

**PORT OF BENTON  
COMMISSION MEETING MINUTES  
June 7, 2017**

- 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 Economic Development and Governmental Affairs, Diahann Howard; Director of Real Estate, Teresa Hancock, Administrative Assistant, Kelly Thompson; Director of Communications and Marketing, Wally Williams and Port Counsel, Tom Cowan. Also in attendance were David Biletdeaux, Roger Wright, Chuck Larson, and Stan Jones.
- B. PLEDGE OF ALLEGIANCE:** Kevin Howard led those present in reciting the Pledge of Allegiance.
- C. CURRENT BUSINESS:**
- 1. CONSENT ITEMS: A motion was made by Commissioner Hagarty, seconded by Commissioner Keck and unanimously passed by the Commission approving the May 10, 2017, Commission Meeting Minutes and the May 25, 2017, Special Commission Meeting Minutes.**
  - 2. UNSCHEDULED BUSINESS/VISITORS:** There were none.
  - 3. PUBLIC HEARING ON SIX YEAR TRANSPORTATION IMPROVEMENT PROGRAM:** A Public Hearing was opened at 8:31 a.m. to accept public comment on the Six Year Transportation Improvement Program for the years 2018 through 2023, inclusive. Roger Wright, RGW Enterprises, discussed each of the projects.  
  
Commissioner Larson asked for public comment. No public comment was received. The Public Hearing was closed at 8:34 a.m.
  - 4. A Motion was made by Commissioner Keck, seconded by Commissioner Hagarty and unanimously passed by the Commission approving Resolution 17-13, Accepting the Port's Six Year Transportation Improvement Program for the Years 2018 through 2023, inclusive.**
  - 5. RICHLAND AIRPORT PROJECT UPDATE:** Chuck Larson, JUB Engineers, provided an update on the overall Richland Airport Entrance Plan, including: status of railroad crossing planning, WSDOT requirements, Connell Oil future meetings to discuss renovation of fuel facilities, monument sign, airplane etched panels, road improvements and landscape package. He explained a letter will have to be sent to Washington State Department of Transportation (WSDOT) to transfer a small triangle piece of land to them. WSDOT's signaling equipment is located on this land.

**A Motion was made by Commissioner Keck, seconded by Commissioner Hagarty and unanimously passed by the Commission authorizing the Executive Director to send a letter to WSDOT and transferring a small piece of land to them, containing their signaling equipment.**

6. **RESOLUTION 17-14:** Correcting the legal description of the real property declared surplus and delete from the Port of Benton’s Comprehensive Plan of Improvements by Resolution 17-08. The Director of Real Estate explained that the Port had held a public hearing to consider declaring 53 acres to be surplus, however the legal description used in the prior Resolution did not describe the entire parcel and Resolution 17-14 would correct the legal description.

**A Motion was made by Commissioner Keck, seconded by Commissioner Hagarty and unanimously passed by the Commission approving Resolution 17-14, amending the acreage of real property to 53 acres declared surplus from the Port of Benton’s Comprehensive Plan of Improvements, previously by Resolution 17-08.**

**D. COMMISSIONER COMMENTS:**

Commissioner Hagarty commented on her attendance at the Washington Public Ports Association (WPPA) Spring Meeting, stating it was well attended and very informative. She also commented on the importance of WPPA hiring a communications and marketing specialist, as they have not had the position filled on their staff for some time, her attendance at the Clore board meeting and provided updates they are making within the business, such as tasting fees and highlighting smaller, boutique wineries. She also reminded everyone the Prosser Economic Development Association’s annual meeting was tonight.

Commissioner Keck commented on his attendance at the WPPA Spring Meeting, highlighting the legal roundtable discussion. He shared with the other Commissioners and staff the documents provided to attendees.

Commissioner Larson commented on his attendance at the Rising Stars Event at the Clore Center, where thirty new wineries were highlighted. He also discussed the Tri City Area Chamber of Commerce “State of the Cities” Luncheon and commented on the future “State of the Ports” Luncheon, to be held in November.

**E. COUNSEL COMMENTS:** Counsel advised his comments were reserved for Executive Session.

**F. EXECUTIVE DIRECTOR COMMENTS:** The Executive Director discussed the Total Energy Management Utility Installation Project Electrical Change Order. As part of the recent sale of land and building to Total Energy Management (TEM), the Port agreed to extend utility services to the new building proposed by TEM. During construction of TEM’s building, the Port executed a contract with Big D’s Construction to extend water and sewer services as well as planning for electrical services to the site. However, at the time of the contract the exact electrical service needs had not yet been determined. During construction it was determined that the City of Richland would require changes to the electrical service including which vault the Port would be able to tie into. Additionally, the electrical service ended up being longer than planned which required more wire. The changes resulted in a change order of \$22,484.53. In addition, due to a

change in conditions associated with the relocated fire hydrant the Port had to provide a taller fire hydrant and modify the valving, which required another change order in the amount of \$2,705. The total project cost is now \$68,460.93. The Executive Director requested approval for Big D's Construction change orders 1 and 2 totaling \$25,190.

**A Motion was made by Commissioner Keck, seconded by Commissioner Hagarty and unanimously passed by the Commission authorizing the Executive Director to execute Big D's Construction change orders 1 and 2, for a total amount of \$25,190.**

The Executive Director discussed his personal THE AXE, LLC ground lease of .25 acres and purchase of an existing hangar of 2,400 square feet at the Richland Airport. The lease term is for ten years, with four (4) ten year renewal terms for an amount which is consistent with previous hangar ground leases and fair market value of \$1,128.40, per year, including leasehold excise tax.

**A Motion was made by Commissioner Keck, seconded by Commissioner Hagarty and unanimously passed by the Commission approving THE AXE, LLC ground lease of .25 acres for the purchase of an existing hangar of 2,400 square feet at the Richland Airport. The term is for ten years, with four (4) ten year renewal terms for an amount which is consistent with previous hangar ground leases and fair market value of \$1,128.40, per year, including leasehold excise tax.**

The Executive Director also discussed five (5) 60' x 60' building pad hangar sites: Sites 1 and 2 for Cannon Hill, at \$1,128.40 each per year, including leasehold excise tax; Site 3 for Mark Showalter, at \$1,128.40, per year, including leasehold excise tax; Site 4 for Douglas Cole, at \$1,128.40 per year, including leasehold excise tax; Site 5 for Zero Gravity for \$1,128.40 per year including leasehold excise tax and stated all five leases would be brought to the Commission for formal approval at the July 12, 2017 Commission Meeting.

The Executive Director informed the Commission the Port has received notification from U.S. Maritime Administration (MARAD) regarding the Richland Innovation Center (RIC), stating they request advance payment in the amount of \$60,000 by electronic funds transfer in accordance with the instructions provided in the enclosure titled "Instructions for Electronic Funds Transfer for Maritime Administration." Commission directed staff to continue communications with MARAD and ask for itemization of the requested \$60,000.

The Executive Director discussed the CDC buildings and property purchase finalized in the Technology and Business Campus. Staff continue to negotiate terms with Westinghouse on extending lease. Staff discussed the many marketing and economic development options of owning a large parcel of property with many buildings located near student housing and the Wine Science Center.

The Executive Director discussed the Port continuing to explore possibilities for a Visitor Center at the USS Triton Sail Park. Arculus Design has a contract to work with the Port on the design.

The Executive Director discussed the 2655 Einstein Building and a contract of up to \$100,000, for tenant improvements in the building, including a signed agreement with WSU-TC for cost reimbursement. This amount reflects \$24,918 plus tax for asbestos abatement and \$51,988 plus tax for electrical for a total of \$76,906 plus tax.

**A Motion was made by Commissioner Keck, seconded by Commissioner Hagarty and unanimously passed by the Commission authorizing the Executive Director to expend up to \$100,000 , to execute the contract with NW Power Inc. for \$56,457.98, and to execute the contract with All-Safe Abatement for \$27,060.95, for tenant improvements in the building, these are contingent on a signed agreement with WSU-TC for cost reimbursement.**

**G. STAFF INFORMATION REPORTS:**

**COMMUNICATIONS AND MARKETING:** The Director of Communications and Marketing briefed the Commission on the following upcoming events: Bottles, Brews and BBQs, CRE8 Open House, Food and Beverage Retention and Expansion Opportunities (FABREO) Expo and the Richland Aviation Celebration.

**GRANTS:** The updated copy of the Grants Status report was reviewed.

**GOVERNMENTAL AFFAIRS:** The Director of Governmental Affairs provided an update on her projects. She also briefly discussed the Seaport Alliance.

**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, June 7, 2017, Port Commission by unanimous vote approved for payment those vouchers included in said listing and further described as follows: Payroll Warrants numbered 03708 through 03759 totaling \$104,202.83 and General Expense Warrants numbered 066138 through 066312 totaling \$788,792.09 from the General Expense Fund.

**J. EXECUTIVE SESSION:** The regular Commission Meeting was recessed at 11:10 a.m., and an Executive Session was convened to discuss (a) Potential Litigation pursuant to RCW 42.30.110 (li), (b) Pending Litigation, Evaluating a Legal Risk pursuant to RCW 42.30.110 (2)(a)(iii) and (c) Real Estate Matters pursuant to RCW 42.30.110 (l) (c). The Commission announced the Executive session would last no longer than thirty (30) minutes. At 11:40 a.m. the Commission announced the Executive Session would last and additional twenty (20) minutes. The Executive Session was adjourned at 12:00 p.m. and the regular Commission Meeting was reconvened.

**K. A Motion was made by Commissioner Keck, seconded by Commissioner Hagarty and unanimously passed by the Commission authorizing the Executive Director to proceed with the inspection of 100% of the Port railroad ties.**

**L. ADJOURNMENT:** With no further business, the meeting was adjourned at 12:01 p.m.

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Roy D. Keck,  
Commission Secretary