

**PORT OF BENTON
COMMISSION MEETING MINUTES
December 11, 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 Interim Executive Director, Diahann Howard, PPM®; Director of Finance, Stuart Dezember, CPA, PPM®; Port Counsel, David Billetdeaux; Director of Special Projects, John Haakenson; Director of Real Estate, Teresa Hancock, Director of Communications and Marketing, Wally Williams and Administrative Assistant, Kelly Thompson and Maintenance, Kyle Dempsey. Also, in attendance were Paul Weber, Pam Brown Larsen, Pete Rogalsky, Wendy Culverwell and Terry Christensen.

B. PLEDGE OF ALLEGIANCE: David Billetdeaux led those present in reciting the Pledge of Allegiance.

C. CONSENT ITEMS:

1. **A motion was made by Commissioner Jane Hagarty, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the November 13, 2019 Commission Meeting Minutes, November 26, 2019 Special Commission Meeting Minutes, Resolution 19-30, To Cancel Warrant No. 68694, Resolution 19-31, To Cancel Warrant No. 71824 and November 2019, Voucher review and certification.**

D. CURRENT BUSINESS:

1. **UNSCHEDULED BUSINESS/VISITORS:** Terry Christensen, Mayor Pro Tem, City of Richland, thanked the Port for being a partner with the City of Richland for many years and wished everyone a Merry Christmas. Commissioner Keck thanked Mr. Christensen and the City of Richland.

2. **DIRECTOR OF FINANCE REPORT:** 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 and was approved. Port Commission by unanimous vote approved for payment those vouchers included in said listing and further described as follows: Payroll Warrants numbered 05392 through 05434 totaling \$99,841.43 and General Expense Warrants numbered 071820 through 072001 totaling \$867,036.92 from the General Expense Fund.

The Director of Finance discussed the Commission compensation for 2018-19 for an additional \$14 per meeting, raising the total amount from \$114 to \$128 per meeting. The Port was not notified or in any way made aware of this additional compensation until Commissioner Roy Keck pointed it out recently. Port Counsel added the

Washington Public Ports Association (WPPA) would typically track this type of item. He and the Director of Finance have researched and determined the year 2019 is fully reimbursable, with the Commission's Approval.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission approving the Commissioner compensation increase from \$114 per meeting to \$128 per meeting, retroactive to January 1, 2019.

The Director of Finance advised the Port was not successful in receiving the Freight Rail Assistance Supplemental Program (FRAP) grant. This will free up the Port's matching funds of \$126,500. The Director of Special Projects advised the Port was not successful in receiving the Federal Aviation Administration (FAA) grant. This will free up the Port's matching funds of \$50,000. Port staff determined these monies should be used toward port-wide pavement maintenance and port-wide tree trimming, with priority being tree trimming at Crow Butte Park and Crow Butte Master Plan Update.

3. **HANFORD COMMUNITIES UPDATE:** Pam Larsen provided the 2019 Annual Report of the Hanford Communities. She thanked Commissioner Robert Larson for his service on the Governing Board and the Interim Executive Director for her service on the Administrative Board. She also advised she will be retiring in May 2020. The Interim Executive Director extended her appreciation to Ms. Larsen for her many years of dedication and service to the organization.
4. **UPDATE ON RAIL TIES/BRIDGE REPAIR/TIMELINE:** Paul Weber, HDR Engineering, provided an update on the 2019 Rehabilitation Project. The description and scope of work were reviewed; which will include replacement of Yakima River Bridge ties, I-182 Bridge (also known as Berry's Bridge) cross ties on a ballast deck and reconstruction of at grade crossing. He also provided base bid information, alternates and reviewed the anticipated schedule, with work set to begin in late February and be complete by late May.

Commissioner Roy Keck asked if once repairs are complete if the Port's track is then considered Class 2. Mr. Weber stated that once repairs are completed, there is an opportunity for the rail operator to increase speed if they deem appropriate/safe.

5. **RESOLUTION 19-32, AWARDED A CONTRACT TO SIEFKEN AND SONS FOR THE CONSTRUCTION COMPLETION OF FAÇADE IMPROVEMENTS AT 320-A WINE COUNTRY ROAD PROJECT:** The Interim Executive Director and the Director of Special Projects stated the Port received one bid and it was lower than the Engineer's estimated cost. The bid was received from Siefken and Sons for \$77,863.44 and this will complete the Port's commitment to the project.

A motion was made by Commissioner Jane Hagarty, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving Resolution 19-32, Awarding a Contract to Siefken and Sons for the Construction Completion of Façade Improvements at 320-A Wine Country Road Project in the amount of \$77,863.44.

- 6. APPROVAL OF INTERLOCAL AGREEMENT:** The Interim Executive Director provided a detailed explanation of the Interlocal Agreement with the City of Richland for the 72-acre Richland Innovation Center (RIC) Plat Improvements. One of the requirements for the Port is to commit \$800,000 for streets, sidewalks and street lighting.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Interim Executive Director to execute the necessary documents to approve the Interlocal Agreement between the Port of Benton and the City of Richland for the 72-acre Richland Innovation Center (RIC) Plat Improvements for the streets, sidewalks and street lighting in the amount of \$800,000.

- 7. APPROVAL OF GROUND LEASE:** Frank & Carolyn Wang, dba Auction Enterprises, Inc. at 2350 Lindberg Loop, 0.72 acres, for the sale of commercial building improvements by Nathan and David Croskrey to Frank and Carolyn Wang, dba Auction Enterprises, Inc., effective February 1, 2020 for a term of twenty (20) years with one (1) ten-year renewal (30 total); ground rent of \$4,419.52, plus leasehold excise tax per year; security deposit of \$4,986.99 (one year, including leasehold excise tax, with a three (3) year CPI, existing sub-tenant: Vista Technologies.
- 8. A motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Interim Executive Director to execute the necessary documents approving the lease at 2350 Lindberg Loop outside the fence at the Richland Airport for Frank & Carolyn Wang, dba Auction Enterprises, Inc. at 2350 Lindberg Loop, 0.72 acres, effective February 1, 2020 for a term of twenty (20) years with one (1) ten-year renewal option (30 total); ground rent of \$4,419.52, plus leasehold excise tax per year; security deposit of \$4,986.99 (one year, including leasehold excise tax); with a three (3) year CPI.**
- 9. AVIATION GROUND LEASE:** QB Aviation, LLC, 1925 Terminal Drive, sale of hangar improvements by Mission Investments, LLC to Quentin and Rebecca Wright, dba QB Aviation, LLC, effective December 15, 2019, for a term of twenty (20) years with one (1) ten-year renewal option (30 total); ground rent of \$1,951.95, plus leasehold excise tax per year; security deposit of \$2,202.58 (one year, including leasehold excise tax); with a three (3) year CPI.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Interim Executive Director to execute the necessary documents approving the lease at 1925

Terminal Drive, sale of hangar improvements by Mission Investments, LLC to Quentin and Rebecca Wright, dba QB Aviation, LLC, effective December 15, 2019, for a term of twenty (20) years with one (1) ten-year renewal option (30 total); ground rent of \$1,951.95, plus leasehold excise tax per year; security deposit of \$2,202.58 (one year, including leasehold excise tax); with a three (3) year CPI.

The Interim Executive Director stated this lease was in alignment with an existing appraisal. Currently there are updated appraisals ordered for the Richland Innovation Center (RIC) and the Richland Airport (RAP).

- E. COMMISSIONER COMMENTS:** Commissioner Robert Larson stated he has just returned from travel and stated how cold and gray it is in Tri-Cities. He stated on December 4, he attended the Tri-Cities National Park Committee meeting, where he learned the B Reactor needs infrastructure repair. The park boundary is proposed to be expanded pending congressional action.

Commissioner Jane Hagarty reported on the Prosser Economic Development Association (PEDA) board meeting she attended on December 4. She stated the new grocery store owners are cleaning the former Shopko building in preparation for their grand opening soon.

Commissioner Roy Keck addressed the Interim Executive Director and asked if the authorized negotiations for Executive Director position could be addressed. The Interim Executive Director stated she would address under her comments.

- F. COUNSEL COMMENTS:** Counsel updated the Commission on the Federal lawsuit, stating several of the claims have been dismissed. All claims against the Port of Benton Commissioners and Pete Rogalsky, City of Richland, have been dismissed. The City of Richland, Port of Benton and Scott Keller are still named. The retaliation claims have been dismissed. The Port has prevailed in every motion that has been filed. The date for Discovery documents to be submitted is January 6, 2020.

Port Counsel provided an update on former Port tenant, Blue Star, stating they have vacated the building and property. The Port has hired the environmental consulting firm, Shannon and Wilson to pinpoint any environmental concerns. The Port has sent a letter advising Blue Star if there are any costs associated with any verified environmental issues, Blue Star will be held responsible. He stated as of this date, the Port has received approximately \$346,000 in reimbursement on the environmental cleanup at Prosser Airport, Marv Bonny Site.

Port Counsel stated Mr. Roger Lenk has served the Port of Benton with a 65-page lawsuit, alleging a violation of the Public Records Act. Port Counsel again provided the documents originally requested and the lawsuit will be dismissed.

Port Counsel is working to finalize a contract with Underground Creative after receiving the Request for Qualifications. They have been selected to launch the new Port and

Crow Butte websites. Port Counsel stated he, the Interim Executive Director and the Director of Special Projects continue to review applicants for the two open positions at the Port. Both the Facilities Manager and Director of Airports positions are expected to be filled soon.

Port Counsel stated he is working with Enduris, the Port's insurance company, regarding training for both Commissioners and staff for whistle-blower and retaliation issues, along with additional training topics.

The remainder of his comments were reserved for Executive Session.

- G. INTERIM EXECUTIVE DIRECTOR COMMENTS:** The Interim Executive Director discussed the Assignment of Lease from Advanced Technologies and Laboratories (ATL) to Planned Systems International Inc. (PSI). They are a business located in the Port's Tri Cities Enterprise Center (TEC) at 2000 Logston Boulevard, occupying 2,867 square feet; current lease expires 3/31/20; extension request for two months to May 31, 2021 (which falls within the Executive Director's Delegation of Authority, as it is less than five years), CPI increase will be calculated at the end of current term prior to extension.

The Interim Executive Director discussed the pending sale of 5.25 acres closing extension request for Summerlin Associates, LLC from November 30, 2019 to February 15, 2020. The construction schedule remains on track for Spring of 2020.

The Interim Executive Director discussed approval per Delegation of Authority is required for two easements exceeding five (5) years. The RIC plat easements needed are for: (1) Charter, a 10' utility easement and (2) overall RIC Property utility, water and sewer easement per RIC plat conditions.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing the Interim Executive Director to execute the necessary documents to approve the two easements exceeding five (5) years. The RIC plat easements needed are for: (1) Charter, a 10' utility easement and (2) overall RIC property utility, water and sewer easement per RIC plat conditions.

The Interim Executive Director stated the Port has received notice from the General Services Administration (GSA)/Maritime Administration (MARAD) advising they will be refunding a portion of the initial fee of \$60,000, estimated for administrative costs associated with the Indenture release upon the 72-acre property.

The Interim Executive Director followed up on the requested discussion of the Executive Director contract to be held during Executive Session and include compensation, term duties, and termination clauses.

The Interim Executive Director stated she, Port Counsel and the Director of Finance recently attended a conference call with several members of the Walter Clore Wine and Culinary Center to discuss an updated status on vendor invoices. Current agreement options and general concerns were also raised by the Clore. Commissioner Hagarty stated the Port may want to consider some options with the secondary building (Vineyard Pavilion).

H. STAFF INFORMATION REPORTS:

COMMUNICATIONS AND MARKETING: The Director of Communications and Marketing thanked the Commission and staff for their well wishes and patience during his recent health issue. He also discussed the new website updates and refresh for both the Port of Benton and Crow Butte Park, the Prosser Chamber Community Awards Banquet and Ag Show.

GRANTS: The updated copy of the Grants Status report was reviewed. The Interim Executive Director stated Initiative 976 is holding up decisions on transportation budget dollars for 2020. The Commission was advised of the FUSE, Economic Development Association (EDA) Grant. FUSE is proposing a budget amendment to cover \$41,000 in costs, share for the Port of Benton, and that the Port will release \$14,000 in federal funds within existing budget line items. An amendment will be drafted and brought to the Commission. The Benton Franklin Council of Governments (BFCOG) has held their call for projects meeting, which included requests from the area's cities, ports and counties. Benton City received funding for their 9th street sidewalks as part of the rural funds, Prosser received funding for Old Inland Empire (OIE) Highway as part of Urban funds and Richland received project funding for the bike path on SR240.

GOVERNMENTAL AFFAIRS: The Interim Executive Director provided an update on her Projects, highlighting the Tri Cities Legislative Council (TCLC) priorities for 2020 will be the Clean Energy Act (CEDA), economic development specific to Port of Benton, LRF, Tourism and higher education.

SITES UPDATE: The Director of Real Estate discussed the development building in Vintners Village, stating it is now fully occupied. She and the Director of Marketing will be visiting Wautoma Springs Winery to discuss a grand opening or ribbon cutting ceremony. The development building at Port's Wine and Food Park was discussed and a tenant may need to be relocated who is using the space for manufacturing, absent of retail sales to public storefront ancillary to neighboring tasting room tenants. The Director of Real Estate also stated that Packaging Corporation of America (PCA) is moving out of the Port's Development Building at 3100 George Washington Way, as their new building on Kingsgate is nearly complete. They have been an excellent tenant. The Richland site employs 58 full-time and 11 full-time exempt employees. PCA is a US-based manufacturing company and employs over 14,600 people nationwide.

The Interim Executive Director stated we will be performing some construction in the south end of the development building at 3250 Port of Benton Boulevard, modifications involving some sound proofing between tenant spaces.

The Interim Executive Director stated the Port continues to evaluate Crow Butte Park. The Park will phase in opening some campsites at a time as there is a significant amount of tree trimming which will need to take place in 2020. The Port plans to send out a Request for Qualifications (RFQ) for camp hosts in 2020.

- I. **EXECUTIVE SESSION:** The regular Commission Meeting was recessed at 11:06 a.m. and an Executive Session was convened to discuss On-going and Potential Litigation pursuant to RCW 42.30.110 (1)(i) and Personnel Matters pursuant to RCW 42.30.110 (1)(g). The Commission announced the Executive Session would last no longer than thirty (30) minutes. At 11:36 a.m. the Commission announced the Executive Session would last an additional twenty (20) minutes. The Executive Session was adjourned at 11:56 a.m. and the regular Commission Meeting was reconvened.

- J. **A motion was made by Commissioner Robert Larson, seconded by Commissioner Jane Hagarty and unanimously passed by the Commission authorizing Port Counsel to enter into negotiations with Diahann Howard for the position of Executive Director, and to provide the provisions of employment agreement which include an annual salary of \$155,000 per year. This employment agreement will be finalized for signature at the December 17, 2019, Special Commission Meeting.**

- K. **ADJOURNMENT:** With no further business, the meeting was adjourned at 12:00 p.m.

Roy D. Keck,
Commission Secretary