

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at 1110 Osprey Pointe Blvd., Suite 201., Pasco, WA 99301
October 12, 2017 | 9:00 a.m.

CALL TO ORDER

Commissioner Ryckman called the meeting to order at 9:00 a.m.

Present: Commissioner Jim Klindworth, Commissioner Jean Ryckman, Commissioner Vicki Gordon Port Counsel Dan Hultgren, Executive Director Randy Hayden, Director of Airports Buck Taft, Director of Properties Mayra Reyna, Director of Economic Development and Marketing Gary Ballew, Director of Finance Donna Watts, Deputy Director of Airports Don Faley, and Administrative Assistant Audrey Burney

Guests: Colin Hastings – The Greater Pasco Chamber of Commerce

APPROVAL OF AGENDA

Commissioner Klindworth moved and Commissioner Gordon seconded to approve the agenda as amended. Motion carried unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of September 28, 2017.
- b) Vouchers and Warrants #88675 - 88739 in the amount of \$694,362.87.

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

PUBLIC CITIZEN COMMENT

Mr. Colin Hastings informed Commissioners that the Ag Hall of Fame is coming up in January 2018 and preparations have begun. He asked if Commissioners wanted to continue to support the event as a Premier Sponsor. Commissioner Klindworth moved and Commissioner Gordon seconded to continue being a premier sponsor in the amount of \$5,000 for the Ag Hall of Fame Event. Motion carried unanimously.

PUBLIC HEARINGS & RESOLUTIONS

Resolution 1468 – PFC 11 for “AIP Reimbursement Projects” 2012 - 2018 – Mrs. Watts informed Commissioners that she would like to hold off on approving the Resolution at this time. She believes that staff may be able to put the \$3 Million into PFC-10 with an amendment to the PFC. Staff can request money up to the beginning of the program. She assured that we won’t miss out on PFC 11 and we should wait until we have more information. Commissioners agreed with Mrs. Watts.

ITEMS FOR ACTION/CONSIDERATION

2018 Preliminary Budget – Mrs. Watts, Mr. Hayden, Mr. Taft and Mr. Ballew provided information and answered questions regarding the preliminary budget for 2018. Mrs. Watts provided copies of the preliminary budget to the Commission.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the 2018 preliminary budget and added the line item for promotional hosting. Motion carried unanimously.

General Fund Transfer – Terminal Reserve Account/PFC – Mrs. Watts informed Commission that staff identified a shortfall in the general fund during the preparation of the 2018 budget. The majority

of the shortfall came from two sources: the portion of the terminal expansion project planned to be funded by the Terminal Reserve Account was instead funded by the general funds, and the PFC account had not fully repaid the Port for prior PFC expenditures out of the general fund.

Mrs. Watts recommended transferring the Terminal Reserve Account into the general fund to cover the terminal expansion costs paid by the general fund and to use the 2017 Airport capital budget to cover the remaining costs of the terminal expansion.

Commissioner Klindworth moved and Commissioner Gordon seconded to approve transfers of the terminal reserve account balance of \$2,900,000 into the general fund and to fund the balance of the terminal expansion project costs from the 2017 Airport capital budget in the amount of \$282,066 plus any additional remaining costs of the terminal expansion. Motion carried unanimously.

A-1 Hospitality Group – Airport Business Land Lease – Mr. Ballew informed Commission that A-1 Hospitality would like to lease 2.9 acres of land at the Tri-Cities Airport Business Center for the development of a 100 room hotel. The lessee will provide the Port with a non-refundable deposit of \$47,400, which is equal to 18 months of Minimum Annual Guaranteed (MAG) Rent and Leasehold Excise Tax. A-1 Hospitality will have 540 days to obtain all necessary permits and financing for development of the hotel. They will then have 540 additional days to start construction.

The lease term is within investment guidelines set by Commission in Resolution 1457. The successful development of a hotel will lead to other development at the Airport Business Center and has the potential to generate higher lease rates on the adjacent properties.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to execute a lease with A-1 Hospitality Inc. for approximately 2.9 acres at the Tri-Cities Airport Business Center with the addition of language regarding the FAA ALP approval and to make minor changes, with approval by the Port attorney, as may be needed to finalize the agreement. Motion carried unanimously.

RECESS

At 12:02 p.m., Commissioner Ryckman recessed the meeting for eighteen minutes for lunch. At 12:20 p.m. the meeting was reconvened.

ITEMS FOR ACTION/CONSIDERATION

Marine Terminal Site Closure Budget – Mr. Hayden informed Commission that Golder Associates has submitted a supplemental budget for the first phase of “site closure” work. The first phase of closure work will include above ground piping removal, fence removal, and underground piping removal. Costs that are associated with the closure work are \$128,000. The Port’s cost, after factoring in our 37% partner share with Crowley Maritime and assuming a 75% Ecology grant, will be \$11,480.00.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to sign the agreement with Golder Associates for \$128,000 for the 2017 Marine Terminal Cleanup Site Closure and to use funds from Marine Terminal Reserve account for the work. Motion carried unanimously.

Water Rights Purchase Sale Agreement – Mr. Hayden notified Commission and staff that Port Counsel Dan Hultgrenn and Roger Wright with RGW Enterprise have been negotiating on the Port’s behalf and have prepared a Purchase Sale Agreement (PSA) between the Port and Randy Mullen et al. to purchase water rights for 105-acres, or 420 acre-feet, for \$735,000.

Staff is recommending approval of the PSA to provide water for future industrial and/or airport agricultural needs. If purchased, this water right will help fulfil the Port’s mission to foster industrial growth, family wage jobs, and a sustainable tax base. Adequate funds are available in the Economic Development Opportunity Fund to pay for the purchase.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to execute a purchase sale agreement with Mullen, et. al. for \$735,000 using funds from the Economic Development Opportunity Fund and to make minor changes, with approval by the Port attorney, as may be needed to finalize the agreement. Motion carried unanimously.

ITEMS FOR DISCUSSION

Economic Development Marketing Report

Mr. Ballew reported:

1. He attended the Process Expo Chicago, which is a trade show for the suppliers of the food processing industry. Port of Pasco and Adams County were the two groups in the Eastern Washington Economic Development Alliance that attended. The group was able to have seven prearranged meetings, generating three good leads, with one who is interested in developing manufacturing in our region.
2. He attended MEX-Am conference in Seattle. Staff’s interest was in keeping the discussion of a Pasco trade mission to Mexico moving forward.
3. Staff has met with a team that is proposing an artisan food anchored development for Osprey Pointe. They have looked at other locations across the Tri-Cities, but those sites have not worked for various reasons. They really like Osprey Pointe. During discussions, they mentioned many wine industry notables participating in this project.

Airport Director’s Report

Mr. Taft reported:

1. Volaire Air Service schedule starts on Monday, October 16, with an opening reception at the Courtyard River Hall and a Water 2 Wine Cruise, starting from Columbia Pointe marina at 6 p.m.
2. Tuesday, October 17th the Volaire Conference has an all day schedule ending with a motor coach to Terra Blanca Vineyards and reception, cave tours and a dinner.
3. Tara White has been diligently working and has finished her CCIM classes.
4. He has been attending Leadership Tri-Cities and he has noticed that men and women have been wearing pink. He has also noticed that majority of the pilots are wearing pink. He wanted to get Commission and staff’s opinion on lighting up the elevator shaft pink. Commission gave him a nod to move forward with lighting up the elevator shaft pink in observance of Breast Cancer Awareness Month.

Executive Director’s Report

Mr. Hayden reported:

1. He has prepared a letter for Commission signature nominating Linda O’Brien for the WPPA Life Member award.
2. A meeting has been schedule on Nov. 2nd in Pasco with the Port, DNR & the appraiser who prepared the land appraisal for the East Pasco DNR property.


3. Board Ruling – The Shoreline Hearings Board ruled against a permit for Northwest Innovation Works’ methanol plant at the Port of Kalama. The Board ruled that the EIS did not have adequate greenhouse gas emission mitigation, even though they followed guidance issued by the Department of Ecology.
4. The Department of Ecology refused to issue a water quality certification for the proposed Millenium Bulk Terminal in Longview. The ruling was based on “significant and unmitigatable” impacts resulting from 8 new trains per day crossing the state, new ocean vessel traffic, and harbor dredging. These impacts could potentially stop any new industrial development dependent on freight shipping.
5. Franklin PUD passed a resolution honoring Ron Reimann. Staff would like to prepare a similar resolution for Port Commission consideration.
6. Jim Klindworth and he attended the Connell Chamber meeting on Tuesday. There was good attendance and feedback on proposed port investment in Connell.
7. Lt. Governor Cyrus Habib met with TriDec, Cities, Counties, Ports, Chambers to discuss economic development and other issues of local interest. The Lt. Governor would like to establish a state grant program to match funds for regional tourism campaigns. He also leads International Trade Missions.

Hanford Contractor Community Commitment Plan – Commissioner Ryckman informed that she and Mr. Hayden attended the meetings regarding that the Department of Energy bidding of three of the major Hanford contracts in the 2018-2019 time frame. To make sure that local community interests are included as requirements in those contracts, an ad-hoc committee consisting of the cities, counties, ports and other community organizations in the Tri-Cities have met twice to formulate a “Community Commitment Plan”. The goal is that this plan would be a required element of contractor bid documents and would be part of DOE’s scoring process to award the contracts.

ADJOURNMENT

The meeting adjourned at 1:49 p.m.,

Port of Pasco Commission:



Jean Ryckman, President



Jim Klindworth, Vice-President

Vicki Gordon, Secretary