

**Port of Pasco Commission**  
**Minutes of Regular Meeting of Port Commission**  
Held at 1110 Osprey Pointe Blvd., Suite 201., Pasco, WA 99301  
April 12, 2018 | 10:30 a.m.

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**CALL TO ORDER**

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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 Airports Buck Taft, Director of Properties Mayra Reyna, 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:** Jon Ray – Battelle, Bill Barlow– Benton Franklin Transit, Tom Kastner – Meier Architect, Paul Giever – Meier Architect, and Commissioner Peck – Franklin County

**APPROVAL OF AGENDA**

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

**CONSENT AGENDA**

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- a) Regular Meeting Minutes of March 22, 2018.
- b) Vouchers and Warrants #89716 – 89784 in the amount of \$278,165.57
- c) BPIC Warehouse 7 Bay 2 & 3 Canopies – Certificate of Completion
- d) BPIC Sign Demolition Oregon Ave – Certificate of Completion

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

**PUBLIC CITIZEN COMMENT**

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Jon Ray with Battelle commented that he likes to stop by periodically to say Thank You. He appreciates that Port of Pasco staff takes care of their tenants. Granite Construction has been doing a pavement job out at a hangar and they have done a great job.

Jon Funfar and Michael Morales from the City of Pasco reported that the City of Pasco has been named one of 20 finalists for the prestigious national “All America City” award given by the National Civic League. The 2018 award theme is “Promoting Equity Through Inclusive Civic Engagement” and the communities involved are nationally recognized for their inclusive engagement processes, projects and community vision.

The City of Pasco “All American City” application highlighted three community projects, “Police-Community Relations”, “Better Representation through City Council District-Based Elections”, and “Somos Pasco (We are Pasco)” to highlight the community’s civic engagement.

The 20 finalists will compete June 22 – 24 with a ten minute presentation in Denver, Colorado. Each Community will bring a team and Jon Funfar and Michael Morales are hoping to have someone with the Port of Pasco participate in the team.

Michael Morales discussed the plan for redeveloping downtown Pasco. In all the City is planning to invest approximately \$40 million dollars in the area. This large public investment will lead to investment from the private side, providing more real estate options in downtown.

## **PUBLIC HEARING & RESOLUTIONS**

**Resolution 1482 – Changing the Date of the first meeting in July** – Commissioner Jean Ryckman moved and Commissioner Gordon seconded to move the date of the first meeting in July from Thursday, July 12, 2018 to Wednesday, July 11, 2018. Motion carried unanimously.

## **ITEMS FOR ACTION/CONSIDERATION**

**Inland Empire Distribution Systems** – Mrs. Reyna summarized that IEDS has been a tenant in Big Pasco for the past 15 years. They are one of our two main tenants that use rail in their warehouse options. Their two-year lease has expired and staff has been renegotiating a new lease. Staff received a request from IEDS for a reduction in rent of approximately 12.75% for 28,800 square feet of Warehouse 2 Bay 1 on a month to month lease. The reduction of rent would almost completely be offset by 10% surcharge that we apply to partial space. IEDS has never hesitated to sign a term lease with the Port, however, as costs have increased, they have become cautious about committing long term.

Published lease rate is \$9,985.54 including a 10% surcharge, proposed lease rate is \$8,712.00 also including the 10 % surcharge. Lease value per month is \$8,712.00 per month.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to execute a month to month lease with IEDS at a reduced rate of \$.2750 per square foot for 28,800 square feet of Warehouse 2, Bay 1. Motion carried unanimously.

**Marine Terminal – 2018 Golder Budget** – Mr. Hayden reported on the annual budget from our consultant for the Marine Terminal. Golder Associates budget request of \$317,544 is to provide project management, groundwater monitoring, and closeout work for the 2018 Marine Terminal cleanup project. The Port of Pasco's cost, after factoring in our 37% partner share with Crowley Maritime and assuming a 75% Ecology grant, will be \$29,373. Port of Pasco has \$354,000 remaining in our Marine Terminal Reserve account and \$303,000 left in our Ecology grant, both sums more than sufficient to cover their respective 2018 budgeted costs.

### **2018 Budget Breakdown:**

Port of Pasco	\$29,373
Ecology Grant	\$88,118
Crowley Maritime	\$200,053
<b>Total 2018 Budget</b>	<b>\$317,544</b>

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to sign the agreement with Golder Associates for \$317,544 for the 2018 Marine Terminal Cleanup Budget. Motion carried unanimously.

**Osprey Pointe Letter of Intent** – Mr. Ballew inform Commission that staff has been working with a team interested in pursuing a master development at Osprey Pointe. Recently another developer also expressed an interest at Osprey Pointe. These discussions are currently in the preproposal stage, but

both parties will want to pursue some form of Letter of Intent with the Port that will provide exclusivity for that developer. To assist in evaluating the concepts he suggested that a small group be formed evaluate the plans and that the group include a Commissioner. The Commission chose Commissioner Vicki Gordon for the group.

**Land Use Agreement with National Guard** – Mr. Ballew informed Commission that staff was contacted by Franklin County Emergency Services regarding a joint exercise involving the Pasco Fire Department, the Hazmat Team and elements of the 10<sup>th</sup> Civil Support Team of the Washington Army National Guard. The mock exercise will take place on the dates of April 24 – 26, 2018. The Properties department is working on a license agreement with the Pasco Fire Department for an empty warehouse bay that will be used in the exercise that includes landing a National Guard helicopter. The Guard is proposing to land behind the Port's former office at Osprey Pointe and is requesting that the Port enter into a Land Use Agreement with the National Guard.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to sign the Land Use Agreement with the Washington Army National Guard and take other actions as may be necessary to carry out the agreement. Motion carried unanimously.

**Pacific Northwest Aviation Museum** – Mr. Taft summarized that at the last Commission meeting Malin Bergstrom with Pacific Northwest Aviation Museum (PNAM) stopped by with a presentation regarding the tower, she was requesting a lease extension. Staff and PNAM came to a lease agreement with an extension to the term of their lease of portions of the first and second floors in building 72. This will meet the requirements of a grant they received for renovations. An amendment was prepared to extend the term and require 3 year CPI increases (with a 5% cumulative cap) as the original lease had that clause removed.

The published and proposed lease rate is \$635.88 per month, for an 18-year term that ends March 31, 2033 and with two (2) – five (5) year options to renew, which require the approval of both parties.

Commissioner Klindworth moved and Commissioner Gordon seconded to approve the lease extension with the Pacific Northwest Aviation Museum through March 31, 2033. Motion carried unanimously.

## **ITEMS FOR DISCUSSION**

### **Director Reports:**

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1. Executive Director:
  - a. Riverfest will be held September 8 and there will be a leaders breakfast the morning of the event
  - b. Jon Ray discussed the Battelle hangar and that the Plane budget was approved. It was above the expected budget.
  - c. Randy demonstrated a Corp of Engineers website that displays all of the locks in the U.S., vessel traffic through the locks, and freight moved through the locks.
2. Airport Director:
  - a. A Change order for \$31,752.47 was approved on the Apron reconstruction project to lower sewer lines. We also expect a credit change order coming in the amount of approximately \$40,000.
  - b. March enplanements were down 2% and down 1% for the year
  - c. Alaska was down 18% but 10% better than the previous two months.

- d. Allegiant will begin operating 6 days a week starting May 2017
- e. April 19 the CEO of Horizon will be meeting with the air service task force and other industry travel leaders.
- f. 1<sup>st</sup> Quarter UBER Stats: 2,586 Operations resulting in revenue of \$3,879 at \$1.50 per pick-up/drop-off.

## **RECESS**

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At 12:00 p.m., Commissioner Ryckman recessed the meeting for a fifteen-minute lunch break. At 12:15 p.m. Commissioner Ryckman extended the Lunch an additional 10 minutes. At 12:25 p.m the meeting was reconvened.

## **ITEMS FOR DISCUSSION**

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### **Director Reports: (Cont'd)**

- 3. Economic Development and Marketing Director:
  - a. Handouts –
    - i. Flyers for Somos Pasco. He will be handing them out at the “All America City” contest, Pasco Chamber Luncheons, Tri-Cities Hispanic Chamber and etc.
    - ii. An article regarding Snake River Dam removal
    - iii. Agenda for Pacific Northwest Economic Region meeting in Spokane
  - b. Junior Achievement – reviewed a request to support Pasco schools participating in Junior Achievement’s Titans of Industry Challenge. Commission supported the concept.
  - c. Taco Crawl begins April 20, and kicks off with a VIP Crawl that same day
  - d. Discussion regarding Bitcoin mining. Commission agreed that pursuing Bitcoin mining did not make sense as an economic development effort.
  - e. Somos Pasco – Sister City Partnership with the City of Colima
- 4. Properties Director:
  - a. Current Tenant is expanding and they are looking into Warehouse 5 Bay 1, coincidentally we have another current tenant looking into that warehouse as well.
  - b. JD’s Truck repair is interested in looking at approximately 2 to 4 acres at Foster Wells Business Park.
- 5. Finance Director:
  - a. Donna and Randy met with the Franklin County Treasurer to discuss the County starting their own investment pool.

### **Commissioner’s Reports:**

As the executive Assistant Tiffani Burke – Joined TRIDEC .

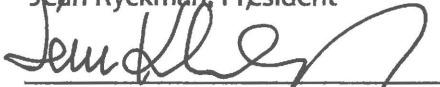
## **ADJOURNMENT**

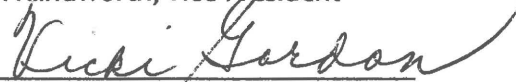
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The meeting adjourned at 1:35 p.m.

Port of Pasco Commission:

  
Jean Ryckman, President

  
Jim Klindworth, Vice-President

  
Vicki Gordon, Secretary