

ORIGINAL

PORT OF BENTON  
COMMISSION MEETING MINUTES  
July 12, 2017

ORIGINAL

- 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 B. Dezember; Director of Airports, John Haakenson; Director of Maintenance, Kevin Howard; Director of Governmental Affairs and Economic Development, Diahann Howard; Director of Real Estate, Teresa Hancock; Director of Communications and Marketing, Wally Williams; Administrative Assistant, Kelly Thompson; Port Counsel David Billetdeaux and Port Counsel, Tom Cowan. Also in attendance were Chuck Larson, Martha Rosenberry, Pete Rogalsky, Charles Laggan, Kevin Jeffers, Carl Adrian, Terry Christensen, Rosanna Sharpe, Dr. William Brauer and Stan Jones.
- B. **PLEDGE OF ALLEGIANCE:** John Haakenson led those present in reciting the Pledge of Allegiance.
- C. **CURRENT BUSINESS:**
1. **CONSENT ITEMS: A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission approving the June 7, 2017, Commission Meeting Minutes.**
  2. **UNSCHEDULED BUSINESS/VISITORS:** Dr. William Brauer stated he is a homeowner in the Willow Pointe Development. Dr. Brauer discussed three issues:
    1. The Lampson Ringer Crane interrupts his view to the north of his residence. Port staff will contact Lampson Crane and request the boom be lowered when not in use.
    2. The roundabout at Battelle Boulevard and Richardson Road has not been landscaped similar to other Port Properties. The Executive Director explained the Port is only responsible (owns) the property on the south side of Battelle Boulevard. Willow Pointe owns the north side of the street and roundabout. The Port did commit to landscape both sides of the roundabout and showed a preliminary drawing that the Port will follow up to complete.
    3. He also stated the Port should make a more diligent effort to inform the public of meetings which are changed. The Port posts these notices on their website and runs ads in the local newspaper to inform the public. Dr. Brauer will also be added to the list of public requesting notifications of Port meetings.
  3. **CITY OF RICHLAND UPDATE ON CENTER PARKWAY CROSSING:** Pete Rogalsky discussed the City's plans for Center Parkway Crossing, highlighting Economic Development, Street System Improvement, Reduction of load on Columbia Center Boulevard and Steptoe, Comprehensive Plan fulfillment and Tri City Railroad opposition. He introduced Charles Laggan, a railroad consultant the City has hired to assist in solving railroad issues. Mr. Rogalsky requested the Port adopt a statement that the City's proposal is sufficient to mitigate genuine railroad facility impacts of Center Parkway and to improve safety concerns.

4. **TRIDEC:** Carl Adrian provided an update; highlighting recruitment and targeting of companies seeking solar projects and green power. He reviewed current sponsored events and conferences and stated the recently held 3<sup>rd</sup> Annual FABREO (Food and Beverage Retention & Expansion Opportunities) luncheon was a success. He also mentioned the upcoming Ag Summit and Port of Seattle tour; both will occur in August.
5. **BENTON CITY MAKER SPACE:** Martha Rosenberry, Perfect Image Leadership Foundation, thanked the Port for purchasing the building at 721 9<sup>th</sup> Street in Benton City, remodeling it and leasing it to CRE8, Community Resource Emporium. This is a children's maker space providing leadership and learning opportunities for the youth of Benton City area. She also thanked the Port for their partnership in the Benton City community and commended the maintenance staff, recognizing Kevin Howard and Dan Davis.
6. **THE REACH:** Rosanna Sharpe, Director, introduced herself and provided a brief update of the mission and goals for The Reach. She is developing a strategic plan and looking at different options to obtain capital resources.
7. **JUB ENGINEERS UPDATE:** Chuck Larson, JUB Engineers, discussed Richland Airport entrance improvement project. He also discussed JUB Engineers has received no response from TCRR after repeated attempts to contact them regarding the Richland Airport entrance improvement project, specifically regarding the crossing at SR240 and the airport entrance.

Chuck Larson explained that an irregularity occurred and that a bid protest had been received by the second low bidder, Premier Excavation. The issue was that an amended bid form was sent to each bidder which did not include sales tax. The low bidder inadvertently left sales tax in, yet remained the low bidder. Counsel Tom Cowan explained the process for public bids, as well as the procedures to follow when a protest is received, and that the accidental inclusion of sales tax could be easily subtracted without prejudice to any other bidder. Also explained, was that the bids included an optional additive alternate which Mr. Larson proposed was important to the project.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty, and unanimously passed by the Commission waiving the irregularity in the low bid, rejecting the protest from the second low bidder, and to authorize the Executive Director to award the contract, including the additive alternate, to the low bidder, C & E Trenching, LLC, in the amount of \$255,133.20 following two day's written notice to the protesting bidder.**

Chuck Larson also reviewed the proposed Federal Aviation Administration (FAA) engineering agreement between JUB and the Port for the SE Hangar Area B-II Taxilane and Electronic Gate in the amount of \$56,200.

**A motion was made by Commissioner Jane Hagarty, seconded by Commissioner Roy Keck, and unanimously passed by the Commission authorizing the Executive Director to execute the FAA engineering agreement with JUB for the SE Hangar Area B-II Taxilane and Electronic Gate in the amount of \$56,200.**

The Executive Director discussed the recent FAA Grant offer for the Phase 1 design of four Helipads at the Richland Airport (AIP #29) in the amount of \$40,000. This grant will require a 10% Port match of \$4,445.

**A motion was made by Commissioner Jane Hagarty, seconded by Commissioner Roy Keck, and unanimously passed by the Commission authorizing the Executive Director to execute the FAA Grant Agreement for the Phase 1 design of four Helipads at the Richland Airport (AIP #29) in the amount of \$40,000, which requires a 10% Port match in the amount of \$4,445.**

Chuck Larson also reviewed the 2017 Port-Wide Pavement Maintenance Project budget adjustment and presented a memo detailing these projects. To be able to fund the entire project an additional \$13,000 would have to be added to the Port's 2017 budget.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive Director to increase the 2017 Port-Wide Pavement Maintenance budget in the amount of \$13,000.**

**D. COMMISSIONER COMMENTS:**

Commissioner Hagarty discussed the upcoming Walter Clore Wine and Culinary Center Legends of Washington Wine Country Event, and the Prosser Economic Development Association (PEDA) Leadership committee.

Commissioner Keck commented on his attendance at the American Association of Port Authorities (AAPA) Spring Conference, the Pacific Northwest Waterways Association Summer Conference and the Puget Sound NW Antique Aircraft Air Tour.

Commissioner Larson commented on his attendance at the PNWA conference and highlighted the roundtable discussion regarding union negotiations with trucks in Seattle and Tacoma.

The Executive Director presented a recommendation for naming a new road in the Richland Business Park. This new road will be accessed from Larson Road and the proposed name is Cowan Court.

**A motion was made by Commissioner Jane Hagarty, seconded by Commissioner Roy Keck and unanimously passed by the Commission authorizing the approval of the new street located in the Richland Business Park to be named Cowan Court.**

**E. COUNSEL COMMENTS:** Counsel thanked the Commission for naming the new street, located in the Richland Business Park, Cowan Court. He reserved all other comments for the Executive Session.

**F. EXECUTIVE DIRECTOR COMMENTS:** The Executive Director and the Director of Real Estate provided an update on security bonds in lieu of cash deposits. Four commercial agencies were contacted: Alliant Insurance, Crigler Insurance, Maloney Oneil and PayneWest. The overall comments received were that surety bonds are rarely issued

anymore. In the past 10 years, PayneWest has only issued one surety bond. The time and effort for clients to be approved for a surety bond is cost prohibitive.

Additionally, an assignment of savings account has become an accounting/auditing issue for the financial institutions. Most banks do not offer them as an alternative anymore.

Other Washington State ports like Bellingham and Everett require three months of lease as a surety deposit for leases over one year in length. For month to month leases they require one month of lease as a surety deposit, or determined on a case by case basis.

The Executive Director stated the Port will provide the commission with recommendations on lease surety deposits and bring to the Commission recommendations regarding any waivers or reductions of required surety deposits.

The Commission stated that Port staff uses their knowledge and judgement wisely and approved the case by case evaluation process.

The Executive Director discussed four (4) 60' x 60' (3,600 square feet) new aviation hangar ground leases at the Richland Airport. Each lease has standard terms and conditions with an initial term of 10 years with renewal options that can extend the lease to fifty years. The initial rate is \$1,128.40 annually including leasehold tax with a surety deposit of \$1,128.40. The four individuals that are requesting leases are: Site 1 for Cannon Hill, Site 3 for Mark Showalter, Site 6 for Doug Cole and Site 7 for Mark Peterson.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive Director to execute the four (4) 60' x 60' (3,600 square feet) new aviation hangar ground leases at the Richland Airport for Site 1 for Cannon Hill, Site 3 for Mark Showalter, Site 6 for Doug Cole and Site 7 for Mark Peterson. The initial rate is \$1,128.40 annually including leasehold tax with a surety deposit of \$1,128.40.**

The Executive Director discussed a new ground lease with HiLine Leasing, LLC at 2360 Lindberg Loop. This lease has standard terms and conditions with an initial term of 25 years with renewal options that can extend the lease to fifty years. The initial rate is \$3,244.15 annually including leasehold tax with a surety deposit of \$3,244.15.

**A Motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive Director to execute the new lease with HiLine Leasing LLC at 2360 Lindberg Loop. The initial rate is \$3,244.15 annually including leasehold tax with a surety deposit of \$3,244.15.**

The Executive Director and the Director of Real Estate discussed a new lease with Subway Real Estate, LLC in the development building located at 515 9<sup>th</sup> Street, Benton City for a term of eight years, required for SBA financing with renewal options that can extend the lease to fourteen years. The lease has standard terms and conditions and the initial rate is \$1,210.77 monthly including leasehold tax. Years four to six the lease rate is \$1,412.56 monthly including leasehold tax. Years six to eight the lease rate is \$1,614.47 monthly including leasehold tax. The tenant is going to add over \$80,000 of capital improvements to

the building which will stay if the tenant leaves. Therefore, Port staff is requesting a reduction of the required surety amount to be \$1,614.36.

**A Motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive Director to execute the lease with Subway Real Estate, LLC in the development building located at 515 9<sup>th</sup> Street, Benton City. The initial rate is \$1,210.77 monthly including leasehold tax with a reduced surety amount of \$1,614.36.**

The Executive Director discussed a new building Weston Mountain Onions LLC at 2926 Kingsgate Way for a term of 1 year with renewal options that can extend the lease to three years. The lease has standard terms and conditions and the initial rate is \$3,385.20 monthly including leasehold tax. The tenant will be adding over \$75,000 of capital improvements to the building which will stay when the tenant leaves. Therefore, Port staff is requesting a reduction of the required surety amount to be \$6,770.40.

**A motion was made by Commissioner Jane Hagarty, seconded by Commissioner Roy Keck and unanimously passed by the Commission authorizing the Executive Director to execute the lease with Weston Mountain Onions LLC at 2926 Kingsgate Way. The initial rate is \$3,385.20 monthly including leasehold tax with a reduced surety amount of \$6,770.40.**

The Executive Director discussed a new building lease with WIT Cellars at 2880 Lee Road, Suite B at the Prosser Wine and Food Park for a term of 1 year with renewal options that can extend the lease to six years. The lease has standard terms and conditions and the initial rate is \$1,128.40 monthly including leasehold tax. Port staff is requesting a reduction of the required surety amount to be \$1,128.40 which is consistent with previous leases in the Prosser Wine and Food Park development building location.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive Director to execute the lease with WIT Cellars at 2880 Lee Road, Suite B at the Prosser Wine and Food Park. The initial rate is \$1,128.40 monthly including leasehold tax with a reduced surety of \$1,128.40.**

The Executive Director explained the proposed contract with JW Swigart for the roof overlay project at 2345 Stevens Drive, in the Richland Business Park in the amount of \$237,834 including Washington State sales tax.

**A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive Director to execute the contract with JW Swigart for the roof overlay project at 2345 Stevens Drive, in the Richland Business Park in the amount of \$237,834 including Washington State sales tax.**

The Executive Director discussed Port Resolution 17-15, accepting work completed by Harrison Dock Builders-A Division of Marine Co, Inc. (HDB MARINE) for the Crow Butte Park 2016 Marina Improvements Project-Fabrication of Floating Dock System.

**A motion was made by Commissioner Jane Hagarty, seconded by Commissioner Roy Keck and unanimously passed by the Commission authorizing the approval of Port Resolution 17-15, accepting work completed by Harrison Dock Builders-A Division of Marine Co., Inc (HDB Marine) for the Crow Butte Park 2016 Marina Improvements Project-Fabrication of Floating Dock System.**

**G. STAFF INFORMATION REPORTS:**

**COMMUNICATIONS AND MARKETING:** The Director of Marketing stated he is working on the B Reactor Grand Reopening and the upcoming tenant/partner appreciation barbecues.

**GRANTS:** The Grants Status report was reviewed. The Director of Economic Development and Governmental Affairs overviewed changes within the grant report. She highlighted the two Economic Development Association (EDA) i6challenge grants applied for in partnership with the Tri Cities Research District (TCRD), FUSE and WSU-TC.

**GOVERNMENTAL AFFAIRS:** The Director of Economic Development and Governmental Affairs updated the Commission on her projects. She also stated she received an itemized accounting from Maritime Administration (MARAD) for the \$60,000 appraisal fee: \$30,000, valuation, \$13,000 labor, \$10,000 administrative costs and \$7,000 travel expenses. Commission and staff discussed the amount and will plan to discuss in the Port's 2018 budget meetings.

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

**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, July 12, 2017, Port Commission by unanimous vote approved for payment those vouchers included in said listing and further described as follows: Payroll Warrants numbered 03760 through 03815 totaling \$105,240.02 and General Expense Warrants numbered 066313 through 066558 totaling \$1,777,166.78 from the General Expense Fund. The Director of Finance distributed a report to the Commissioners comparing the 2017 budget to the actual financial results as of May 31, 2017.

**J. EXECUTIVE SESSION:** The regular Commission Meeting was recessed at 12:25 p.m. and an Executive Session was convened to discuss evaluating a legal risk pursuant to RCW 42.30.110(2) (a) (iii). The Commission announced the Executive session would last no longer than thirty (30) minutes. The Executive Session was adjourned at 12:55 p.m. and the regular Commission Meeting was reconvened.

- K. A motion was made by Commissioner Roy Keck, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive Director to respond to the City of Richland's request to adopt and send a statement letter that the City's proposal is sufficient to mitigate genuine railroad facility impacts of Center Parkway and to improve safety.**
- L. ADJOURNMENT:** With no further business, the meeting was adjourned at 12:59 p.m.

  
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Roy D. Keck,  
Commission Secretary