

**PORT OF BENTON
COMMISSION MEETING MINUTES
December 12, 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 Dezember, CPA, PPM®; Director of Airports and Operations, Kevin Howard, CM; Director of Special Projects, John Haakenson; Director of Economic Development and Governmental Affairs, Diahann Howard; Director of Real Estate, Teresa Hancock; Director of Communications and Marketing, Wally Williams, Administrative Assistant, Kelly Thompson and In-house Counsel, David Billetdeaux. Also in attendance were Carl Adrian, Pam Larsen and Stan Jones.
- B. PLEDGE OF ALLEGIANCE:** Scott D. Keller 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 November 7, 2018, Commission Meeting Minutes, Resolution 18-34, Accepting Work Completed by Banlin Construction for the Chukar Cherry Company Warehouse Expansion Project and Resolution 18-35, to Cancel Warrant No. 069585.
 - 2. UNSCHEDULED BUSINESS/VISITORS:** There were none.
 - 3. PUBLIC HEARING:** The regular Commission Meeting was recessed at 8:32 a.m. and a Public Hearing was convened for the purpose of receiving public comment concerning declaring property (28.07 acres within the Technology and Business Campus, TBC) excess to the future needs of the Port and the advisability of selling real property owned by the Port. Commissioner Keck asked for public comment. No public comment was received. The Public Hearing was closed at 8:34 a.m. and the regular Commission Meeting was reconvened.
 - 4. RESOLUTION 18-36:** A Motion was made by Commissioner Jane Hagarty, seconded by Commissioner Robert Larson and unanimously passed by the Commission, Amending the Comprehensive Plan of Improvements and Declaring Real Property (28.07 acres) surplus in the Technology and Business Campus, Industrial Development District (IDD).
 - 5. RESOLUTION 18-37:** The Executive Director discussed the SIGN Fracture Care International sale of real property and secondary expansion parcel, of 5 acres sale price is \$2,550,000; value based on two MAI appraisals with closing anticipated in January of 2019.

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 documents to finalize the SIGN Fracture Care International sale of real property and secondary expansion parcel, of 5 acres, sale price is \$2,550,000, value based on two MAI appraisals with closing anticipated in January of 2019.

6. **TRIDEC:** Carl Adrian provided an update on TRIDEC's activities and stated that TRIDEC continues to build relationships with future clients and partners for future economic development. He also updated the Commission on the PowerGen Conference he recently attended. TRIDEC has decided to no longer coordinate FABREO (Food and Beverage Retention and Expansion Opportunities). Regarding the transferred land in north Richland, he recommended it be certified to support its marketing.
7. **HANFORD COMMUNITIES:** Pam Larsen provided the 2018 Annual Report of the Hanford Communities. She thanked Commissioner Robert Larson, for his service on the Governing Board and the Director of Economic Development and Governmental Affairs for serving on the Administrative Board. She also provided the Commission and staff with an overview of Hanford Communities 2018 activities, including site visits.

- D. COMMISSIONER COMMENTS:** Commissioner Larson commented on his attendance at the Tri City Area Chamber of Commerce State of the Ports Luncheon and complimented the Executive Director and Director of Marketing on the excellent video presentation. He also attended the Richland Airport Christmas party last Friday night. He asked for an update on the status of the transferred land in north Richland. He would like to see the Port partner with the City of Richland on possible future projects.

Commissioner Hagarty commented on her attendance at the Walter Clore Board Meeting. She will attend a day long retreat for the board on January 19, 2019. She also stated the Prosser Chamber of Commerce has selected John Paul Estey as their new Director.

Commissioner Keck also state he attended the Tri City Area Chamber of Commerce of Commerce Annual State of the Ports Luncheon. He complimented the Executive Director, the Director of Marketing, and Grant Monrean on the presentation and video. He also stated he had just returned from the Washington Public Ports Association Annual Meeting last week. His term has expired on the Executive Board, however he now has a position on the Nominating Committee.

- E. COUNSEL COMMENTS:** In-house Counsel stated he is monitoring employee on-line training for 2018. He also updated the Commission on the Port's public records requests: as of this date, the Port has 250 public records requests from TCRY. There is a hearing scheduled in Division I, Court of Appeals on January 15, 2019, for the taxpayer lawsuit. TCRY continued a hearing for a Motion to Dismiss the Center Parkway matter until December 21, 2018. TCRY replaced a total of six ties on the Yakima River Bridge during their three day shutdown of the track.

- F. EXECUTIVE DIRECTOR COMMENTS:** The Executive Director discussed a new lease with BYOC Property, LLC, Keith Vonderhulls, for .68 Acres (1856-1858 Terminal Drive) for the purchase of building improvements owned by Glen Arntzen with a new ground lease for a ten year term with two (2) ten year renewal options. The annual ground rent is \$2,665.91, including leasehold excise tax, and a security deposit of one year, \$2,665.91, including leasehold excise tax and the lease has provisions for three year CPI rent adjustments.

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 documents to finalize a new lease with BYOC Property LLC, Keith Vonderhulls, for .68 Acres (1856-1858 Terminal Drive), for a ten year term with two (2) ten year renewal options. The annual ground rent is \$2,665.91, including leasehold excise tax, and a security deposit of one year, \$2,665.91, including leasehold excise tax, with three year CPI rent adjustments.

The Executive Director discussed the EDA Grant the Port received and contracted with FUSE. (Port of Benton – Fuse, SPC). FUSE contract with Port entered into February, 2018, in an amount of \$254,000, they are providing cash match and 90% of the cost share over the three year grant term. The purpose of this is to create a small business equity fund. An amendment is needed due to EDA Special Award conditions being added. The Port wants to make sure these requirements are recognized and reported on by FUSE. This does not change dollar, all reporting completed and up to date.

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 documents for the Amendment to the Consulting Contract with FUSE, SPC.

The Executive Director discussed a recent phone call he received from Cindy Reents, City Manager, City of Richland regarding partnership opportunities.

G. STAFF INFORMATION REPORTS:

MARKETING: The Director of Communications and Marketing reported the Port holiday card has been completed and mailed. He provided copies to the Commission. He is also working on the Sportsman Show and the Prosser Chamber Awards Banquet both scheduled for January, 2019.

GRANTS: An updated grants status report was reviewed. The Director of Economic Development and Governmental Affairs updated the Commission on the status of the FUSE Partnership Grant which was not successful.

GOVERNMENTAL AFFAIRS & ECONOMIC DEVELOPMENT: The Director of Economic Development and Governmental Affairs provided an update of her activities. She advised of priorities with the Legislative Council, CERB, Vapors, Hanford Sites, WSU Building, STEM and USS TRITON.

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, Prosser Vintners Village, Walter Clore Wine and Culinary Center, Benton City 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, December 12, 2018, Port Commission by unanimous vote approved for payment those vouchers included in said listing and further described as follows: Payroll Warrants numbered 04704 through 04752, totaling \$107,804.66 and General Expense Warrants numbered 069651 through 069867 totaling \$529,758.96 from the General Expense Fund.

The Director of Finance provided an update on the status of the Payment in Lieu of Taxes (PILT) funds. He advised the 2019 funds had not yet been secured, but will likely be a lesser amount than 2018. He advised the Commission the Port is completing an accounting software update to comply with the Family and Medical Leave Act (FMLA) requirements of Washington State.

J. EXECUTIVE SESSION: The regular Commission meeting was recessed at 10:30 a.m. and an Executive Session convened for the purpose of discussing personnel matters and ongoing litigation in accordance with RCW 42.30.110 (1) (g). The Commission announced the Executive Session would last no longer than forty-five (45) minutes. At 11:15 a.m. the Commission announced the Executive Session would last an additional forty-five (45) minutes. At 12:00 p.m. the Commission announced the Executive Session would last an additional fifteen (15) minutes. The Executive Session was adjourned at 12:15 p.m. and the regular Commission Meeting was reconvened.

K. A motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing In-House Counsel to send a Notice Letter of Termination to TCRY to comply with requirements related to the Surface Transportation Board (STB) Adverse Discontinuance Proceedings. No action was taken regarding personnel matters.

L. ADJOURNMENT: With no further business, the meeting was adjourned at 12:16 p.m.

Robert D. Larson
Commission Secretary