

**Port of Pasco Commission**  
**Minutes of Regular Meeting of Port Commission**  
Held at Port of Pasco, 1110 Osprey Pointe Blvd, Suite 201, Pasco, WA 99301  
March 15, 2019 | 10:30 a.m.

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**CALL TO ORDER**

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Commissioner Ryckman called the meeting to order at 10:30 a.m.

**Present:** Commissioner Jean Ryckman, Commissioner Jim Klindworth, Commissioner Vicki Gordon, Port Counsel Dan Hultgrenn, Director of Airports Buck Taft, Director of Economic Development Gary Ballew, Director of Finance Donna Watts, Director of Properties Mayra Reyna, Deputy Director of Airports Don Faley and Administrative Assistant Audrey Burney

**Excused:** Executive Director Randy Hayden

**Guests:** Kirt Shaffer – Tippet Company

**APPROVAL OF AGENDA**

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Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the agenda as presented. Motion carried unanimously.

**CONSENT AGENDA**

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- a) Regular Meeting Minutes of February 28, 2019.
- b) Vouchers and Warrants #91676– 91755 in the amount of \$449,119.28.

Commissioner Ryckman moved and Commissioner Gordon seconded to approve the consent agenda with the change to the minutes. Motion carried unanimously.

**PUBLIC HEARINGS & RESOLUTIONS**

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**Resolution 1504, changing the date and the location of the first regularly scheduled meeting in July 2019** - Commissioner Klindworth moved and Commissioner Ryckman seconded to move the location and date of the first regular scheduled meeting in July 2019 to Wednesday, July 10, 2019 and will be held at Tri-Cities Airport. Motion carried unanimously.

**Resolution 1505, Amended and Restated Property Lease Rates** – Commissioner Klindworth moved and Commissioner Ryckman seconded to approve Resolution 1505, an amended and restated resolution setting forth Port policy regarding the rental lease rates and related policies of the Port of Pasco. Motion carried unanimously.

**ITEMS FOR DISCUSSION**

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**January 2019 Financial Statement** – Mrs. Watts discussed the January 2019 Financial Statement.

Commissioner Gordon attended the meeting at 10:50 a.m.

**Tenant Delinquent List** – Mrs. Watts discussed the tenant delinquent list.

**Business Uses in the Tri-Cities Airport Business Center** – Mr. Ballew reported to Commissioners that staff has been contacted by two local developers on separate projects within the Tri-Cities Airport Business Center. They both proposed a ‘multi-tenant office/warehouse’ building as part of their development.

Developers 1 and 2:

1. Developer 1: Lease proposal of approximately 2 acres at the corner of Argent and Varney. They are proposing a multi-tenant retail facility at the front of the property and a multi-tenant office/warehouse facility at the back of the proposed lot.
2. Developer 2: Proposing to lease four acres at Argent/Morasch and Rickenbacker. They are proposing to lease four acres at Argent/Morasch and Rickenbacker and place three multi-tenant office/warehouse buildings in this area.

Commissioners agreed that the first developer’s proposal will bring an appropriate use to the retail corner and overall provides a benefit to the Airport. Commission agreed that the second developer’s proposal is not the highest and best use for this corner, and asked staff to work with the developer to see if there is interest in a revised proposal that would be more consistent with the master plan for this development.

#### **ITEMS FOR ACTION/CONSIDERATION**

**Land Purchase, Property Acquisition** – Mr. Ballew, Port Counsel Mr. Hultgrenn and Mr. Shaffer with Tippett Company were available to answer questions and/or concerns that Commission had regarding the counter Purchase and Sale Agreement provided by the Seller. The counter offer matches much of the Port’s original offer, including the purchase price and that the price includes water rights.

Counter-offer modifications to the agreement include the following:

- Agreement terminates if not closed prior to October 30, 2019.
- Addition of language “to the best of the Seller’s knowledge”.
- Buyer may not assign the agreement.
- Buyer pays ‘open space’ reimbursement of \$187,663 = \$630 per acre.
- The water right is not solely dedicated to the two circles under consideration, but also includes a well serving an adjacent circle. The counter proposes that the Buyer and Seller come to terms on appropriate distribution of the water right.
- The Buyer and Seller will come to terms on necessary easements for irrigation operations to continue on adjacent circle.
- The property has an existing cell tower lease. The Buyer will need to accept that assignment.
- Addition of language to the section regarding that the Parties will negotiate a lease during the feasibility period.

Commission and staff discussed the following items and responses the counter-offer:

- The language modification regarding the final date for closing only becomes an issue if we do not execute the Purchase and Sale agreement prior to April 10, 2019. The change is acceptable.

- The language modifications “to the best of Seller’s knowledge” in section 12, require some consideration. The Port requests modification on this item.
- Agreed to counter on the open space reimbursement.
- The water right/irrigation system will be dealt with during the due diligence period.
- The review of the cell tower lease will be done during the due diligence period.
- The additional language regarding the lease negotiation is acceptable.
- Recommending modified language for Paragraph 2, in the Addendum, which reads, “included in this sale is all of the improvements and irrigation equipment associated with the property, including but not limited to pumps, motors, panels, mainline, and circles. An inventory of the irrigation equipment shall be compiled by Seller and delivered to Buyer. Upon Mutual Acceptance of the inventory, the Buyer and Seller shall mutually agree on the value of the equipment as described in this Agreement per Section 14 “Personal Property”.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to counter offer as discussed, to sign and take other actions as may be necessary and as may be approved by the Port legal counsel, to execute the modified Purchase and Sales Agreement between the Port of Pasco and Balcom & Moe Inc. to acquire property identified as Franklin County Tax Parcel number 124-680-039. Motion carried unanimously.

#### **RECESS**

At 12:32 p.m., Commissioner Ryckman recessed the meeting for twenty-eight minutes for lunch. At 1:00 p.m. the meeting was reconvened.

#### **ITEMS FOR DISCUSSION**

**Airport Advisory Committee** – Mr. Taft reported that this year’s strategic plan called for the airport to explore the development of an Airport Advisory Committee. Commission and staff discussed and decided to hold off on creating an advisory committee at this time.

#### **Director Reports:**

1. Airport Director
  - a. B-reactor advertisement – Manhattan National Park would like to be able to display some of their material at the airport. Staff was reminded that the reason the museum was able to display was because of its relation to the airport and its history.
  - b. Airport Statistics: Alaska is up 43%, Allegiant is up 15%, Delta is down 5% and United is up 33%. The month of February is up 16% and year to date is up 17%.
  - c. The art committee is excited that Davin Diaz will be managing the art display for 2020. The art committee will still be picking the art for the Tri-Cities Airport with Commission giving the final approval.
  - d. The inaugural flight plans for the LAX flight will be a beach theme. The 1<sup>st</sup> flight will be on March 31<sup>st</sup> and cookies will be handed out. April 1<sup>st</sup> will be the beach party to market and raise awareness of the new route.
2. Economic Development & Marketing Director
  - a. EDM Report – January Report
    1. Eaty Gourmet – Public Market group will publish their press release on Monday, March 18, 2019.

2. Creation of new Waterfront Zone in City of Pasco – meeting with City.
- b. EDM Report – February Report
  1. Staff had a meeting with Fiesta Foods Marketing Director (Ana Ruiz Peralta) and City of Pasco regarding Colima Sister City/Trade Mission.
  2. The Pecks (Brad Peck and his wife) held the Delegation of Colima social at the Moore Mansion. The event was held to promote trade relations and other cooperation between Pasco and the Colima Mexico area.
3. Finance Director
  - a. GASB – Has a new requirement to account for retiree health benefit liabilities. Staff has found that it would be beneficial to work with an actuary.
  - b. Staff held interviews for a consultant for the EDA grant for Big Pasco Roads. Staff selected MacKay and Sposito as the most qualified firm and has begun scope and fee negotiations.
4. Property Director
  - a. Participated with Gary Ballew hosting the Delegation from Colima.
  - b. Received a proposal for 40 acres for mixed use to put in a trailer park. Commissioners and staff agreed that, this proposal is not in line with the Port of Pasco’s mission.
5. Deputy Director of Airports
  - a. Tri-Cities Airport maintenance crew did a very good job during the last month of snow.
  - b. Forms for the new hotel foundations were poured before the snow. The construction crew has started putting up the beams.
  - c. Taxiway Alpha project is hoping to start March 25.
  - d. The Rickenbacker/Earhart road project is hoping to start on April 1<sup>st</sup>.


#### **CALENDAR OF EVENTS**

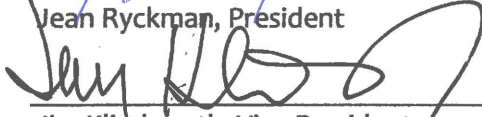
Commissioners and staff discussed the calendar of events.

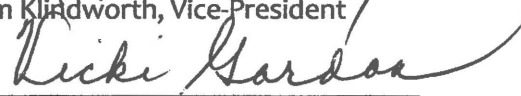
#### **ADJOURNMENT**

The meeting adjourned at 2:12 p.m.

Port of Pasco Commission:

  
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Jean Ryckman, President

  
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Jim Klindworth, Vice-President

  
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Vicki Gordon, Secretary