

**PORT OF BENTON
COMMISSION MEETING MINUTES
MARCH 9, 2022**

A. CALL TO ORDER: The regular monthly meeting was called to order at 8:30 a.m. at the Walter Clore Wine & Culinary Center, 2140 Wine Country Road, Prosser, Washington.

PRESENT: Commissioner Christy L. Rasmussen; Commissioner Roy D. Keck; Commissioner Lori Stevens; Executive Director, Diahann Howard, PPM®; Executive Administrator, Summers Miya; Director of Economic Development & Governmental Affairs, Miles Thomas; Port Attorney, David Billetdeaux; Director of Finance, Danielle Connor; Director of Marketing, Wally Williams; Director of Real Estate, Teresa Hancock; Director of Facilities & Operations, Ron Branine; Senior Accountant, Veronica Serna; Roger Wright, RGW Enterprises; Tom Glover, City of Prosser; John-Paul Estey, Prosser Chamber of Commerce

The following attendees attended via remote communications: Contract Specialist, Sheri Collins; Neal Ripplinger, Prosser Economic Development Association; Scott Keller; Chris Herman, Washington Public Ports Association

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

B. PLEDGE OF ALLEGIANCE: Executive Director Diahann Howard led those present in reciting the Pledge of Allegiance.

C. CONSENT AGENDA:

A motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens, and unanimously passed by the Commission approving the February 16, 2022 Commission Meeting Minutes, approving the February 18, 2022 Special Commission Meeting Minutes, approval of vouchers and certifications, including payroll, for the month of February totaling \$755,155.24, approval of project vouchers and certifications for the month of February totaling \$18,333.75.

D. PUBLIC COMMENT:

There were no comments from the public.

E. ITEMS OF BUSINESS

1. Welcome and Update from City of Prosser

City Manager Tom Glover announced that the City is in discussion regarding land they are intending to purchase for the police station and city hall. Glover added there is a possible location downtown, but this area is smaller and would require two separate sites or buildings. Glover stated that

the ideal outcome would be to keep the City Hall and Police Station in the same location.

Glover stated that Public Works received ARPA funds, which will go towards improvements on Bennett Ave. Glover added that the City also received ARPA funding and the City is actively working on a plan that they can offer to the residents.

Glover added that 2021 was overall, a good year that left the City with extra money. Glover stated that they have a list of capital projects and are working with the council on identifying the best options.

Glover added that he plans to attend a meeting later that day which will describe grant funding available to the city.

Executive Director Diahann Howard thanked Glover for his continued partnership and added that the Port continues to work with the City of Prosser team on the recent road closures near Vintners Village. Howard requested information and updates on the expected new homes in the Prosser area, as it helps with prospecting. Howard also thanked the public works team for their assistance on a recent recruitment effort.

2. Welcome and Update from Prosser Chamber of Commerce

Prosser Chamber Executive Director, John-Paul Estey thanked the Port for its support, exclaiming that the recent banquet held at the Clore Center was hugely successful and looks forward to next year's event. Estey added that the Chamber team is looking forward to hosting their annual events again this year. Estey announced that Scottish Fest would take place on June 18 and athletes, bands, events and the dance competition are lined up. Estey added that the Beer + Whiskey Festival will take place on August 27th.

Estey stated that the Chamber was fortunate and membership remained steady throughout COVID. Estey acknowledged that new Port tenant's Narratif and Tirridis have become new Chamber members and thanked the Port for the introduction. Estey added that in recent conversations with Tirridis, a new local event is on the books for November that features sparkling wines.

3. Welcome and Update from Prosser Economic Development Association

Executive Director of the Prosser Economic Development Association, (PEDA), Neal Ripplinger announced that the 2022 Prosser Leadership class is in full swing, stating that the class started in January and will graduate in August as Prosser's 9th leadership class.

Ripplinger stated that along with the Prosser Chamber of Commerce, PEDA plans to launch a Facebook group to promote all available Prosser jobs utilizing the #ProsserWAJobs hashtag, and also cross-posting on Instagram.

Ripplinger announced that the wayfinding banners are project has been completed. Ripplinger explained that the goal was to drive traffic downtown and to promote events and this project was completed through a grant from the City, based on the Community Assessment by HUB. Ripplinger thanked the Port for their support on this project and displayed photos of the five new wayfinding signs that complement existing signage, including additional signage for the Depot/Visitor Center to engage visitors while retaining the color scheme.

Ripplinger announced that the Transportation Committee continues to work with Ben Franklin Transit to evaluate gaps in service and potential new additions and public infrastructure locations, as well as continued efforts to improve safety of SR-221.

Ripplinger provided an update on the Business Retention, Recruitment & Expansion efforts, featuring the Mustang Business Plan that partnered with the Prosser School District for the 11th annual event held in the new high school auditorium.

Ripplinger stated that the TBEX North America event will be taking place in April and thanked Visit Tri-Cities and the Port of Benton for the opportunity to highlight the Prosser community.

Ripplinger added that the PEDAs Annual Meeting details will be sent out this week and asked the group to keep an eye out for updates on the event.

Ripplinger added in follow-up to Diahann Howard's earlier question about the estimate of new homes in the Prosser area, that he expects approximately 1,110 new homes.

Commissioner Rasmussen thanked Ripplinger and PEDAs for their involvement with the Mustang Business Plan, adding that the impact on programs like this are significant.

4. Resolution 22-12, Amending Resolution 22-09, Regarding Authorization of Submittal of an Application to the US Economic Development Administration (EDA)

Director of Economic Development & Governmental Affairs, Miles Thomas explained that a few changes have been made per EDA and the Coalition, adding that the Coalition as a group can request no more than \$75M, with currently two projects regarding hydrogen fueling and entrepreneurs having higher budgets, the Port selected to downsize the Port project to allow for the bigger projects.

Thomas clarified that the plan still includes the 7,500 sf building and can also request .09 funding, which allows the Port to exclude CERB financing.

Thomas clarified that the revised wording on the Resolution will be:

The following items from Resolution 22-09 shall be amended as follows:

A. Provision 1:

Diahann Howard, Executive Director of the Port of Benton or her designee, is authorized to submit an application to the U.S. Economic Development Administration for up to a \$12,000,000 grant for the construction of the Advanced Energy Innovation and Commercialization Center.

The wording in this provision shall be deleted and replaced with the following:

Diahann Howard, Executive Director of the Port of Benton or her designee, is authorized to submit an application to the U.S. Economic Development Administration for up to a \$8,000,000 grant for the construction of the Advanced Energy Innovation and Commercialization Center.

B. Provision 2:

The Port of Benton will contribute a \$500,000 cash match to the total project, and funding of \$2,500,000 if awarded from the Community Economic Revitalization Board.

The wording in this provision shall be deleted and replaced with the following:

The Port of Benton will contribute a \$500,000 cash match to the total project, and funding of \$1,500,000 from Benton County .09 Rural County Capital Fund set aside for the Port of Benton. If further companies/partners are secured in the near future, the Port may seek up to \$2,500,000 from the Community Economic Revitalization Board.

All other provisions, the terms, and conditions of Resolution 22-09 shall remain in full force and effect.

After no further discussion, a motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck and unanimously passed by the Commission, approving Resolution 22-12, amending Resolution 22-09, regarding authorization of submittal of an application to the US Economic Development Administration.

5. HDR Construction Management Contract for Derailment Damage Repair

Engineer Roger Wright reminded the Commission that at the regular Commission meeting in February they approved HDR contracts for the Derailment Damage Repair Rail Project, which includes tie replacement, Columbia Park Trail bridge repair, as well as money for installation of City provided rail ties on the City of Richland industrial railroad track. Wright stated that now the Port needs to approve a construction management contract with HDR to provide management and inspection of the project. Staff is recommending Commission approval of an additional \$60k contract for construction administration and inspection of the derailment damage with HDR Inc. HDR will provide management of the construction contract with the selected low bidder Railworks, will provide submittal review, weekly construction meetings, and on-site inspection services.

After no further discussion, a motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission, approving the \$60k construction management contract with HDR Engineering for Derailment Damage Repair.

F. INFORMATION REPORTS:

1. Grants Update

Executive Director Diahann Howard provided comments on the March Grants Report. Comments were provided on projects with any updates from the February 2022 meeting.

1. Richland Airport Master Plan – Still waiting on FAA’s review of the final draft of the airport Master Plan. Likely will not see approval until late March 2022.
2. Richland Innovation Center Rural County Capital Funds – Fermi Avenue is complete. Sidewalk has been extended and bid is due March 16, 2022 with hopes to award on March 23, 2022.
3. Richland Airport Airfield Signage and Lights (Phase I) – Design is complete and submitted to the FAA.
4. Richland Airport Airfield Signage and Lights (Phase I) – Project is out for bid and due March 22, 2022. A special Commission meeting is scheduled for March 23, 2022 to discuss the bids received. A mandatory walk-through of the site is scheduled for Monday.
5. EDA Build Back Better – Awarded Phase I, now to draft Phase II for Ports project due March 5, 2022 to Maritime Blue for submittal. Possibly use .09 money for match as discussed during Item No. 4, RES 22-12.
6. National Highway Freight Program (WSDOT Portion) – Grant application due March 11, 2022 with an award in late 2022 and construction in 2023.
FRIB \$250k loan is available and being considered for upcoming crossing project.
7. WSDOT Freight Rail Investment Board (FRIB) \$250k low interest loan is available and being considered by WSDOT and could be awarded to the Port for replacement of the Van Giesen and Swift/Cemetery Railroad crossings.

2. Prosser Airport Presentation:

Engineer Roger Wright provided a thorough overview of the Prosser Airport through a PowerPoint presentation including information on the history of the airport, important and key dates, integral moments, operators and design, including a present-day look at the airport along with plans for future growth and development.

Wright provided historical components of the airport, including a brief history of Judge George O. Beardsley, in which the airport is officially named after.

3. Discussion of Standard Airport Lease Agreement Draft

Port Attorney, David Billetdeaux provided a thorough review of a draft lease via screenshare which included detail on hangar use, residential use, (which the FAA does not allow), new designs, terms, subleases and assignment of leases, rental terms, land rental rates, appraisals, reversionary clauses, late charges, maintenance and repair to protect the Port, written consent, compliance with laws, consistency and in-line with the FAA, L&I injury issues, (per WPPA recommendations), mortgages, right to audit, inspection and accessibility, copies of as builds, building guidelines, permits secured, FAA guidelines, environmental and hazardous concerns.

Billetdeaux stated that the draft lease would be posted to the website and available for interested parties to review in full.

G. COMMISSIONER REPORTS/COMMENTS:

Commissioner Roy Keck complimented the team on the State of the Ports video, which was recently displayed at the Regional Chamber's membership luncheon.

Commissioner Lori Stevens welcomed the group to Prosser. Stevens stated that she recently attended the Prosser Rotary meeting, which was held at the Prosser Museum. Stevens also complimented the State of the Ports video.

Commissioner Christy Rasmussen remarked on the WPPA Legislative report, highlighting the fixed bill in which building permits will not be needed in-hand for grant work. Rasmussen commented on the National Park committee meeting and news, as well as the Department of Commerce news release on Maritime Blue, which referenced clusters.

Rasmussen stated that she attended the recent DOE Roundtable with Ike White, as well as Regional Chamber of Commerce and Visit Tri-Cities meetings.

H. DIRECTOR REPORTS/COMMENTS:

1. AIRPORTS:

Director of Facilities & Operations, Ron Branine announced that he had nothing further to add regarding airports.

2. FACILITIES & OPERATIONS:

Director of Facilities & Operations, Ron Branine announced that the 2345 Stevens Drive Lighting

Project is 100% complete, adding that this was a \$226k project approved in 2021. Branine added that due to the supply chain issues, the project took longer than expected to complete, but over 2,000 lighting fixtures have been replaced.

Branine stated that Phase II of the carpet installation project at 2345 Stevens will begin this month and will replace carpet on the south end of the building and upstairs.

Branine added that the HMIS buildout at the old Intermech space is still under review. Branine noted that they are looking into building several offices, a breakroom, very large pallet rack system and battery charging station for their electric forklifts, or an elevator installed.

Branine announced that the HVAC unit for the Total Site Services on Salk has finally been received and installation will take place soon. Branine added that the turnover at 2880 Lee Road, Suite B at the Prosser Wine & Food Park is complete, which included painting, wall portion removal, door repair/replacement, testing of all HVAC components, floor cleaning and refinish and other small finish work. Branine added that access controls were added at the 2345 Stevens Drive building's exterior doors, reminding the Commission that this system was previously managed by Atkins, but because of Atkins' recent reduction of space, the Port had to takeover access control.

Branine provided an update on Crow Butte, reminding the Commission that the park is six days away from opening for the season. Branine announced that the team has trenched the entire 1,000 ft through the park and have buried the new conduit. Branine noted that they are waiting on the electrician to get the wire in and make the needed connections. Branine reminded the group that the main electrical line from the pump dock to the pump house lost two out of the three legs early last year and the break was unable to be located. Branine stated that because of the age of the line and the fact that the line is direct bury cable, not conduit, along with the many tree roots being an issue, the team will trench 1,600 ft and put 2" conduit for the new wire to be pulled through, which will better ensure that the line will remain intact for the future. Branine added that they have ordered two smart parking meters to help with capturing day use fees without having to manage the process manually. Branine reminded the Commission that they are still waiting for Army Corps approval of these meters, with plans being submitted last October.

3. REAL ESTATE:

Director of Real Estate, Teresa Hancock stated that she has been working with HMIS on a possible lease amendment.

Hancock announced that the final walk-through with the new tenant, Tirridis at 2880 Lee, Suite B in Prosser will take place on Thursday. Hancock noted that this facility remained 100% filled throughout COVID and immediately back-filled once Wit Cellars relocated to their new home in Vintners Village.

Hancock stated that she has been in land sale discussions with prospects who are looking for a location for a 50-rail tap house, e-bikes and event facility geared to family fun. Hancock thanked Neal Ripplinger, with PEDa for collaborating and sharing additional Prosser information for this attraction.

Hancock added that the site criteria includes 3,500-5,000 sf with a central/visible location to pathways, tourism and local customers (ideally a build-to-suit) land lease with investors. Hancock added that the e-bikes can travel 30-60 miles and that the prospect is also looking in the Yakima area.

Hancock provided an update on the land update negotiations in Vintners Village West that herself and Executive Director Diahann Howard are involved in. Hancock noted that this includes 20 acres presently farmed by Rock Bottom Ranches/Terry Christensen and are on a portion of the Bohlke

property. Hancock provided the information received from the Port appraiser (\$1.75 - \$2 sf/Frontage \$2.50 - \$3 psf), as well as the buyer appraisal (\$1.24 psf), a different of \$146k.

Hancock explained that key deal points to navigate prior to bringing forward a purchase and sale agreement for board approval or consideration, which include that the purchaser is to construct a pathway to Vintners Village, irrigation pond language and electrical pole service for adjacent port users, subdivision timing involving 3 acres of the 20 acre and 3 acres of Bohlke pasture.

Hancock stated that staff will continue to finalize with hopes of bringing forward at the April regular scheduled meeting.

4. MARKETING:

Director of Marketing, Wally Williams announced that he has been working on the WA VERTICAL tradeshow materials, which will be held the first week of April. Williams noted that these items include a brochure, fact card and logo hand sanitizer.

Williams added that he has been working on full page magazine ads for Trade & Industry to help promote WA VERTICAL, in addition to an ad for the Visit Tri-Cities Visitor Guide, which will promote Vintners Village and replace the ad for Crow Butte. Williams added that he has also been working on a half-page ad for the Journal of Business, which will appear in the Hanford edition and feature properties that are for sale.

Williams stated that he continues to work on updating the airport signage with Roger Wright and Teresa Hancock, along with the facilities team at the Prosser and Richland Airports.

Williams noted that he has begun working on the spring newsletter with Summers Miya.

5. ECONOMIC DEVELOPMENT & GOVERNMENTAL AFFAIRS:

Director of Economic Development & Governmental Affairs, Miles Thomas thanked the Commission for the approval of Resolution 22-12, which work on this grant application has been taking up the majority of his time.

Thomas added that he continues to pursue real estate leads.

6. FINANCE DIRECTOR:

Director of Finance/CPA, Danielle Connor announced that Liz Renz has been hired to fill the Accounting Clerk position, which was newly created. Connor stated that Liz has previously worked at the Tri-City Regional Chamber of Commerce and comes with experience in accounts payable, accounts receivable, audit, HR and facilities experience. Connor added that she is working on building out the onboarding plan and transition with her and Summers Miya along with the timing. Connor noted that Liz's role will be a focus on Accounts Payable, along with other tasks with some capacity for the IAP project.

Connor provided an update on the IAP project, stating that the team continues to make progress on the Voyager implementation phase of the project and up to 52% of leases entered, (114). Connor added that the Yardi remote user conference is going on this week, which is available to all users.

Connor provided an update on the upcoming year end project, stating that she has contacted contractor, Teresa Hanford, who will assist with the 2021 annual report compilation. Connor thanked Contract Specialist, Sheri Collins in her assistance with lining up Teresa Hanford. Connor stated that she expects to schedule Teresa Hanford in the next few weeks to assist. Connor noted that she is identifying a few weekends this year to come in and reconcile and post the year end entries and reconcile and accrue project and grant related costs (project percentage completion accruals).

Connor noted that the 2021 financial statement package is due to the SAO by the end of May.

Connor added that there were over \$750k in federal expenditures in 2021 (around \$820k prior to accruals), in which all were FAA related, so the Port will be planning for a single audit in addition to the financial statement audit for 2021, which means audit timing for 2022 will hopefully be between July – September, as the single audit deadline is September 30, 2022.

Connor stated that the January reports from the Benton County Treasurer were received last Friday and current, unreconciled general operating cash balance, including reserved cash, is \$3.8M, \$2.4M available for operating and capital.

Connor added that the first half of property taxes will be received in April and will be approximately \$1M. Connor reminded of the approximate debt payments due in June of \$180k and December \$575k.

Connor stated that February produced \$178k in receipts, \$19k was received from the FAA, the remaining \$159k received was from tenants.

Connor noted that general expenditures for February were approximately \$755k.

Connor announced that Accounts Payable currently sits at \$45k outstanding, with approximately \$3k past due.

Connor added that Accounts Receivable is currently sitting at \$340k, with about 33%, or \$111k, of tenant AR aged greater than 90 days and made up of several tenants and a continued effort is in place to develop a standard protocol for communication.

Connor highlighted Senior Accountant, Veronica Serna's efforts, stating that much of the detailed reporting the team is now able to present is due to Veronica's efforts and attention to details of the data. Connor added that Veronica has identified some great insights and also does a great job with payroll.

Connor added that her and her team are still working on reconciling and finalizing 2021 year end and we will bring the final 2021 budget status report forward in the April or May Commission meeting. Connor added that cadence of budget status report outs will continue to be quarterly in 2022, so we will also bring the 2022 YTD budget status report in April.

Connor identified current goals, which include monitoring the cash forecast into 2022, inputting the 2022 budget into Intacct, with the buildout of reporting to follow and a focus on management reporting.

7. PORT ATTORNEY:

Port Attorney, David Billetdeaux noted that the March 12th cutoff date for mask-wearing was approaching, which would alter the format of Port Commission meetings. Billetdeaux recommended continuing with a hybrid format and keeping Zoom an option for attendees, as well as an in-person option.

Commissioner Rasmussen stated that she appreciated that the Port would be open to keeping the hybrid format, as it allows all to have access.

Billetdeaux asked for a motion to reopen Port of Benton Commission meetings to the hybrid format.

After no further discussion, a motion was made by Commissioner Roy Keck, seconded by Commissioner Lori Stevens and unanimously passed by the Commission, approving the Port of Benton to move forward with offering a hybrid meeting option for future public meetings.

Billetdeaux stated that his second item of business was to discuss the Tri-Cities Steel Band with the Commission, but Billetdeaux announced that the Steel Band recently hired counsel and received a

signed lease this morning.

Billetdeaux stated that the signed lease received was in-line with what the Port had provided and asked the Commission for a motion to accept the previously approved lease.

After no further discussion, a motion was made by Commissioner Lori Stevens, seconded by Commissioner Roy Keck and unanimously passed by the Commission, approving the lease with the Tri-Cities Steel Band.

8. EXECUTIVE DIRECTOR:

Executive Director, Diahann Howard stated that she participated in a meeting with White House officials regarding the dams and also recently attended a wheat growers meeting, which defended the dams.

Howard noted that she continues to follow key state bills, noting that the transportation bill is up in the air and there are concerns due to the limited eastern Washington projects.

Howard noted that the bill related to workforce housing did pass, which puts .09 dollars at risk .

Howard stated that she recently met with WPPA Executive Director James Thompson and plans to meet a group of Port Executives at Seatac in a few weeks for further discussion.

Howard informed that she will be attending the Advanced Reactor Summit the first week of April in Idaho, stating that the Port is sharing a booth with TRIDEC and Washington VERTICAL.


I. EXECUTIVE SESSION: The regular Commission Meeting was recessed at 11:11 a.m. and an Executive Session was convened at 11:15 a.m. to discuss ongoing and potential litigation, real estate and personnel matters. It was announced that Executive Session would take 20 minutes and if any action was required, the Regular Commission Meeting will reconvene and bring forward the item at that time.

At 11:35 a.m., Commission announced that no action was required to be taken relating to any items discussed within Executive Session.

J. BREAK: With no further business, the meeting was recessed and teleconference and Zoom options were terminated. Commission and staff traveled to the Prosser Airport for a tour.

K. TOUR OF PROSSER AIRPORT: Engineer, Roger Wright led the Port Commission and staff on a tour of the Prosser Airport, highlighting buildings, grounds, runways, taxiways, lighting, project sites. The tour was open to public attendance and no action took place during or after the tour of the airport.

L. ADJOURNMENT: The Prosser Airport tour concluded at 12:20 p.m. and the Commission meeting was adjourned.



Lori Stevens
Commission Secretary