

**PORT OF BENTON
COMMISSION MEETING MINUTES
April 17, 2019**

- 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, Kevin Howard, C.M.; Director of Special Projects, John Haakenson; Director of Economic Development and Governmental Affairs, Diahann Howard; Director of Real Estate, Teresa Hancock; Director of Marketing and Communications, Wally Williams; Administrative Assistant, Kelly Thompson and Port Attorney, David Billetdeaux. Also in attendance were Roger Wright, Mandy Wallner, Darin Arrasmith and Stan Jones.
- B. PLEDGE OF ALLEGIANCE:** Stuart Dezember led those present in reciting the Pledge of Allegiance.
- C. CURRENT BUSINESS:**
- 1. CONSENT ITEMS:** A motion was made by Commissioner Jane Hagarty, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the March 6, 2019 and Commission Meeting Minutes and Resolution 19-09, Accepting Work Completed by Railworks Track Systems Inc., for the Port of Benton Rail Rehabilitation Project.
 - 2. UNSCHEDULED BUSINESS/VISITORS:** There were none.
 - 3. UPDATE ON LAND DEVELOPMENTS:** Roger Wright, PE, RGW Enterprises, provided an update on land development costs. He discussed the 1,341 acres the Port and City of Richland acquired from the Department of Energy (DOE), highlighting the need for obtaining and providing information to potential developers for placement of infrastructure, electrical, stormwater, sanitary sewer and water. The Port and City staff need to continue to work together in the coming months to plan the development and financing options for the initial phases of the development. The 1,341 acres are planned to serve large utility demanding industries. Development of the utilities to serve the first half of the site is estimated to be in excess of \$20M, so thoughtful and targeted marketing of the property will be required. Active marketing of the property needs to wait until all the utilities are planned out, including an estimated schedule for these improvements.

Roger Wright also discussed the need for Commission approval of the dedication of a 100,000 square foot parcel of land for the Hagen Road Right of Way to the City of Richland. This road opened the west side of the Port's Richland Business Park property.

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 all necessary documents for the immediate transfer of a 100,000 square foot parcel of land for the Hagen Road Right of Way to the City of Richland for a boundary line adjustment and formal dedication.

4. **CHUKAR CHERRY FACADE IMPROVEMENTS:** The Director of Special Projects discussed the bid process for this project. There was one bid received and it was nearly twice as high as the Engineers estimate, which means the Port cannot accept the bid. Chukar Cherry, the engineer and Port will work together to redesign this project and scope of work. Bidders will be contacted.

- D. COMMISSIONER COMMENTS:** Commissioner Robert Larson commented on his attendance at the Pacific Northwest Waterways Association (PNWA) Mission to Washington D.C. He stated the US Army Corps of Engineers (USACOE) would be expecting a budget shortfall. He also stated fuel taxes were expected to rise. The U.S. Representatives present at the conference stated they would protect the Columbia and Snake River Dams.

Commissioner Jane Hagarty commented on her attendance at the Prosser Chamber of Commerce and stated she would be attending the Prosser Economic Development Association (PEDA) Annual Meeting later today. She also reported the Walter Clore Wine and Culinary Center has officially decided not to change its name at this time.

Commissioner Keck commented on his attendance at the recently held Tri-City Development Council (TRIDEC) Strategic Planning Session. He and seven other community leaders were asked for their input on the vision, mission and future role TRIDEC will play in the Tri-Cities. The Tri-City Area Chamber of Commerce and Visit Tri-Cities both will be holding similar planning meetings in the near future.

- E. IN-HOUSE COUNSEL COMMENTS:** Counsel updated the Commission on the recent purchase of the former Hogue production facility/tasting room building in Prosser by E & J Gallo Winery. The Port has a right of first offer on this property, however the Commission stated it is not in the Port's best interest to exercise that right.

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 all necessary documents to waive the Port's Right of First Offer (ROFO) on the former Hogue production facility/tasting room building.

Counsel discussed the correspondence received from Michael Henry, SIGMA Financial Group, regarding their vacant facility at 3110 Port of Benton Boulevard. Mr. Henry has requested his ground lease rent be waived, due to lack of occupancy at the building. The Port has not formally met with Mr. Henry regarding this property but does not believe it to be in the Port's best interest.

Counsel discussed the lease with TCRY and their sublease with Veolia. Veolia has indicated they are in negotiations with TCRY to relinquish their current space and buy out the

remainder of their lease. While leasing from TCRY, Veolia made several tenant improvements/modifications that were not authorized by the Port. The Port will require tenant to return the space to its original condition, if subtenant fails to do so.

Counsel provided an update on the taxpayer lawsuit. A decision has not been reached.

Counsel provided an update on the Qui Tam lawsuit. TCRY filed a Motion for Summary Judgement against the City of Richland. The Port of Benton filed a response that clarified timelines, facts and misrepresentations made in the Motion for Summary Judgement.

F. EXECUTIVE DIRECTOR COMMENTS: The Executive Director and the Director of Finance briefed the Commission on the Port's requirement to monitor conflicts of interest regarding federal and state grants.

A draft letter was received from Visit Tri-Cities. They are asking the Ports of Benton, Kennewick and Pasco to send letters to Washington Public Ports Association to request the 2021 Spring meeting be held in the Tri-Cities. The Commissioners each signed the letter and asked the Administrative Assistant to send to Visit Tri-Cities.

The Executive Director stated he provided a tour to John Paul Estey, Prosser Chamber of Commerce; Jesalyn Cole, Historic Downtown Prosser and Melanie Estey of the Port's Richland sites.

The Executive Director briefed the Commission on the transfer of a 4.60 acre parcel of land located at 3051 Richardson Road from Energy Northwest. The Phase 1 Environmental was completed with no findings. The land transfer will involve a 3.3 acre parcel of land currently leased by Energy Northwest from the Port to Energy Northwest located at 345 Hills Street. A Resolution will be brought to the May 8, 2019, Commission Meeting for final approval.

The Executive Director informed the Commission the Port will be receiving a grant from the Federal Aviation Administration (FAA). At the time the approximate amount is \$548,858 for the Richland Airport Master Plan Update. The Port's portion of this grant is in the amount of 10% of the total cost.

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 documents to accept the Grant from the Federal Aviation Administration (FAA) for the Richland Airport Master Plan Update, with the Port's cash match being 10% of the total cost.

G. STAFF INFORMATION REPORTS:

MARKETING: The Director of Communications and Marketing stated the spring newsletter is complete and has been distributed. He is assisting with the upcoming WAMA Conference, Richland Aviation Celebration, Cool Desert Nights and Wings and Wheels.

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

The Director of Economic Development and Governmental Affairs discussed the status of the negotiation with Maritime Administration (MARAD) and General Services Administration (GSA) on the purchase price for the Richland Innovation Center (RIC).

GOVERNMENTAL AFFAIRS & ECONOMIC DEVELOPMENT: The Director of Economic Development and Governmental Affairs briefed the Commission on her projects.

- 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 Property and Crow Butte Park.

The Director of Real Estate discussed an unsolicited offer to purchase property in the Richland Innovation Center. The property is located outside the MARAD GSA indenture footprint. The Commission approved staff to move forward with the proposed sale.

- 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, April 17, 2019, Port Commission by unanimous vote approved for payment those vouchers included in said listing and further described as follows: Payroll Warrants numbered 04915 through 04966 totaling \$116,315.76 and General Expense Warrants numbered 070416 through 070601 totaling \$465,086.80 from the General Expense Fund.
- J. EXECUTIVE SESSION:** The regular Commission Meeting was recessed at 10:50 a.m., and an Executive Session was convened to discuss On-going Litigation and Real Estate Negotiations pursuant to RCW 42.30.110 (1) (c) and RCW 42.30.110 (1) (i). The Commission announced the Executive Session would last no longer than fifteen (15) minutes. The Executive Session was adjourned at 11:05 a.m. and the regular Commission Meeting was reconvened.
- K. ADJOURNMENT:** With no further business, the meeting was adjourned at 11:05 a.m.

Robert D. Larson,
Commission Secretary