

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 09, 2016 | 10:30 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: Darren McEuin – Conover Insurance, Wendy Culverwellj – Tri-City Herald, David Robison – Strategic Construction Management, Chuck Larson - JUB, Commissioner Brad Peck – Franklin County, Malin Bergstrom, Daniel Bergstrom & Brandt Crider – Bergstrom Aircraft, Bill Webber, Doug Watts, Loren Watts, Shaun Heubleih - Ameriflight, Johnathan Ray – PNNL, Tom Mitchell, Bob Peterson

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 May 26, 2016
- b) Vouchers & Warrants 85530 – 85589 in the amount of \$1,386,885.67
- c) Bergstrom Aircraft Paint & EIFS Repair – Accept as Complete

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

ITEMS FOR ACTION/CONSIDERATION

Pollution Liability – Mr. McEuin with Conover Insurance provided a proposal regarding the Pollution Liability Renewal for the Barge Terminal that will be in effect June 18, 2016. Commissioner Klindworth moved and Commissioner Ryckman seconded the approval to renew the policy with the \$2,000,000 limit and a higher deductible of \$100,000 retention limit. Motion carried unanimously.

ITEMS FOR DISCUSSION

Terminal Building Expansion Project: Update/Budget Analysis – Mr. Robison reported that the project is currently on schedule. He also informed Commission that the project has received credits and cost savings totaling approximately \$180,000 from a number of items in the master budget. Staff is recommending using those savings for additional work such as a children's play area, Airline Ticket Office Revisions, an additional safety light at Gate 5 Light, outside hose bibbs, and modifications to the access control system. Commissioner Klindworth moved and Commissioner Ryckman seconded to allocate cost savings from the TCA Terminal Project master budget items to the owner's contingency account, and to authorize staff to move forward with a change order analysis of the additional scope items as presented. Motion carried unanimously.

PUBLIC HEARINGS & RESOLUTIONS

Resolution 1434, Promotional Hosting – Commissioner Ryckman moved and Commissioner Klindworth seconded to adopt the resolution for Promotional Hosting which supersedes the previous Resolution 1382. Motion carried unanimously.

Foster Wells Land Surplus & Sale (Teton Gold) – Mrs. Reyna informed Commission that Teton Gold LLC submitted a letter of intent to purchase Parcel 3 of the Foster Wells Business Park. The parcel is approximately 1.99 acres and is adjacent to Teton's current location, which was purchased and developed in 2003. They currently have three businesses in their building; Teton West, Basin Gold and Evergreen Implements, but have out grown the building and are looking to build a new office/shop building. Commissioner Klindworth moved and Commissioner Ryckman seconded to adopt Resolution 1435 declaring Parcel 3 of Binding Site Plan #2011-07 in the Foster Wells Business Park as surplus and authorizing the Executive Director to execute the Purchase and Sales Agreement with Teton Gold, LLC. Motion carried unanimously.

ITEMS FOR ACTION/CONSIDERATION

Policy 620 Whistle Blower - Mr. Hultgrenn informed Commission that the recently passed Defend Trade Secrets Act require an update to Port policy 620 on Whistle Blower protections. The Act provides that an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: 1) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or 2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order. Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the Port of Pasco Whistleblower Protection Policy #620 as presented.

Bldg. OP1011 "Wagenaar Center" - Mr. Ballew requested the Commission authorize the Executive Director to execute a lease with City of Pasco for OP1011 (Wagenaar). He requested the Commission make the motion prior to City of Pasco executing the lease so the proposal could move forward prior to the next Commission meeting, which is July 7, 2016. The City of Pasco will rent the entire facility. At 16,833 square feet with a mix of types of space it would have been very difficult to find a single tenant willing to take the entire space. The City of Pasco is accepting the building 'as is'. The Port commissioned the building after a long shut down, which was not a small task, but made essential improvements getting the building ready for occupancy. The lease rate is equivalent to the triple-net lease rate of the National Marine Fisheries Building, which is similar in nature to the Wagenaar Center in the sense that there are a mix of types of space within the building. The lease rate is reasonable given the appraised value of the building and the lease will increase occupancy at Osprey Pointe and spur future development activity.

Commissioner Klindworth moved and Commissioner Ryckman seconded the authorization of the Executive Director to execute a lease with the City of Pasco for Building #OP1011 substantially in accordance with the terms as provided to the Commission. Motion carried unanimously.

Loren Watts Hangar, Ground Lease – Mr. Foraker introduced Chuck Larson from JUB Engineers to help answer questions the Commissioners had regarding operational areas of the general aviation ramp and

around Loren Watts' proposed hangar location. Malin Bergstrom, Daniel Bergstrom and Brandt Crider also discussed the proposed location of Loren Watts' hangar and that location would be a detriment to the Bergstrom Aircraft Company, and the parking spaces for client's planes. John Ray with PNNL also mentioned that the prior location the Airport was going to put Loren Watts future Hangar would not be a good location for operating the Battelle G-1 Aircraft. After discussion and consideration, Commission asked staff to see if the hangar could be shifted slightly south to provide partial mitigation to Bergstrom Aircraft. The item will be brought back to the July 7, 2016 meeting with staff analysis as requested.

RECESS

Commissioner Reimann recessed the meeting at 1:00 p.m. for ten minutes for lunch.

EXECUTIVE SESSION

At 1:10 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 1:30 p.m. the regular meeting was reconvened.

ITEMS FOR DISCUSSION

Annual Report – Mrs. O'Brien discussed the 2015 Annual Report and answered any questions from Commissioners

EDC Annual Report – Mrs. O'Brien discussed and answered questions from Commissioners regarding the 2015 EDC Annual Report.

Airport Directors Report –

1. Mr. Foraker reported that the Visit Tri-Cities Event at the Airport to highlight the new visitor kiosk was a success.
2. Mr. Foraker informed Commissioners that Tim Dulac, a TSA planner was at the airport and met with him and Linda O'Brien. TSA is now looking at installing a "full line" baggage inspection system versus the "mini-system" previously planned. The full line baggage system will cost between \$7 to \$9 Million. The Port of Pasco's portion will be 5% of that cost which is approximately \$500,000.00.
3. Mr. Foraker reported May's Statistics: passenger boarding numbers increased 15% over May of last year. Year-to-date is an 11% increase.

Scott Musser Auto Auction – Mr. Foraker introduced Scott Musser, who is a tenant at the Tri-Cities Airport Business Park. Mr. Musser proposed an auto auction site just across from his hangar. Scott has an auto auction in Boise, ID that he would like to duplicate in the Tri-Cities. This is becoming a successful business venture for them and they believe that it would work well in the Pasco, WA area. At this time the auctions would be a monthly event. To make the area look nice, they are wanting to find out if the land across the street from them could be connected to irrigation water. Staff will work with Mr. Musser to advance his request.

Millennium Bulk Terminal – Mr. Hayden informed Commissioners that he attended the public hearing on the draft EIS for the Longview Millennium Bulk Terminal Project. He entered the Port resolution supporting the terminal project into the written record and testified in support of the project on behalf of the Port.

EXECUTED ITEMS

Ironsides Custom Grinding - This is a month to month land lease at the far east end of the Big Pasco Industrial Center. Ironsides is a custom wood grinding operation that will be initially storing equipment on their leased property, but is looking forward to the wood grinding and chipping operation becoming more permanent. Lease value is \$6,216.00 per year.

ITEMS NOT ON THE AGENDA

Mr. Ballew mentioned that he attended the International Association of Shopping Center show with City of Pasco. This was part of the interlocal Agreement between Pasco and the Port sharing economic development services. A few people he spoke with are interested in the Osprey Pointe and Marine Terminal Site for mixed use development.

Mr. Hayden mentioned that we were invited to tour the Second Harvest facility during the next Commission meeting on July 7th if we would like.


NEXT MEETING

Regular Commission Meeting – Thursday, July 7, 2016 at 10:30 a.m.

ADJOURNMENT

The meeting was adjourned at 2:51 p.m.

Port of Pasco Commission:


Ronald Reimann, President


Jean Ryckman, Vice President


Jim Klindworth, Secretary