



PORT OF KENNEWICK REGULAR COMMISSION MEETING

APRIL 14, 2020 MINUTES

Commission President Don Barnes called the Regular Commission Meeting to order at 2:00 p.m. via GoToMeeting Teleconference.

The following were present:

Board Members: Don Barnes, President (via telephone)
Skip Novakovich, Vice-President (via telephone)
Thomas Moak, Secretary (via telephone)

Staff Members: Tim Arntzen, Chief Executive Officer (via telephone)
Tana Bader Inglima, Deputy Chief Executive Officer (via telephone)
Amber Hanchette, Director of Real Estate and Operations (via telephone)
Nick Kooiker, Chief Finance Officer (via telephone)
Larry Peterson, Director of Planning and Development (via telephone)
Lisa Schumacher, Special Projects Coordinator
Bridgette Scott, Executive Assistant (via telephone)
Lucinda Luke, Port Counsel (via telephone)

Before we begin the Pledge of Allegiance, Commissioner Barnes has a few procedural items to go over.

Thank you for joining us today. This is our first meeting with everyone participating remotely; so we appreciate your patience and understanding as we work our way through this.

Commissioner Barnes asked Ms. Scott if anyone from the public is listening in today.

Ms. Scott stated there are a few members from the public joining us. At this time, Wendy Culverwell from the Journal of Business and Boyce Burdick are joining us remotely.

If you are listening to this meeting remotely, we appreciate your participation. To keep the background noise down to a minimum, we ask that participants mute their phones. The agenda packet may be viewed on our website if you would like to follow along. Or, the packet may be viewed on your screen if you are using the GoToMeeting app.

When it is time for public comments, it may be difficult to determine who is speaking, so please be patient and respectful.

Commissioner Barnes stated to verify who is participating in today's meeting, let's take roll-call:
Commissioner Don Barnes - present
Commissioner Skip Novakovich - present
Commissioner Thomas Moak - present

Mr. Arntzen - present

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Ms. Bader Inglima - present
Mr. Kooiker - present
Mr. Peterson - present
Ms. Hanchette - present
Ms. Scott – present
Ms. Schumacher – present
Ms. Luke – present

As Commissioner Barnes mentioned earlier, all Commissioners and staff are participating remotely, with the exception of Lisa Schumacher from our staff, who is in the office to record the meeting.

PLEDGE OF ALLEGIANCE

Commissioner Barnes led the Pledge of Allegiance.

APPROVAL OF THE AGENDA

MOTION: Commissioner Novakovich moved to approve the Agenda; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

PUBLIC COMMENT

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick stated later on in the Agenda, there is discussion about posting Commission Meeting audio update. Mr. Burdick stated it is unclear if the audio will be a supplement to the written minutes or replace them. If it is the latter, Mr. Burdick stated the audio will take 2-3 hours to listen to the Meeting versus reading the written minutes, which would only take about 5-10 minutes to read.

Commissioner Barnes hopes that it will be made clear when we reach that point in the Agenda.

No further comments were made.

CONSENT AGENDA

- A. ***Approval of Direct Deposit and E-Payments Dated March 26, 2020***
Direct Deposit and E-Payments totaling \$84,504.71
- B. ***Approval of Warrant Register Dated April 14, 2020***
Expense Fund Voucher Number 101994 through 102053 for a grand total of \$205,939.26
- C. ***Approval of Regular Commission Meeting Minutes February 11, 2020***
- D. ***Approval of Regular Commission Meeting Minutes February 25, 2020***
- E. ***Approval of Regular Commission Meeting Minutes March 10, 2020***
- F. ***Approval of Regular Commission Meeting Minutes March 24, 2020***

MOTION: Commissioner Barnes moved to remove items C-F, the Commission Meeting minutes, from the Consent Agenda, for discussion purposes and place them on the Agenda immediately following the Consent Agenda; Commissioner Moak seconded. With no further discussion, motion carried. All in favor 2 (Ayes: Commissioners Barnes and Moak):1 (Nay: Commissioner Novakovich).

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MOTION: *Commissioner Moak moved to approve items A and B on the Amended Consent Agenda; Commissioner Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

NEW ITEM

- A. Approval of Regular Commission Meeting Minutes February 11, 2020***
- B. Approval of Regular Commission Meeting Minutes February 25, 2020***
- C. Approval of Regular Commission Meeting Minutes March 10, 2020***
- D. Approval of Regular Commission Meeting Minutes March 24, 2020***

Commissioner Barnes is supportive of the approval of these minutes but would like a clarification or understanding regarding the Naegeli recorded minutes that were quite lengthy in the Agenda Packet. Specifically, Commissioner Barnes would like to call attention to the approval or acknowledgment added to the bottom of the usual minutes that reads:

“Board of Commissioners Acknowledgement: The attached transcript provided by Naegeli Deposition & Trial of the February 11, 2020 Commission Meeting is approved and will be kept as a permanent record of the meeting.”

In his reading of these Naegali Deposition & Trial minutes, he noted that there were some typos and some clerical corrections offered by Port staff. Commissioner Barnes stated the point that he would like to make, he did not take the time to meticulously read all of the pages that were provided to catch or correct some of the typos that should be made. Commissioner Barnes sees that we are being asked as a Commission to approve this document. And is concerned that by approving this document, are we saying that we approve it with some of these typos and minor errors. Commissioner Barnes believes that would be a question for Ms. Luke.

Ms. Luke stated yes, if the Commission does approve these minutes; however, when it comes to transcriptions, it is not unusual to have minor typographical errors that are not corrected. Obviously, the transcriptionist tried to catch all errors and correct them, but sometimes that is not entirely possible. And often, when we see transcriptions of depositions or other documents that are used in court, we do see some minor clerical errors and it is not always possible to capture all of those and correct them. As far as the concern about those in approving the record, so long as you note, as you have, Commissioner Barnes, on the record, that you have not had an opportunity to go through and make all corrections, and that you noticed there are some minor clerical errors or typos. Ms. Luke believes that is sufficient for the record.

Commissioner Novakovich stated Commissioner Barnes has a very valid point and he noticed on page 107 of the February 25, 2020 verbatim minutes, it states something about the Arts Center Task Force needing \$2,000,000, but he believes he said \$20,000,000.

Commissioner Barnes stated that is a great point.

Commissioner Novakovich stated there are several other errors that are in there, but that is one he found pretty easily.

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Commissioner Barnes asked if there was any other discussion regarding these minutes.

Commissioner Novakovich wanted to make a comment and stated however the Commission would like to vote is fine, but on February 11, 2020, there was action taken to remove a bill payment and pointed out that there is a possibility that this action may be viewed as retaliation with the Port of Kennewick and individual Commissioners with the possibility of being sued.

Ms. Scott let the Commission know that after we received the transcribed minutes, she and Ms. Schumacher listened to them verbatim and tried to catch as many errors as we could find. Seeing as the transcriptionist is not familiar with who are, Commission versus a court setting, Ms. Scott believes that is most of what the errors were. If the Commission would like additional time to review the minutes for substantial changes or further clerical issues, we are more than happy to send them to you and make the changes and present them at the next meeting for approval.

Commissioner Barnes thanked Ms. Scott and appreciates the comments made by Ms. Luke, Port Counsel regarding what is typically seen in recorded minutes of this type. Commissioner Barnes's concerns for him individually have been addressed satisfactorily.

MOTION: *Commissioner Moak moved for approval of the Meeting Minutes for February 11, February 25, March 10, and March 24, 2020; Commissioner Novakovich seconded. With no further discussion, motion carried unanimously. All in favor 3:0.*

NEW BUSINESS

A. *Greenbriar Rail, Lease Renewal*

Ms. Hanchette stated before the Commission today is a lease renewal for Greenbriar Rail Services for five years. The reason it is being brought to the Commission is because of the term of the lease, including the original lease and any renewal options does exceed five years. Ms. Hanchette stated Greenbriar is located in the Twin Track Industrial Park, which is in the Finley area. Greenbriar has been a ground lease tenant with the Port for many years and in the early 1990's the Port purchased property out in Finley that was specifically going to be for this purpose. The property sits between Burlington Northern Santa Fe Railroad and Union Pacific Railroad. The Port subsequently entered into a long-term lease arrangement on the property with a railcar maintenance and repair company and obtained a CERB loan to construct a rail spur into the property which the tenant repaid the loan. The tenant currently employs 32 people at their Finley location and is in good standing with the Port.

In 1995, the company entered into a 20-year ground lease with the port which included six successive five year lease renewal options. In 2015, Greenbriar exercised their first lease option which was approved by the Port Commission and they have submitted their written request to renew their second five-year option. Ms. Hanchette invited representatives from Greenbriar to attend the meeting today, and they may pop in at some point. In recent conversations with Greenbriar, they expressed their challenges that their industry is going through currently and where they pay \$5,000 a month for their lease, they have requested that there be no rent increase due to significant challenges in their industry and slowdowns in the railcar industry which has had a ripple effect to the repair maintenance agencies.

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Ms. Hanchette stated the tenant constructed and maintains the buildings on the property and performs any necessary maintenance on the rail. There is minimal to no maintenance performed on this property by the Port. Ms. Hanchette stated in 1996, the Port gave permission to the tenant to sublease a portion of the property to US Cellular for a cellular tower location allowing expanded cellular access to east Benton County residents. The sublease runs concurrent with the ground lease including renewal options. Ms. Hanchette stated at this time, the Commission can either approve or deny the second 5-year lease renewal option and whether to approve holding their lease rate at \$5,000 a month for the next five years, as requested. Ms. Hanchette inquired if the Commission had any questions.

Commissioner Moak stated this is a long-standing tenant of the Port's and inquired if there is a past practice of maintaining a lease rate rather than an escalator in other leases that we have had with other tenants.

Ms. Hanchette stated yes, we look at it on a case-by-base basis. Each tenant has a unique set of circumstances and we do have other tenants that we have held the rate for, for a period of time and it is not uncommon. We did introduce an increase in the beginning, but they were very solid in their request to hold their rate because they have seen such a decline that they have had to close some of their repair facilities. They still have the Finley operation and want to keep it open, but from what Ms. Hanchette gathers, it has been a challenge in their industry.

Commissioner Moak inquired if we had other information other than them saying that their industry is having financial straits and asked if there was any independent checking to see whether that is in fact the case.

Ms. Hanchette did do some preliminary work and looked at the rail industry association. Ms. Hanchette did not do a deep dive to confirm that information. Ms. Hanchette pushed the rent escalation a few times and they were very adamant that this is why Greenbrier was asking for the rent to remain the same.

Commissioner Novakovich stated at this time, we are in a very different situation than probably we have ever been and hopefully we will never be again. With that said, Commissioner Novakovich thinks it is in the best interest of the Port of Kennewick and it is probably our mission of ports to do economic development and do all we can to support the businesses. They have 32 jobs out there and Commissioner Novakovich feels for them, having been a business owner, he would not want to be in these troubled times, especially if the industry he was in was declining. Commissioner Novakovich is totally in favor of what they are requesting and thinks it is in our best interest to keep a tenant for as long as we can and if we can help them in some ways to be successful, who knows, maybe they will take off and employ more people, which is going to help the economy in our area. Commissioner Novakovich is totally in support of their request.

Commissioner Barnes stated Ms. Hanchette mentioned earlier that there is a cell tower out there as a sub-tenant, and asked if she knew how much annual revenue the Port's tenant receives from their sub-tenant, the cell phone tower.

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Ms. Hanchette stated their original agreement was for an annual fee of \$4,800 that they collected and then there was an escalation each year. Ms. Hanchette guessed that at 2% escalation per year, it is probably around \$7,500 they receive. Ms. Hanchette stated this is just a guess and she asked the question of the tenant but it was not confirmed.

Commissioner Barnes stated when the Port granted permission for this sub-tenant (cell tower) and clearly there are benefits in the Port district in that area, to provide better cell coverage. Did the Port receive any consideration from the tenant when they were granted permission?

Ms. Hanchette stated she did not see anything in the file to indicate at the time, that we received consideration for that.

Commissioner Barnes respects what Commissioner Novakovich had to say about a company providing jobs and being a stable employer in our area and at the same time, looking forward, now in the pandemic, all companies are faced with very steep challenges to keep their business going and keep people employed and keep people working under these extremely unusual conditions. It is a dilemma, were it not for the pandemic, Commissioner Barnes does not think he would approve keeping this rent flat for another five years. Commissioner Barnes stated it seems that there is an awful lot of rail traffic that goes through here and that is just a very casual, unscientific observation. Commissioner Barnes appreciates Commissioner Moak's questions about whether or not we did any fact checking to ascertain, from a separate individual source, that indeed, these were the conditions for this particular tenant. But given the pandemic, Commissioner Barnes thinks he would go along with keeping the rent where it is now and then, look to re-evaluate and revisit this in five years.

PUBLIC COMMENT

No comments were made.

MOTION: Commissioner Novakovich moved to approve Resolution 2020-07 authorizing the Port's Chief Executive Officer to execute all necessary documentation associated with the lease renewal for Greenbrier Rail Services and to take all other action necessary to renew this lease. The Commission further ratifies and approves all action by Port officers and employees in furtherance hereof; Commissioner Moak seconded:

Discussion:

Commissioner Moak stated in so many industries, there is consolidation of services and even if there are a lot of trains running through, and there are, the question certainly is, are they going to be maintained in Finley or Hedges, rather than at some other location. Commissioner Moak is glad to have them here and he thinks if there are opportunities to keep them here, he is not sure whether this exactly guarantees that they are going to be here for 5 years, but it does indicate that the Port does value them as a tenant and he supports this motion.

With no further discussion, motion carried unanimously. All in favor 3:0.

B. Emergency Temporary Rent Deferral

Mr. Arntzen stated several staff will be presenting on this topic. This issue arose when Ms. Hanchette, Director of Real Estate, visited with a number of our tenants, primarily those engaged in the hospitality and restaurant industry. The tenants were indicating upcoming, severe, financial hardship due to corona virus pandemic and the closure of many of the tourist related businesses, including restaurants. We had a chance to discuss this across several departments, finance, legal, real estate, and Mr. Arntzen will walk the Commission through it and then pass on to Ms. Hanchette. Staff established that several of the Port tenants have made contact with Ms. Hanchette related to the financial situation and in front of the Commission is an opportunity to discuss this issue and potentially address it. Staff is proposing that the Commission consider a rent deferral for a period of up to three months and we would ask that the CEO, staff and legal to determine, on a case-by-case basis, which tenant might need that and tailor a program that would not put the Port at a disadvantage and a program that would be helpful to the tenants. There have been some parameters that have been established, which would be a rent deferral for up to three months, with a payback by the end of their lease term and with the understanding that the tenants would remain ultimately liable for the leasehold excise tax, which is payable to the State and cannot be waived. That is the backdrop against the rent relief program and staff is ultimately asking for the Commission to consider this issue and if they agree, we would ask that the CEO, working with staff and legal to have the ability to defer rent. Mr. Arntzen asked if Mr. Kooiker had anything to add.

Mr. Kooiker stated Mr. Arntzen covered the topic pretty well, but Mr. Kooiker emphasized at this point, the Port isn't out any revenue, because we are just deferring rent. The Port would effectively, hopefully, collect this rent before the end of the year.

Ms. Hanchette stated at Mr. Arntzen's direction, she reached out to primarily our hospitality tenants over the last few weeks, Clover Island Inn, Cedars Restaurant, Ice Harbor Brewing at the Marina, the wineries at Columbia Gardens: Cave B, Gordon, Palencia, Bartholomew, as well as our anchor food truck tenants. Each of them have had to make drastic changes since the Governor's order to close restaurants on March 17th. They have had to lay off a majority of their staff, cancel events, and three of the businesses have closed entirely: Cedars, Cave B, and Ice Harbor Brewing. Cave B never officially got to open. She heard comments from tenants ranging from barely hanging on and it's pretty bad; to, lost all of our personal inventory and had to lay off staff. The conversations were very somber; however, those that are still open, they have tried to be creative with curbside pick-up or delivery, but even with that, there has been a significant reduction in revenue, that is pretty substantial. Like everyone, their biggest question is "how long will this last and how long will it take to get up and running" there are a lot of unknowns. Mike Hall from Ice Harbor Brewing expressed his appreciation to the Port and the Commission for all of the support Ice Harbor has received over the years and he wanted to make sure that was passed on to the Commission. They all want to get back to normal as fast as possible, but they are doing everything they can to be safe and comply with Governor's order.

Ms. Luke stated from a legal standpoint, some of this guidance was developed from the Washington Public Ports Association (WPPA) roundtable. The framework and guidance have been developing over last few weeks with guidance being that the Port take an incremental

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approach, with the first phase, which has already been undertaken by the Port of waiving late fees and finance charges for Port tenants who request relief. The second phase is the rent deferral program and a new development has arisen and the Port received notice from the Department of Revenue, who has provided guidance, that when rent is deferred, the leasehold tax may also be deferred until the rent payment is made. The rent deferral is to be made on a case by case basis, and further strategies to assist tenants are to be determined.

Mr. Arntzen stated there has been a quite a bit of time invested on this issue because it is important to the Commission and we want to do whatever is reasonable to keep our valued tenants and Port district healthy. Mr. Arntzen stated this is probably as far as State law allows us to go and he pushed hard on Ms. Luke and Ms. Hanchette to see if we can have as robust of a potential deferral program as State law would allow. They have done a good job advising us on that, but really it is a line in the sand and if we go further and forgive rent, we run up against a Constitution prohibition, which prohibits us of gifting of public funds. In Mr. Arntzen's opinion, this is as aggressive as the Port Commission can be at this time, following current State law and guidance.

Commissioner Novakovich stated although it is not in the Resolution, he would like to go on record and have it recorded in the minutes, that the Policy be amended by the Commission, in the future, to the extent of the deferral policy matches legal guidance, as allowable in the future.

Commissioner Moak stated we know this Corona Virus situation hits a lot of businesses, not just in the hospitality area, but yet you have limited it to hospitality arena and we know certainly that they have been hit very hard, and he understands that. Is there a reason why Mr. Arntzen did not want a broader authority with non-hospitality businesses?

Mr. Arntzen appreciates the question and stated he thinks this is probably the first of our look at this issue, and one of the factors that he and Ms. Hanchette talked about was the fact that the Governor ordered a number of the hospitality industry businesses to physically close their doors. This one seemed to be a good starting point, and we wanted to address this one first and it has pretty much taken a couple of weeks from the time we received the first request from one of the restaurant tenants to get us to this point. We think this is a good first starting point and the information that we have learned can be applied in the future. Mr. Arntzen stated in his experience, these are the tenants that really indicated to us that they are feeling the pain. Mr. Arntzen thinks what staff would do is look for other tenants that are experiencing difficulties and see if that is an issue that needs to be addressed with the Commission. Mr. Arntzen reiterated that this is our first look at this issue and we chose this set of tenants because they appear to be the most impacted at this time.

Commissioner Moak inquired from a cash flow standpoint, will deferring rent for several months put the Port in any kind of pinch in terms of future cash flow.

Mr. Kooiker asked Commissioner Moak if he could repeat the question.

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Commissioner Moak inquired if there are any cash flow issues related to the deferral of lease payments for several months.

Mr. Kooiker stated not right now and the Port is fortunate that the Commission has budgeted wisely and conservatively, which helps us weather this and we have enough cash on hand to have some rent deferred. Mr. Kooiker stated that it is his full intention at this point to still collect rent, it is just a matter of how quick we can recoup it. We don't want to come up with a plan (inaudible) and as far as cash flow goes, no, it will not be a problem.

Commissioner Moak stated sometimes it is good not to have that many tenants because other ports who have a lot of leases and tenants are facing a lot more challenges than we are right now. Certainly, if it weren't for our hospitality tenants, what makes it go? Especially down at Columbia Drive and Clover Island area. We can't do without them and the vibrancy that we have been working on for many years, and some of these businesses have been here for 15+ years. Commissioner Moak would like, maybe by end of year, for staff to come back to the Commission and report on where and how things went. Commissioner Moak would be concerned that these tenants will be able to close out by end of the year and be able to pay back all of the deferral. If it is three months, they will only have 6 months to be able to pay that back. Commissioner Moak is open to the manager deciding (inaudible) authority within the law to do that. Commissioner Moak reiterated that he would like a report back at some point, after we are out of it and have a little bit of clear space and see how it went. Commissioner Moak thinks we want to do what we can do to keep our hospitality tenants.

Commissioner Novakovich stated a really good friend of his is the president of the Port of Walla Walla Commission and we have had a couple of discussions about this. And one of the things that the Port of Walla Walla has done, in probably in answer to Commissioner Moak's comment, about why the hospitality business, is that they actually stipulated that one of their reasons or one of their criteria is that the financial distress must be related to non-essential business shut downs in Washington. Commissioner Novakovich stated that is a precedence they set. Commissioner Novakovich agrees with Commissioner Moak, in his earlier comment, if we are giving some rights (inaudible) or other legal means, he thinks we ought to revisit this in the future because he completely agrees that he does not think three months is not enough for people to rebound from this.

Commissioner Barnes stated it is his understanding that we can't simply turn to a tenant, like the ones Ms. Hanchette mentioned earlier that have closed. The Port is not able to turn to a tenant like Cedars, or Ice Harbor or Cave B, businesses that have closed under these extraordinary circumstances and simply say, we will let you off the hook on the rent for three months. Commissioner Barnes confirmed with Ms. Luke that we cannot do that because that would be a gift of public funds.

Ms. Luke stated that is correct, it would be at this point in time, without further order of the government of Washington State, it would be considered a gift of public funds. We haven't received that guidance yet or direction by the state to do anything further other than rent deferrals.

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Commissioner Barnes inquired if there is anything that would preclude or prevent the Port from going back in certain cases or certain instances and asking a tenant to renegotiate their lease rate.

Ms. Luke stated, on a case by case basis, yes, the Port could do that. At the time that that action is taken, we may have new guidance from Governor. Given the current status, the Port could do that and would need to look at the same standards that the Port has been required to look at, market rates and so forth when it comes to lease rates. But, given down turn, those lease rates may obviously be different today than when they originally negotiated.

Commissioner Novakovich added that Port of Walla Walla, when they passed their policy, gave their CEO the ability to approve on case by case basis and documentation was provided, that they could do lease modifications.

Commissioner Barnes stated looking out the window, watching the news, reading the newspapers, these are exceptionally extraordinary times and for hospitality businesses to be completely shuttered or closed for this extended period of time, he cannot image the financial impact of these closures on businesses. Especially when you look at a business like Cedars that was just acquired, with fresh new financing and a renewed lease with the Port. Commissioner Barnes stated, on the record, is supportive of these tenants and looking forward to ways that the Port can legally provide some relief without gift of public funds. Commissioner Barnes supports efforts by the Port of Kennewick to reach out and help our tenants under these circumstances.

Commissioner Novakovich thanked Ms. Hanchette for reaching out individually and speaking to our tenants rather than with a memo. He believes the personal touch goes a long way and shows that the Port of Kennewick cares about our tenants.

Ms. Hanchette thanked Commissioner Novakovich for his comments and stated the tenants appreciated the outreach from the Port as well.

PUBLIC COMMENT

No comments were made.

MOTION: *Commissioner Novakovich moved for approval of Resolution 2020-08, granting rent deferral for tenants in the hospitality industry based on the following conditions;*

- (1) Up to three months of rent deferral will be granted on a case by case basis as determined by CEO; and*
- (2) CEO will work with tenants on deferred rent payback schedule; and*
- (3) Pursuant to state law, if applicable tenants must remain liable for leasehold excise tax, (which is payable to the state and cannot be waived).*

Further, all action by port officers and employees in furtherance hereof is ratified and approved; and the port Chief Executive Officer is authorized to take all action necessary in furtherance hereof; Commissioner Moak seconded. With no further discussion, motion carried unanimously. All in favor 3:0.

EMERGENCY DELEGATION UPDATE

A. *Total Site Services, Vista Field Contract*

Mr. Peterson stated the Governor issued the Stay Home, Stay Safe directive on March 25, 2020 which required all non-essential activities, including many non-essential construction projects to cease. Total Site Services (TSS) inquired with the Port whether we determined the project to be essential. After reviewing with legal counsel and the TSS COVID response proposal, Mr. Arntzen responded to TSS request for information and it was determined the Vista Field project to be an essential project under the Governor's criteria. The state electrical inspector also concurred with that determination on April 7, 2020, so we are moving forward under an essential determination for the Vista Field project.

Mr. Arntzen appreciates Mr. Peterson's walk through, which was very succinct and on point. Mr. Arntzen thinks this is a really a good decision under these circumstances, which he is not trying to take credit for, but rather to say, if the Port would have stopped construction, TSS would have had to demobilize, wait around for an indefinite period until it was safe to go ahead, and remobilize to finish up the remaining 5% of the public works project. Under the circumstances, it was the only decision that could be made. And talking with the foreman, he really respects letting TSS go ahead and we are getting a good product at Vista Field. Mr. Arntzen thinks it was the best decision under the circumstances to let TSS finish their quality project.

REPORTS, COMMENTS AND DISCUSSION ITEMS

A. *Communications with Public*

Ms. Bader Inglima stated, following our last Commission Meeting, a media release was distributed and posted to our website which communicated about the Commission passing resolutions relating to COVID-19 and suspending in-person meetings. Since then, we've also been communicating with local, state and federal representatives as they work to disseminate information related to financial support and programs relative to small business impacts from Coronavirus. We provided contacts and information to TRIDEC when they were looking for early examples of businesses being impacted by the COVID-19 mandates. TRIDEC was working to gather that information to demonstrate to the state that Benton and Franklin Counties were in need of financial support for small businesses. We also communicated that information to Senator Cantwell and Senator Murray's offices at the request of their Central Washington Representatives, Rick Evans and Raquel Crowley. We've participated in a number of WPPA online conferences to stay on top of COVID mandates, what programs are available, and what other ports are doing in response to such severe economic impacts. We've also been receiving emails with information from Senator Murray and Senator Cantwell's office regarding Small Business Administration (SBA) Stimulus funds and CARES Act resources and others program from the SBA, the Washington State Department of Commerce, the Regional Chamber, and TRIDEC. And we are certainly sharing all of that data out to our business contacts as well.

Yet, rather than simply repackaging a bunch of program links and pushing that out as a media release, or as a large-block email to our tenants and lease holders, we've been trying to take a more personalized approach to communicating with our tenants and leaseholders. Ms. Hanchette has been reviewing that material and talking with tenants and sharing about specific programs that may prove beneficial to them. Our small business are already feeling stressed and worried, and

overwhelmed by the impact to their businesses and Ms. Hanchette is talking with them and working to ensure they are aware of specific programs that may be most relevant to them. And we've worked to provide them information and resources as they try to navigate through those programs. For example, one such business is ET Estate Sales. You'll remember a few meetings back when ET Estate Sales was recognized as the Port's Friend of the Port for 2019 for their investment in Kennewick's historic waterfront district. Liz Thompson contacted the Port to find out what we knew about small business programs and if we knew of any grant writers to help her tap into those funds. We shared all program leads we had with her; put her in touch with Senator Cantwell's staff; and provided her with contacts for help with grant writing; and offered a letter of support for their application for the Governor's Working Washington Small Business grant funds—a portion of which is being evaluated and coordinated through TRIDEC for Benton and Franklin Counties.

In addition, our local media remains very interested in what government entities are doing during the pandemic: from what are ports doing to comply with evolving state and federal mandates, to what "essential public business" projects are still being constructed, to what types of financial support or relief ports are using to help the local business community. Ms. Bader Inglima has been drafting talking points in anticipation of their inquiries. And working to share the Port's story in a positive manner. We want to provide them with relevant and accurate information regarding port activities. And as always, we are working to ensure open, transparent communications with all our stakeholders.

Commissioner Barnes thanked Ms. Bader Inglima for her work during these extraordinary times, and we really appreciate the work you are doing on behalf of Port of Kennewick and our citizens.

B. Vista Field

1. Construction Update

Ms. Peterson stated Vista Field construction continues to wrap up the minor tasks that are left. The street lighting network of 62, 16-foot blue lights have been installed and are waiting to be energized. The Benton PUD is operating on a skeleton crew and do not have the number of people to set the final transformer. Mr. Peterson believes that should happen in the next week or two. We are also waiting to turn on the pumps for the water features and waiting for Benton PUD to energize the electrical network. There is some minor landscaping work and clean-up work to be completed and possibly a two-week delay on an electrical cabinet that is necessary for some street tree lightening. The manufacturer is now on a delay because they have shuttered their plant due to COVID-19. We have had our first material supply challenge due to COVID-19. Construction is progressing at an acceptable pace, all things considered, and the contractor is working with the subs to comply with Covid requirements and complete the project as contracted.

2. Task Status Update

Mr. Peterson stated he will provide the Commission with a written memo update at the April 28, 2020 Commission Meeting. Mr. Peterson stated efforts have been impacted to complete the task that we were marching towards with our design consultants of DPZ Miami and Portland, which entails putting the questions together that needed to be addressed and brought

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to the Commission before final marketing of property can occur. We are taking advantage of this time to work electronically and teleconference with Senen Antonio, Lizz Plater-Zyberk, Michael Mehaffy and Laurence Qamar. Mr. Peterson will bring more information to the Commission as it develops and reiterated that he will provide a written update at the next meeting.

C. Posting Commission Meeting Audio Update

Ms. Scott reported that the software we will be using has been downloaded and we are in the testing phase, and hope to have it in place by next meeting. Also, Ms. Scott let the Commission know that our audio recording system will not replace the written minutes as it is a written record that we send to the Washington State Archives for archival purposes. Additionally, the audio will be linked to our Agenda, so that way you can jump to the item that you are interested in and listen to that portion of the meeting itself. We are very excited about putting it into place.

Commissioner Novakovich thanked Ms. Scott for all her work, as she has been working on this since last fall and he suspects it has taken a lot of her time. Commissioner Novakovich stated we are probably anxious and wondering what is going on, but with the current situation with COVID-19, he thinks we have an inability to implement this right now. Commissioner Novakovich thinks this is out of Ms. Scott's control and wanted to point that out. Additionally, Commissioner Novakovich would really like to know the total cost involved at having this accomplished, both the actual cost of whatever we had to purchase but all the staff time involved. Commissioner Novakovich would like to, at some point and he is not sure how we would do this, but he would like to compare that amount of money and the number of our constituents that this is benefiting, versus the same amount of money spent at Vista Field and how that would benefit our constituents. Commissioner Novakovich is just curious about that.

Commissioner Moak thanked Ms. Scott for continuing to work on this and certainly as she may have noticed in her research, there are a lot of ports who are using this software and other municipalities. It is not something that is brand new, just brand new for us and Commissioner Moak thinks there is an opportunity for so many and he thinks it is very good to know that so many people will be able to have access to this. Commissioner Moak thinks this is going to be great to have.

Commissioner Barnes agrees with Commissioner Moak's comments and believes it is a great thing for Port citizens to have. There are many people that have jobs that are unable to attend the regular Port meetings that are on a Tuesday afternoon at 2:00 p.m. Commissioner Barnes has heard many comments from citizens and constituents about that meeting time slot and it has been a topic that has come up over the years since he has been on the Commission, about whether or not we may want to look at a night or evening meeting, but we have not done that. To have the audio, Commissioner Barnes thinks, gives any citizen the ability to go to the Port website to listen to the meeting and he thinks it is a tremendous plus. Commissioner Barnes did not know that it was a possibility to link the audio download to the Agenda, so that if you wanted to focus on a certain item on the Agenda, you wouldn't need to listen to entire meeting to get to that. Commissioner Barnes thinks that is a plus, a benefit and it helps in the area of transparency and gives people greater access to what's going at the Port of Kennewick and he supports it.

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Ms. Scott stated she is looking forward to getting this in place but still needs to work with our website technicians to get the link set up, but we are marching forward.

Commissioner Barnes thanked Ms. Scott for her work on this and he really appreciates it.

D. Public Disclosure Commission Reports and No-Conflict Statements

Ms. Scott reported that the deadline to submit the Commission's Public Disclosure Reports and no-conflict statements is April 15, 2020.

All three Commissioners have submitted a no-conflict statement and two have filed the Commission's Public Disclosure Reports as of this meeting.

Commissioner Barnes stated he is doing everything he can to comply with the F-1 requirement and it is a new system and he will be working diligently to meet deadline.

E. Director Reports

Mr. Arntzen stated this is mainly a catch all, when we discussed having our Agenda Reports as brief as possible, he wanted a catch all, in case we didn't have any business, that each of the directors could take a minute to tell the Commission what they have been up to. For those of us that have already provided input at this meeting, Mr. Arntzen asked that we not belabor the meeting by giving additional reports, but maybe for those who have not contributed in this current meeting, if they wanted to say a word or two about anything they have been up to, but also if they don't want to report, that is fine as well, because we are trying to keep our Agendas as brief as possible.

Mr. Kooiker would like to add, that through this entire situation, the best resources that he has found, is that he has an email group of peers and finance managers at other ports around the state. We have a lot of email threads about issues that have come up and it has been very valuable because right away, you can figure out what other ports are doing and why they are doing it. As Ms. Luke mentioned about the rent deferral about the Governor's office coming out with more guidance of gifting of public funds, etc. Additionally, through Mr. Kooiker's finance email thread, he may have caught wind of something coming, perhaps from the Attorney General's office or the Governor's office about guidance on this.

Mr. Peterson stated last Friday, myself and Mr. Arntzen had a kick-off meeting with Makers group on the Kennewick Waterfront Master Planning efforts. One of the first steps is to develop a stake holders list, those that the Makers team should be contacting and having direct communication with, beyond the public outreach that they are proposing. Staff is generating a list of island tenants, and nearshore tenants and it is important that we remember that this is an upland activity on Port property. Staff is generating a list of a few other players, such as the City Manager and Community Development Director and since this is a Columbia Drive and Clover Island effort, the Historic Downtown Kennewick Partnership would likely be identified stakeholders. Mr. Peterson asked the Commission to prepare a list of names or organizations that they believe Makers should talk with for the April 28, 2020 Meeting. Mr. Peterson stated Makers is looking at the situation with COVID-19 and the cancelling of public meetings and is looking to have an outreach and embrace the opportunity, to do the initial outreach electronically to put a proposal together. Makers would

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work within the current budget but slightly shifting what would have been typical meetings but instead use a different way to capture the information and also use survey tools. Makers is looking at enhancing their online outreach for the Kennewick Waterfront Master Planning efforts. Mr. Peterson reiterated his request for the Commission about names of stakeholders. In addition, Makers will be contacting the Commission individually to get their expectations or what they hope is included or touched on in this Master Planning effort.

Ms. Hanchette stated the maintenance and operations team continues to work staggered days and shifts in order to maintain the different Port properties, so that they can work at a safe distance from each other and the public. We have at least one staff person that is inspecting Port properties every day of the week, including weekends, to keep an eye on the buildings, the Marina, and public spaces. The police department has been reporting theft and vandalism activities so we are trying to make sure that doesn't happen to Port property and we still have a nightly security patrol by Phoenix. Ms. Hanchette stated we haven't had the work crew since mid-March and she is not sure when we will see them again, so we have been making adjustments and coming up with some back-up plans and are reprioritizing some of our maintenance projects.

Commissioner Barnes thanked Ms. Hachette for her work during these extraordinary times.

F. Commissioner Meetings (formal and informal meetings with groups or individuals)

Commissioners reported on their respective committee meetings.

1. Commissioner Novakovich attended a Benton Franklin Council of Governments Executive Committee Meeting where we cancelled April and May board meetings. A resolution was passed to give the Executive Committee the opportunity to handle all matters that came before board and then report to the Board; attended the WPPA conference call regarding rent deferral; had a conference call with Dan Newhouse; HAEIFAC loan committee meeting; and Wallowa Home Lands Executive Board meeting.
2. Commissioner Moak attended the Historic Downtown Kennewick Board Meeting and HDKP Organization Committee meeting and took a tour of Vista Field with Mr. Arntzen and Mr. Peterson. Commissioner Moak was very appreciative of the tour. It was great to get out on the site and see what we have been working on for the last six years. *

*Clerks note: Commissioner Moak's comments were inaudible; therefore, he provided his meetings via email.

3. Commissioner Barnes attended a TRIDEC Executive Committee Meeting.

G. Non-Scheduled Items

1. Mr. Kooiker offered a point of clarification on the Agenda Item related to rent deferral. Mr. Kooiker sensed a little bit of differentiation when Commissioner Novakovich stated his motion and his understanding about what Ms. Luke said about leasehold tax. What Ms. Luke is saying is that the Department of Revenue has given us the authority to defer leasehold tax as well. The tenant is still liable for leasehold tax, but it just gets deferred with the rent. Whereas previously, the guidance has been, if rent is deferred, the entity still collects leasehold tax in

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that three-month period. Now, the Department of Revenue is saying we can defer with the rent.

Commissioner Barnes thanked Mr. Kooiker and stated it is a very important clarification and he thinks Commissioner Novakovich tried to word the Motion so that it said “if applicable.” We will look to Mr. Kooiker and Ms. Luke to guide us through this process, regarding the “if applicable” part.

2. Mr. Arntzen will work with Ms. Scott and staff to try and get a better mechanism for the next Commission Meeting. There was quite a bit of feedback and this is surprising because we have had other sessions that were much better. Mr. Arntzen will work with Ms. Scott and bring in professionals as appropriate, and address what was causing the feedback and try to solve the issue before the next meeting.
3. Commissioner Novakovich stated Commissioner Barnes’ summation of what the intent of the Motion that Mr. Kooiker questioned, is absolutely correct. It was” if applicable” by whatever standards we have to abide by.

Commissioner Barnes appreciates Commissioner Novakovich’s comments as well as the comments Mr. Kooiker and Ms. Luke.

PUBLIC COMMENTS

Boyce Burdick, 414 Snyder Street, Richland. Mr. Burdick agrees with Mr. Arntzen’s comments regarding the audio being less than satisfactory and suggested staff use Zoom for future meeting. Mr. Burdick has had at least two meetings a week and stated with the new version, people have to be approved by whomever originates the meeting and you cannot be interrupted by trolls. The other alternative is whether GoTo Meeting (inaudible) and he does not have a smart phone.

No further comments were made.

Ms. Scott stated Commissioner Moak is listening and will email his meeting notes and he has nothing for non-scheduled.

COMMISSION COMMENTS

No comments were made.

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ADJOURNMENT

With no further business to bring before the Board; the meeting was adjourned 3:36 p.m.

APPROVED:

**PORT of KENNEWICK
BOARD of COMMISSIONERS**

Don Barnes, President

Skip Novakovich, Vice President

Thomas Moak, Secretary

*The April 14, 2020 Commission Meeting Minutes were Approved by the Port of Kennewick Commissioners on April 28, 2020 at the Regular Commission Business Meeting.