

PORT OF PASCO COMMISSION
Minutes of Regular Meeting of Port Commission
Held at 1110 Osprey Pointe Blvd., Suite 201, Pasco, WA 99301
July 09, 2015

CALL TO ORDER

The Commission President called the regular meeting to order at 10:30 a.m.

ROLL CALL

The following were:

Present:	Commissioner Jim Klindworth, Commissioner Ron Reimann, Commissioner Jean Ryckman, Port Counsel Dan Hultgrenn, Executive Director Randy Hayden, Director of Finance & Administration Linda O'Brien, Director of Properties Sam Good, Deputy Director of Airports Buck Taft, Director of Economic Development & Marketing Gary Ballew, and Administrative Assistant Audrey Burney
Excused:	Director of Airport Ron Foraker
Guests:	David Robison – Strategic Management

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting minutes of June 26, 2015.
- b) Vouchers & Warrants 83464 - 86519 in the amount of \$425,469.68.

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

FINANCIAL

Travel Policy – Mrs. O'Brien presented the Travel Policy, there were many questions. Commissioner Klindworth tabled the Travel Policy for further discussion at the next meeting.

Budget Schedule – Mrs. O'Brien presented the Budget preparation schedule.

ECONOMIC DEVELOPMENT

Economic Development Marketing Report – Mr. Ballew highlighted the potential airport ads. BHW-1 developed multiple ads that will run on electronic media in a rotation. The ads will target northeast Oregon and we will see which ad gets the best response. The response is measured by click through to the website. The message with the best response will become the core of our broader marketing efforts.

ENGINEERING AND CONSTRUCTION

Terminal Building Expansion Project, Project Update – Mr. Taft presented updated photos of the terminal building project.

Terminal Building Expansion Project, Concessions Change Order – Mr. Robison informed Commissioners that he will be joining Tailwind on a conference call on Friday, June 26, 2015 to discuss their budget for the concessionaire space. He also stated that bids received for the Port's portion of the tenant improvements came in just under \$351,000. Commissioner Ryckman questioned whether that figure included sales tax. After review, it was determined that the figure did not include sales tax. Mr. Robison will talk with the contractor to see if it is possible to bring the total amount, including sales tax, under the \$351,000 that was previously discussed with Commission and bring a change order back at the next meeting.

Chamber Tenant Improvements – Mr. Ballew informed Commissioners that the Pasco Chamber's office in the downstairs suite at Osprey Pointe is complete. Commissioners toured the new office.

RECESS

Commissioner Klindworth recessed the meeting at 11:50 a.m. for thirty minutes to tour the new Pasco Chamber office space and lunch.

EXECUTIVE SESSION

At 12:20 p.m., Commissioner Klindworth announced that the board would go into executive session for thirty minutes to discuss with legal counsel representing the agency to consider the selection of a site or the acquisition of real estate by lease or purchase. At 12:50 p.m. the regular meeting was reconvened.

PROPERTY MANAGEMENT

Parson's Office Building Lease Proposal – Commissioner Reimann moved and Commissioner Ryckman seconded that staff prepare a lease with Information International Associates, Inc. for Building T1-2010 at a rate of \$1.25/SF/Mo and authorized the Executive Director to sign the lease if no substantive changes are requested by tenant as a result of their review. Motion carried unanimously.

ENGINEERING AND CONSTRUCTION

AIP-42, Taxiway Delta Relocation Project, Change Order #2 – Mr. Taft prepared a memo notifying the Commissioners that the Executive Director through the Delegation of Authority has signed change order 2 on the Taxiway Delta Realignment Project for a total amount of \$28,360.43 including Washington state sales tax.

AIRPORT

Director's Report

1. Mr. Taft informed Commissioners that the June 2015 statistics are up three percent for the month and they are up three percent for the year.
2. Mr. Taft and Mrs. O'Brien informed the Commissioners that three rental cars submitted RFP's for the 4 rental car spaces in the new airport terminal. The three rental car companies were able

to choose the counter space and parking spots they desired. The agreements will be signed soon. Staff will be advertising for additional RFP's for the remaining space.

Concessionaires Name Assignment – Mr. Taft informed Commissioners that the WA State Liquor Board is requiring Tailwinds to create a Washington company to obtain their liquor license. This will create a name change in the concession agreement. Tailwinds will operate under TailWindsPSC, LLC. Executive Director Randy Hayden will sign the paperwork.

SCASD Grant Update – Mr. Ballew updated the Commissioners on the list of support and letters the Tri-Cities Airport have received from the community. Commissioner Ryckman moved and Commissioner Reimann seconded to authorize the Executive Director to enter into the Memorandums of Understanding or other, similar instruments, and take other actions as may be necessary to secure and accept funding from public agencies that are providing matching funds towards the Port of Pasco's Small Community Air Service Development Grant. Such public entities include, but are not limited to, Franklin County, City of Pasco, City of Kennewick, City of Richland, Port of Benton, Port of Kennewick, and Benton County. They further authorized the Executive Director to take such actions as may be necessary to secure funding from private entities that are providing matching funds towards the Port of Pasco's Small Community Air Service Development Grant. Such private entities include, but are not limited to, TRIDEC, Visit Tri-Cities, Battelle, JUB Engineering, Tri-Cities Regional Chamber of Commerce, Bechtel, and Ti-Lite. Motion carried unanimously.

PROPERTY MANAGEMENT

Occupancy Report – Ms. Good provided a report regarding the current occupancy rates for the Big Pasco Industrial Park, the Tri-Cities Airport Industrial Park and the marine terminal.

Warehouse Lease Incentives – Ms. Good proposed new updated lease incentives regarding the rental rates and related policies contained in Resolution No. 1064, adopted in November 10, 1999. The new lease incentives are: ramped rent as an incentive to "Start-up Companies" willing to lease a full warehouse bay. Rents could be ramped up each month starting no lower than 50% of published rate initially, and increasing each month to reach the full published rate on or before the 13th month of the lease. One-month's free rent for new tenants could be offered for any new tenant that is willing to lease a full warehouse bay for two years or more; and could be defined as someone that has not had a lease with the Port within the previous three years. Tenant improvement allowance – Staff recommends a tenant improvement allowance of \$0.75/sf for generic improvements preapproved by the Port for each full bay for warehouse leases of 3 years lease or longer. Based on the size of our bays of 43,200 square feet this amounts to \$32,400 to spend on tenant improvements such as new doors, better dock lighting, or a new concrete dock. Warehouse Discounts – When tenants are willing to enter into "Term Leases" of two to five years, staff is proposing to increase the discount percentages by 2%. Examples of the discounts are; 4% for 2-year term, 5% for 3-year term, 6% for 4-term, and 7% for 5-year term or greater. Commissioner Ryckman moved and Commissioner Reimann seconded to approve the new lease incentive updates including ramped rent, one-month's free rent for new tenants, tenant improvement allowance for warehouse leases of 3 years or more, and increased term discounts as shown above. Motion carried unanimously. There was also discussion on whether the new incentives would be offered to existing tenants. Staff responded that the new incentives would not apply to existing tenants, but that Commission could consider extending the incentives to new space leased by existing tenants on a case by case basis.

TRANSPORTATION

WSDOT Rail Agreement – Ms. Good informed Commissioners that staff has been working with the Washington Utilities and Transportation Commission and WSDOT to make two improvements to our rail crossing on Oregon Ave. They have requested the Port to upgrade all signals at that crossing to LED lighting and install R15-2P signs that say “2 Tracks”. The cost estimate for these improvements is approximately \$6,900 which will be reimbursed by the State. Commissioner Reimann moved and Commissioner Ryckman seconded to approve the Railroad Grade crossing agreement to upgrade signals at the Port’s Oregon Avenue rail crossing to LED lighting and install signs that read “2 Tracks” – and authorized the executive director to sign the agreement. Motion carried unanimously.

ITEMS NOT ON AGENDA

Mr. Hayden reminded Commissioners that September 23, 2015 is the State of Ports. Commissioner Reimann volunteered to speak on behalf of the Port of Pasco at the Luncheon.

Commissioner Ryckman mentioned that the Port of Pasco got credit for our Barge Terminal for the 4th of July Fireworks Show.

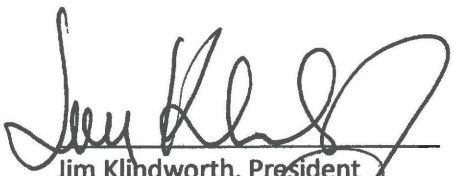
NEXT MEETING

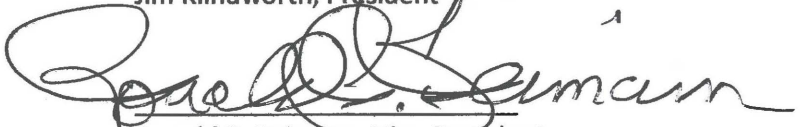
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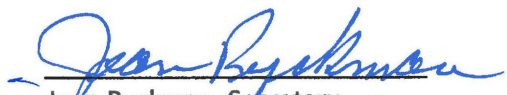
ADJOURNMENT

The meeting was adjourned at 2:10 p.m.

Port of Pasco Commission:


Jim Klindworth, President


Ronald P. Reimann, Vice-President


Jean Ryckman, Secretary