commissioner Larson, seconded by Commissioner Hagarty, and unanimously passed by the Commission authorizing the Executive Director to execute the three task orders, totaling \$20,000 for JUB Engineers 2016 Agreement for Professional Services, regarding Richland Airport General Engineering in the amount of \$5,000; Lamb Weston Construction Project Support, in the amount of \$10,000 (this amount is fully reimbursable through Lamb Weston) and Prosser Airport General Engineering, in the amount of \$5,000.

The Executive Director updated the Commission on two easements needed by JUB Engineers for the Lamb Weston Property, at the Richland Airport. The first easement is to change the Grantee from ConAgra to the City of Richland; per a Federal Aviation Administration (FAA) requirement. The second easement is for Lamb Weston's process water line; since it is a private party, there is a time limit of fifty (50) years.

A motion was made by Commissioner Hagarty, seconded by Commissioner Larson, and unanimously passed by the Commission approving the easement to change the Grantee from ConAgra to City of Richland, per an FAA requirement; and approving the easement for Lamb Weston's process water line along Saint Street.

G. STAFF INFORMATION REPORTS:

The Director of Finance and the Director of Governmental Affairs provided an update on the status of the Payment in Lieu of Taxes (PILT) funds. They advised 2016 funds had been secured. Benton County received a letter from the Department of Energy (DOE) requesting the current agreement be negotiated for 2017 forward.

GRANTS: An updated grants status report was reviewed.

GOVERNMENTAL AFFAIRS & ECONOMIC DEVELOPMENT: The Director of Governmental Affairs & Economic Development reported on LRF and Water and Energy initiatives being highlighted in Olympia. WPPA Capital requested 17,100 lineal feet of rail requested to be transferred from DOE along with surplus rail from the Hanford Site. She also advised after many years, Congress took action directing government service agency to lift the restrictions on the deed at the Port's Richland Innovation Center.

MARKETING: The Director of Communications and Marketing reported the Port Christmas card is complete and has been mailed. He provided draft copies of the 2017 Port calendar, which will be complete by the end of the month. He has finished draft copies of both the Ports 101 write up for the website and an ad promoting Vintners Village new building.

H. SITE PROJECTS UPDATE: The Commission was briefed on the Technology and Business Campus, Tri Cities Enterprise Center Building, Manufacturing Mall, Railroad, Richland Innovation Center, Richland Airport, Prosser Airport, Prosser Wine and Food Park, Prosser Vintners Village, Walter Clore Wine and Culinary Center, Benton City Properties and Crow Butte Park.

The Director of Airports and Operations and Port Counsel discussed their recent meeting with Restorical Research Company, LLC, who specialize in recovering assets and assistance in environmental clean-up. They have minimal initial fees. The Commission directed the Executive Director to execute the contract with Restorical Research , LLC.

- I. PORT FINANCIAL ISSUES:** Vouchers audited by the Auditor as required by RCW 42.24.080 and certified expense reimbursement claims as required by RCW 42.24.090 have been recorded on a listing, which has been made available to the Port Commission. As of this date, December 14, 2016, Port Commission by unanimous vote approved for payment those vouchers included in said listing and further described as follows: Payroll Warrants numbered 03414 through 03461, totaling \$98,369.38 and General Expense Warrants numbered 064958 through 065146, totaling \$301,650.96 from the General Expense Fund.
- J. EXECUTIVE SESSION:** The regular Commission meeting was recessed at 11:50 a.m. and an Executive Session convened for the purpose of discussing pending litigation and real estate negotiations in accordance with RCW 42.30.110 (i) (ii) and (c). The Commission announced the Executive Session would last no longer than twenty (20) minutes. The Executive Session was adjourned at 12:10 p.m. and the regular Commission Meeting was reconvened.
- K. ADJOURNMENT:** With no further business, the meeting was adjourned at 12:10 p.m.

Robert D. Larson
Commission Secretary