

TOPIC	DISCUSSION/ASSESSMENT/FINDINGS	ACTION
Attendance	Commissioner/Staff Present: Port Commissioners (PCs) William Schmitt; Wayne Vinyard; Executive Director (Exec.D) Marc Thornsbury and Administrative Assistant/Port Auditor (AA/PA) Margie Ziegler. PC/Staff Absent: PC James Herman. Guests Present: Phil Diepenbrock, Insitu/Boeing; Julie Korenko, Insitu; and Jenny Taylor, Insitu.	Meeting called to order at 4:32pm. PC Vinyard said that PC Herman is excused.
Administrative Matters Approval of Minutes Approval of Vouchers	Minutes – April 3, 2012 Vouchers – March 22, 2012 #24730-24744 for \$6,680.80. Payroll Vouchers – April 20, 2012 #24729 and #D10409-D10416 for \$8,699.57.	PC Schmitt M, to approve the minutes, PC Vinyard S, MP 2-0. PC Schmitt M, to approve the vouchers, PC Vinyard S, MP 2-0.
Old Business	None	
New Business Ground Lease Changes	(Exec.D) Thornsbury presented the original and proposed lease language and the potential impact of the proposed changes. Thornsbury said the changes were reviewed by Port Attorney Bill Eling and, where applicable, the Port’s insurance carrier. Section 2 - Property usage was discussed. PC Schmitt wants the NAICS requirements to remain intact, though they could be expanded slightly. Screening requirements were discussed and PC Vinyard suggested reducing the screening requirement from 100% to something like 60% to 70%. The issue of vacancy was discussed. PC Schmitt said he didn’t see how the Port could allow buildings to sit vacant with such a limited amount of industrial space available. PC Schmitt suggested a 24 month limit.	

New Business continued....

Ground Lease Changes continued

Thornsbury talked about what qualifies as occupied. PC Vinyard suggested a balance be struck.

Additional documentation requirements during the contingency period were discussed. PC Schmitt said this is unnecessary as Port documents are already public information. However, PCs Schmitt and Vinyard felt an exception could be made for documents pertaining to environmental conditions.

Rent, discounted rent, and rent abatement were discussed. PC Schmitt talked about what would happen if there were construction delays. PC Vinyard and PC Schmitt do not want to leave the rent abatement period open ended.

Thornsbury talked about escalation and the previous discussion regarding CPI vs. 3% escalation. PCs Vinyard and Schmitt tabled the topic to allow PC Herman to comment on escalation.

The reappraisal method and process were discussed. PCs Schmitt and Vinyard stated their preference for the current rate-of-return method and asked if the process could be clarified. Thornsbury said alternative language could be crafted to make it clear how the appraisals are done and how the cost is shared.

With respect to the lessee's right of first refusal, PC Schmitt said he felt that if the lessee desired to use a distant title company, the lessee should be responsible for all reasonable transportation, lodging, and other costs incurred by the Port as a result.

PC Schmitt stated the Port needs some ability to adjust the security deposit amount because we don't know who the lessee might be in fifty years.

Thornsbury noted that a future PC might want to calculate an adjustment.

<p>New Business continued....</p> <p>Ground Lease Changes continued</p>	<p>if there is a change in the use of, or materials stored on, the premises. He further suggested a minimum of two months lease payments with a percentage cap on future adjustments.</p> <p>PC Vinyard said that requiring plans to be approved by the Port within 30 days is too short a time period. Thornsby said Port legal counsel also suggested this would be a difficult requirement for the Port to meet. PC Vinyard suggested it be kept at 60 days.</p> <p>Thornsby said Port legal counsel is concerned about this. Thornsby suggested that this be linked to one or more sections pertaining to environmental cleanup and/or the disposition of leasehold improvements.</p> <p>Various issues regarding property insurance were discussed. PC Vinyard stated we need to make sure the language satisfies our insurance carrier. Changes will need to be made in several sections to account for self-insured lessees.</p> <p>Thornsby pointed out that legal counsel is concerned that the Port's obligations are too broadly defined and suggests tightening it up. PC and Thornsby agreed to look at key elements that are adjacent to the property such as roads, drainage ditches, signage, and any utilities the Port is responsible for maintaining.</p> <p>Tenant obligations were discussed. Port legal counsel suggested adding language that includes damage or contamination of adjoining properties.</p> <p>Access to the premises was discussed.</p> <p>Jenny Taylor, Insitu, talked about the lease schedule. Julie Korenko, Insitu, felt the process may put them a month behind their deadline. PC Schmitt said it is very clear how the process works and in the future and Thornsby has the authority to work through the lease items. PC Schmitt</p>	
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<p>New Business continued....</p> <p>Ground Lease Changes continued</p>	<p>said the second part of the lease will be discussed at the next meeting. PC Vinyard said Thornsbury will bring issues to Legal Counsel and to the Port Commission as needed. Phil Diepenbrock, Insitu, said the lease will go to the developer for review and it may take three weeks before they receive comments. Thornsbury gave the PC the comments regarding the second half of the lease and said they will be reviewed at the next PC meeting.</p>	
<p>Executive Directors Report</p> <p>Fire Protection System Modifications</p>	<p>(Exec.D) Thornsbury said a different fire alarm panel interface may be available that would allow Port staff to remotely access the panel. Thornsbury is seeking additional information and pricing. Thornsbury stated a change order may be done to utilize the new interface or he may cancel the RFP and go out for a quote using the new interface.</p>	
<p>Executive Directors Report</p> <p>FEMA Flood Map – Bingen Point</p>	<p>(Exec.D) Thornsbury said he is working with Tenneson Engineering regarding a quote for the cost of surveying to establish elevations and completing the forms for the FEMA Flood Map.</p>	
<p>SDS Fence MOU</p>	<p>PC Vinyard said Jason Spadero, SDS, is reviewing the survey information. Thornsbury said he will talk with legal counsel.</p>	
<p>Coal trains</p>	<p>PC Schmitt asked if the Port had objective information regarding coal train shipments through the Gorge and wants to know how many trains and what time of day they would be running. The Port does not have such information and PC Schmitt said he will see what he can find out.</p>	
<p>Commissioners Reports:</p> <p>Committee Updates</p>	<p>PC Vinyard: nothing</p> <p>PC Schmitt: PC Schmitt said he attended the Klickitat County Commission meeting and our Binding Site Plan for Bingen Point was approved.</p> <p>PC Herman: not present</p>	
<p>Public Comment</p>	<p>Jenny Taylor, Insitu, asked about the fire protection agreement. PC Schmitt said a Bingen Fire Department truck is parked at the Bingen City Shop.</p>	

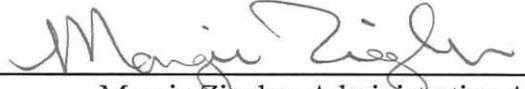
<p>Public Comment continued...</p>	<p>Julie Korenko, Insitu, asked if there is a schedule from the County for the shoreline master plan update. She also asked if the Port would reconsider leasing Lot 18 to Insitu. Jenny Taylor, Insitu, asked if there are any other options. PCs Vinyard and Schmitt stated they like the option that Insitu is already considering.</p> <p>Jenny Taylor, Insitu, said they have received their SEPA permits from the County and they are waiting for Boeing Capital to authorize the infrastructure funds. Julie Korenko, Insitu, said KC Planning is asking for a JARPA, variance, and a substantial development permit for a temporary building. Taylor said they are still planning for mid-summer 2012 to place the buildings and once they received capital funding they will solidify the lease for Lot 34.</p>	
<p>Adjournment</p>	<p>PC Vinyard adjourned the PC Meeting at 6:26pm</p>	

Approved on May 1, 2012

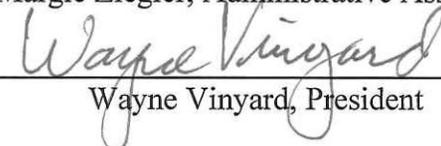
 (Date)



 Marc Thornsbury, Executive Director



 Margie Ziegler, Administrative Assistant



 Wayne Vinyard, President