

**PORT OF BENTON
COMMISSION MEETING MINUTES
NOVEMBER 17, 2020**

A. CALL TO ORDER: The regular monthly meeting was called to order at 8:32 a.m. at Port of Benton Commission Meeting Room, 3250 Port of Benton Boulevard, Richland, Washington.

PRESENT: Commissioner Roy D. Keck (via remote telecommunications), Commissioner Robert D. Larson (via remote telecommunications), Commissioner Jane F. Hagarty. Executive Director, Diahann Howard, PPM® (via remote telecommunications); Director of Economic Development and Governmental Affairs, Miles Thomas (via remote telecommunications); Administrative Tech, Summers Miya (via remote telecommunications); Director of Real Estate, Teresa Hancock (via remote telecommunications); Port Counsel, David Billetdeaux (via remote telecommunications); Director of Marketing, Wally Williams (via remote telecommunications); Senior Accountant, Veronica Serna (via remote telecommunications); Administrative Assistant, Sheri Collins (via remote telecommunications); Facilities Manager, Ron Branine (via remote telecommunications); Director of Airports, Joe Walker (via remote telecommunications); Director of Special Projects, John Haakenson (via remote telecommunications); Director of Finance/CPA, Danielle Connor (via remote telecommunications); Tri-Cities Journal of Business, Wendy Culverwell (via remote telecommunications); Sundance Aviation, Clif Dyer (via remote telecommunications); Sundance Aviation, Devin Alder (via remote telecommunications); City of Richland, Pete Rogalsky (via telecommunications)

The Commission Meeting was conducted using the CDC (Centers for Disease Control) recommended social distancing protocols for COVID-19 with Commissioners meeting in-person and remotely; public attending remotely and Port staff members participating in-person or remotely, and said meeting was noticed as required by RCW 42.30.070.

Commissioner Hagarty noted that she would read action items aloud alphabetically by last name and asked that each commissioner signify their vote by announcing 'Yes' or 'No' aloud. Further, when a Commissioner wishes to speak, the name of the Commissioner will be announced for those using remote telecommunications.

B. PLEDGE OF ALLEGIANCE: Commissioner Robert Larson led those present in reciting the Pledge of Allegiance.

C. CONSENT AGENDA:

A motion was made by Commissioner Robert Larson, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving the October 21, 2020 Commission Meeting Minutes, the October 27, 2020 Special Commission Budget Workshop minutes and approval of vouchers and certifications, including payroll, for the month of October totaling \$506,253.92.

D. PUBLIC HEARING:

Commissioner Hagarty opened the Public Hearing at 8:39 a.m. to discuss Resolutions 20-51 and 20-52.

1. Resolution 20-51, A Resolution to Adopt the Port's 2021 Comprehensive Scheme of Harbor Improvements: Director of Economic Development & Governmental Affairs, Miles Thomas presented the 2021 Comprehensive Scheme of Harbor Improvements, which the Port of Benton calls a Comprehensive Plan, noting that the plan is required by the state and has been updated from years' past. Thomas added that the plan is compliant with state statutes and presents activities throughout the year, which is similar to past Port plans. Thomas added that it also represents jurisdictions and detail maps of Port sites and property. Thomas added that the plan now reflects real maps and lined up descriptions of property assets, which is concurrent with the information on the Port's new website. Thomas opined that the plan now reflects the underlying legal zoning of each property. Thomas stated that he will be presenting the plan to Benton County in December, as required by the State.

2. Resolution 20-52, A Resolution to Adopt the 2021 Port Budget: Director of Finance/Auditor, Danielle Connor announced that the Budget Workshop was hosted on October 27, 2020 and the budget has been on file and available to the public as required by the [Revised Code of Washington]. Connor added that since the Workshop, final revisions have been made to the budget, adding that the third set of preliminary values from the county were received and updated 2020 new construction, which is up approximately \$43 million from the first set of preliminary numbers provided in September. Connor noted that the lease revenue has been adjusted slightly, decreasing the forecast, based on recent tenant activity and vacancies being conservative in the estimate of the occupancy in 2021. Connor added that the Port will continue to refine as needed and will keep the Commission updated on any further adjustments.

Commissioner Hagarty asked for public comment. There were no public comments.

The Public Hearing was closed at 8:49 a.m.

Commissioner Hagarty reopened the Regular Commission Meeting at 8:49 a.m. and welcomed any Commissioner and Staff comments.

Commissioner Keck complimented the Port team and noted how proud he was of the team's effort, as well as the product.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving Resolution 20-51 and adopting the Port's 2021 Comprehensive Scheme of Harbor Improvements.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving Resolution 20-52 and adopting the 2021 Port Budget.

E. PUBLIC COMMENT: The public was able to participate via Zoom or telephonic conference and Commissioner Hagarty reviewed the instructions and invited the public to comment.

Pete Rogalsky, Public Works Director at the City of Richland introduced himself and expressed his appreciation for including the Interlocal Agreement regarding the Center Parkway-Gage Boulevard to Tapteal Drive project on this meeting's agenda.

There were no further comments.

F. ITEMS OF BUSINESS:

1. Resolution 20-53, Making a Declaration of Substantial Need for Purposes of Setting the Limit Factor for the Property Tax Levy for 2021; Resolution 20-54, Certifying the Port's 2020 Levy for 2021 Collection: Director of Finance/Auditor, Danielle Connor announced that the Port is proposing to accept the 1% increase in property tax, as is standard and consistent with prior years. Connor explained that the rate of inflation for property taxes due in 2021 is under 1% (.602), which has happened only two or three times in the last ten years. Connor also added that the Port has verified with other Ports across the state and have been informed that they are taking the same approach and are also proposing to accept the 1%. Connor noted that the 1% would keep the levy rate at \$0.37. Connor concluded that the Port will come back in January to verify the levy and any other adjustments for any notable changes.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving Resolution 20-53, setting the limit factor for the property tax levy for 2021.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving Resolution 20-54, certifying the Port's 2020 Levy for 2021 collection.

2. Resolution 20-55, A Resolution of the Port of Benton Relating to Contracting Indebtedness: Port Counsel, David Billetdeaux stated that the Port would like to refinance current Port debt at the historically low interest rates available at this time. To do so, the Port first decided to update its policies and procedures relating to contracting for indebtedness. This new policy provides a roadmap for the Port to follow through the refinance process using municipal bond services.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving Resolution 20-55, related to contracting indebtedness.

3. Selection of Municipal Bond Services: Port Counsel, David Billetdeaux explained that the delegation of authority approved by Commission to the Executive Director, approves the Executive Director to look at terms of refinance and move forward with selected entities. Billetdeaux explained that Key Bank, Banner Bank and Northwest Municipal Advisor Services have all provided relevant information to the Port. The Port has begun to research these entities to ensure that no negative FINRA findings have occurred and would like to make a selection from there based qualifications and best interests of the Port and taxpayers.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving a motion to move forward with a selection of municipal bond services.

4. Port of Benton Strategic Plan: Director of Economic Development & Governmental Affairs, Miles Thomas noted that the text and graphics have been cleaned up on the Strategic Plan since the first document was provided to the Commission for review. Thomas expressed an appreciation towards Maul Foster Alongi (MFA) for drafting the Strategic Plan and allowing the Port to work more effectively with Port partners. Thomas explained that the first portion of the plan is the boiler plate and sets the tone for the entire plan by defining values, goals and strategy. Thomas added that the next piece involves the staff working for the next month and a half to identify action items throughout the year and develop goals and strategies from there. Thomas noted that the plan will be updated throughout the year to address unforeseen opportunities that arise along the way.

Thomas stated that MFA prepared an accompanying document, a standalone memo, which was a real estate analysis highlighting the waterfront area, Vintners Village Phase II and North Horn Rapids. Thomas noted that MFA delves into each property, taking a deeper, more targeted dive towards site plan efforts and this document will be the starting point towards a more in-depth site planning strategy from the Port.

Thomas provided an examples of Port properties noting that MFA took into consideration the Richland waterfront area regarding splitting up commercial retail and residential that is support to the research environment. Thomas continued with the RIC, noting MFA provided an accurate representation of what can be accomplished with the RIC property, as it is an industrial park with a multitude of industrial uses.

Thomas also noted that MFA took into consideration the aesthetics with the Vintners Village Phase II area and provided dashed lines addressing how the Port can accommodate different types of developments by right-sizing the acreage of parcels.

Commissioner Larson inquired about the submarine sail park and if there was any mention of future development at the park. Thomas stated that the Hanford History Project frequently discusses the park and is working to identify the right source of funding for that particular project.

Executive Director, Diahann Howard added that the consultant did give a nod at the location of the submarine sail park, which they are working to reaffirm with the land-planning consultant. Howard also noted that grant funding is largely focused on COVID relief at this time and the park may be more in the future.

Commissioner Larson stated that he was pleased the park was under consideration.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the Port of Benton Strategic Plan.

5. Interlocal Agreement Between the City of Richland and the Port of Benton Regarding the Center Parkway – Gage Boulevard to Tapteal Drive Project: Executive Director, Diahann Howard stated that the Interlocal Agreement requested \$50,000 has been placed in the 2021 budget and the Port is in support of the request made by the City of Richland.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving the Interlocal Agreement with the City of

Richland and the Port of Benton Regarding the Center Parkway – Gage Boulevard to Tapteal Drive Project.

F. INFORMATION REPORTS:

1. Grants Update: Executive Director, Diahann Howard provided an update on grant applications noting that 2021 FRIP/FRAP was not funded and the Port will now adjust to a capital request during the upcoming state legislative session.

Howard stated that they are waiting to learn about the status of the U.S. [Economic Development Administration] grant and thanked the City of Richland on their partnership with this grant application and reminded the Commission that the City will take on the administration of the grant, if approved.

Howard reminded the Commission that Benton County has approved disbursement of the Rural County Capital Funds (.09 money) to the Port of Benton for use in improving the property and infrastructure within the Richland Innovation Center (RIC). This includes widening and improving Fermi Avenue from Curie Street to the south end of the RIC. Additionally, these funds will construct sidewalk and street light improvements throughout the RIC.

Howard added that the FAA relief dollars were received and the airfield signage and taxilane improvements at the Prosser Airport have been approved for 2021.

2. Properties/Projects Update:

a. Derailment Update: Port Attorney, David Billetdeaux recently sent a letter to BNSF, which all Commissioners received a copy. Billetdeaux added that the letter broke down the cost to date with anticipated future costs. At present, Billetdeaux noted that he had not received a reply from BNSF, but would reach out to them this week again.

Commissioner Keck clarified that he took from the letter that there was \$250k in damage received, with another \$250 expected and inquired as to whether anything was insured.

Billetdeaux answered that he has notified the insurance carrier and explained that generally, in circumstances such as this, the operator is at fault and if it becomes a situation where the Port is forced to litigate, the Port will get insurance involved. Commissioner Keck inquired about where things stood on the physical repairs and Billetdeaux replied that all repairs were made to respond to the derailment. However, after the cranes arrived to pull out the damaged cars and the lengthy section of the damaged rail has been repaired, additional ties were crushed by the heavy equipment used to pull out the derailed cars. Billetdeaux added that some of the damaged ties were old to begin with, and some were new, but after the accident, a majority now have 0% life. Due to those damages, out of an abundance of caution, this short section of the rail is still at 5 mph. There still is a need to replace a minimum of approximately 500 damaged ties outside the derailment area.

Commissioner Larson thanked Billetdeaux for the well-written letter and Commissioner Hagarty complimented Billetdeaux on his efforts.

G. COMMISSIONER REPORTS/COMMENTS:

Commissioner Roy Keck congratulated the Port team on a successful Entrepreneurial Awards.

Commissioner Keck also informed the group that as part of his involvement with the WPPA working group, they have drafted a statement regarding a policy on a carbon tax in the state of Washington, which Keck stated will be presented at the WPPA annual trustee meeting and expects that carbon tax will be a key issue during the next legislative session.

Commissioner Larson commented on recent meetings he has attended virtually focused on advanced nuclear, technical and fuels. Larson praised the Port for an impressive Entrepreneurial Awards event and also remarked that he participated in TRIDEC's recent 2020 Election Impact event with Tim Peckinpaugh as the guest speaker.

Commissioner Hagarty remarked about Prosser businesses and the struggles that they have faced throughout the year. Hagarty encouraged all to support small businesses in any way possible during these unforeseen times. Hagarty noted that she has attended several meetings with the Walter Clore Center and complimented the Port staff for their cooperation, as it will help the Clore go forward in the future. Hagarty added that all Clore staff has been let go and the Executive Director is working on a volunteer basis. Hagarty noted that the Clore was looking forward to hosting their December holiday events, but with recent restrictions due to COVID-19, the events are not expected to happen. Hagarty noted that COVID has been devastating to the Clore and complimented the Port again on their commitment to working together with the Clore.

H: DIRECTOR REPORTS/COMMENTS

1. EXECUTIVE DIRECTOR: Executive Director, Diahann Howard stated that she has participated in recent WPPA, WEDA and AWB Zoom meetings and as a result, a follow-up meeting via Zoom has been advised regarding the need to meet with the ag community because of the carbon tax fee proposal.

Howard noted that she and Miles Thomas recently met with Representative Matt Boehnke to overview 2021, as well as Congressman Newhouse. Howard added that the Port will break this meeting later today to participate the WPPA Tax Increment Tuesday Roundtable.

Howard stated that she has attended many meetings recently regarding the Walter Clore Center and is optimistic about the path through transition, as well as a tenant prospect coming forward possibly in December.

Howard added that Engineer (RGW Enterprises) Roger Wright's 2020 contract needs a \$15k-\$20k amendment due to the added work associated with the derailment.

Howard noted that the Port hosted X Energy at the Port office in early November. She also attended ECA Advancing STEM and Nuclear Workforce, Advancing Nuclear Technologies and Fuels, and Energy Northwest's Leadership Summit last week.

2. PORT ATTORNEY: Port Attorney, David Billetdeaux provided an update on the Surface Transportation Board, noting that he is still waiting on an update, as the motion was filed a few weeks ago. Billetdeaux noted that he is hoping for a ruling soon.

Billetdeaux continued with an update on the Circuit Court of Appeals and informed that the Court is now moving around the Northwest and Billetdeaux expects that they will be in Seattle in April, May or June and the hearing will be held then.

Billetdeaux concluded with an update on the Benton County motion to dismiss action and updated that Judge Ekstrom heard the case last week and all is still under advisement. Billetdeaux expects a ruling shortly and reminded that COVID is slowing all court proceedings down.

3. FINANCE DIRECTOR/AUDITOR: Director of Finance/Auditor, Danielle Connor provided a financial update, noting that expenditures for October were \$506k, which included operating expenses and payroll. Connor added that the second half of property taxes were received in October, which was \$832k, bringing the cash balance at the end of October, including reserve cash to \$3.4 million. Connor noted that she would be updating the forecast to year end, and there are upcoming debt payments in addition to large payments for open projects forthcoming.

Connor noted that going forward into 2021, she would like to propose that the standard finance monthly report includes an overview of actual cash activity, as well as a forward-looking cash forecast, while also reporting on any additional highlights or notable items on the horizon. Connor explained that the finance team will be identifying and building a few key performance indicators, and as part of the new system implementation, the finance team will have access to additional data that the team will be able to report on and a monthly report of these key performance indicators will be provided to the Commission. Connor added that a full budget to actual report will be presented quarterly and the yearend results will be presented in February or March.

Connor concluded with an update on the IAP implementation project, stating that the Intacct and Criterion systems are still on track to go live on January 4, 2021. Connor added that the team has completed a first pass of populating the initial templates and the consultants have finished their initial configuration. Connor continued, noting that all users were granted access to the systems yesterday, November 16, 2020 and the team is moving into the training and testing phase. Connor concluded with a note that the team is making good progress and getting good traction going into December. Connor added that the effort and foundation of Intacct will relay well with the work order system for maintenance, which Connor expects to begin the reviewing and selection process to begin in December.

4. ECONOMIC DEVELOPMENT & GOVERNMENTAL AFFAIRS: Director of Economic Development & Governmental Affairs, Miles Thomas echoed the sentiments shared by staff regarding supporting small businesses as much as possible during these hard, economic times and added that he recently hosted the first Zoom with Wine event, with about ten participants. Thomas explained that this event was held in partnership with the Historic Downtown Prosser Association, Prosser Chamber of Commerce and the Prosser Economic Development Association and will focus on inviting wine professionals from around the region to join. Thomas noted that they are still growing the event and learning what will work best and is dedicated to being a resource to the struggling wine industry.

Thomas thanked the Commission for the positive feedback regarding the recent Entrepreneurial Awards and added that he is nearly finished with editing the program, so there is clear archive for the award-winners.

Thomas stated that he is heavily focused on Port marketing and highlighting the many Port assets and opportunities, as well as working to complete the DiscoverRichland.com landing page.

Thomas noted that Director of Airports, Joe Walker, would be able to provide more detail if needed but that Staff had begun preliminary discussions with the City of Richland and City of West Richland on the Richland Airport planning process – ensuring per Revised Code of Washington that they are compliant with obstruction evaluations – a responsibility vested in the Cities and Counties.

5. SPECIAL PROJECTS: Director of Special Projects, John Haakenson noted that he is working with the Department of Ecology on the required applications and permits for 2021. Haakenson added that he is working with the maintenance team to relocate equipment from Crow Butte to proper storage for the winter and is also working with D. Hittle on the plan for the irrigation repair, which he expects to commence at the first of the year.

Haakenson added that he continues to work with the existing camp hosts, as well as having conversations with possible camp hosts for the coming year.

6. REAL ESTATE: Director of Real Estate, Teresa Hancock echoed the small business sentiments stated earlier and urged all to support small business during this difficult economic time.

Hancock was excited to share that the Port has recently negotiated a new 1-year lease with a tenant in the former Cr8 building, located at 721 9th Street in Benton City. Hancock added that the lease approval falls within the Executive Director's authority but wanted to fully communicate the development with the Commission. Hancock continued, noting that space will now be occupied by Luis and Gabby Ruiz, or L&G Salon. Hancock stated that Gabby has been in contact with the Port regarding the frontage space for over four years and is thrilled to be moving into the 700 square foot of main street frontage. Hancock added that they will be using the space for a beauty salon and retail sales of associated products. Hancock added that the Ruiz's are investing \$7 – 8k of their own funds on the space. Hancock added that the rent will be \$500 + LET (\$8.57psf), which a recent appraisal suggests as being in the upper range.

Hancock added that the Ruiz's have expressed an interest to purchase the property in the future and there were a few minimal landlord improvements that the maintenance team had already started.

Hancock stated that there had been quite a bit of interest in the 2355 space.

7. FACILITIES MANAGER: Facilities Manager, Ron Branine noted that the team is finishing up on the old BNL Tech space at the 3250 space and will begin with the Intermech space as soon as it is turned back over to the Port. Branine added that they are still developing the plan on what is next for the Intermech space.

Branine stated that all Port vehicles have been properly prepared for snow removal and additional snow stakes were ordered and installed to save curbing. Branine added that the team continues to add LED, rear-facing downward safety lighting to the trucks for additional warnings measures.

Branine added that the team is working on Benton City properties, adding a store front door and window, as well as some minor electrical repair. Branine noted that the team continues to work on a solution for the Subway building's water intrusion issue that has been ongoing, but Branine expects to resolve soon.

Branine stated that the team is testing radios to use for better communications, particularly as they prepare for snow removal and other large events. Branine noted that they are testing four radios currently to check their range capabilities and if they work, they will purchase more for specific vehicles, as well as portables. Branine stated that if the radios are unsatisfactory for the maintenance team's needs, they will send them to Crow Butte, as there is a definite need for better communications in the park.

Branine concluded with an update on the fence project at Vintner's Village, stating the fence has been delivered and they are just waiting on install.

8. AIRPORT DIRECTOR: Director of Airports, Joe Walker informed the Commission that the Richland Master Plan is moving forward and the survey officially closed on November 16, 2020. Walker added that there was a significant amount of public engagement.

Walker continued with an update on the Prosser Airport, highlighting a recent irrigation project on the south side of the runway and they have also been working to secure the airport by closing gates for safety purposes.

Walker added that he has been working on fee and rate schedules and added that he has been working with the Cities of Richland and West Richland regarding land-use planning and the specific RCW requirements, which requires that cities work more directly with airports.

9. MARKETING: Director of Marketing Wally Williams announced that he, along with the assistance of the team, has put together a new TIF video for WPPA that highlighted the new tax increment financing. Williams thanked the City of Richland for their assistance and use of some of their drone footage for the video and noted that there will be a push for more videos in the future.

Williams stated that the newsletter will be delivered to the Port today and 300-400 hardcopies will be mailed. Williams invited the Commission to review the copy he provided in their packet. Williams added that he is working on updating a site brochure with up-to-date site information and is also working on a new look for the business cards, which should be complete by early 2021. Williams added that he is also working on the Christmas card and is excited for his new Mac Pro to arrive, as his 8-year-old computer was ready to retire.

I. EXECUTIVE SESSION: The regular Commission Meeting was recessed at 10:12 a.m. and an Executive Session was convened at 11:22 a.m. to discuss potential litigation pursuant to RCW 42.30.110(i). The Commission announced the Executive Session would last no longer than 10 minutes. The Executive Session was adjourned at 10:32 a.m. and the regular Commission Meeting was reconvened.

After reconvening the regular meeting, the Commission waited for five (5) minutes for any remote attendance participants to reconnect to the meeting. None did.

J. ADJOURNMENT: With no further business, the meeting was adjourned at 10:39 a.m.



Roy D. Keck
Commission Secretary