

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at Port of Pasco, 1110 Osprey Pointe Blvd, Suite 201, Pasco, WA 99301
October 25, 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, Port Counsel Dan Hultgrenn, Director of Airports Buck Taft; Director of Properties Mayra Reyna, Director of Economic Development Gary Ballew, Director of Finance Donna Watts, Deputy Director of Airports Don Faley, Human Resources Vicky Keller and Administrative Assistant Audrey Burney

Excused: Commissioner Jean Ryckman

Guests: Paul Giever – Meier Architect, Commissioner Brad Peck – Franklin County, Thomas P. Kastner – Meier Architect

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of October 9, 2018.
- b) Vouchers and Warrants #90826 - 90928 in the amount of \$609,124.22.
- c) Excused Commissioner Ryckman.

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

PUBLIC CITIZEN COMMENT

Commissioner Brad Peck expressed appreciation to Port Commissioners and Staff. Executive Director Randy Hayden thanked Commissioner Brad Peck and the Franklin County Commissioners for approving the grant up to \$350,000 from the .09 fund for the Battelle Hangar.

PUBLIC HEARING & RESOLUTIONS

Public Hearing – Initiative 1631: Carbon Emissions Fee Initiative

1. **Public Hearing:** Commissioner Klindworth opened the Public Hearing at 10:35 a.m. regarding Initiative 1631: Carbon Emissions Fee Initiative. Commissioner Klindworth invited public comment or questions. Commissioner Brad Peck asked Commissioners, “Is the Port of Pasco intending to take a formal action in regards to the initiative?” Commissioner Klindworth stated, “After we close the public hearing we are planning to take a position on the initiative through a resolution.” Commissioner Klindworth asked the remaining public for comments and questions, but no others were received. Commissioner Klindworth closed the public hearing at 10:37 a.m.

2. **Resolution 1495: Initiative 1631 Carbon Emissions Fee Measure** – Commissioner Gordon moved and Commissioner Klindworth seconded to adopt Resolution 1495 to oppose initiative 1631 Carbon Emissions Fee Initiative. Motion carried unanimously.

ITEMS FOR DISCUSSION

Ag Hall of Fame – Mr. Hastings informed Commissioners that the 16th annual Ag Hall of Fame is coming up in January 2019 and preparations have begun. He asked Commissioners if they would want 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 \$6,000 for the Ag Hall of Fame event. Motion carried unanimously.

PUBLIC HEARING & RESOLUTIONS

Public Budget Hearing – At 10:54 a.m. Commissioner Klindworth opened the Public Hearing on the Tax Levy and the Budget for 2019. The Notice of this hearing was published in the Tri-City Herald on October 11th and 18th 2018.

The 2019 final budget has adjustments from the proposed preliminary budget. The changes are as follows:

- Added \$2,000,000 for the federal grant from the EDA for the Big Pasco Industrial Center Roads and Storm Water project.
- Added \$350,000 for contributions by Franklin County from the .09 Sales Tax Economic Development Fund for the Battelle Hangar.
- Removed \$1,000,000 in loan proceeds to the Airport due to modifying the Battelle Hangar Design.

Commissioner Klindworth asked members of the public to comment or present written comments on the proposed tax levy and budget. There was no one who wished to provide public comments.

Commissioner Klindworth declared the public meeting closed at 11:03 a.m.

Resolution 1496: Port of Pasco Tax Levy – Commissioner Gordon moved and Commissioner Klindworth seconded to adopt Resolution 1496 approving the Port's 2019 tax levy. Motion carried unanimously.

Resolution 1497: Final 2019 Budget – Commissioner Gordon moved and Commissioner Klindworth seconded to adopt Resolution 1497 approving the Port's 2019 Final Budget. Motion carried unanimously.

Resolution 1498: Support Pasco's Schlager Park Grant – Mr. Ballew informed Commissioner that the City of Pasco is pursuing a recreation grant from the State of Washington to improve the boat launch and related facilities at Schlager Park. They asked if the Port would consider a resolution in support of their application. Schlager Park is an important connection between the Port's Osprey Pointe and Marine Terminal Developments. The boat launch will provide recreational boat launch access for these mixed-use developments, which will be unavailable at Osprey Pointe due to depth of water and at the Marine Terminal due to the levy.

Commissioner Gordon moved and Commissioner Klindworth seconded to adopt resolution 1498, which supports the City of Pasco's application to the Washington State Recreation and Conservation Office – Boating Facilities Program for improvements to the Schlagel Park boat launch and related facilities. Motion carried unanimously.

ITEMS FOR ACTION/CONSIDERATION

Authorization of Executive Director to execute EDA Grant – Mr. Ballew reported to Commissioners that staff pursued a grant from the Economic Development Administration (EDA) that provides funding towards the repair/replacement of roads in the Big Pasco Industrial Center and the addition of storm water management infrastructure. The Port is eligible for the grant due to impacts from the 2016/2017 snowmelt event.

EDA notified the port that we are awarded a grant for \$7,110,012. The Port's match requirements is 20% or \$1,777,503. The project will take place over the next three years and the Port's match in each of those years is budgeted in the Capital Improvement plan.

The Port's legal counsel reviewed the grant and provided comments to Port staff regarding compliance to the terms of the grant.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to sign and take other actions as necessary to execute and administer the Financial Assistance Award from the U.S. Department of Commerce Economic Development Administration for road and storm water improvements at the Big Pasco Industrial Center. Motion carried unanimously.

Foster Wells Land Sale Designation of Funds - Mrs. Watts reported that Commission has a separate restricted fund called the Economic Development Opportunity Fund (EDOF) to have cash available for economic development. Currently, the available balance of the EDOF account after the committed money to spend on a water rights purchase of \$735,000 is \$2,615,345.

The Port Commission approved the sale of land in the Foster Wells Business Park to Teton Gold on October 9, 2018. The net proceeds of the sale will be approximately \$190,000. In previous sales, the Port Commission has put net proceeds of land sales in the EDOF account. Staff recommends to transfer the net proceeds from the sale of the Foster Wells Business Park land sale to Teton Gold from the general fund into the EDOF after funds have been received.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the transfer of the net proceeds of the Foster Wells Business Park land sale to Teton Gold from the general fund into the Economic Development Opportunity Fund after closing of the subject property. Motion carried unanimously.

ITEMS FOR DISCUSSION

2018 3rd Quarter Credit Card Report – Mrs. Watts discussed the 2018 3rd Quarter Credit card usage.

Connell Interchange Interlocal Agreement – Mr. Hayden reported that Connell has continued to work on the Connell Rail Interchange Project with the goal to relocate and expand the rail interchange in Connell, Washington where the Columbia Basin Railway enters the BNSF mainline. To help obtain funding for the project, we have been asked to enter into an interlocal agreement

between the Port of Pasco, the Port of Moses Lake, and the City of Connell, to support an application for federal grant funds under the USDOT Better Utilizing Investments to Leverage Development (“BUILD”) program.

By the terms of the Interlocal Agreement (ILA), the Port of Moses Lake is responsible for all costs associated with the grant application as well as administration of the application and any grant that may be awarded. Connell and the Port of Pasco are only required to provide support letters and other documents that would help support the project.

Mr. Hayden reviewed the ILA, and he believes it is consistent with previous letters of support that the Port of Pasco has provided for the project and that the new rail interchange would support commerce and economic development in the Port District. He has signed the ILA under his delegation of authority since it does not require any Port funds and has been reviewed by the Port Attorney.

Director Reports:

1. Executive Director
 - a. Snake River Dams: Mr. Hayden provided a summary of a meeting he held with Mr. Darryl Olsen of Columbia Snake River Irrigators and a meeting with members of the Inland Ports and Navigation Group regarding efforts to obtain an Endangered Species Act Exemption for the federal Columbia/Snake River dams. Mr. Hayden has attempted to arrange a meeting between the two groups but has been unsuccessful. Commissioner Gordon reported on a conversation she held with Mr. Olsen and encouraged Mr. Hayden to continue working towards a joint meeting.
 - b. Status update on Connell Visitor Center – Meier Architect provided 60% drawings of the visitor Center
2. Airport Director
 - a. United Airlines will begin LAX service on March 31, 2018
 - i. The proposed airplane is an E-175 that seats 76 passengers
 - ii. Departs Los Angeles (LAX) at 12:45 p.m.
 - iii. Departs Pasco (PSC) at 4:17 p.m.
 - b. United will also be moving the San Francisco (SFO) Flight to a Remain Over Night (RON). This will allow the flight to move to an early morning departure and evening arrival to Pasco and help improve the flights performance.
 - c. Allegiant Conference in Savannah Georgia
 - i. PSC is ranked 74th out of 107 – most affordable for rates and charges.
 - ii. All routes – there is no concern.
 - iii. Staff asked them to look at expanding the LAX season.
 - d. Parking RFP
 - i. Staff has changed the way they collect rent and the increase of minimum wage in WA State caused our rate tiers to be unsustainable. We had two interested parties and both had the same comments. Republic submitted a proposal but stated it would not work. Staff worked with Donna to restructure the calculations and proposals will be turned in on October 26th.

- e. Malin Bergstrom has sent emails to staff in regards to the general maintenance of their buildings. Current Port practice is to follow the lease regarding building maintenance. This policy may not have been as strictly followed in the Past. Per the lease Port is only responsible for the roof, HVAC and fire system and the tenant provides all other ongoing maintenance.
- f. Airline Updated Stats
 - i. Airport is up 7% for the month and up 3% for the year
 - 1. Alaska is down 9%
 - 2. Allegiant is up 4%
 - 3. Delta is up 7%
 - 4. United is up 49%
 - g. November 5th is tentatively the Ground Breaking Event for the Hotel by the Airport.
 - h. Cell phone lot – Staff has been figuring out a way to incorporate a cell phone lot at the airport and has come up with an idea of using a portion of the employee parking with a few adjustments.
 - i. There will be a Holiday Tree at the Airport this year
- 3. Economic Development and Marketing Director
 - a. Public Market Project
 - i. The City of Pasco has invited the Consultant for the Public Market to their December 10th City of Pasco Commission meeting at the City Hall at 7 p.m. City of Pasco invited Port of Pasco Commissioners and Staff to attend and hold a joint meeting of the two elected bodies.
- 4. Properties Director
 - a. Provided an update on PCA (Boise Cascade) operations at the barge slip.
- 5. Finance Director
 - a. Finishing up the Capital Budget.
 - b. Working on the Federal Grant Properties and Procedures
- 6. Commissioners Reports
 - a. Commissioner Gordon
 - i. Attended the Board of Directors meeting in Vancouver.
 - ii. Rebekah Woods asked Commissioner Gordon to be a part of the Visionary Retreat for the Culinary program at Columbia Basin College.
- 7. Deputy Director
 - a. Taxiway Alpha – Fiber Optic cable that must go underground. JUB designed a concrete case to go under the taxiway. The FAA wants the concrete case to be reinforced with rebar and be 228 feet long. There will be a change order for approximately \$94,000.
 - i. The project is eligible for AIP Funding with a 10% local match.
 - b. Battelle Hangar – The rebid is currently advertising with bids due November 7.


CALENDAR OF EVENTS

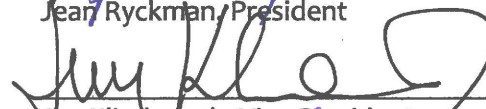
Commissioners and staff discussed the calendar of events.

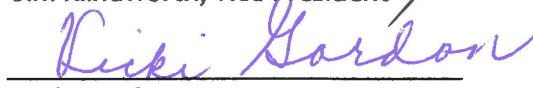
ADJOURNMENT

The meeting adjourned at 12:15 p.m.

Port of Pasco Commission:


Jean Ryckman, President


Jim Klindworth, Vice-President


Vicki Gordon, Secretary

Port of Pasco Public Hearing
Initiative 1631 – Carbon Emissions Fee Initiative
October 25, 2018

Sign in Sheet

Name (Please Print)	Port District Resident? (Please circle one)	City	I wish to make comments (SUPPORT)	I wish to make Comments (OPPOSE)
1. John Doe	YES / <u>NO</u>	West Richland	✓	
2. Paul Gierke	YES / <u>NO</u>	Kennewick		
3. BRAD PECK	<u>YES</u> / NO	PASCO		
4.	YES / NO			
5.	YES / NO			
6.	YES / NO			
7.	YES / NO			
8.	YES / NO			
9.	YES / NO			

Completion of this document is not required

Please note this document is considered public record and will be attached to the official meeting minutes in the Port of Pasco archives