

Port of Pasco Commission
Minutes of Special Meeting of Port Commission
Held at 1110 Osprey Pointe Blvd., Suite 201., Pasco, WA 99301
December 5, 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 Properties Mayra Reyna, Director of Airports Buck Taft, Director of Marketing and Economic Development Gary Ballew, Director of Finance Donna Watts, Deputy Director of Airports Don Faley, and Administrative Assistant Audrey Burney

Guests: Darren McEuin and Sarah Scott – Conover Insurance

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of November 21, 2017.
- b) Vouchers and Warrants #89006 - 89086 in the amount of \$346,708.57.

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

WORKSHOP

Capital Budget – Staff presented the 2018-2020 Capital Improvement Plan for Commission review.

RECESS

At 10:49 a.m., Commissioner Ryckman recessed the meeting for a five-minute break. At 10:54 a.m. the meeting was reconvened.

WORKSHOP

Strategic Plan – Mr. Hayden provided a summary of the strategic plan items completed in 2017. The 2018 Strategic Plan will be presented in January.

Connell Investments – Mr. Hayden discussed Connell investments. Staff has met with the Connell/North Franklin Development Association, Members of the Downtown Association, Connell Chamber of Commerce, and most recently the City Council. The top three choices that the Committee believes would help Connell are:

- Expanded Library
- Broadband Development
- Downtown Building

Commissioners and staff discussed and will continue further discussion at a later meeting after meeting with newly elected Connell City Councilmembers.

RECESS

At 11:38 a.m., Commissioner Ryckman recessed the meeting for a fifteen-minute lunch break. At 11:53 a.m. the meeting was reconvened.

WORKSHOP

Airport Fueling – Mr. Taft discussed his evaluation for managing the fueling facilities at the airport.

Airport Operation Efficiencies – Mr. Taft discussed staff evaluations on multiple department consolidations at the Tri-Cities Airport in order to create operational and financial efficiencies.

Second Osprey Pointe Building – Mr. Ballew summarized a pro-forma for a second office building at Osprey Pointe with an anchor tenant in place. The Commissioners agreed the concept was a merit and encourage staff to continue pre-development efforts.

New Website Update – Mr. Ballew provided an update on the new Port of Pasco website.

PUBLIC HEARINGS & RESOLUTIONS

Resolution 1472, PFC 11 Reimbursement for “AIP Reimbursement Projects” 2012 – 2018 –

Commissioner Klindworth moved and Commissioner Gordon seconded to adopt Resolution 1472, authorizing the Director of Airports to submit to the FAA a new passenger facility charge application and any necessary amendments to current applications extending the passenger facility charge program. Motion carried unanimously.

ITEMS FOR ACTION/CONSIDERATION

Insurance Renewals: MARSH Umbrella, Crime, Earthquake, Airport Liability – Darren McEuin and Sarah Scott with Conover Insurance discussed the insurance renewals for 2017 & 2018. Insurance premiums dropped from \$120,941 for year 2016 – 2017 to \$120,379 for year 2017 – 2018.

Commissioner Klindworth moved and Commissioner Gordon seconded to accept 2018 renewals for policy year effective December 31, 2017 to December 31, 2018 for marine liability, excess liability, airport liability, earthquake, and crime insurances. Motion carried unanimously.

Lamb Weston Lease – Mr. Taft summarized the Lamb Weston lease. The processed water application agreement and farm lease between the Port of Pasco and Lamb Weston expires December 31, 2017. The new ten-year agreement rental rate is based on an analysis completed by Goplen Ag Services. The analysis recommended the same farmland lease rate Lamb Weston has been paying since 2012, of \$195/acre/year, and increasing the wastewater application rate from \$140 per acre/year to \$150 per acre/year.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the lease with Lamb Weston as written; and execution with signatures. Motion carried unanimously.

Airport Business Center Covenants Update - Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to make modifications to the Tri-Cities Airport Business Center Protective Covenants and Restrictions as reviewed and approved by Port of Pasco legal counsel. Motion carried unanimously.

W5B2 – Mrs. Reyna summarized to commission that staff and Dan Hultgrenn have been in negotiation with Mr. Holbrook who is representing Wal-Mart. They have decided on a space that is

an interior warehouse, with some minor language modifications as staff works out final details with Wal-Mart.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to execute the lease with Wal-Mart, and make and accept such changes to the proposed lease, with Port Counsel approval, that do not significantly alter the financial aspects and/or terms, and that are within the Port of Pasco policy and standard practice regarding building leases. Motion carried unanimously.

Authorize Warehouse Canopies Work at Big Pasco – Mr. Ballew reported that staff will be bidding work to replace warehouse canopies at Warehouse 7 in the Big Pasco Industrial Center. The work is part of the replacement of the continuous canopies over the warehouse docks. These old canopies are approaching the end of their useful life and are being replaced as part of our ongoing warehouse investment efforts. The engineer's estimate of \$80,000 is slightly above the authority of the Executive Director at \$75,000.00.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to award the Warehouse 7 canopy work if the bids are within 10% of the engineer's estimate (\$80,000 + \$8,000), which is inclusive of WSST. Motion carried unanimously.

ITEMS FOR DISCUSSION

Building Occupancy Update – Mrs. Reyna updated Commissioners that the Port of Pasco has had quite a year in regards to leasing buildings; those with smaller footprints that startup companies can easily move into and adapt to their needs have been highly sought after, as reflected in the high occupancy rates of TCAIP, Big Pasco buildings and at the Marine Terminal. The large warehouse spaces have been steadily providing space mostly for storage, but staff has been consistently listening to customers and trying to improve the "adaptability" by thinking outside the box when searching for tenants. When added all together, the building occupancy started in January at 55.2%, topped out at 69.8%, but will end the year at about 66%.

Economic Development Report – Mr. Ballew reported that the Tri-Cities Airport has had a lot of growth in their social media presence. Staff entered in to an agreement with Perceive Communications to provide social media and public relations support at the airport.

On the Public Market, staff developed a Public Market RFP and provided to three companies that do this type of work: Public Market Development, Project for Public Spaces, and Market Ventures Inc. Staff and the City of Pasco preferred the Market Ventures proposal. The Tri-Cities public Market Group concurred with the preference. Staff is working on a contract with Market Ventures.

Mr. Ballew also discussed the Varney Loop Road project that will begin in 2018 that is near the airport. The project will support development of a hotel.

Airport Director's Report

Mr. Taft reported:

1. County and City are going through their Comp Plan updates. Staff is participating to advocate for keeping existing land use compatibility zones in place.
2. UBER was approved to operate in the City by the Pasco City Council. This should result in increased use of Uber at the Tri-Cities Airport.

3. K-9 experience will be happening sometime next year. Staff would like it to happen at a big event.
4. Staff has not heard anything from the Airlines regarding their review of the proposed 2018 Rates and Charges.
5. Staff will be adding land bought in 2015 for runway protection to the Airport Layout Plan Exhibit A, showing it as part of the Tri-Cities Airport.

Other Reports

Mrs. Watts reported:

1. Jane Havens will be retiring early 2018, Diana Newman will be replacing her and they have hired her replacement, Ms. Laura Donley. She will be starting December 11, 2017.

Mrs. Reyna reported:

1. Chep Gauntt has leased ground to construct a building at the south entrance into the Tri-Cities Airport Industrial Park.

Mr. Ballew reported:

1. Una Noche en Carnaval is on Friday, December 8, 2017 and Somos Pasco will be receiving an award.

ITEMS NOT FOR DISCUSSION


Executed Items: The Executive Director has signed the following agreements in accordance with the Port's delegation of authority policy as there were no deviations.

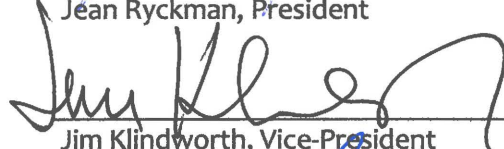
1. **Gauntt Northwest, LLC** – Gauntt NW has leased 1.9 acres located at the entrance to the Tri-Cities Airport Industrial Park. He will be constructing a multi-tenant building to lease. He had originally proposed building at the Airport Business Park, but will be taking advantage of the more industrial location of the eastside for his tenants. Lease value is \$182,400.00 for the term.
2. **Big Diamond Trucking, LLC** - This is a land and building lease located at 1740 E Dock St. The tenant will be using the premises for parking of equipment, maintenance shop for trucks and trailers, as well as office location for employees to do paper work. Leased monthly value is \$1,015.75 for bldg./mo. and \$508.95 for land./mo.

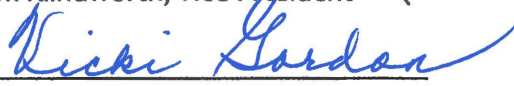
ADJOURNMENT

The meeting adjourned at 2:55 p.m.

Port of Pasco Commission:


Jean Ryckman, President


Jim Klindworth, Vice-President


Vicki Gordon, Secretary