

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at 1110 Osprey Pointe Blvd., Suite 201., Pasco, WA 99301
June 14, 2018 | 10:30 a.m.

CALL TO ORDER

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

Present: Commissioner Jim Klindworth, Commissioner Vicki Gordon, Executive Director Randy Hayden, Director of Airports Buck Taft, Port Counsel Dan Hultgrenn, Director of Properties Mayra Reyna, Deputy Director of Airports Don Faley, Senior Accountant Diana Newman and Administrative Assistant Audrey Burney

Excused: Commissioner Jean Ryckman, Director of Economic Development Gary Ballew, Director of Finance Donna Watts

Guests: Bill Barlow – Benton Franklin Transit, Mitch Gilbert- CVO EatyGourmet Co. LLC, Shaun Gordon – Banner Bank

APPROVAL OF AGENDA

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the agenda with the addition of items 8.C. PCA Lease/Dockage, 8.D.Tieton Gold Land Purchase and 8.E. Tri-City Delivery Lease. Motion carried unanimously.

CONSENT AGENDA

- a) Special Meeting Minutes of May 23, 2018
- b) Regular Meeting Minutes of May 24, 2018.
- c) Vouchers and Warrants #90059 - #90132 in the amount of \$1,292,210.69
- d) Fire Main Repair, Accepted as complete
- e) Excuse Commissioner Jean Ryckman

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

PUBLIC HEARINGS & RESOLUTIONS

Resolution 1485 – Airport Land Use- Commissioner Gordon moved and Commissioner Klindworth seconded to adopt Resolution 1485 supporting compatible land use planning to enable future growth of the Tri-Cities Airport. Motion carried with unanimous approval.

ITEMS FOR ACTION/CONSIDERATION

Connell Inter-local Agreement Visitor Center – Mr. Hayden has been working with the City of Connell to build a new Connell and North Franklin Visitor's Center to support tourism and economic development in the northern portion of the Port District. The Interlocal Agreement was prepared by Connell City Administrator Maria Pena, Dan Hultgrenn and Randy Hayden. It outlines the various responsibilities of each party from design, through construction, and into long-term operation and maintenance.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the inter-local agreement between the Port and City of Connell for development of the Connell and Northern Port District Welcome Center. Motion carried unanimously.

Aromatics Lease Warehouse 5 Bay 1 – Mrs. Reyna brought Commission a proposal last meeting for a five-year term lease. At signing, Aromatics noticed there was a 3-year CPI. They did not budget for the CPI. They are asking to amend the 3-year CPI to a 5-year CPI.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the executive director to amend the current lease for Warehouse 5 Bay 1, to adjust the date of rental increase to 5-years. Motion carried unanimously.

PCA Lease/Dockage Agreement – Mrs. Reyna presented a lease and revised dockage agreement with PCA for approval. Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to execute a 10-year dockage agreement and lease with Packaging Corporation of America, Inc. for building #302 located at 2099 E. Dock Street, and approximately 40,000 square feet of land located in the Barge Terminal, with two 5-year options; and to allow staff to make minor modifications to the documents, with approval by the Port attorney, as may be needed to finalize the lease and dockage agreement. Motion carried unanimously.

Tieton Gold Land Purchase – Mrs. Reyna presented a proposal from Tieton Gold to purchase an additional 2.43 acres of land in the Foster Wells Business Center. The lot that they are looking at is directly behind their last purchase.

Commissioners tabled action until the minimum sale price could be discussed in executive session.

Tri-City Delivery Lease – Mrs. Reyna presented a proposal from Tri-City Delivery for Warehouse 3 Bay 1 and 2 acres of land. Tri-City Delivery has outgrown their current 10,000 square feet in another building at Big Pasco.

Commissioners chose to discuss the minimum lease price in executive session.

ITEMS FOR DISCUSSION

April 2018 Financial Statement – Mrs. Newman presented and discussed the April financial reports.

Tenant Delinquent List – Mrs. Newman presented the current delinquent list.

Osprey Pointe Development – Mr. Hayden introduced Mitch Gilbert EatyGourmet Co. LLC, who then discussed his business goals and visions for Osprey Pointe.

Director Reports:

1. Executive Director:
 - a. Attended CERB – Broadband workshop. CERB was given \$10,000,000 grant to assist with broadband development in rural communities.
 - b. Representative Mary Dye – Mr. Hayden spoke with Rep. Mary Dye who said that she is working with the administration, federal delegation, and federal agencies for approval and funding to construct the second phase of the Columbia Basin Reclamation Project.
 - c. Port of Benton Inland Port– The Policy Committee of the Benton Franklin Council of Governments Transportation Planning Organization will be discussing the Port of Benton's Inland Port proposal at their next meeting.
2. Airport Director:

- a. Enplanements are up 1% for the month and 1% for the year.
- b. ACI Jumpstart in Cleveland – met with Alaska, American, and United:
 - i. Alaska – Not much new. PDX was removed and just not performing well, but Alaska will be adding an 8:00 p.m. return from SEA TAC in December. PDX could come back in the future but not anytime soon.
 - ii. American – Spoke with someone that was an East Coast planner not really familiar with us or LAX/PHX. Stated the numbers look good and they are looking at new 2019 markets. We are still working for a HQ meeting.
 - iii. United – Very happy with market performance. Third flight to Denver is staying indefinitely. Still working through issues on San Francisco since taking over from SkyWest. They are still looking at LAX (Los Angeles).
- c. June 30th is Tri-Cities Airport Night at the Dust Devils Baseball game.
- 3. Economic Development and Marketing Director:
 - a. Briefed Commission on K&L Gates – Policy Insight for recently passed “Opportunity Zones.” The Port applied for and received an Opportunity Zone designation for Big Pasco and downtown Pasco.
- 4. Properties Director:
 - a. Attended the Northwest Marine Terminal Association meeting. The Port of Pasco is planning to host next year’s summer meeting.
 - b. Chep Gauntt has broken ground on his building at the Airport Eastside Industrial Park.
- 5. Finance Director:
 - a. Working with outside Consultant to verify the balance of Port versus Airport funds over the last 6 years.
- 6. Deputy Director of Airport:
 - a. Attended WAMA:
 - i. HB 1656, Community Aviation Revitalization Loan Program
 - 1. Provided low interest rate loans to airports to pursue revenue generating projects.
 - 2. The plan was for \$5 million in seed money.
 - 3. Passed by State House and Senate
 - 4. Vetoed by the Governor due to language he wanted for the Board that would be responsible for overseeing the program.
 - ii. HB 3009, Commercial and Professional Aviation Scholarship Program
 - 1. This is in Committee
 - 2. Provide student loans for Aviation related courses. Focused on pilots due to current shortage.

RECESS

At 11:51 p.m., Commissioner Klindworth recessed the meeting for a fourteen minute lunch break. At 12:05 p.m. the meeting was reconvened.

EXECUTIVE SESSION

At 12:05 p.m., Commissioner Klindworth announced the board would go into executive session for forty-minutes to discuss with legal counsel representing the agency on potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become a

part, and to consider the minimum price at which real estate will be offered for sale or lease. At 12:45 p.m. Mr. Taft announced on behalf of the Port of Pasco Commissioners that executive session would be extended an additional five-minutes. At 12:50 p.m. Mr. Taft announced on behalf of the Port of Pasco Commissioners that executive session would be extended an additional ten-minutes. At 1:00 p.m. the meeting was reconvened.

ITEMS FOR INFORMATION/NO DISCUSSION

Executed Items: The Executive Director has signed the following agreements in accordance with the Port's Delegation of Authority Policy.

1. **T-Hangar Lease** – John Rosenau leased T-Hangar 1-69 #3, it is approximately 1,200 square feet and lease is effective June 8, 2018. It is a month-to-month agreement. Annual lease value is \$2,370.12
2. **IEDS Warehouse 2 Bay 2** – This is a month to month lease for 7,200 square feet. Lease value is \$1,996.63 per month.

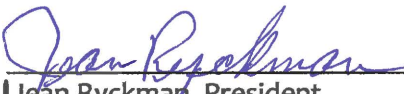
CALENDAR OF EVENTS

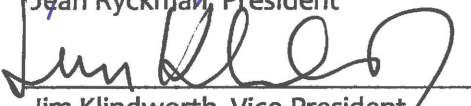
Commissioners and staff discussed the calendar of events.

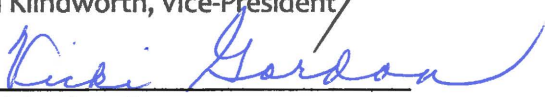
ADJOURNMENT

The meeting adjourned at 1:05 p.m.

Port of Pasco Commission:


Jean Ryckman, President


Jim Klindworth, Vice-President


Vicki Gordon, Secretary