

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at Tri-Cities Airport, 3601 N. 20th Ave., Pasco, WA 99301
May 26, 2016 | 9:00 a.m. | Meeting called to order by Commissioner Ron Reimann

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 Marketing and Economic Development Gary Ballew, Property Manager Mayra Reyna, Deputy Director of Airports Buck Taft, and Administrative Assistant Audrey Burney

Guests: Robert & Sandra Gantenben – Richland, Wendy Culver – Tri-City Herald, David Robison – Strategic Construction Management, Tim Dacey – Mead & Hunt, Commissioner Brad Peck – Franklin County, Jesus Ornelas – Windermere Group One, Malin Bergstrom & Brandt Crider – Bergstrom Aircraft, Bill Webber, Doug Watts, Loren Watts, Craig Tate - Apollo, Shaun Heubleih - Ameriflight, Johnathan Ray - PNNL

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of April 28, 2016
- b) Vouchers & Warrants 85346 – 85529 in the amount of \$1,677,529.49
- c) Road 27 Dock Ramp Overlay – Accept as Complete
- d) AIP-42, Taxiway Delta Relocation – Accept as Complete
- e) Bldg 69 Roof, Approval of Settlement Agreement
- f) Special Meeting Minutes of May 19, 2016

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the Consent Agenda. Motion carried unanimously.

ITEMS FOR ACTION/CONSIDERATION

Terminal Building Expansion Project: Project Update and Change Order 13 for Consideration – David Robison updated the Commission on the Terminal Expansion Project. Commissioner Klindworth moved and Commissioner Ryckman seconded the motion for the Executive Director Randy Hayden to sign the Risk Contingency #12 in the amount of \$56,792.37, including sales tax and to sign change order #13 for the amount of \$179,125.93 including sales tax. This change order consists of structural changes to gallery light fixtures, unforeseen conditions after removing the masonry wall between the kitchen area, floor leveling, airline requested changes for communications and more. Motion passed unanimously.

In addition, Tim Dacey, Mead & Hunt Architect discussed the modifications to the Gallery Light Fixtures and Nick Gonzales, Project Manager, Bouten Construction lead the site tour and discussed the remainder of the phasing schedule.

RECESS

Commissioner Reimann recessed the meeting at 9:40 a.m. for twenty minutes for the Airport Terminal tour. Meeting was reconvened at 10:00 a.m.

Millenium Bulk Terminal - Executive Director Randy Hayden reported to Commission about the Longview Millennium Bulk Terminal Project. On April 29th, The Cowlitz County and Washington State Department of Ecology released their draft environmental impact statement. Staff asked Commissioners to direct them on whether the Port should attend the public hearing and whether staff should support, oppose, or remain neutral on the proposed project.

Civil Engineer Robert Gantenben from Richland Washington noted that the air quality related to coal trains involves more than just dust. It also includes the emissions from the diesel locomotives. He mentioned that he lives by three train intersections and the trains must honk their horns at each one of the intersections.

Commissioner Ryckman moved and Commissioner Klindworth seconded to pass Resolution 1433 in support of the project, including a request for increased investment to mitigate for the impacts of increased rail traffic through local communities. Motion passed unanimously. In follow-up discussion, Commissioner Reimann indicated he would try to attend the June 2nd public hearing to provide oral testimony consistent with the Resolution.

2016 Salary Matrix Adjustment – Executive Director Randy Hayden informed Commissioners due to the resignation of Sam Good, he has adjusted the organization chart to eliminate the Director of Properties and Leasing Associate positions and created a new position of “Property Manager”. Commissioner Ryckman moved and Commissioner Klindworth seconded the approval of the revised 2016 Salary matrix to add the new position. Motion passed unanimously.

ITEMS FOR DISCUSSION

April 2016 Financial Statement – Mrs. O’Brien discussed the April 2016 Financials and answered any questions from Commissioners

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

Economic Development Report – Mr. Ballew reported that staff is targeting June for releases of the second Tri-Cities Airport Marketing campaign as we work through some creative approaches on the radio ads. An issue the Tri-Cities Airport is having is that when customers type in Tri-Cities in various travel search engines the first airport that pops up is Tri Cities Airport in Tennessee. To avoid confusion this advertisement release will be trying to get people to type in PSC, our three letter designator. Staff is also working on a press release regarding the new meeting/greeting area and the Grand Rendevous, the new snack bar located on the public side of the Airport. The release will be used as part of the information packet for a June 2 media event at the Airport.

Airport Parking Lot Revenue Control System – Project Completion – Mr. Foraker reported to Commissioners that the installation of the new DataPark Parking Access and Revenue Control System at the Airport is complete except for the installation of the “pay on foot” equipment, which will be installed after the main front terminal entrance opens.

Airport Directors Report –

1. Mr. Foraker notified Commission that the recycle program at the Tri-Cities Airport is now in operation.
2. Mr. Foraker reported that the ARFF truck pump, hydraulic lines and tires need to be replaced.
3. Mr. Foraker reported that the Fed Ex Septic System has failed. The septic system was built in 1991 and it gets pumped when needed. CAS Properties, owner of the Fed Ex building is talking to the City to tap into the City’s sewer. Staff is also talking to JUB to take this opportunity to

upsized the line to make sure the Tri-Cities Airport future rental car facility and any other new development could be served.

4. Mr. Foraker reported April Statistics: passenger boarding numbers increased 13% over April of last year. Year-to-date is a 10% increase.

Watts Hangar Proposal – Mr. Foraker informed Commissioners that the proposal to locate Watts new hangar on the east ramp flight line has brought about significant comment and opinion from nearby hangar tenants and businesses. The meeting had a few guests to support or oppose Watts hangar location.

Bill Webber, Doug Watts and Loren Watts supported the Watts hangar and believe it would help to further the corporate aviation business on the east side of the airport.

John Ray, of Battelle said that his main concern was an alternate location for the hangar, in front of the Battelle hangar, that would impact the operations of their G-1 aircraft.

Shaun Heubleih, United Parcel Service/Ameriflight, was not in favor of the future location of the Watts hangar. Shaun has been parking the Ameriflight plane in the Bergstrom line 2 because it has a new paved parking space. Port staff stated that the remaining concrete apron would be replaced with asphalt in 2017, offering more new, paved parking on the east apron in the near future. It was pointed out that overflow aircraft could be towed to other ramp locations.

Craig Tate, pilot for Apollo Mechanical was not in support of the location of the future Watts building, but would like more information. Malin Bergstrom with Bergstrom Aircraft is not in favor and believes the proposed Watts hangar will be depleting public parking. She strongly supports keeping the public parking for public planes that come to the area.

Staff supported the hangar development at the new location as planned to further corporate aviation business on the east aviation side of the airport. Mr. Foraker stated that the Watts family has brought about a huge turn in the economy of the general aviation business at the Tri-Cities Airport and without their continued interest and ability to foster more aviation business it would be very limiting to the future of our facility.

Commissioner Ryckman asked for additional information on how much space needed to be reserved around a private hangar and if that space is exclusive to the lease. Mr. Foraker replied that the space varied depending on the size of the hangar. In this case it would be approximately 70 feet on both sides. It would not be part of the lease because it would remain common space available to any traversing aircraft. No parking would be allowed by any aircraft in the space.

Staff will gather additional information and is expecting to present a lease for Commission consideration at the next meeting.

RECESS

Commissioner Reimann recessed the meeting at 12:20 p.m. for ten minutes for lunch. Meeting was reconvened at 12:30p.m.

EXECUTIVE SESSION

At 12:30 p.m., Commissioner Reimann announced that the board would go into executive session for twenty minutes to consider the minimum price at which real estate will be offered for sale or lease and pending or potential litigation. At 12:50 p.m. Mr. Taft announced on behalf of Commission that executive session would extend five minutes. At 12:55 p.m. the regular meeting was reconvened.

Commissioner Ryckman was excused from the Commission Meeting at 1:00 p.m.

ITEMS FOR DISCUSSION

Franklin County Economic Development Fund – Executive Director Randy Hayden reported that he and Commissioner Klindworth attended a public hearing at the Franklin County Commission meeting. The topic of the hearing was revisions to the Franklin County Overall Economic Development Plan. The Plan was adopted by the County Commission in the form as provided to the Port Commission at a previous meeting.

Judge Simon FCRPS Biop Ruling – Executive Director informed Commissioners about the Columbia River Biop Decision. Judge Simon ordered the federal agencies to prepare a new biological opinion for continued operation of the federal Columbia River dam system and added a requirement to prepare an environmental impact statement that, among other things, would consider breaching the Snake River dams. Both documents were ordered to be completed by March 2018.

EXECUTED ITEMS

AJ&M Trucking LLC – This is a month to month lease for a local trucking company. The property is approximately 1.4 acres and has a small carport included. Lease value is \$9,599.40 per year.

Columbia Fitness – This local company is currently moving into a larger facility and needed temporary storage space for gym equipment. Lease value is \$541.08 per month.

Miramac Metals, Inc. – is a full service steel roofing manufacturer based out of Spokane. They have been a tenant since January 2015, but have found themselves pleasantly surprised with their growth here in Pasco. In exchange for the Port providing them with access to the broadband high-speed network offered by Franklin PUD, we have asked them to commit themselves with a longer term lease. Lease Value is \$13,440.00 per year.

Verdesian Life Sciences Us LLC. – purchased a long-standing tenant – NW Agricultural Products. At one time we had assigned the lease, but Verdesian has finally signed a new lease which includes a 5-year CPI adjustment of 9.3%, and approximately 45 feet of railroad track #401 (located approximately 1810 E Crane Street). Lease value is \$3,484.92 per year or \$17,424.60 for the term of the lease.

Mark Buxbaum – entered into a twenty-year term land lease with the Port of Pasco on April 1, 1996. This lease has two 5 year options to extend the agreement. Mr. Buxbaum has notified the Port, in writing, of his desire to exercise the first on the two options, extending the lease through March 31, 2021.

Mr. Buxbaum's lease was also due for a standard 3-year CPI rental rate effective May 1, 2016. The rental rate per month increased from \$163.82 per month to \$170.74 per month. Lease value is \$10,244 for the remaining term of the agreement.

Columbia Basin, LLC – Entered into a twenty-year term land lease with the Port of Pasco on June 1, 1996. This lease has two 10 year options to extend the agreement. Columbia Basin LLC has notified the Port, in writing, of the desire to exercise the first of the two options, extending the lease through June 1, 2026. In addition, the lease was also due for a standard 3-year CPI rental rate effective July 1, 2016. The rental rate per month will increase from \$197.02 per month to \$229.66 per month. This is a 3.3% increase. Lease value is \$27,559.20 for the remaining term of the agreement.

Wide Open Aviation, LLC – has entered into a lease agreement with the Port of Pasco for T-Hangar Building 1-76, #15, effective May 4, 2016. Lease value is \$2,267 for one year.

ITEMS NOT ON THE AGENDA

Executive Director Randy Hayden informed Commission that Ron Foraker received the Washington Airport Managers Association "Managing Member of the Year" award for his legacy of service and

leadership to the airport industry in Washington State. Commissioners congratulated Mr. Foraker on his accomplishments and the honor he has brought to the Port.

Executive Director Randy Hayden reported that the Port of Portland lost their last Container Terminal shipping line, Westwood Shipping.

Mr. Ballew reported that the City of Richland rejected the proposed Public Market and both Kennewick and Pasco were working with the project proponents.

Mrs. O'Brien informed Commission that the accounting department has been working hard on the Annual Report which incorporates the new Pension Liability note in accordance with GASB 68. It is due Sunday, May 29, 2016. Everything is filed except 1 item.

EXECUTIVE/EXECUTIVE

At 1:49 p.m., Commissioner Reimann announced that the board would go into executive/executive session for 10 minutes to discuss the performance of a public employee. At 1:59 p.m. the regular meeting was reconvened.

NEXT MEETING

Regular Commission Meeting – Thursday, June 9, 2016 at 10:30 a.m.

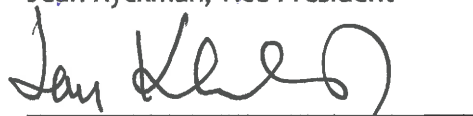
ADJOURNMENT

The meeting was adjourned at 2:00 p.m.

Port of Pasco Commission:


Ronald Reimann, President


Jean Ryckman, Vice-President


Jim Klindworth, Secretary

