

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at 1110 Osprey Pointe Blvd., Suite 201, Pasco, WA 99301
January 14, 2016 | 10:30 a.m. | Meeting called to order by Commissioner Jim Klindworth

CALL TO ORDER

Present: Commissioner Jim Klindworth, Commissioner Ron Reimann, Commissioner Jean Ryckman, Port Counsel Dan Hultgren, Executive Director Randy Hayden, Director of Airports Ron Foraker, Director of Finance & Administration Linda O'Brien, Director of Economic Development Gary Ballew, Director of Properties Sam Good, Deputy Director of Airports Buck Taft, Chief of Police Barry Gilk and Administrative Assistant Audrey Burney

Guest: Darren McEuin with Conover Insurance

APPROVAL OF AGENDA

Commissioner Reimann moved and Commissioner Ryckman seconded to approved the agenda a presented. Motion carried unanimously.

GENERAL ADMINISTRATION

Election of Port Officers – Commissioner Ryckman moved and Commissioner Klindworth seconded to elect the following officers to the Port of Pasco for a two-year term, January 1, 2016 to December 31, 2017:

Ronald P. Reimann, President
Jean Ryckman, Vice President
James T. Klindworth, Secretary

Motion carried unanimously.

Resolution 1420 – Commissioner Klindworth moved and Commissioner Ryckman seconded to adopt Resolution 1420 appointing the Port Commission as Directors of the Economic Development Corporation for terms equal to their terms of office as Port Commissioners. Their terms are:

Ronald P. Reimann 1/1/13 – 12/31/17
Jean Ryckman 1/1/14 – 12/31/19
James T. Klindworth 1/1/16 – 12/31/21

Motion carried unanimously.

RECESS

At 10:35 a.m., the regular meeting was recessed to conduct the Economic Development Corporation meeting. At 10:45 a.m. the regular meeting was reconvened.

CONSENT AGENDA

- a) Special Meeting Minutes of December 8, 2015
- b) Regular Meeting Minutes of December 10 2015
- c) Vouchers & Warrants 84487 - 84692 in the amount of \$2,457,727.52.
- d) Resolution 1419 – Sale of Property No Longer Needed

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

FINANCIAL

Resolution 1421 – 2016 Medical Reimbursement Plan – Commissioner Ryckman moved and Commissioner Klindworth seconded to adopt Resolution 1421 reauthorizing the Port of Pasco Medical Reimbursement plan for the fiscal year November 1, 2015 to October 31, 2016 and authorizing Verde Services to administer this plan for the Port of Pasco. Motion passed unanimously.

ECONOMIC DEVELOPMENT

Osprey Pointe CCR's & Lease Sale Guidelines – Based on Commissioners' input from the December 10, 2015 meeting, Mr. Ballew modified the Covenants, Conditions and Restrictions for Osprey Pointe.

- Modifying the prohibited uses in the CCR's to only prohibit single-family residential. This would allow the development of multi-family, condominiums and town-houses.
- Modify and clarify the prohibited uses in the CCR's to allow makers of spirits such as micro-breweries, wineries and distilleries. Also allow lounges, bars and wine-tasting that is part of a restaurant. This modification was not discussed by the Commission, but is appropriate in light of promoting a mixed use development at Osprey Pointe.
- Modify the lease guidelines to encourage the development of zoning that would permit mixed-use including residential. This would likely mean development of a waterfront Zone with the City of Pasco that could also be used at the Cable Bridge property. The guidelines also encourage that mixed use with residential be at the west end of Osprey Pointe while mixed use with light industrial be at the east end. This will create a transition between the residential use in the Marina District and the industrial use in Big Pasco.

Commissioners tabled this subject for Executive Session to discuss ramifications from potential litigation.

AIRPORT

Outbound Baggage System Design, Mead & Hunt – Mr. Foraker informed Commission and staff that TSA is making changes to the "Other Transactional Agreement" (OTA) and should have it in hand for legal review soon. Staff has not received agreement. Commission has authorized the Executive Director to execute the documents to expedite the process after Port Counsel Dan Hultgren's review.

Vehicle Tow Policy – Mr. Gilk reported to Commission that the Port of Pasco and the Tri-Cities Airport have not had a tow policy in place for the removal of vehicles that pose a hazard to public health and safety. Staff is recommending that the Port of Pasco as a whole adopts a tow policy so that vehicles can be legally removed. Commissioner Ryckman moved and Commissioner Klindworth seconded to adopt the Vehicle Tow Policy for removing vehicles from Port of Pasco properties that have been abandoned or otherwise present a hazard to the public. Motion carried unanimously.

PROPERTY MANAGEMENT

Clear Channel Advertising Agreement – Mr. Foraker presented the Interspace Services, Inc., d/b/a Clear Channel Airports, Corporation Concession Agreement for approval. Clear Channel submitted their Statement of Qualifications in response to an RFQ for airport advertising issued by the Port in late summer of 2015. After negotiations and legal review on both sides, a final agreement is being presented today for full execution. Effective date for the agreement will be August 15, 2016 for a 5-year term with two 5 year options, an initial investment of no less than \$25,000, and a minimum annual guarantee of \$15,000. Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the airport advertising concession agreement between the Port of Pasco Tri-

Cities airport and interspace services dba Clear Channel Airports, as presented. Motion passed unanimously.

Inland Empire Distribution Systems – Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to waive the first month's rent for IEDS in W2B1, if they are willing to relocate and sign a two-year lease; and directed staff to work with them to allow sufficient time to move product from one location to the other. Motion carried unanimously.

Coleman Oil Lease Request – Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the change of wording to allow lessee to terminate the lease with 180 days' written notice. This lease is for the cardlock fuel station at the corner of Oregon and Ainsworth Avenues. Motion approved unanimously.

Information International Associates (2926 E. Ainsworth) – Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the requested wording changes to article 10, 11 & 21 of the standard lease and move to deny requested wording changes to article 38 regarding indemnification. Motion unanimously approved.

RECESS

At 11:51 a.m. Commissioner Klindworth recessed the meeting for fifteen minutes for lunch. Meeting was reconvened at 12:06 p.m.

EXECUTIVE SESSION

At 12:06 p.m., Commissioner Reimann announced that the board would go into executive session for thirty minutes to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member in an official capacity is, or is likely to become a party and to review the performance of a public employee. At 12:40 p.m., the open meeting was reconvened.

GENERAL ADMINISTRATION

2016 Salary Ranges – Mrs. O'Brien informed Commissioners that three positions merit additional consideration. Due to long term employees the position of Maintenance Supervisor and Administrative and Human Resource Generalist need to be adjusted to allow for merit increase. The Police Sargent is a new position this year and needs to be added to the salary matrix. Commissioner Ryckman moved and Commissioner Klindworth seconded the motion to approve the adjusted and requested salary ranges. Motion carried unanimously.

ECONOMIC DEVELOPMENT

Osprey Pointe CCR's and Lease Sale Guidelines – Commissioner Klindworth moved and Commissioner Ryckman seconded to adopt the Covenants, Conditions and Restrictions and the modifications to the lease guidelines for Osprey Pointe as presented. Motion passed unanimously.

ITEMS NOT ON AGENDA

Executive Director reported that staff has gotten the Port Facility Property Instrument of Disposal Quit Claim Deed for the Wagenaar Building. Commissioner Klindworth moved and Commissioner Ryckman seconded to take ownership of the Wagenaar building by accepting the Port Facility Property Instrument of Disposal Quit Claim Deed. Motion approved unanimously.

GENERAL ADMINISTRATION

2016 Association Assignments – The board reviewed the list of Committee Associations and Assignments for which travel by commissioners is pre-approved. Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the following list of organizations as written in Resolution 994, and that the individuals named below be requested to serve, and be appointed the Port of Pasco representatives and alternates for the below named organizations. After discussion, Commissioner Klindworth withdrew the motion.

Commissioner Ryckman moved and Commissioner Klindworth seconded the approval of Association Assignments as presented with the following amendments: Commissioner Reimann became the trustee for WPPA and Jim Klindworth became an alternate for WPPA and the Great Northern Coalition. Motion carried unanimously.

PORT OF PASCO ASSOCIATION ASSIGNMENTS

- | | |
|--|----------------|
| • <u>Airports Council International</u> | |
| Representative | Jean Ryckman |
| Alternate | Ron Foraker |
| Alternate | Jim Klindworth |
| Alternate | Ron Reimann |
| • <u>American Association of Airports Executives</u> | |
| Representative | Ron Foraker |
| Alternate | Jim Klindworth |
| Alternate | Ron Reimann |
| Alternate | Jean Ryckman |
| • <u>Association of Washington Business</u> | |
| Representative | Randy Hayden |
| Alternate | Gary Ballew |
| • <u>Benton-Franklin Regional Council of Governments</u> | |
| Delegate | Ron Reimann |
| Alternate | Jean Ryckman |
| Alternate | Jim Klindworth |
| • <u>Benton, Franklin, Walla Walla Co. Good Roads and Transportation Association</u> | |
| Representative | Ron Reimann |
| Representative | Randy Hayden |
| Alternate | Jim Klindworth |
| Alternate | Jean Ryckman |
| • <u>Bulk Fuel Terminal Cleanup Group</u> | |
| Representative | Jim Klindworth |
| Alternate | Ron Reimann |
| Alternate | Jean Ryckman |
| • <u>Columbia Basin Development League</u> | |
| Representative | Jim Klindworth |
| Alternate | Ron Reimann |
| Alternate | Jean Ryckman |
| • <u>Community Economic Revitalization Board (CERB)</u> | |
| Representative | Randy Hayden |
| • <u>Connell Chamber of Commerce</u> | |

Representative	Jim Klindworth
• <u>Connell North Franklin Development Association</u>	
Representative	Jim Klindworth
Alternate	Sam Good
Alternate	Gary Ballew
• <u>Washington Economic Development Association</u>	
Representative	Gary Ballew
• <u>Hispanic Chamber of Commerce</u>	
Representative	Ron Reimann
Representative	Gary Ballew
Alternate	Jim Klindworth
• <u>Northwest Food Processors Association</u>	
Representative	Sam Good
Representative	Gary Ballew
Alternate	Jim Klindworth
Alternate	Ron Reimann
Alternate	Jean Ryckman
• <u>Pacific Northwest Waterways Association</u>	
Representative	Ron Reimann
Representative	Randy Hayden
Alternate	Jean Ryckman
Alternate	Jim Klindworth
• <u>Pasco Chamber of Commerce</u>	
Representative	Ron Reimann
Representative	Randy Hayden
Alternate	Jean Ryckman
Alternate	Jim Klindworth
Alternate	Sam Good
Alternate	Gary Ballew
• <u>River shore Enhancement Board</u>	
Representative	Randy Hayden
Representative	Sam Good
Alternate	Jim Klindworth
Alternate	Jean Ryckman
Alternate	Ron Reimann
• <u>Tri-Cities Area Chamber of Commerce</u>	
Representative	Randy Hayden
Alternate	Jean Ryckman
Alternate	Jim Klindworth
Alternate	Ron Reimann
• <u>TRIDEC Board</u>	Jean Ryckman
• <u>Tri-Ports Board</u>	Randy Hayden
• <u>Tri-Cities Visitor & Convention Bureau</u>	
Board Member	Ron Foraker
Alternate	Randy Hayden
Alternate	Jim Klindworth
Alternate	Jean Ryckman
Alternate	Ron Reimann
• <u>Washington Airports Manager Association (WAMA)</u>	Ron Foraker
• <u>Great Norther Coalition</u>	
Trustee	Randy Hayden
Alternate	Jim Klindworth

- Washington Public Ports Association
Trustee
Alternate
Alternate

Ron Reimann
Jim Klindworth
Jean Klindworth

Calendar of Events

Commission discussed events.

FINANCIAL

Airport Liability Insurance Renewal – Mrs. O'Brien introduced Darren McEuin with Conover Insurance. He discussed the Airport Liability Insurance. Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the airport liability insurance as presented. Motion passed unanimously.

November 2015 Financial Statement – Mrs. O'Brien discussed the November financials and answered any questions from Commissioners. Commissioner Klindworth moved and Commissioner Ryckman seconded the motion to take the premium savings from earthquake insurance and put it into the Commissioner Restricted Operating Reserve Fund. Motion passed unanimously.

Tenant Delinquent List – Mrs. O'Brien discussed and answered questions from Commissioners regarding the tenant delinquent list

AIRPORT

Terminal Building Expansion Project: Project Update – Mr. Foraker provided pictures and discussed the Terminal Building Expansion Project.

Director's Report:

1. Ron Foraker informed Commissioners that Jack Penning, Sixel Consultants, Carl Adrian and He will be meeting with the airlines to discuss Los Angeles air service for the Tri-Cities Airport:
 - Alaska Airlines – Friday, January 15, 2016 at 1:00 p.m. at the Sea Tac Airport.
 - SkyWest Airlines – Tuesday, January 19, 2016 at 1:00 p.m. in St. George, UT.
 - United Airlines – Tuesday, February 3, 2016 in Chicago.
 - Delta Airlines – Jack Penning is putting together a March meeting at headquarters in Atlanta.
 - American Airlines – A meeting has not yet been confirmed.
2. Ron Foraker reported that the Airport maintenance crew has been busy with snow and ice control over the Holidays and freezing rain on January 5 and 6, 2016.
3. Ron Foraker also informed Commission that there were a lot of calls during the Holiday season regarding TSA's real ID or the Enhanced Identification requirements. The Department of Homeland Security issued a clarifying news release that Washington State residents will have until January 22, 2018 to get the State issued driver's license or show other acceptable identification such as a Passport.
4. Ron Foraker reported that On-Time Taxi has had numerous violations of the Taxi operating agreement. They may be suspended for 10 days.
5. Ron Foraker reported the year end stats. For year 2014, the airport had 330,763 passengers. For year 2015 the numbers were 6% higher at 349,250 passengers. The month of December had a 15% growth with 35,100 passengers. Parking lot reflected high numbers as well and in total were at 80% capacity during December 2015.

PROPERTY MANAGEMENT

The following leases were signed by the Executive Director in accordance with the Delegation of Authority policy.

Propak Logistics, Inc. W5B4 – Propak Logistics has expanded into Warehouse 5 Bay 4 located at 3295 E. Ainsworth. They will be moving their current operation from Bldg. T-179 to this warehouse so they may expand their pallet refurbishing and repainting operation in building T-179. Proposed lease rate \$9,504.00/month, lease value is \$114,048 per year.

Propak Logistics, Inc. T-179 + Land – This is a renewal for Propak Logistics. This is 36,000 square feet in building T-179 located at 2440/2490 E. Ainsworth, and also includes 8.89 acres that they use for truck parking that is located south of Warehouse 6. They plan on refurbishing and repainting pallets in this space. Proposed lease rate is \$10,440.00/month for the building; \$3400 for land, lease value per year is \$166,080.00/year.

Robinson Brothers Construction, Inc. – Robinson Brothers Construction, Inc. has leased building #T3-80 (2090 E. Crane Street) and 2.5 acres of adjacent land for temporary parking and storage of construction material and equipment that is used on local projects. This lease is expected to last approximately 6 months. This company is out of Vancouver Washington and is expanding into this area. Proposed lease rate is \$\$1,540.56/month and lease value is \$18,486.72/year.

Columbia Pallet, LLC. – This is a new term lease for 4.5 acres located North of Warehouse 5 Bay 2 – 4 and Warehouse 6, Bays 1 & 2. Their previous building burned during the summer and they will be putting a new building on the premises. This tenant has been at this location since 2011. They provide pallet manufacturing to local companies. Proposed lease rate is \$1,282.50/month and lease value is \$15,390.00/year.

LaFarge North America, Inc. – This is a rail license agreement for 840 linear feet of track #410 north of warehouse 5, This is a month to month license that started in December for storing no more than 20 rail cars filled with cement or empty. This rail license is expected to last approximately 4 months. Proposed lease rate is \$2,100/month and license value is \$8,400 for the four months.

Advance American Construction, Inc. – This is a dock usage agreement for temporary use of the container terminal. This agreement is for 3 days and will be used for trans loading equipment from truck to barge using AAC's barge crane to transport 42 tons of materials/parts/equipment to Lower Granite Dams, using two barges totaling 250 feet length (Bernet Barge Lines, Inc.). Proposed agreement rates is \$2,312.00/month and total value is \$2,312.00 for the month.

Mid-Columbia Warehouses, Inc. – This is a month to month lease for warehouse 2 Bay 3 (an interior bay) that will be used for general warehousing. It is the 9th warehouse they are currently leasing at the Port. Proposed lease rate is \$7,168.40/month and lease value is \$86,020.80/year.

ITEMS NOT ON AGENDA

- a. Mr. Hayden reported to Commissioners that AutoZone will build a 443,819 square foot distribution center and truck maintenance yard at 3733 Capital Ave. near the King City Truck stop – Hillsboro Interchange. AutoZone will employ 200 people when fully operational.
- b. Linda O'Brien Informed Commissioners that the new mileage reimbursement rate set by the Internal Revenue Service is \$0.54 a mile starting January 1, 2016.

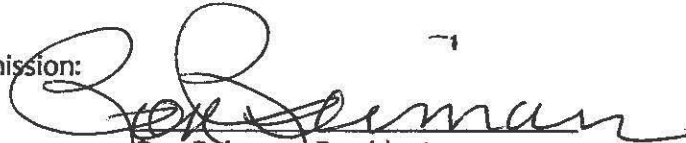
NEXT MEETING

Regular Commission Meeting – Thursday January 28, 2016

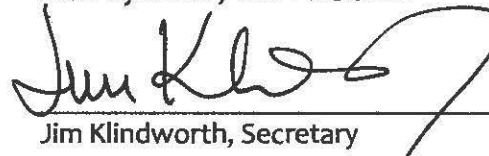
ADJOURNMENT

The meeting was adjourned at 2:25 p.m.

Port of Pasco Commission:


Ron Reimann, President


Jean Ryckman, Vice-President


Jim Klindworth, Secretary