

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
June 13, 2019 | 10:30 a.m.

CALL TO ORDER

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

Present: Commissioner Jean Ryckman, Commissioner Klindworth, Commissioner Vicki Gordon, Port Counsel Dan Hultgrenn, Executive Director Randy Hayden, Director of Economic Development Gary Ballew, Director of Properties Mayra Reyna, Deputy Director of Airports Don Faley, Senior Accountant Diana Newman, Administrative Assistant Audrey Burney, and Airport Intern – Linh Pham

Excused: Director of Airports Buck Taft, Director of Finance Donna Watts

Guests: Bill Barlow – Benton Franklin Transit, Patrick Guettner – City Council Candidate, Bryan Cole MacKay & Sposito

APPROVAL OF AGENDA

Commissioner Klindworth moved and Commissioner Gordon seconded to approve the agenda with added item 9.G. 80th Anniversary Celebration. Motion carried unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of May 22, 2019.
- b) Vouchers and Warrants #92121 - #92208 in the amount of \$1,013,194.74

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

PUBLIC CITIZEN COMMENT

Bill Barlow – mentioned that there is interest for mass transit and HOV lanes with the start-up of the Low Activity Waste Treatment Facility at Hanford.

Patrick Guettner – announced he is running for Pasco City Council and he is appreciative of all that the Port of Pasco does.

Bryan Cole – MacKay & Sposito, invited Commissioners and Staff to MacKay & Sposito's 45th Anniversary that will be held at the Osprey Pointe commons.

PUBLIC HEARINGS & RESOLUTIONS

Resolution 1508 – Changing the location of the second meetings in August and September 2019 –

Commissioner Klindworth moved and Commissioner Gordon seconded to approve Resolution 1508, authorizing to change the location of the second meetings in August and September. Motion carried unanimously.

ITEMS FOR ACTION/CONSIDERATION

BPIC Road & Storm Water Project – Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to sign and take other actions as necessary to execute the agreement with MacKay & Sposito for road and storm water design at the Big Pasco Industrial Center. Motion carried unanimously. Mr. Ballew notified the Commissioners that the Economic Development Administration approved the agreement.

BPIC 2019 Concrete Dock levelers & Shelters – Recommendation of Award – Commissioner Klindworth moved and Commissioner Ryckman seconded to approve awarding a contract to Mid-Columbia Forklift, which

submitted the lowest, responsible, responsive Bid in accordance with the Contract Documents. The total contract price, including sales tax, is \$87,531.60. Motion carried unanimously.

BPIC Concrete Docks – Recommendation of Award – Commissioner Klindworth moved and Commissioner Gordon seconded to approve awarding a contract to Ray Poland & Sons, which submitted the lowest, responsible, responsive Bid in accordance with the Contract Documents. The total contract price, including sales tax, is \$118,536.90. Motion carried unanimously.

Pasco School District Bldg. 85 – Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to execute a term lease with Pasco School District for building #85 located at 3408 Swallow Ave at the Tri-Cities Airport Industrial Park, at the rates and with the deviations as described below:

- After completion of the improvements and once lease commences, PSD shall pay the Port \$125,000 covering the majority of the cost of the installation of a new fire protection system. The remaining cost of \$47,160 shall be paid back during the first 60 months (5-yr term) by increasing the rent \$785 per month.
 - The monthly rate for the first year will be \$785 per month (with a one-time reimbursement of \$125,000 due at the commencement of the lease). The monthly rent for years 2-5 shall be \$4,035. At the first 3-year extension, the monthly rent shall increase to \$5,800. At the second 3-year extension, the monthly rent shall be \$6,300.
 - This lease will supersede and replace the current month to month lease at its commencement.
 - This lease will contain a cross-default clause referencing other leases with the Pasco School District.
- The Executive Director is authorized to make minor changes to the lease, with approval by the Port attorney, as may be needed to finalize the agreement. Motion carried unanimously.

Building 85 Fire System – Recommendation of Award – Staff presented the bids for the building 85 Fire System. Commissioner Klindworth expressed concerns about the price of the bids being substantially over the engineers estimate. Staff discussed the two bids received reflect the current market conditions and we are not likely to receive lower bids by delaying or rebidding the project.

Commissioner Ryckman moved and Commissioner Gordon seconded to approve after discussion and express of concerns to award the bid for the building 85 Fire Protection System project to Cascade Fire Protection contingent upon the Pasco School District agreeing to enter into a long-term lease. Motion carried unanimously.

ITEMS FOR DISCUSSION

April 2019 Financial Statement – Commissioner Gordon inquired about the use of the airport recreation center that was listed on the financial statement. Diana Newman stated that the recreation center is the cross country, soccer fields and disc golf by Golf Land.

Tenant Delinquent List – Mrs. Newman discussed the Tenant delinquent list.

Osprey Pointe Status – Mr. Ballew summarized that Commissioners passed a motion at the May 22, 2019 meeting to further amend the LOI with Eaty Gourmet, providing them exclusivity at Osprey Pointe through the latter of July 11, 2019 or on completion of the appraisal the Port is acquiring. In exchange for this exclusivity Eaty Gourmet would pay \$10,000, non-refundable, but applied to the purchase price.

Eaty Gourmet notified the Port that they will not seek to execute the proposed amendment and will continue negotiations with no exclusivity. Port staff did confirm with them that this meant the Port was free to actively market the property and work with other potential developers. Port Counsel is currently drafting a Purchase and Sales agreement acceptable to the Port.

The appraisal process of Osprey Pointe may take upward of ten weeks, likely stretching into August.

LOI Global Track, LLC – Mrs. Reyna reported that Global Track provided a letter of Intent for Parcel 1 at the Foster Wells Business Park consisting of 2 acres. They offered \$156,816 with \$5,000 earnest money, non-refundable which will go toward the purchase price if the sale is completed. This price works out to \$1.80 per square foot, or \$78,408 per acre. Staff shared that this price was on the low end of recent sales, and that Global Track’s offer might be suitable for a less prominent lot. Further discussion on minimum sale price was deferred to Executive session.

RECESS

At 11:58 p.m., Commissioner Ryckman recessed the meeting for fifteen minutes for lunch. At 12:13 p.m. the meeting was reconvened.

ITEMS FOR DISCUSSION (Cont'd)

Director Reports:

1. Executive Director
 - a. HAEFIC – Community Loan Committee, is deciding whether to recommend the full committee approve a \$2.5 Million loan per the Port’s application, or a lesser amount.
 - b. Updated Commission on the meeting with BNSF to discuss the potential of rail service at proposed new industrial park.
 - c. City/County – Staff met with representatives from the City and County to discuss the Port’s plans for the new industrial park development. Both agencies express support for this type of development.
 - d. Gary and Kirt Shaffer met with Cascade Natural Gas about gas lines.
 - e. Connell Visitor Center update – Randy attended the Connell Chamber meeting to provide an update on the Visitor Center. He stated the Port has two options for moving forward:
 - Stay with initial plans, but shaving off some items, for example changing materials, and seeking additional funding.
 - Remodeling an available building owned by the City of Connell that is approximately the same size as the initial plans.
2. Economic Development and Marketing Director
 - a. PBS engineering and environmental will be doing a phase 1 environmental site assessment and cultural resource evaluation services for property located on North Railroad Avenue in Franklin County.
 - b. Mineral Rights – Port staff requested that the Seller acquire the mineral rights for the proposed property purchase.
 - c. Argent Road update – Port of Pasco stated a while ago that they would contribute \$1.5 Million dollars to the project. CBC and the City of Pasco will also be contributing to the project.
3. Deputy Airport Director
 - a. Airline Statistics update for May 2019:
 1. Alaska is up less than 100 passengers
 2. Allegiant is up 8%
 3. Delta is up 12%
 4. United Airlines is up 45%
 - b. Enplanements are up 13% for the month of May and the Airport is up 14% for the year.
 - c. Roadway work is close to being done.
 - d. Battelle Hangar is moving along.
4. Director of Properties

- a. Audrey is working to remove the old rail cars from the tracks.

EXECUTIVE SESSION

At 1:06 p.m., Commissioner Ryckman announced the board would go into executive session for twenty-four minutes to consider the minimum price at which real estate will be offered for sale. At 1:30 p.m., the meeting was reconvened.

ITEMS FOR DISCUSSION

LOI Global Track, LLC – Commissioners directed staff to continue negotiations.

80th Anniversary - Commissioner Klindworth would like to have an 80th Anniversary celebration next year. Commissioners asked Mr. Hultgren Port Counsel to find out if there are any stipulations the Port needs to know about.


CALENDAR OF EVENTS


Commissioners and staff discussed the calendar of events.

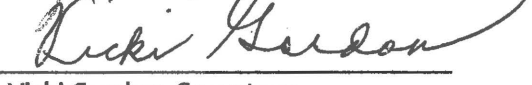
ADJOURNMENT

The meeting adjourned at 1:35 p.m.

Port of Pasco Commission:


Jean Ryckman, President


Jim Klindworth, Vice President


Vicki Gordon, Secretary