

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held at Tri-Cities Airport, James Morasch Boardroom, 3601 N. 20th Ave., Pasco, WA 99301
September 26, 2019 | 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 Airports Buck Taft, Director of Economic Development Gary Ballew, Director of Properties Mayra Reyna, Director of Finance Donna Watts, Deputy Director of Airports Don Faley, Administrative Assistant Audrey Burney

Guests: Kirt Shaffer – Tippett Company

APPROVAL OF AGENDA

Commissioner Klindworth moved and Commissioner Gordon seconded to approve the agenda with the added agenda item 7.A.1. Draft Bond Resolution. Motion carried unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of September 12, 2019.
- b) Vouchers and Warrants #92727 - 92848 and direct deposit #DD19588 – DD19629 in the amount of \$1,940,103.32
- c) Amended Resolution 1513
- d) PUD Hangar Easement

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

PUBLIC HEARINGS & RESOLUTIONS

Resolution 1514 – Bond Resolution – Mrs. Watts reported that the total costs associated with the land purchase is approximately \$6,936,000 with closing costs. Staff obtained a Hanford Economic Investment Fund loan of \$2,250,000 for 20 years at 75% of prime rate. The remaining funds to purchase the land will come from the Economic Development Opportunity Fund of \$3,600,000 and a bank loan for \$1,013,000.

The Port received bank proposals for financing \$1,013,000 for 10 years. Baker Boyer National Bank proposed the lowest interest rate at 2.53%. Staff has been working with Bill Tonkin, the Port's bond attorney and Scott Bauer, the Ports financial advisor, to prepare the bond resolution and bond.

Commissioner Gordon moved and Commissioner Klindworth seconded to adopt Resolution 1514 authoring the issuance and sale of a bond to Boyer Bank National Bank for the purpose of financing part of the cost of acquiring land for future industrial development. Motion carried unanimously.

ITEMS FOR ACTION/CONSIDERATION

Battelle Hangar Change Order #5 – Mr. Faley reported that there has been some redesign requirements of the Battelle Hangar due to the Department of Energy fire protection requirements for the fire suppression system and the type of construction material of the mezzanine. Staff is currently waiting for pricing from the contractor for these changes. Battelle suggested that they will pay for these changes through the additional tenant improvement funds to keep the leasing price down.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to sign change order #5 for the Battelle Hangar project for a not-to-exceed amount of

\$550,000, including tax, contingent upon Battelle agreeing to pay the full amount through their tenant improvement funds. Motion carried unanimously.

Airport Custodial Agreement – Mr. Taft reported that the Port entered into an agreement with Dura-Shine Clean, LLC in September 2016 for the custodial services for the airport terminal. This year will start the fourth year with Dura-Shine and we have had a great working relationship and have seen a positive impact on the cleanliness of the terminal. With the increase in the Washington State minimum wage from the passage of initiative 1433 in 2016, Dura-Shine has asked to renegotiate the proposed rates. The impact of the initiative was not fully realized when the contract was being negotiated. Commissioner Gordon stated that as a business owner, Dura-Shine should have been more aware of proposed changes to the state minimum wage increases.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the agreement with Dura-Shine, LLC for 2019 in the amount of \$480,000.00. Motion carried unanimously.

Inland Empire Distribution – Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to execute a month to month lease amendment #2 with IEDS for a 3-month reduced surcharge rate of 10% per square foot for 14,400 square feet in Warehouse 2 Bay 2. Motion carried unanimously.

ITEMS FOR DISCUSSION

Value added services for airport passengers – Mr. Taft reported that staff has evaluated multiple options for increasing value added services at the terminal for airport passengers. Services evaluated were:

- Valet Parking
- Sky Caps/Curbside Ambassador
- Covered Parking/Car Wash
- Preferred Passenger Lounge
- Mom Pods (nursing stations)
- Non-Flying Passenger Access to the Secure Side of the Terminal

Most of the options are cost prohibitive. Staff is moving forward with the Mom Pods and non-flying passenger access.

Director Report:

1. Executive Director
 - a. Columbia East has been reaching out to neighbors regarding the potential use of the Heritage Industrial Park as low-income housing. They have developed a master conceptual Plan, this is mostly residential with some commercial.

RECESS

At 11:30 a.m., Commissioner Ryckman recessed the meeting for an hour and thirty minutes for the Tri-Cities Airport tenant appreciation BBQ. At 1:00 p.m. the meeting was reconvened.

ITEMS FOR DISCUSSION (Cont'd)

Battelle Hangar and Marriot Courtyard Tour – Commissioners and Port Staff toured the Battelle Hangar and Marriot Courtyard, both currently under construction at the Airport Business Center.

Land Purchase Update – Mr. Ballew introduced Kirt Shaffer with Tippet Company and the topic of the farm lease back to Balcom & Moe if the Port purchases the property. There was also discussion about

the purchase of mineral rights on the property. Discussion on minimum lease rate and purchase price were deferred to Executive Session.

EXECUTIVE SESSION

At 2:24 p.m., Commissioner Ryckman announced the board would go into executive session for twenty minutes to consider the minimum price at which real estate will be offered for sale or lease. Mr. Taft announced on behalf of the Port of Pasco Commissioners that the executive session would be extended for an additional ten minutes. At 12:45 p.m., the meeting was reconvened.

ITEMS FOR DISCUSSION (Cont'd)

Director Reports: (Cont'd)

1. Executive Director (cont'd)
 - b. The Port has been asked about sponsoring events that are also sponsored by cannabis businesses. Commissioners indicated they would informally support the events if related to the Port, but would prefer not to be co-sponsors.
 - c. Mr. Hayden was reappointed to the CERB board for another 3 year term.
2. Airport Director
 - a. Received an email from a reporter asking about ICE flights. Mr. Taft replied back stating that he hasn't seen any come through and doesn't expect any ICE flights.
 - b. The credit card exit land at the airport parking lot has been closed for repairs. The part that needs to be replaced is getting shipped out of Germany and is expected to be reopened soon. Commission requested that messaging be added to signs notifying customers of the closure until it is reopened.
3. Economic Development & Marketing
 - a. Mr. Ballew has had a couple of email exchanges with Mitch Gilbert, who indicated his team is reviewing the appraisal and Purchase & Sale Agreement for Osprey Pointe.
 - b. Mr. Ballew presented the proposed Waterfront zoning code to the City of Pasco Planning Commission. The presentation went well.
 - c. Mr. Ballew attended PACK Expo Trade Show with Eastern WA Economic Development Alliance group.
 - d. Mr. Ballew is heading to Colima Mexico on October 2, 2019.
4. Deputy Airport Director
 - a. Poland & Sons has been hired to make road repairs at the Airport Industrial Center for \$29,000
5. Finance Director
 - a. The State Auditor's Office completed the 2018 Financial Statements and Federal Single Audit Report, and the 2018 Passenger Facility Charges Audit. An exit interview was held with Commissioner Gordon, the Executive Director, and the Port Auditor. The Port received one finding on the federal audit regarding failure to verify that contractors were not federally debarred from federal contracts.
6. Properties Director
 - a. The property sale with Kenyon Zero is proceeding and is currently under review by Kenyon's attorney.
 - b. PECCAS Properties (Global Track) – paper work is getting submitted for land purchase.
 - c. Pioneer Packaging visited the property and they are very excited to move forward with a land purchase.
 - d. Spoke to Leggari, LLC and they are expecting to sign another 2 year lease for their current warehouse space at Big Pasco while continuing plans for a new facility.

Commissioners Reports:

Commissioner Gordon attended the WSU Foundation Board Meeting in Pullman.

Commissioner Gordon, Commissioner Klindworth and Executive Director Randy Hayden will be attending the Columbia Basin Development League on October 29, 2019 from 9:30 a.m. to 5:00 p.m.

James Thompson has been selected as the new Executive Director for WPPA.

ITEM FOR INFORMATION/NO DISCUSSION

Executed Items – The Executive Director has signed the following agreement in accordance with the Port’s Delegation of Authority Policy.

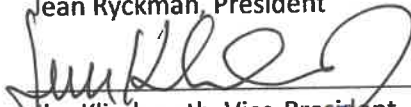
1. JR Carr Dockage Agreement – JR Carr asked Lampson to lift a recreational boat and place it on a truck/trailer to be transported to the Midwest. During the process, the transport agency had miscalculated the date and his permit did not allow him to transport until the day after the boat was lifted. This agreement was to allow the trailer to be parked in our yard overnight. Dockage agreement value is \$75.00 any time the barge terminal is used.

ADJOURNMENT

The meeting adjourned at 3:30 p.m.

Port of Pasco Commission:

Jean Ryckman, President



Jim Klindworth, Vice-President



Vicki Gordon, Secretary