

**PORT OF BENTON
COMMISSION MEETING MINUTES
June 13, 2018**

- 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; CPA, PPM®; 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, David Billetdeaux. Also in attendance was Stan Jones.
- B. PLEDGE OF ALLEGIANCE:** Commissioner Robert Larson led those present in reciting the Pledge of Allegiance.
- C. CURRENT BUSINESS:**
- 1. CONSENT ITEMS: A motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission approving the May 16, 2018, Commission Meeting Minutes and Resolution 18-11 to Cancel Warrant No. 68565.**
 - 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 2019 through 2024, inclusive.

Commissioner Keck asked for public comment. No public comment was received. The Public Hearing was closed at 8:32 a.m.

The Director of Finance explained the projects listed and stated there were no changes from last year.
 - 4. A Motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission approving Resolution 18-12, Accepting the Port's Six Year Transportation Improvement Program for the Years 2019 through 2024, inclusive.**
 - 5. RESOLUTION 18-13:** The Director of Maintenance explained the work has been completed by Phase 2 Electric Inc. for the Crow Butte Dock Pedestal, with both the electrical and water infrastructure projects having been installed at the dock.

A Motion was made by Commissioner Jane Hagarty, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving

Resolution 18-13, Accepting the work completed by Phase 2 Electric, Inc. for the Crow Butte Dock Pedestal with both the electrical and infrastructure projects being installed at the dock.

6. **RESOLUTION 18-14:** Port Counsel explained to Commissioners the law was adopted in 2007 to implement an alternative fuel and vehicle procurement policy, with final implementation taking place in June, 2018. The Port will be diligent in researching options on new purchases and when practical will consider alternative fuel options.

A Motion was made by Commissioner Robert Larson, seconded by Commissioner Hagarty and unanimously passed by the Commission Approving Resolution 18-14, Adopting an Alternative Fuel and Vehicle Procurement Policy.

- D. **COMMISSIONER COMMENTS:** Commissioner Hagarty commented on her attendance at the Prosser Economic Development Association (PEDA) board meeting. PEDA has recently added two new board positions: Public Safety and Real Estate. She also stated she would be attending the Washington Economic Development Association (WEDA) summer conference, which will be held August 22-23, at the Walter Clore Wine and Culinary Center.

Commissioner Larson complimented Port Counsel, for his dedication and diligence and the Director of Economic Development and Governmental Affairs, for her commitment to Richland Rotary and as the club's President. He also directed Port Counsel and the Director of Finance to review current insurance policies and determine if there are any coverage issues.

Commissioner Keck commented on his attendance at the Washington Airport Management Association's Spring Conference held last month, stating it was one of the best he had attended. He thanked the Director of Airports and Administrative Assistant for their efforts and dedication. He also stated he attended the Rising Stars Event held at the Clore Center and attendance was up from last year.

- E. **COUNSEL COMMENTS:** Counsel advised he and the Director of Finance will follow up on Commissioner Robert Larson's insurance question. He also discussed the policy for public works projects under \$40,000, stating the Port would set its own amount at \$10,000 and allow exceptions at the discretion of the Executive Director's approval within his Delegation of Authority. He stated the Finance Department brought the Small and Attractive Assets Policy to his attention, and the Port has now set policy regarding inventory and logging system. Updates to the Records Retention Policy are still being reviewed. Counsel also advised the Commission that a proposed maintenance toll fee was received from TCRY. TCRY has requested the Port review and approve the maintenance toll fee. Upon review of the proposed maintenance toll fee, the Commission asked staff to research the maintenance toll fee and ensure that it is: reasonable, does not conflict with the POB/TCRY lease or the indenture and is fair to all parties. Commission also asked that outside counsel be consulted before any final decisions are made.
- F. **EXECUTIVE DIRECTOR COMMENTS:** The Executive Director discussed the HDR Engineering Inc. and Railroad Engineering and Inspection contract, the original amount was for \$49,524.36, stating the Port is adding an Amendment No. 1 to extend the contract for the remainder of 2018, in the amount of \$15,131.61, for a total amount of \$64,655.97.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive

Director to execute the necessary contracts for HDR Engineering, Inc., for a total amount of \$64,655.97.

The Executive Director discussed the Zero Gravity Studio lease, Richland Airport, Site 13, .22 acres, 90' x 105', for a term of 10 years, plus three ten year renewals at an annual rate of \$1,795.50, plus leasehold excise tax per year. An 85'x70' hangar will be constructed.

The Executive Director discussed the Myprocontactor LLC/Israel Moore lease, Richland Airport, Site 8, .15 acre 80' x 80', for a term of 10 years, plus three ten year renewals at an annual rate of \$1,000, plus leasehold excise tax per year. A 60'x 60' hangar will be constructed.

The Executive Director discussed the Fogelson Trucking lease, which includes two airplanes to be housed in the hangar at Richland Airport, Site 9, .15 acre 80' x 80', for a term of ten years, plus three ten year renewals at an annual rate of \$1,000 plus leasehold excise tax per year. A 60' x 60' hangar will be constructed.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Executive Director to execute the necessary lease documents for the Zero Gravity Studio lease, Richland Airport, Site 13, .22 acre, 90' x 105', for a term of 10 years, plus three ten year renewals at an annual rate of \$1,795.50, plus leasehold excise tax per year; to execute the necessary lease documents for the lease to Myprocontactor, LLC/Israel Moore, Richland Airport, Site 8, .15 acre 80'x 80', for a term of 10 years, plus three ten year renewals at an annual rate of \$1,000, plus leasehold excise tax per year and to execute the necessary lease documents for the lease to Fogelson Trucking, which includes two airplanes to be housed in the hangar at Richland Airport, Site 9, .15 acre 80' x 80', for a term of ten years, plus three ten year renewals at an annual rate of \$1,000 plus leasehold excise tax per year.

The Executive Director discussed that Tom Denlea, Wine Country RV Park, has requested to purchase two to four acres adjacent to the park to expand (47 MH/dry camping sites). He would also be willing to install a pathway from the RV Park to Vintners Village (to tie into existing pathways). This is adjacent to the Bohlke Life Estate of 1 acre with mobile home, the remaining 3.87 acres is being farmed by Terry Christensen in the interim. An updated appraisal for the 20 acre parcel and the 3.87 acre site has been ordered.

The Commission discussed and directed the Executive Director to continue negotiations.

The Executive Director discussed the Energy Northwest land exchange at 345 Hills Street, Richland Washington. This would include the current ground lease of 3.38 acres (06/01/78 – 05/31/28), annual ground rent of \$16,108.92. Energy Northwest's parcel is 4.60 acres with no improvements. The Port will require clean-up of the land as a condition of the exchange.

The Commission discussed and asked the Executive Director to continue discussions with Energy Northwest.

a The Executive Director discussed that Shawn Brooks/Core Cabinet, is interested in purchasing the underlying leasehold land located in the Richland Business Campus as part of the Industrial Development District (IDD), along Stevens Drive. The current ground lease is for one acre, for term of 08/01/09 through 07/31/24, at an annual rate of \$4,130.58, plus leasehold excise tax per year. The appraisal suggested sale price is \$194,000; price per square foot is \$2.50, which is

consistent with recent appraisals and sales. The land sale area is 1.78 acres (lease reflects one acre).

The Director of Real Estate noted that since this is within the Port's IDD, prior to the July 11, 2018 Commission Meeting, public notices will be advertised.

The Executive Director discussed Aaron Dewitt, Total Energy Management, request to purchase one acre adjacent to his currently owned property and build one to two spec buildings.

The Executive Director discussed Atkins Nuclear Holdings, formerly known as Energy Solutions located at 2345 Stevens Drive current option term expires 09/30/18. They have a remaining option term of 10/01/18 through 09/30/23. Atkins occupies 43,000 square feet on the second level and this is commercial office use. The tenant has broker representation and has requested a six month extension to March 30, 2019.

The Executive Director discussed the Letter of Intent received by Croskrey Properties, LLC, stating their desire to purchase 17.56 acres and two buildings. The Commission reviewed the letter of intent and requested further detailed plans.

The Commission discussed and directed the Executive Director to continue negotiations.

G. STAFF INFORMATION REPORTS:

COMMUNICATIONS AND MARKETING: The Director of Communications and Marketing briefed the Commission on the following upcoming events: Food and Beverage Retention and Expansion Opportunities (FABREO), Scottish Festival, the Richland Aviation Celebration and Wings and Wheels.

GRANTS: The updated copy of the Grants Status report was reviewed. The Director of Economic Development and Governmental Affairs updated the Commission on the status of the State Heritage fund Grant for the USS Triton Museum, which has moved forward to the next tier of review.

GOVERNMENTAL AFFAIRS: The Director of Governmental Affairs provided an update on her projects. She also briefly discussed The Launch Tri Cities Weekend Project led by FUSE. She provided an update on the Richland Innovation Center, stating the General Services Administration (GSA) on behalf of the Maritime Administration (MARAD) had offered the Port the opportunity to purchase the 72 acres located at this property, and lift all protective covenants. The purchase price is \$3.7 million

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 13, 2018, Port Commission by unanimous vote approved for payment those vouchers included in said listing and further described as follows: Payroll Warrants numbered 04366 through 04419 totaling \$112,240.82 and General Expense Warrants numbered 068486 through 068700 totaling \$1,263,326.87 from the General Expense Fund.
- J. EXECUTIVE SESSION:** The regular Commission Meeting was recessed at 9:50 a.m. and an Executive Session was convened to discuss (a) Potential Litigation pursuant to RCW 42.30.110 (l) (i). The Commission announced the Executive session would last no longer than ten (10) minutes. The Executive Session was adjourned at 10:00 a.m. and the regular Commission Meeting was reconvened.
- K. ADJOURNMENT:** With no further business, the meeting was adjourned at 10:00 a.m.

Robert D. Larson,
Commission Secretary