

**Port of Pasco Commission**  
**Minutes of Regular Meeting of Port Commission**  
Held at 1110 Osprey Pointe Blvd., Suite 201, Pasco, WA 99301  
February 25, 2016 | 9:00 a.m. | Meeting called to order by Commissioner Ron Reimann

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**CALL TO ORDER**

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

Excused: Deputy Director of Airports Buck Taft

Guest: Rick White – City of Pasco, Owen Schwendiman, LaDonna Nicodemus and Justin Wallwin with Zen Noh Hay, Wendy Culverwell – Tri-City Herald, Brad Peck – Franklin County Commissioner

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**APPROVAL OF AGENDA**

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

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**CONSENT AGENDA**

- a) Regular Meeting Minutes of February 11, 2016
- b) Vouchers & Warrants 84901 – 84997 in the amount of \$353,900.56
- c) Personnel Policy 310

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

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**FINANCIAL**

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

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**ECONOMIC DEVELOPMENT**

**City of Pasco Tax Increment Financing Bill** – Executive Director Randy Hayden informed the Commissioners that the City of Pasco has introduced Tax Increment Financing (TIF) bill HB 2842 dealing with new property taxes to be collected from DNR selling land it owns west of Road 68.

Rick White with the City of Pasco was invited to discuss the bill and answer any questions that Commissioners had. The main concern for the Commissioners is the way that the bill is written does not specify how much could be collected in taxes from the Port. In addition, Commissioners commented that they were never contacted regarding this bill. Commissioners discussed whether the bill could be amended to address the Port concerns, but also felt that changes this late in the legislative process would put the bill in jeopardy of passage. Instead, Commission directed staff to work with the City to draft an Interlocal agreement that would place a limit on the amount of taxes to be collected. Mr. White stated the City would be open to such an agreement.

## AIRPORT

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### Director's Report

1. Mr. Foraker informed Commissioners that the funding document Other Transaction Agreement (OTA) for design of the TSA "Outbound Baggage System" has been signed by both parties. Staff will meet with TSA the week of March 14<sup>th</sup> while attending the AAAE Washington Conference. The grant is in the amount of \$133,439.48 of which the Airport will pay for 5% or \$6,671.97
2. Mr. Foraker reported that he and staff will meet with Scott Springer and Steve Hedden, Delta Airlines network planners on March 8th regarding the SCASD grant opportunity and new service to LAX. Mr. Foraker will be meeting with Brad Tilden the CEO of Alaska Airlines today after he speaks at the Tri-Cities Regional Chamber Luncheon. Staff invited Mr. Tilden to have a meeting and tour the airport this afternoon.
3. Mr. Foraker informed Commission that two custodians will be retiring and the lead custodian has returned to the maintenance department. Staff will be looking to contract out services for a portion of the custodial services until replacements can be filled.
4. Mr. Foraker reported that staff will be sending out a Request for Proposals to design and provide safe children's play equipment in an area in the new boarding concourse. Staff will be seeking community support to help in paying for the play area.
5. Mr. Foraker informed Commissioners that there was a letter to the editor in the Tri-City Herald regarding the gap width in the women's bathroom stalls. David Robison and staff determined that the gap specifications were in compliance with building practices.
6. Mr. Foraker reported that the month of January's enplanements showed a positive growth of 11%, parking lot increased 21% and car rentals jumped 23%.

## TRANSPORTATION

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**Container Terminal Discussion** – Executive Director Randy Hayden introduced Zen Noh Hay employees; Owen Schwendiman, LaDonna Nicodemus and Justin Wallwin for the discussion regarding the continued viability of providing container crane service at the Big Pasco barge slip.

Mr. Hayden made a presentation on the capabilities of the Container Terminal and the outlook for future container shipments. The Container Crane has not been used for the past 5 years. Most crane needs at the barge slip are being met by Lampson. A barge to rail transload facility is being tested at the Port of Morrow with assistance of Northwest Container Services and Union Pacific Railroad. Containers are taken from barge and railed to the Ports of Tacoma/Seattle. A similar service at the Port of Pasco is unlikely because BNSF, the only Pasco rail operator, considers the volumes too low for scheduled container service. This type of service was attempted in 2005 when Northwest Container Services operated the barge terminal, but was unsuccessful because of the low volumes.

The outlook for container service returning to the Port of Portland is uncertain. Ongoing labor issues, the difficulty of traversing the Columbia River bar and channel, and the increasing size of container vessels puts Portland in a tenuous position for restored container service. Some in the shipping industry believe container ships will return, while others do not.

The Port is incurring annual costs for maintenance/certification of \$23,000/yr on average. If sold, staff estimates the Port could receive revenue of \$500,000 to \$800,00 for the crane. Based on the low prospect for future container shipments, the ongoing maintenance costs, and the potential sale revenue, staff reluctantly recommended selling the crane. Other operations for bulk goods and project cargo at the barge terminal will still be supported.

Zen Noh Hay personnel were offered the opportunity to comment and stated that there could possibly be a need for the crane to ship containers in the future, however, they do not have any need in the near term. They also commented that it would be expensive to purchase a new crane if the need arises in the future.

More discussion regarding the Container Terminal and Crane will continue to the next meeting. Staff will follow up with Tidewater and BNSF to see if there are any other options to stimulate container barge service.

## **ECONOMIC DEVELOPMENT**

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**Economic Development Marketing Report** – Mr. Ballew highlighted a few topics. First, he attended the World Ag Expo in Tulare, CA he felt that this expo was potentially the most successful trade show staff has ever participated in. They used a consultant to arrange appointments that varied across the agricultural spectrum. It included an operation looking for additional land for farming, irrigation technology companies, dairy support industries and others. Staff spoke to over twenty companies, but one of the popular items was the dairy heat map that we generated as part of the Connell dairy processing work.

Second, staff has submitted the application to Economic Development Administration seeking \$50,000 for the Greater Pasco Area Strategic Vision. The local match is \$50,000. We have received letters showing funding support from the City of Pasco and Columbia Basin College in the amount of \$5,000 each. Combined with the \$25,000 from Franklin County and \$5000 from the Port, this leaves a \$10,000 funding gap. Mr. Ballew is working with the Pasco and Hispanic Chambers to close the gap with private sector support.

Osprey Pointe Date Nights have been established for the dates of June 10, July 15 and August 19. The movies that staff has selected are Spectre, Perfect Pitch 2 and The Intern. Staff is working on arranging the food trucks (only one per night) and entertainment.

**Recap Airport Marketing** – Mr. Ballew presented the online campaign results for marketing the Tri-Cities Airport to northeast Oregon markets. The results revealed that the online campaign did well. Future campaigns will target the norther portions of our catchment area.

**Distressed County Economic Development Fund** – Executive Director Randy Hayden reported that staff from Franklin County, the City of Pasco, TRIDEC, and the Port met to discuss updating the County's economic development “.09” fund policy. Most of the funds coming in from the sales tax are being used to repay prior bond issue debt, but collections above debt repayment have risen to around \$550K per year. The group is considering a policy recommendation whereby new projects would be solicited and evaluated annually. The projects would be ranked in the following priority order:

- A) Infrastructure projects that will bring immediate private development and tax base increase.
- B) Activities that will bring immediate expansion of local tax revenue.
- C) Infrastructure projects that will bring near-term private development and tax base increase.
- D) Activities that will maintain established local tax revenue streams. The projects would be reviewed and ranked by an advisory committee with final action by County Commission.

The group will meet again with all of the smaller jurisdictions in the County to form consensus on the policy recommendation. The policy will then be presented to the County Commission for consideration.

## **PROPERTY MANAGEMENT**

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

**Coleman Oil** – Staff has been working with Coleman Oil since August 2016 to work out acceptable lease language and new landscaping and appearance for the former Wondrack Cardlock fueling station at the corner of Ainsworth and Oregon Avenues. At the last meeting, Commission approved a 180-day exit provision in the lease to allow them out of the long-term lease if they ever want to close down the facility earlier than ten years. The Port also has a 180-day exit clause if the Port needs the property for other development. Lease value is \$60,432 over the term of the lease.

## **GENERAL ADMINISTRATION**

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**Resolution 1425, Naming US 395 for Thomas Foley** – Executive Director Randy Hayden summarized that the Benton Franklin Good Roads Association asked local agencies to approve resolutions requesting that US Highway 395 be named the Thomas Stephen “Tom” Foley Memorial Highway. The name applies to US 395 from the Oregon to Canadian Borders through Washington State. Good Roads associations in Spokane and the Tri-Cities are coordinating their efforts and plan to make the naming request at the April 21<sup>st</sup> meeting of the Washington State Transportation Commission in Moses Lake. Commissioner Klindworth moved and Commissioner Ryckman seconded to approve Resolution 1425 requesting naming of US Highway after Thomas Stephen Foley. Motion passed unanimously.

## **EXECUTIVE SESSION**

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At 11:22 a.m., Commissioner Reimann announced that the board would go into executive session for 10 minutes to consider the minimum price at which real estate will be offered for sale or lease and to review the performance of a public employee. At 11:32 a.m., the regular meeting was reconvened.

## **NEXT MEETING**

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Regular Commission Meeting – Thursday, March 10, 2016 at 10:30 a.m.

## **ADJOURNMENT**

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The meeting was adjourned at 11:33 a.m.

Port of Pasco Commission:

  
Ronald Reimann, President

  
Jean Ryckman, Vice-President

  
Jim Klindworth, Secretary