

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 24, 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 Airports Buck Taft, Director of Economic Development Gary Ballew, Director of Properties Mayra Reyna, Director of Finance Donna Watts, Deputy Director of Airports Don Faley, Administrative Assistant Audrey Burney, and Port of Pasco Intern – Brenda Yopez

Guests: Ethan Spoo – WPS (Berger/Abam)

APPROVAL OF AGENDA

Commissioner Klindworth moved and Commissioner Gordon seconded to approve the agenda with no changes. Motion carried unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of June 13, 2019.
- b) Vouchers and Warrants #92209 - #92348 in the amount of \$1,595,975.14

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

ITEMS FOR ACTION/CONSIDERATION

Marketing Agreement with BHW-1 – Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to execute the Marketing Services Agreement with BHW-1 for the price to not-to-exceed \$123,000. Motion carried unanimously.

Banners at TCABP – Commissioner Klindworth moved and Commissioner Ryckman seconded to allow Musser Auction to put up nine vertical banners and at a height not to exceed fifteen feet. Starting July 1, 2019 and ending December 31, 2019 the banners can be displayed seven days prior to the event and must come down after completion of the auction. This is an exception to the covenants to help establish new business. Motion carried unanimously.

OP Re-zone Change – Mr. Spoo with WPS spoke about their efforts to draft a new waterfront zone code for the Port of Pasco to submit to the City. Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to submit a zone change application for Osprey Pointe and the proposed waterfront development district zoning code to City of Pasco. Motion carried unanimously.

Tim Bush Lease Assignment – Mr. Taft reported that Mr. Bush approached staff regarding the selling of his hangar to Viking Homes. Viking Homes would like to use the hangar as a store front to close deals and chose design options for the homes. The owner has an aircraft that would use the hangar from time to time.

Staff reached out to Kevin Latschaw with the FAA who stated that the proposed use was mostly non-aeronautical and signing a long term lease for the uses outlined in the letter would likely be contrary to the grant assurances. Further discussion about potential legal action to which the Port could be party was deferred to Executive Session.

Proposal for 21 Acres at Foster Wells Business Park – Mrs. Reyna informed Commission that Kenyon Zero Storage submitted a letter of intent to purchase parcels 8 – 11 at the Foster Wells Business Park. The offer is for \$921,294.00, including a \$50,000 non-refundable earnest money deposit, for the 21.15 acres. Kenyon would like to build a new cold storage facility that will be approximately 200,000 square feet for the initial phase. Further discussion on minimum sale price for property was deferred to Executive Session.

RECESS

At 12:06 p.m., Commissioner Ryckman recessed the meeting for twenty minutes for lunch. At 12:26 p.m. the meeting was reconvened.

ITEMS FOR ACTION/CONSIDERATION (Cont'd)

Proposal for 2.0 acres at Foster Wells Business Park – Mrs. Reyna reported that staff received a counter offer for parcel 2 at the Foster Wells Business Park. Global Trac's counter offer is for \$1.81 per square foot for parcel 2 after a boundary adjustment reducing the parcel to 2.0 acres. Further discussion on minimum sale price for property was deferred to Executive Session.

Propak Logistics – Mrs. Reyna reported that staff has been in negotiations with Propak Logistics to increase their rent for Big Pasco Warehouse 5 Bay 3 to the current published rate and sign a long-term lease. Propak is willing to sign a one-year lease with one-year option if the Port will make certain improvements to the facility and agree to modify the lease indemnification language to be consistent with their other leases.

This lease would bring their total leased space to 122,400 SF, with 8.89 acres of land for truck parking. The lease value for Warehouse 5 Bay 3 would be \$117,811.44 for the 1-year term, plus an additional \$117,811.44 if the additional one-year option is exercised.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to execute a one-year term lease with Propak Logistics at the published rate with lease language modifications as provided. The Executive Director shall also be authorized to make minor changes to the leases, with approval by the Port Attorney, as may be needed to finalize the agreements. Motion carried unanimously.

ITEMS FOR DISCUSSION

2018 Annual Report – Mrs. Watts presented and discussed the 2018 annual report with Commission.

Enduris Board of Directors – Commissioner Ryckman moved and Commissioner Gordon seconded to delegate Commissioner Klindworth to vote on behalf of the Commission for the Enduris Board of Directors. Motion carried unanimously.

Argent Road Interlocal Agreement with City of Pasco – Mr. Hayden reported that staff is working on a draft interlocal agreement between the Port and City of Pasco for the funding of the Argent Road Improvement Project. The Port, City of Pasco and Columbia Basin College have been working for approximately 5 years on this project to widen and upgrade Argent Road. Discussion at this time is splitting the job into two phases. The first phase will stretch from 20th Ave to Varney Ln and the second phase will stretch from Varney Ln to Road 36.

The interlocal agreement allows the Port's portion of the project costs, \$1.5M, to be financed by the City of Pasco over a period of 10 years at a 6% interest rate. Staff is working to get this changed to 20-years which would make the annual payments for the Port approximately \$130,000. This is just slightly over the \$125,000 that has been approved by Commission in prior years' capital budgets. Other funding partners are CBC at \$1.25M and the City of Pasco at \$4.25M. The total project cost is estimated to be \$7M.

Argent Road – Right of Way –Mr. Taft discussed that in order for the Argent Road widening project to move forward the airport requested and was granted a release of property required for the right of way. The FAA approved the release of 2.67 acres of airport property for the project recognizing the value to the Airport of the widened road.

Director Reports:

1. Executive Director
 - a. HAEFIC – Staff will be attending a meeting of the Hanford Area Economic Investment Fund Committee this afternoon regarding the Port's request for \$2.5M to help fund the purchase of new industrial park land. Staff had previously met with the project selection sub-committee to explain the project.
 - b. The Colville Tribes have purchased 184 acres north of King City for a tribal economic development project.
2. Airport Director Report
 - a. Working with Leibowitz and Horton on the following:
 - Agreement with rental cars for management and payment of the quick turnaround QTA (carwash) facility.
 - Airline Rates and Charges and new use agreement.
 - PFC 10 Reconciliation.
 - b. Delta meeting on air service went well. Discussed holding capacity through November, making the second MSP - Minnesota flight permanent, and briefly discussed a seasonal Atlanta flight.
 - c. Staff is working with the airlines to extend the Airline Use Agreement. In the past staff had extended for three years, but this year we needed to add some language. The following changes have been added:
 - Section 11.5 Fair Labor Standards Act – Airline has full responsibility to monitor compliance.
 - Section 11.6 FAA Safety Standards – Airline must monitor compliance of the Occupational Safety and Health Act of 1970.
 - Port Counsel has approved and staff is ready to send to airlines for approval. Rates and charges will occur once a budget is established.

- d. August 1st he will be meeting with Sky West to discuss new routes that could be flown by SkyWest.
 - e. Airport will be advertising soon for a new 5 year engineering agreement.
3. Economic Development and Marketing Director
- a. Introduced Brenda Yopez the summer marketing Intern.
 - b. Appraisal of Osprey Pointe – Staff has been working with Kirt Shaffer to find an appraiser for Osprey Pointe. Kirt requested 6 proposals from 6 different firms and interviewed three firms with staff. A selection will be made in the next couple days.
 - c. City of Pasco and Port of Pasco staff have been working on establishing a Sister City relationship with Colima, Mexico. A few members will be traveling to Colima in October and Port of Pasco elected officials are invited.
 - d. City of Pasco participated in the All America City competition but did not win.
4. Deputy Airport Director
- a. Battelle Hangar is moving along.
 - b. Hotel is going up.
5. Finance Director
- a. Laura Donley, our staff accountant, has announced her resignation to spend more time with family. Staff has begun the process to hire a replacement.
 - b. Working on: FAA Statements, Grant Reimbursements, AIP 44, East GA Ramp closeout.
6. Director of Properties
- a. Audrey is working to find ownership records and interested parties to remove the old rail cars from Big Pasco.

Commissioners Reports:

Commissioner Klindworth reported that Medina, the wealthiest city in Washington State, is in financial crisis due in part to the 1% limit in property tax increases, which does not keep pace with inflation.

Commissioner Ryckman was approached by someone who had seen banners in an airport in support of fighting Human Trafficking and inquired if the Tri-Cities Airport is helping to prevent this cause. Staff is working with an agency to place stickers in the restrooms to help prevent/help victims of human trafficking.

Commissioner Ryckman traveled to Olympia to work with WPPA members to search for an Executive Director. The group hopes to find someone by October.

RECESS

At 1:55 p.m., Commissioner Ryckman recessed the meeting for five minutes for a break. At 2:00 p.m. the meeting was reconvened.

EXECUTIVE SESSION

At 2:00p.m., Commissioner Ryckman announced the board would go into executive session for thirty minutes to consider the minimum price at which real estate will be offered for sale and to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the

governing body, or a member acting in an official capacity is likely to become a party. At 2:30 p.m. Mr. Taft announced on behalf of the Port of Pasco Commissioners that the executive session would be extended for an additional ten minutes. At 1:40 p.m., the meeting was reconvened.

ITEMS FOR ACTION/CONSIDERATION (Cont'd)

Tim Bush Lease Assignment (cont'd) – Commissioner Ryckman moved and Commissioner Gordon seconded to withhold Port of Pasco consent of the assignment of lease to Viking Homes because the proposed use of the hangar does not meet the criteria for “aviation use” as required by FAA regulations. The terms of the lease and the covenants require adherence to all local, state, and federal regulations, including FAA regulations. Motion carried unanimously.

Global Track, LLC (cont'd) – Commissioner Gordon moved and Commissioner Klindworth seconded to accept Global Trac’s offer of \$1.81 per square foot for Parcel 2 in the Foster Wells Business Park, with the boundary line adjusted to create a 2.0 acre parcel. Motion carried unanimously.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

ADJOURNMENT

The meeting adjourned at 2:46 p.m.

Port of Pasco Commission:


Jean Ryckman, President


Jim Klindworth, Vice-President


Vicki Gordon, Secretary