

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at 1110 Osprey Pointe Blvd., Suite 201., Pasco, WA 99301
January 11, 2018 | 10:30 a.m.

CALL TO ORDER

Commissioner Ryckman called the meeting to order at 10:30 a.m.

Present: Commissioner Jean Ryckman, Commissioner Jim Klindworth, Commissioner Vicki Gordon, Port Counsel Dan Hultgrenn, 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

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Special Meeting Minutes of December 05, 2017.
- b) Vouchers and Warrants #89087 - 89274 in the amount of \$2,393,835.12
- c) Big Pasco Industrial Center Shade Canopy OP Commons Area – Accepted as Complete
- d) Tri-Cities Airport Building 68 Boiler Room Demolition – Accepted as Complete
- e) 2017 Crack Sealing Project – Accepted as Complete
- f) Public Records Act
 - a. Resolution 1475, Public Records Act
 - b. Resolution 1476, Establishing rules for inspection and copying of Port records

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

PUBLIC HEARINGS & RESOLUTIONS

Resolution 1473, Sale of Property no longer needed – Commissioner Klindworth moved and Commissioner Gordon seconded to approve Resolution 1473 sale of property no longer needed. Motion carried unanimously.

Resolution 1474, Appointing Directors of the Economic Development Corporation – Commissioner Gordon moved and Commissioner Klindworth seconded to approve Resolution 1474, appointing directors of the Economic Development Corporation. Motion carried unanimously.

Resolution 1477, Reimbursement of Travel & Business Expenses – Commissioner Gordon moved and Commissioner Klindworth seconded to approve Resolution 1477, governing reimbursement and payment of travel and other business expenses. Motion carried unanimously.

RECESS

At 10:35 a.m., Commissioner Ryckman recessed the meeting to conduct the EDC Meeting. At 10:47 a.m. the regular meeting was reconvened.

ITEMS FOR ACTION/CONSIDERATION

Musser Lease Amendment – Mr. Ballew summarized that on August 24, 2017 Commissioners authorized the Executive Director to enter into a lease agreement with Scott Musser dba Fast Talkers LLC/Musser Bros LLC. Mr. Musser's financial institution requested several modifications to the lease to assist with financing the project, including changing the term from 10 years plus two 10-year options to a simple 30 years. Staff and legal counsel reviewed the modifications and recommended that Commission authorize the Executive Director to execute the first amendment.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to execute the First Amendment to the lease with Scott Musser dba Fast Talkers LLC for approximately 4.35 acres at the Tri-Cities Airport Business Center and to make minor changes, with approval by the Port Attorney, as may be needed to finalize the agreement. Motion carried unanimously.

Musser TCABC CCR Review – Mr. Ballew provided a detailed plan from Scott Musser regarding his proposed development at the Tri-Cities Airport Business Center. Staff reviewed the plans, and while there are some discrepancies between the covenants and plans, staff believes they meet the design intent and recommends Commission approve the plans with several conditions.

Commissioner Gordon moved and Commissioner Klindworth seconded that the plans for the Musser development are in compliance with the Tri-Cities Airport Business Center Covenants with the following conditions:

- Mechanical equipment and trash receptacles will be screened from right of way views.
- Landscaping, similar to that along Argent, will be added to parking area end caps.
- A landscape berm along Argent, as was provided in a March 2017 landscape plan, shall be part of the landscaping.
- Clarify where fencing will be located.

Further move to authorize staff to take appropriate actions in conveying this information to Mr. Musser as well as allow staff to approve minor modifications to the project. Motion carried unanimously.

Port Personnel Policy #340, Employee Recognition Awards - Mr. Hayden informed Commissioners that the Port recognizes the employees who have reached employment milestones. All employees are eligible to receive a service award upon completion of 5 year increments up to 45 years of service. Commissioner Klindworth moved and Commissioner Gordon seconded to approve the Port of Pasco personnel policy 340, Employee Recognition Awards. Motion carried unanimously.

RECESS

At 11:25 a.m., Commissioner Ryckman recessed the meeting for a five minute break. At 11:30 a.m. the meeting was reconvened.

ITEMS FOR ACTION/CONSIDERATION

2018 Strategic Plan – Staff presented a summary of the 2018 Strategic Plan update. Commissioner Gordon moved and Commissioner Klindworth seconded to approve the 2018 Port of Pasco Strategic Plan. Motion carried unanimously.

RECESS

At 12:00 p.m., Commissioner Ryckman recessed the meeting for a twenty minute lunch break. At 12:20 p.m. the meeting was reconvened.

ITEMS NOT FOR DISCUSSION

Commissioner Vicki Gordon will be out of town from the dates of January 24 – February 26. Commission Ryckman moved and Commissioner Klindworth seconded to excuse Commissioner Vicki Gordon for the next three Commission meetings. Motion carried unanimously.

ITEMS FOR DISCUSSION

November 2017 Financial Statement – Mrs. Watts discussed the November 2017 Financial statement.

Economic Development Report – Mr. Ballew discussed his report.

Commission Redistricting Timeline – Commission Gordon moved and Commissioner Klindworth seconded to direct staff to publish necessary notices for the public hearing to consider redistricting of the Port district boundaries. Motion carried unanimously.

Public Records Training – Commissioners agreed to view online training modules for Open Public Meetings Act and Public Records Act and submit completed training certificate to Public Records Officer for file.

Tri City Airport Business Center Offer – Mr. Ballew summarized a lease proposal of 44,000 square feet of space at the Tri-Cities Airport Business Center. The proposed use is a convenience store/fueling station. Our current lease agreement with Circle K “grants lessee exclusivity for retail sales of motor fuels only, for a period of ten years beginning upon the useful occupancy date... within a radius of ½ mile”. We are still in this non-compete period and will be until March 1, 2021.

EXECUTIVE SESSION

At 1:44 p.m., Commissioner Ryckman announced that the board would go into executive session for ten minutes to consider the minimum price at which real estate will be offered for sale or lease and to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party. At 1:54 p.m. the regular meeting was reconvened.

Tri City Airport Business Center Offer – Commission directed staff to reject the current offer and seek to advertise the property closer to the end of the non-compete period.

ITEMS FOR DISCUSSION

Commission Restricted Operating Reserve Fund – Commission and staff discussed the Commission restricted operating reserve fund and decided to set the amount at 3 months reserve. Commission directed staff to prepare a resolution formalizing the amount of the operating reserve, how it will be separated on the financials, and conditions for its use. Commission also requested that staff provide further analysis on the appropriate amount of funds to set aside in this account.

Airport Director's Report

Mr. Taft reported:

1. Starting in June United Airlines will increase flights to Denver to three times per day.
2. Enplanements were down five percent from December last year and were at zero growth for the year, largely due to Alaska/Horizon's reduced seat capacity.
3. United Airlines is taking over a flight from SkyWest to San Francisco.
4. Staff signed an agreement with the USDA to continue providing wildlife control services at the airport.
5. GESA installed an ATM on the secure side of Airport.
6. UBER started pick-up service at the airport.
7. The Pacific Northwest Aviation Museum (PNAM) notified the Port of roof leaks on the second floor and would like the Port to repair. A recent lease amendment approved by PNAM and the Port states that roof repair are the responsibility of the museum. Airport staff will be conveying this message to PNAM.
8. Expenses to deal with December's icy weather came in around \$20,000, which is within budgeted amounts.
9. The FedEx expansion is underway.

Executive Director's Report

Mr. Hayden reported:

1. Commissioner Klindworth and he met with new Connell Mayor and council members to discuss options for the Connell Investment project. Ideas discussed were a visitor rest area, large race track, broadband, downtown building, and library expansion.
2. The Port of Seattle has a new Executive Director, Stephen Metruck.
3. Staff would like to hire an independent appraiser for the DNR land. Commissioner Klindworth moved and Commissioner Gordon seconded to hire an appraiser to appraise the DNR land. Motion carried unanimously.
4. The Battelle hangar lease is still being negotiated. Tara and Battelle are working on mutually acceptable language which will then be sent to attorneys for further review.

Commissioner's Report

Commissioner Klindworth reported:

1. Reported that the Connell group would like to engage with staff regarding pursuing the dairy processing facility per the Target Industry Analysis developed by the Port.

WPPA Legislative Agenda – Along with the WPPA legislative agenda, the Port of Seattle is separately sponsoring legislation that would add additional MTCA taxing authority for cleanup projects spanning multiple biennia and costing over \$20 million. The tax would be on imports of hazardous substances, primarily oil.

Other Reports

Mrs. Reyna reported:

1. Mrs. Reyna provided a drawing to Commissioners and staff of Chep Gauntt's future building at the Tri-Cities Airport Industrial Park. They will be breaking ground March 2018.

Commissioner Klindworth stated:

1. The Tri-Cities Airport has a great sign at the Airport and Airport Business Center. He wondered when the Port of Pasco will replace the other aging signs. Mr. Ballew indicated that there is already a request for bids out to replace the Big Pasco sign on Oregon Street. Bids will be opened January 17th at 10 a.m.

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.

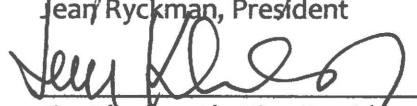
1. **Advanced American Construction** – Dock usage agreement for temporary use of the container terminal. Barge arrived on December 17th and left on December 18th. Dockage agreement value is \$309.00 per day.
2. **City of Pasco – Police Department** - This is a three-day license agreement granting use of Warehouse 4, Bay 1 for K9 dog and SWAT training.
3. **City of Pasco – Fire Department** – This lease is a 10-year lease for 1.4 acres of land directly behind the Wagenaar facility. This land will be used to develop a fire training facility. Lease value is \$1,060.00 per month.

ADJOURNMENT

The meeting adjourned at 3:16 p.m.

Port of Pasco Commission:


Jean Ryckman, President


Jim Klindworth, Vice-President

Vicki Gordon, Secretary

