PORT OF CENTRALIA
Established 1986

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Minutes
Regular Meeting of the
PORT OF CENTRALIA
March 2, 2022
Port of Centralia Administrative Office & Via Teleconference
3:00 PM

Attendees: Commissioners: Kyle Markstrom, Julie Shaffley, Peter Lahmann
Executive Director: Kyle Heaton
Press: Susan Delaire, Business to Business, via teleconference
Public: Bob Jackins; Brian Dow; and Jan Banevich
Teleconference: One unknown caller

1) **Call Meeting to Order/Introductions:** Commissioner Markstrom called the meeting to order at 3:00 p.m.

2) **Approval of Agenda:** Commissioner Shaffley made a motion to approve the March 2, 2022, agenda as submitted. Commissioner Markstrom seconded the motion. The motion carried.

3) **Approval of Minutes:** Commissioner Lahmann made a motion to approve the February 16, 2022, regular meeting minutes. Commissioner Shaffley seconded the motion. The motion carried.

   Commissioner Lahmann said that the minutes were correct, but his intent was to have the Economic Alliance of Lewis County give a presentation before the Port gave them $15,000 for the flood fund, although he still agrees with it. Commissioner Markstrom said that the motion was passed in the meeting.

4) **Approval of Warrants:** Commissioner Shaffley made a motion to approve warrants 22328 through 22349 with an aggregate amount of $86,129.55. Commissioner Lahmann seconded the motion. The motion carried.

5) **New Business:**

   a) **Executive Director Report:** Kyle Heaton presented the Commissioners with a letter from the City of Centralia and the Port of Centralia to the Washington State Department of Transportation. The letter reiterates that once the Port completes the Yew Street extension to City standards and the City engineer has signed off on it, the City will then accept the right-of-way as is standard procedure. He said that he appreciated the City for their quick turnaround of the letter to WSDOT helping complete the Port's package. WSDOT has submitted everything to the Federal Highway Administration and the Port is waiting to hear from them.

      Kyle stated that the boundary line adjustment with Reality Homes has been completed and signed off by all parties. The title company has issued insurance so the Port is moving forward to finalize it.

Kyle reported that the House transportation budget contained no project in the 20th District, but the Senate released their transportation budget that included the Mellen Street connector project. They had a conference committee and the Legislature is set to adjourn March 10, 2022.

The Port is still working on the Fergerson Schmidt boundary line adjustment in Park I. Kyle said that the survey has been done. The City's comments need to be adopted and the title company needs to sign off, and then Fergerson Schmidt is prepared to close. They would like to be underway and under construction in June 2022.

Kyle stated that Vector Development has exercised an additional extension that will take them through April 2022 as they complete their diligence work at 4005 Galvin Road. They are doing considerable geotechnical work that has been delayed by COVID. Vector has paid their nonrefundable fee, which has been deposited in escrow.

Kyle updated the Commissioners on the improvements to 1711 Midway Court. He said that the interior demolition has been completed and the painting and concrete will be completed in the next few days. Flooring bids will be due on Friday and the last thing will be lighting upgrades. He hoped to have the building ready for 4Legz at the end of the month so they can take occupancy in April. He said that they have been allowed to move some things in to the mezzanine as long as it is not in the way of construction.

b) **Committee Reports:** Commissioner Shaffley thanked Senator Braun for his work on getting funding for the Mellen Street connector project.

Commissioner Lahmann asked Kyle Heaton for the status of the electrical plan for Centralia Station. He said that he ran across some information that they were still waiting for approval from City Light. He thinks that is something that needs to be done before the whole site plan is written off. Kyle Heaton responded that the last he knew they had signed off on what the Port engineer had done but he would circle back with the engineer to check. He also said that the electrical plan does not need to be done prior to the site plan because the Port is dealing with City Light out in the public right-of-way. Anything within the site plan will be the end user's or developer's responsibility. He said that the portion being done with public money is merely building in the right-of-way, a portion of which has lot lines and electrical stubs that are not as difficult as sewer and water and are not buried in the middle of the street. He said there is also extra conduit in each one so it can be adjusted. Commissioner Lahmann asked if the Port's engineer has drawn up a utilities plan. Kyle Heaton replied that that was correct. Commissioner Lahmann said that there must be confusion somewhere. Kyle Heaton responded that he has not heard confusion from City Light or anyone else. Commissioner Markstrom added that he has not heard any confusion from anyone that he has spoken to.

Commissioner Lahmann said that he had asked to see a current site plan. He was curious to see what the difference was with the boundary line adjustments and wanted to see a previous plan and an updated one. Kyle Heaton replied that it wasn't clear from Commissioner Lahmann's email what right-of-way he was referring to. He said that based on the City and Commissioner's previous emails, he assumed Commissioner Lahmann was discussing what has been dedicated to the WSDOT and what the Port gave up there and presented Commissioner Lahmann with a copy. Kyle said that the legal descriptions are outlined and color coded. He pointed out the areas that were dedicated to WSDOT and stated that the Port gave up nothing, since it was well withn the

setback or within the slope of the hill, which is what WSDOT wanted so that there would be no construction inside the site. Kyle added that WSDOT had wanted an easement across the center of the site, but after negotiations the Port refused that and moved WSDOT to the south of the site so as not to lose value. Those easements have all been reviewed, approved, and taken by WSDOT.

Commissioner Lahmann reported that New Day Hydrogen is interested in a potential future fueling station. He took a little tour with them and Intercity Transit in Thurston County. He said that Thurston County is onboard and looking at buying four vehicles and setting up a fueling station at their main shop. They are looking to hit heavy trucks and maybe transit. He said that it is somewhat similar to what is being proposed in the Port of Chehalis. Commissioner Lahmann said that he had told them that the Port of Centralia is an excellent location for something like that. He said that they are currently sitting in the middle of 400 trucks right now and if they can get them roped in, it could make the Port look really good. Commissioner Lahmann added that he ran across Representative Jaime Hererra Beutler's office and backfilled on the Port's request. They said that they are on board with it and will help in any way they can. He said that he would be willing to contact Senator Murray's office as well.

Commissioner Markstrom reported that the Port had hoped to have a meeting with FHWA and Representative Herrera Beutler's office, but FHWA declined the meeting for the time being. They wanted to get further in the review process so they could be prepared if they had more questions. He said that FHWA is engaged and diligently working on it. He also stated that he had a conference call with New Day Hydrogen. He said that they are a very new company that has not done any projects or gotten any funding yet, so he thinks that engaging with them further at this point would be speculative. He said that the Port should wait until it has matured a bit more before it risks taxpayer money on a project like that.

Commissioner Shaffley said that she had been talking with the EDC concerning hydrogen and she said that someone had referred to it as the 'wild wild west' and that is changes daily. Commissioner Markstrom replied that Washington is appealing to a lot of those companies right now because the government has a lot of grant funding available. He said that when that happens you get some people with good intentions and some with not so good intentions, and it is better to sit on the sidelines and let the private sector figure some things out first.

Commissioner Lahmann said that Intercity Transit is buying a couple of smaller buses and have modular fueling stations. Commissioner Markstrom said that they hope to have modular fueling stations and that they haven't built anything yet. He said that he asked them about IT and what technology was specific to them that made them secure and it didn't feel like they had anything. It was concerning to him that they weren't protected or have anything special over anyone else in that space. He said that he thinks New Day Hydrogen is looking to get some people on the hook for these projects, and then take those agreements to private equity to get funding and build the units, so it is a little premature.

6) **Good of the Order/Public Comment:** Jan Banevich, of Centralia, asked how often the Port reviews and updates its Master Plan for Centralia Station. Commissioner Markstrom said that they would get back to her on that.

Brian Dow, of Centralia, said that he was going to reserve his time to a future meeting if he may.

7) **Adjourn:** Commissioner Lahmann made a motion to adjourn the meeting at 3:15 p.m. Commissioner Shaffley seconded the motion. The motion carried.

Peter Lahmann
COMMISSIONER

COMMISSIONER