

PORT OF BENTON
COMMISSION MEETING MINUTES
FEBRUARY 10, 2021

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®, Attorney, David Biletdeaux (via remote telecommunications); Director of Economic Development and Governmental Affairs, Miles Thomas (via remote telecommunications); Executive Administrator, Summers Miya (via remote telecommunications); Director of Real Estate, Teresa Hancock (via remote telecommunications); Director of Marketing, Wally Williams (via remote telecommunications); Contract Specialist, Sheri Collins (via remote telecommunications); Director of Facilities & Operations, 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); Senior Accountant, Veronica Serna (via remote telecommunications); Sundance Aviation, Devin Alder (via remote telecommunications); Sundance Aviation, Clif Dyer (via remote telecommunications); Century West Engineers, Bryan Condon (via remote telecommunications); JUB Engineers, Ben Hoppe (via remote telecommunications); JUB Engineers, Neal Fraser (via remote telecommunications); David Benner, AMCG (via remote telecommunications); Randy Slovic, Christy Rasmussen

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: Jane Hagarty led those present in reciting the Pledge of Allegiance.

C. CONSENT AGENDA:

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the January 13, 2021 Commission Meeting Minutes, and approval of vouchers and certifications, including payroll, for the month of January totaling \$378,128.29, and approval of Resolution 21-04, to cancel warrant No. 077542, in the amount of \$15,953.04.

D. PUBLIC COMMENT:

Clif Dyer, of Sundance Aviation, inquired as to whether there would be an opportunity to ask questions after the AMCG and JUB presentations, noted on the agenda and relating the airports, as he stated he has concerns regarding the AMCG rate study.

Port Attorney David Billetdeaux stated that he is welcome to ask questions, but the Commissioners and presenters are not required to answer.

E. ITEMS OF BUSINESS:

1. Resolution 21-05, A Resolution of the Port of Benton Accepting Work Completed by Railworks Track System, Inc. for the 2020 Train Derailment Repairs Project

Port Attorney, David Billetdeaux informed that the repairs related to the damages received from the derailment incident in 2020 have been completed and the work has been properly certified. Billetdeaux reminded the Commission that the railroad is not perfect, but all derailment-related repairs have been completed and the project is ready for close-out.

Commissioner Roy Keck inquired on whether the costs will be reimbursed and Billetdeaux stated that all costs to date have been paid by the Port but stated that the Port played no role in the derailment, and thus BNSF, TCRY, or both will ultimately be accountable and the Port is pursuing reimbursement from both parties.

A motion was made by Commissioner Roy Keck to accept Resolution 21-05 and accept the work completed by Railworks Track System, Inc. for the 2020 train derailment repairs project, which was seconded by Commissioner Robert Larson and unanimously passed by the Commission.

2. Resolution 21-06, A Resolution of the Port of Benton Relating to a Disbursement Agreement for the Use of Rural County Capital Funds Between Benton County and the Port of Benton

Executive Director, Diahann Howard thanked the Commission for their support on receiving the .09 funds, as they will go towards plat improvements in the RIC, such as roads, sidewalks, internet.

A motion was made by Commissioner Robert Larson, seconded by Commissioner Roy Keck and unanimously passed by the Commission approving Resolution 21-06, the disbursement agreement for the use of rural county capital funds between Benton County and the Port of Benton.

3. Resolution 21-07, Lease Modification No. 2 to Ground Lease and Lease Modification No. 3 to Aggregate Removal with Interstate Concrete and Asphalt Company (formerly Eucon Corporation, dba American Rock Products)

Executive Director, Diahann Howard noted that American Rock is nearing the end of their lease term and mining on Port property, which led to an opportunity to reevaluate the lease. Howard explained that the current 15 acres is in negotiation to jump to 40 acres, which will lead to a rent increase from \$5k to over \$13k and \$164k/year from \$60k/year.

Director of Real Estate, Teresa Hancock added that there is approximately 30 acres of aggregate for mining remaining on the north side of the property and stated that the royalties have increased from 55cents/ton to a \$1/ton.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving Resolution 21-07, lease modification No. 2 to ground lease and lease modification No. 3 to aggregate removal with Interstate Concrete and Asphalt Company (formerly Eucon Corporation, dba American Rock Products)

4. Selection of Engineering Firm for Century West at the Richland and Prosser Airports (RFQ #1-20)

Director of Airports, Joe Walker, announced that the RFQ process has been completed and Century West has been identified as the engineering firm the Port would like to enter into an agreement with for an initial one-year term.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the selection of engineering firm Century West at the Richland and Prosser Airports.

5. Interlocal Agreement with the City of Richland Regarding 2021 Pavement Maintenance Plan in Richland up to \$308,000

Executive Director, Diahann Howard took the opportunity to thank Director of Real Estate, Teresa Hancock and Port Engineer, Roger Wright on the survey work they facilitated on the American Rock property.

Howard moved on to the Interlocal agreement with the City of Richland for the 2021 Pavement Maintenance Project, stating that when possible, the Port would like to leverage an agreement with the City and work together, as she feels it is in taxpayer and community interest to do so.

Howard added that Director of Facilities & Operations, Ron Branine, will continue to work with Sheldon at the City of Richland to plan for future pave maintenance project collaborations.

Howard noted that the 2021 Pavement Maintenance project will focus on roads around the Richland Airport.

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 regarding the 2021 Pavement Maintenance Plan in Richland, up to \$308,000.

6. JUB Port Wide Pavement Maintenance Administration Services for Up to \$57,000

Director of Facilities & Operations, Ron Branine noted that it is a normal task order from JUB to cover the 2021 Pavement Maintenance Administration Services and was able to negotiate the cost down due to partnership with the City of Richland this year on the project. Branine added that he felt the Port could perform some of the necessary work and JUB will cover the construction, engineering, bidding, in addition to other tasks for the 2021 slurry seal project.

Executive Director, Diahann Howard added a thank you to JUB for being an extra set of eyes and ears and looks forward to working together during the project.

A motion was made by Commissioner Roy Keck, seconded by Commissioner Robert Larson and unanimously passed by the Commission approving the JUB Port Wide Pavement Maintenance Administrative Services for up to \$57,000.

F. INFORMATION REPORTS:

1. **AMCG Rent Study Presentation:** Director of Airports, Joe Walker announced that since we were not able to schedule an AMCG presentation over the holidays, the Port is happy to have AMCG here today, via Zoom, to present to the Commission on the airport rent study. Walker introduced Managing Consultant, David Benner with AMCG.

Benner greeted the group and introduced AMCG, stating that AMCG has a broad spectrum of clients including airport sponsors, aviation businesses, and other industry stakeholders. Benner added that AMCG has experience in all aspects of the aviation industry, including airport and FBO management and pilots and aircraft owners. Benner stated that AMCG has conducted hundreds of airport rent studies at airports throughout the United States, often conducting 18-20 overviews at a time.

Benner added that he personally has 15 years of aviation planning, development, operations, management and consultant experience, including acting as the lead on a research effort for the ACRP guidebook.

Benner overviewed the timeline and process for the Richland and Prosser studies, noting that AMCG was engaged by the Port of Benton to conduct Airport Rent Studies in April 2020. Benner noted that site visits to both airports were completed in July 2020 and in September of 2020, the Airport Rent Studies were transmitted. Benner did note that due to COVID-19, it was impossible to hold onsite meetings with tenants and all meetings were held virtually.

Benner explained that the Port (as the airport sponsor), is required by the FAA Sponsor Assurances to maintain a fee and rental structure for the facilities and services at the airport(s) which will make the airport(s) as self-sustaining as possible under the circumstances existing. Benner added that market rent is the most probable rent a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified agreement. Benner explained that reasonable methodologies may include, but are not limited to, historic cost valuation, direct negotiation with aeronautical users, or objective determination of fair market value.

Benner explained that non-aeronautical use of airport property is required to be based on market, which is identified in Order 5190.6B Airport Compliance Manual, the FAA Policy on the Non-Aeronautical Use of Airport Hangars, and the FAA Reauthorization Act of 2018. Benner pointed out that the division typically starts at this stage

Benner added that rates charged for non-aeronautical use of the airport must be based on fair market value, such as lease of land at fair market rent subject to the specific exceptions listed, which is Order 5190.6B Airport Compliance Manual.

Benner detailed the process of the rent studies, which included the visits to each airport, developing a profile, identifying comparable and competitive airports, identifying similar components and uses, such as aeronautical and non-aeronautical land, obtaining and analyzing comparable and competitive data as well as national and regional data and developing an opinion of rent for each component. Benner described four buckets involved in the process, with competitive airports serving as a basis, but pointing out that there is an extensive database of more than 750 airports located throughout the United States and more than 4,000 data points specifically for this purpose. Benner added that considerations include the aeronautical and non-aeronautical factor, location and access, airside and landside and overall size.

Benner provided map images of each airport that denoted land use of each area.

Benner provided a basis of comparable airports, including runway length, acreage, FAA NPIAS classification, FAA General Aviation Airport Asset classification, airport traffic control tower, type(s) of instrument approach, general aviation itinerant operations, general aviation total operations and based aircraft. Benner stated that this basis is consistent with ACRP and the FAA.

Benner provided a slide of comparable airport ranges, highlighting that only general aviation airports were considered comparable, jet-based aircraft range for both airports was 0 – 3, no comparable airport has a precision approach or air traffic control tower. Benner pointed out that Aurora State Airport (UAO) substituted for Mulino State Airport (4S9) at recommendation of Oregon Dept. of Aviation. Benner added that acreage below range while GA operations, based aircraft, and jet-based aircraft above range with an air traffic control tower. Benner stated that they looked at parameters to identify comps to help ensure that research basis was appropriate. Benner also clarified that six airports had under 5,000 ft runway and four had jet based. Benner stated that Richland Airport was classified as a regional airport and Prosser Airport was classified as local.

Benner stated that the basis of competitive airports were driven by airports in relative proximity of 50 nautical miles, had similar infrastructure aspects and similar available products, services and facilities.

Benner highlighted the Richland rental rate conclusions starting with the aeronautical improved land conclusions: middle of the comparable range, above the mean and high end of the competitive range. Benner continued with aeronautical unimproved land conclusions: middle of the comparable range, above the mean and above competitive range. Benner stated that Richland is at 40 cents/sq. ft. with the competitive range in the middle.

Moving on to Prosser, Benner presented the aeronautical improved land conclusions: middle of the comparable range, above the mean and higher end of the competitive range, above the mean. The Aeronautical unimproved land conclusions were described as middle of the comparable range, above the mean and no competitive airport data available. Benner stated this as a market-based conclusion and Prosser at 35 cents/sq. ft.

Benner continued with an explanation of non-aeronautical land, stating that AMCG identified off-airport land sales to obtain land value for non-aeronautical use in the local, surrounding area, as well as conducting a sales comparison approach methodology, adjust land sales based on property rights, location and physical characteristics, adjust off-airport fee simple value for on-airport lease restrictions to determined market rent opinion. Benner added that there is a 10% rate of return and also pointed out that two different methodologies use the comps differently.

Benner concluded his presentation and was complimented on his efforts by Commissioner Larson and Commissioner Keck.

Clif Dyer of Sundance Aviation sought clarification that AMCG concluded that Richland Airport was considered high-end and above the mean?

Benner confirmed Dyer's question, reiterating that base rental rate 40/35cents and comp range outlined up to 40 cents and Richland classified as higher end over Prosser.

Benner confirmed the above mean data, pointing out that after plugging in the data, that is where the numbers ended up and reminded the group that AMCG does not walk into a project with a preconceived notion and the data is presented as learned.

Dyer remarked that he is not sure AMCG is aware of the economic picture of Sundance Aviation.

2. Richland Airport Master Plan – JUB Presentation: Director of Airports, Joe Walker announced that the Port has been working with JUB Engineers and the TAC committee on the best path forward for the Richland Airport Master Plan. Walker stated that the Richland Airport has seen several years of growth that will drive the future development of the airport and through various public outreach, surveys and stakeholders' meetings, we have made significant progress in arriving at a preferred alternative that the Port feels will suit most of the airport's needs. Walker then introduced Neal Fraser of JUB as Fraser will then provide an update on the progress thus far, along with the schedule for finishing the Master Plan.

Neal Fraser greeted the group and announced that the project has been making great progress and JUB will be turning in working paper #2 in the next day. Fraser added that there are a total of three working papers throughout the process. Fraser stated that the papers take a thorough effort which develop a forecast and alternatives.

Fraser announced that there are two key areas of the airport that JUB studies throughout the process, which are airside and landside improvements and asks the question: "what are the current aviation needs now and in the future?" Fraser added that other questions include "what group of airplanes constitute the fastest and largest that highlight the use of the airfield? Fraser anticipates an in-planning period that will reach 500 airplanes a year and it is important to put plans in place now to accommodate a larger need in the future. Fraser stated the importance of a design being in place before the airport gets to 500.

Fraser stated that in terms of the landside environment, the square feet may be adequate, but the configuration may not satisfy all. Fraser recommended increasing hangar space. Fraser added that the Richland Airport also has a lot of apron space, but again, the configuration may not be sufficient and recommended the expansion of apron space as well.

Fraser added that the FBO facilities is serviced well, but a desire has been expressed to expand and grow, which will accommodate growing traffic in the future.

Fraser added that the current parking space is inadequate, and the runway length will affect approach capability.

Fraser presented a preferred alternative, which depicts primary improvements that begin with the runway. Fraser stated that the current runway is just over 4,000 ft and the approximate goal is to extend to 5,000 ft. Fraser added that 5,000 is an important number in the aviation world, as aviators are drawn towards 5,000 ft runways. Fraser suggested pushing the north end of the runway approximately 900 ft and adding approximately 100 ft to the south. Fraser reminded the group that there is land around the airport that is not owned by the Port and asked if that could be possible for future expansion.

Fraser also recommended lights on hangers and also recommended upgrading taxiway entrances such as runway 26, as current conditions do not meet FAA guidelines.

Fraser recommended more apron space and hangars and anything too close to the runway needs moved and then an extension of aprons and parking.

Fraser announced that advanced air mobility is on the fringe, which is likened to Uber, but with air and could mean unmanned or manned aircraft. Fraser stated that the FAA is working with NASA to up the timeline on this service, which should be expected by the year 2028 with airports being a natural location to accommodate this kind of opportunity.

Fraser then asked what the Port staff and Commission priorities at the Richland Airport were and reminded the group that the working plan #2 will be submitted today or tomorrow.

3. Grants Update: Executive Director, Diahann Howard stated that the funding from the CERB and City of Richland Stormwater projects have been received.

Howard thanked the Commission for the .09 funds approval of \$1.9 million and also plans to follow-through with the state/capital request for rail dollars.

4. 2019 Butler Loop (Blue Star Site) Update: Port Attorney, David Biletdeaux announced that the Port has received a clean bill of health from the Department of Ecology on the 2019 Butler Loop (Blue Star Site) project. The "No Further Action" letter from ecology has been placed in the file for 2019 Butler Loop.

G. COMMISSIONER REPORTS/COMMENTS:

Commissioner Keck announced that the WPPA Port Day was virtual this year. Commissioner Keck added that there has been significant discussion that will have possible potential impact regarding carbon fuel, cap and trade and is pending the transportation package.

Commissioner Keck added that the Port has been advocating for transportation funding for Washington state highways and bridges.

Commissioner Keck stated that there have been recent additional challenges related to the Snake River dams and revisiting the life of the dams.

Commissioner Larson supported Commissioner Keck's comments on the dams.

Commissioner Larson announced that he and his wife have received the first dose of their vaccine and are six days away from the second dose, which will be great to have.

Commissioner Larson added that he has regularly been attending Richland Rotary via Zoom, as well as Benton-Franklin Council of Governments and the Association of Pacific Ports (APP).

Commissioner Larson added that APP is looking into potential sites for an in-person conference in 2021. Commissioner Larson brought the most recent APP magazine with him and held up the page with the press release recognizing the Director of Facilities & Operations, Ron Branine's promotion.

Commissioner Hagarty announced that she does not have an update from the Prosser Chamber of Commerce, but is meeting in-person with one other board member and the Director tomorrow, as the Director is holding small group meetings to discuss potential adjustments to the budget.

Commissioner Hagarty added that she has been involved with several recent issues with PEDDA, including restarting the leadership class that did not get the chance to meet in 2020. Commissioner Hagarty stated that they are working to get the class moving and hopes to be able to complete a portion of the class in 2021.

Commissioner Hagarty stated that she has learned that the trestle will be rebuilt across the Yakima River after the original burned down. Commissioner Hagarty stated that she has learned that insurance purposes require the trestle to be rebuilt with wood.

Commissioner Hagarty added that she has attended, via Zoom, recent business recruitment meetings for PEDDA, as they are determining which type of business to recruit next to the area, possibly in the Exit 80 area. Commissioner Hagarty added that PEDDA is also working to recruit food trucks to the community.

Commissioner Hagarty complimented WPPA on the communication they have provided on the dams and Congressman Simpson.

Commissioner Hagarty added that she has been attending TRIDEC's Coffee with Karl and has found them to be addictive, enlightening, informal, informative and entertaining.

H: DIRECTOR REPORTS/COMMENTS

1. EXECUTIVE DIRECTOR: Executive Director Diahann Howard announced that she has recently given presentations to Columbia Center Rotary and Inland NW AGC. Howard added that she also provided a testimonial on Tax Increment Financing (TIF) and continues to participate and track transportation briefings. Howard stated that she participated in the AWB Hill Climb, WPPA Ports' Day and WEDA Advocacy Day, which were all virtual events. Howard stated that carbon fees and taxes on cap and trade continue to be an important issue at the forefront of discussion that the Port continues

to advocate against due to timing and impacts on community and business.

Howard added that the Port has recently supported State Bill 5244, which extends the existing Invest in Washington Act and expands it to include manufacturing and investment projects associated with small modular reactors and advanced reactors. Howard added that for qualifying projects, this is accomplished by deferring, for five years, the state and local sales and use taxes due on the first \$10M in costs for qualified buildings and machinery and equipment. Howard added that the goal of the bill is to incentivize investment and growth in Washington state for the advanced nuclear energy sector and to attract the associated manufacturing and supply chains.

Howard stated that she believes it is unlikely for the bill to advance in the legislature, but it is exciting to see the Senate Environment & Energy Committee hold a hearing on a nuclear energy-related bill, which doesn't happen often.

Howard continued, updating that support was given for Space Force, CERB and TIF earlier this week. Howard stated that the Port opposed State Bill 5065 and House Bill 1418, which are bills that have ran before and are related to rail and a request has been made for a clearer definition of the rail carrier being the operator. Howard added that a rail capital requested has been submitted for \$5M.

Howard noted that she had good conversations regarding the Diversity, Equity discussions at the state level. She also mentioned Representative Simpson's recent proposal regarding Snake River dams. Howard added that local groups are working to distribute a unifying message regarding the support of the dams.

Howard also stated that she is involved on the Hanford Communities letter regarding Hanford contracting issues as well as a letter of support regarding the closure of the state archive department and its impact on Manhattan National Park and Hanford History Project.

Howard informed that there is possibility to gain access to US DOE excess 115 lb rail located at the Energy Northwest Columbia Generating Station site and Engineer, Roger Wright will be inspecting the condition of the rail next week.

Howard stated that she has been reappointed to EMAB. She was appointed along with Jason Herbert of Energy Northwest on MCEI Nuclear Energy subcommittee as co-chairs, which is focused on recruitment and advocacy for assets in need of upgrading along with supply chain.

Howard informed that the Tri-City Herald Progress edition article has been submitted.

Howard extended a thank you to the finance team on the integration of Intacct and Criterion.

2. PORT ATTORNEY: Port Attorney David Billetdeaux provided an update on the rail repair, noting that the cost of replacing 4-5 frogs is roughly the same as repair/replacement of 20-30 because the majority of the cost is mobilization of the crew. Billetdeaux is recommending replacement of all frogs that are in bad shape and added that TCRY will be held in default regarding this issue, as it is their obligation to maintain within the current lease.

Billetdeaux provided an update on court proceedings with TCRY, stating that due to COVID-19, there has been delay getting into court, but the motion is set for February 17 for the Class 3 issue, which the Port says Class 3 should be a maintenance standard, with TCRY disagreeing and arguing it is a revenue standard. Billetdeaux stated that the judge may issue an order at the hearing, but it is possible that it will be taken under advisement with an order to be issued at a later date.

3. FINANCE DIRECTOR/AUDITOR: Director of Finance/CPA, Danielle Connor provided an update on the refinance project, providing a screenshare of a model that NW Municipal has put together to assist with analyzing the impact of the refinancing, as well as taking on additional new money. Connor explained that the refinancing of the current debt is poised to save the Port about \$1M over the remaining life of the bonds; taking the Port from average rates around 5% to an estimated 2.5%, which reduces the annual payments by approximately \$100K.

Connor added that the initial model assumes a 20-year term for the new money, and currently reflects principal and interest payments beginning in year one; however, there is room in the model to structure the payment schedule to coincide with operations and future revenues. Connor stated that a thought would be to defer the principal and pay interest only for three years until revenues begin coming in and once the Port settle on the amount of new money to take on, the Port will further work with the model and structure of the debt to ensure it works into the Port's budget and forecast.

Connor stated that the shown model was reflecting taking on \$6M in new money, which would be an annual payment of about \$389K and this is given that the current assumptions of a straight 2% increase in net operating growth over the next several years, as well as a budget of \$1M in capital expenditures annually, the Port would need to rework the numbers or possibly consider reducing capital in order for the model to pencil out. Connor pointed out that the model does not yet take into account the increased forecasted revenues from the new building.

Time was taken to plug in new numbers to weigh different options and possibilities and Executive Director Diahann Howard added that this was still a preliminary stage and time would be taken with each Commissioner to make sure all were on the same page and in complete understanding. Commissioner Hagarty recommended looking to take on \$3M, no more than \$4M maximum, in new money.

Connor moved on with an update on the Port's financial status, noting that general expenditures for January were approximately \$378K, down from December as expected, and included mostly general operating and payroll expenses. Connor added that projects were quiet, so there were no material disbursements for those in January.

Connor stated that the January reports from the Benton County Treasurer were received earlier this week and the unreconciled cash balance for the end of January, including reserved cash, was \$3.1M, which is in line with the forecast. Connor said that the Port expects expenditures to be higher in February with more invoices starting to come in related to capital projects, adding that the final billing for work on the derailment was received, the Fermi project has started, which is fully reimbursable with the Benton County .09 funds, as well as the quarterly leasehold tax remittance was due.

Connor noted that the new Intacct application, with selected configurations, has really helped bring increased visibility into tenant accounts, adding that currently about 17%, or \$98K, of the total \$571K of outstanding accounts receivables is aged greater than 90 days. Connor stated that Senior Accountant, Veronica Serna and Director of Real Estate, Teresa Hancock, are continuing to work together in attempts to resolve and reconcile.

Connor announced that the reimbursement from WSDOT in the amount of \$260K, which was in line for what was submitted and expected, was received and the rail project is expected to be fully closed out in Q1. Connor added that the Port still has \$750K of capital projects slotted for Q1, 75% being solely Port-funded and the remaining 25% are grant-funded and reimbursable.

Connor stated that the team is still working through December reconciliations and year end entries and don't yet have something sound to present but will continue to reconcile in preparation of the March Commission Meeting and will present at that time. Connor added that the Port will bring in Teresa Hanford to assist with the compilation of the formal financial statements and required notes, as well as translation for BARS reporting to the SAO, which is due at the end of May.

Connor provided an update on the IAP Project, noting that the team continues to make great progress on the implementation of Intacct and have continued to be able to process payroll, pay employees, pay vendors, bill customers, and receive payment. Connor stated that the Port is now beginning to work on more of the fun items of building out the dashboards and reporting with the intention to make timely and applicable information visible to those needed.

A screenshare demo was given to all those present showing the new Criterion and Intacct systems.

Connor stated that the team is continuing the discussion with the potential software vendor, Yardi, for the asset management and lease administration/lease accounting applications. Connor explained that the team is taking time to ensure good and comprehensive internal due diligence to define and clarify the scope in order to ensure the price proposal and statement of work is accurate.

Connor explained that the next steps are to internally develop a workflow model with data requirements as well as a proposed timeline as the Port will be intending to phase the roll out of project, first establishing and configuring the base system along with defining and populating the required master file information, then layering on work orders so they can roll out as soon as possible, then continuing to layer on purchase orders and vendor invoicing, as well as the lease/billing/GASB 87 pieces of the project.

Connor added that the Port aims to firm the details of the project by the March Commission meeting.

Connor added that she is planning to present additional information regarding the new GASB 87 standard and its impact, as well as the initial framework to the March Commission meeting.

4. ECONOMIC DEVELOPMENT & GOVERNMENTAL AFFAIRS: Director of Economic & Governmental Affairs, Miles Thomas announced that 2021 has thus far been a busy year, with requests for information from site selectors, both pass through opportunities from commerce and private requests for property.

Thomas explained that a significant and continuing issue is the availability of power capacity, noting that almost all of the requests have been above and beyond the capacity that anyone statewide would even be capable of meeting. Thomas noted that significant progress is being made to add other capacities in solar and small modular nuclear reactors in the future, but that doesn't change local capacity with BPA to transmit power or designate power purchase agreements for projects.

Thomas added that a few of the other requests don't have as much of a power capacity component, and will be working with Director of Real Estate, Teresa Hancock, on the requests to identify opportunities for them. Thomas added that new properties have been added for lease and for sale and he will be working with the Marketing team to develop new materials to advertise opportunities for those projects.

Thomas noted that on the refinancing and financing of new debt, that sales of property are short term cash infusions for the Port, and part of the Port's economic development purpose it to construct and fill space for startup businesses that for one reason or the other, cannot access specialty shop space purpose built for the type of industry our region serves. Thomas added that opening new debt capacity allows the Port to construct purpose-built space that provides the Port with a long-term return on investment, which in turn provides the Port with future cash flow to return economic development to the local economy and taxpayers.

Thomas continued, noting that this is relevant, as the Port and Tri-Cities Research District provided letters of support to an APEL tenant in applying for a grant for a carbon-based product innovation lab, which if funded, is anticipated to fund a potential new building or renovation to expand the capacity of lab space to accommodate the material development behind carbon experimentation. Thomas added that the key company applying for these funds doesn't necessarily have the economy of scale to build their own facility and infusion of capital for a purpose-built multi-tenant facility provides that economy of scale for their business and others to develop new technologies in the region.

Thomas stated that the Port and Research District have continued to comment on legislative session bills, including support for the TIF for Jobs bill and Community Economic Revitalization Board program funding and authorization to continue developing the rural broadband infrastructure program.

Thomas added that the Port also continues to keep an eye on the rail labor bill, which several major and short line rail operators have expressed opposition as written.

Thomas announced that he has a meeting scheduled for March with the new economic development administration representative, and as part of this meeting, Benton Franklin Council of Governments is aiding the Port in describing to the new rep the issues we have in applying for funding with their functional requirement that a business be obligated to the property ahead of infrastructure.

Thomas was pleased to announce that he visited Domanico Cellars and noted that Jason has made significant progress on finishing the space, completing much of the work himself, due to the few available contractors.

Thomas provided an update on the Crow Butte Park website as he wanted to clarify that there had been perception that the Port had missed several deadlines to launch the new Crow Butte website, but Thomas wanted to clarify that the launch of the new site was not delayed and only learned in mid-January that the Park would even be able to open for camping in 2021, due to the state phased reopening requirements. Thomas continued, noting that old site remained open until January 25 with a message about COVID-related closure and it was taken offline that afternoon with an "under construction" message for 24 hours, while the new site was transitioned in. Thomas said that the new website launched at noon on January 26th and when launched, the site became overloaded with 300 visitors in seven minutes. Thomas stated that reservations have been pouring in since then.

Thomas announced that he wanted to recognize Underground Creative for their efforts on the Crow Butte website, as at times over the last quarter of 2020, they had to entirely redesign elements of the website to modify messaging and structure to reflect procedures the Port anticipated for COVID phasing continuation, and they created a very customized workflow for the Port to create a completely contactless reservation and payment experience that was above and beyond the original scope of work.

5. MARKETING: Director of Marketing, Wally Williams, announced that he has been working on the State of the Ports video with the team, explaining that the video will cover all the great things the team has accomplished, even during COVID-19. Wallace explained that the event will be held on Zoom and presented on February 24, 2021.

Williams stated that he has been working with Director of Special Projects, John Haakenson and the Director of Economic & Governmental Affairs, Miles Thomas on updating the signage at Crow Butte Park. Williams added that the new signs include the park rules, fee signs and signs that have been faded and are unreadable. Williams noted that they are working to have the signs replaced by the time the park opens in mid-March.

Williams noted that he has been working with Karisa from Visit Tri-Cities, along with the Manhattan National Historical Park to produce a 3-D virtual tour of the Triton Sail Park that will give people the ability to tour the sail during COVID-19, when all touring has been cancelled. Williams explained that 3-D glasses will allow the tourist to view the Triton Sail outside and inside the conning tower.

Williams announced that he will begin working on the Port of Benton Spring eNewsletter, which includes a printed version.

Williams provided an update on Cool Desert Nights, stating that he has learned the event is on for 2021, with two dates reserved in case COVID-19 related issues cause a delay, but the reserved dates are June 24 – 27, or September 30 – October 2, 2021.

6. REAL ESTATE: Director of Real Estate, Teresa Hancock stated that she has been extremely busy with leads and showings of office space and land, remarking that the new fire station is a hot spot.

Hancock announced that she met with a food manufacturer last week who is looking for more adequate space. Hancock also stated that the Dufresne-Redding closing was supposed to be on January 23 but has been extended to the end of February. Hancock added that this is for 8+ acres in the RIC.

Hancock stated that the new Sister to Sister space in Prosser is open and she has received amazing feedback, which includes the Wautoma space and the newly renovated L & G Salon, in Benton City, which has had undergone a complete makeover and looks fantastic. Images of each space were provided via screenshare.

7. SPECIAL PROJECTS: Director of Special Projects, John Haakenson announced that the repairs of all equipment at Crow Butte Park, such as gators, mowers and tools, are $\frac{3}{4}$ complete. Haakenson added that staff has been painting the contact station and the marina restroom. Haakenson stated that work continues to cleanup leaves, debris and sticks from recent winter windstorms.

Haakenson stated that a contract has been established with a janitorial company and plans to deep-clean restrooms before park opening are in place.

Haakenson added that the Port is waiting to hear back from the Corps before they can begin the excavation and repair of the damaged lines.

Haakenson stated that 645 nights and $\frac{1}{4}$ of all available reservations have been booked and he is anticipating a busy camping season.

8. FACILITIES & OPERATIONS: Director of Facilities & Operations, Ron Branine announced that he has been working on the replacement of two rooms of carpeting in former Vibragenix space located in the 3100 building.

Branine explained that the Facilities team has been assisting with the Walter Clore transition and added that the Pavilion is 100% ready for use and his crew will finish the main building this week. Branine noted that the floors of the Clore Center have recently been cleaned and polished and look amazing.

Branine highlighted additional projects in motion such as the 2345 lighting project that has recently been put out to bid with a close date of February 26. Branine added that other projects include the carpet replacement will be out by the end of this week, with hopefully a close of February 19 and added that he is also gathering information for the 3100 access controls. Branine continued, adding that the team has added additional cameras outside of 3100, as well as new, higher cameras on the interior corridors and exits, which go hand-in-hand with the access control system by providing a safe and secure building for Port tenants, employees, as well as the public. Branine added that all cameras are installed to protect Port assets and to keep everyone safe and secure at all Port locations.

Branine added that Facilities is on track to partner with the City of Richland for the Pavement Maintenance 2021 project, explaining that the roads around the Richland Airport will be the focal area this year with all roads getting a slurry seal and re-stripe.

Branine warned that snow is in the forecast.

9. AIRPORTS: Director of Airports, Joe Walker provided an update on the Prosser Airport stating that during the last snowfall, a vehicle ran through about 70' of airport perimeter fencing and fled the area. Walker added that they were able to have the fence repaired within a few days.

Walker stated that he was contacted by Joint Base Lewis-McChord to facilitate space for a training exercise, which will be occurring tonight.

Walker provided an update on the Richland Airport, stating that the Port recently held a predesign conference with the FAA to identify potential issues prior to issuing grants. Walker added that the meeting was very positive and the FAA is working toward moving up award dates, which would allow the project to progress quicker if the grant is awarded sooner.

I. EXECUTIVE SESSION: The regular Commission Meeting was recessed at 11:54 a.m. and an Executive Session was convened at 12:00 p.m. to discuss real estate matters at possible litigation. It was announced that the Executive Session would take 45 minutes and if any action is required, the regular Commission Meeting will reconvene and bring forward the action at that time.

J. ADJOURNMENT: With no further business, the meeting was adjourned at 12:45 p.m.



Roy D. Keck
Commission Secretary