

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
February 13, 2020 | 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, Commissioner Jean Ryckman, Executive Director Randy Hayden, Port Counsel Dan Hultgrenn, Director of Airports Buck Taft, Director of Properties Mayra Reyna, Director of Finance Donna Watts, Deputy Director of Airports Don Faley, Executive Assistant & Human Resources Vicky Keller, Executive Assistant & Human Resources Lori French and Administrative Assistant Audrey Burney

Excused: Director of Economic Development Gary Ballew

Guests: Wendi Culverwell – Journal of Business

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of January 9, 2020.
- b) Vouchers and Warrants #93404– 93580 & Direct Deposit #19982 - 20065 in the amount of \$1,379,752.94.
- c) Business Park Road Improvement Project – Accepted as Complete

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

PUBLIC HEARING & RESOLUTIONS

Resolution 1527 – Amending Regulations Relating to Airport user fees – Commissioner Gordon moved and Commissioner Ryckman seconded to approve Resolution 1527 relating to airport user fees at the Tri-Cities Airport. Motion carried unanimously.

ITEMS FOR ACTION/CONSIDERATION

Tri-Cities Airport Building 85 Re-Roof Project – Bid Award – Mr. Taft reported that bids were received on February 11, 2020 for the Tri-Cities Airport Building 85 to re-roof the building. Five bids were received, and the low bidder was Wine Country Construction, of West Richland, WA with a bid of \$90,083.70, including sales tax.

Commissioner Ryckman moved and Commissioner Gordon seconded to award the contract to Wine Country Construction, as they appear to have submitted the lowest, responsible, responsive bid in accordance with the contract documents. The total contract price, including sales tax, is \$90,083.70. Motion carried unanimously.

Potential Land Sale – Foster Wells Business Park – Staff received both a letter of intent and an informal email to purchase the two remaining parcels at the Foster Wells Business Park. The parcels

are 2.7 acres and 2.3 acres. One offer is for \$2.00 per square foot, or \$86,888.50 per acre, with the other offer coming in at \$1.80 per square foot for the same two properties.

Commissioners wanted further discussion in Executive session to discuss the minimum sale price of the properties.

Port of Pasco Retiree Program – Ms. Keller reported, the Port of Pasco established a retiree insurance policy where the Port pays 100% of the medical insurance premiums for a qualified Port employee (and their spouse) who have retired from the Port of Pasco. The policy has been amended on occasions since its adoption and was most recently reviewed by Commission in November 2017. The policy has been instituted by motions recorded in official minutes until May 2018 when Commission approved adding it to the Port Policy manual under Chapter 350 – Health Reimbursement (HRA-VEBA) Policy.

Commission discussed the retirement program and clarified the intent of certain language. Staff will update the policy in accordance with the discussion to clarify the eligibility requirements and other components of the program.

ITEMS FOR DISCUSSION

Tenant Delinquent List – Ms. Watts discussed the delinquent report.

2019 4th Quarter Credit Card Report – Ms. Watts discussed the 2019 4th quarter credit card report.

Disposal of Surplus Property Policy – Ms. Watts reported that per Resolution 1527, the Port Executive Director shall itemize and list the property to be sold and make written certification to the Port Commission that the Property is no longer needed for District purposes. The Port surplused Officer's David McVey's body armor. Officer David McVey accepted a job with the Lawrence County Sheriff's office in Tennessee and his body armor is no longer needed for District purposes.

Christensen Inc. – Mrs. Reyna reported that staff has been in negotiations with Christensen Inc. on a long-term lease for approximately 2-5 acres and 1,480 linear feet of rail. They currently lease 1.37 acres and have a non-exclusive rail license agreement on 1,000 linear feet of rail. Christensen is planning on investing about \$1.16M within the next year in the property that they are proposing to lease for 20 years. Their improvements include extending utility lines to serve their proposed 60K gallon propane tank, allowing them to double their capacity at this facility. They also plan to install the necessary equipment to make this facility more efficient.

Commissioners generally agreed to continue discussion on a 20-year lease and for Christensen to extend utilities needed for their expansion. Staff will bring a firm lease proposal back to Commission at a later date that will include possible improvements to be made by the Port to support the expansion.

Osprey Pointe Advisory Committee – Per Commission request, Mr. Hayden provided a list of members for a previous Osprey Pointe Advisory Committee that was formed in 2011, when the master plan of Osprey Pointe was being developed. Commissioners discussed forming a new advisory committee and felt it would be useful for any future master developer negotiations, but was not timely for the current negotiations with JMS Homes. Mr. Hayden also provided an update of the conceptual site plan prepared by JMS Homes.

State Legislative Update – Mr. Hayden summarized that he, Commissioner Ryckman and Government Affairs Consultant Diana Carlen attended “Ports Day” in Olympia on January 28th and met with a number of our district legislators to promote Port of Pasco and WPPA issues. Primary focus was:

- State funding in next year’s capital budget for both the Reimann Industrial Center and Wharf development.
- Voiced our support on HB 2804, which would restart a tax-increment financing program.
- Support for City of Pasco legislative priorities as the opportunity arose, including restarting of funding for the Lewis Street Overpass, which was “paused” by the Governor, and funding for the Process Water Reuse Facility.

RECESS

At 11:45 a.m., Commissioner Klindworth recessed the meeting for lunch. At 12:12 p.m. the regular meeting was reconvened.

ITEMS FOR DISCUSSION (Cont’d)

PCA Packaging Corp of America – Mrs. Reyna reported that PCA (previously Boise Cascade) has been steadily using the Port of Pasco container terminal to unload sawdust/wood pulp from barges for use in its Wallula plant. During a recent review of their accounts, they realized that the barges they had been using and reporting are not all 3,000 ton barges. Staff reviewed the agreement and it states that barges smaller than 3,000 tons are to be billed at a pro-rated price. PCA is asking for reimbursement of a portion of their paid fees in 2019. Staff proposed an amendment to the agreement that will base rates on gross tonnage of product transferred rather than on barge size to more accurately capture the wharfage activity.

Commissioner Ryckman moved and Commissioner Gordon seconded to approve an amendment to PCA License Agreement where the first 12,000 tons are charged at \$0.67 per ton and anything above 12,000 tons is charged at \$0.50 per ton, retroactive to the beginning of the agreement. Motion carried unanimously.

ITEMS FOR DISCUSSION

Director Reports:

1. Executive Director
 - a. TRIDEC, local power utilities, the Port, and other economic development agencies met with BPA at the Franklin PUD auditorium to discuss BPA’s impact on economic development efforts in the Tri-Cities. BPA made a presentation about planned projects to bring additional power to this area. When complete, the projects would add around 700 megawatts of power to the region’s current supply of 1,100 MW. Economic development agencies reported that large Power users are having a hard time committing to the Tri-Cities due to the amount of power available and the 3-5 year time frame to extend the power.
 - b. City of Pasco – Staff will be speaking at the next City of Pasco’s Council meeting on February 23rd, 2020. Staff will discuss the Reimann Industrial Center and partnership opportunities with the City.

- c. Retirements that are upcoming:
 - 1. Vicky Keller – February 29, 2020
 - 2. Todd Meyer – March 31, 2020
 - 3. Steve Dearing – March 31, 2020
 - d. Laptops/iPads – Per the approved 2020 budget, the Port will be purchasing laptops for Directors to use in place of their iPads for Commission meetings and travel requirements. Commissioners chose to keep their iPads since they were more convenient for their needs.
2. Airport Director
- a. Airline Updated Stats:
 - 1. Enplanements are up 4% for the month of January and up 4% for the year.
 - 1. Alaska is up 7% for the month.
 - 2. Allegiant is up 1% for the month.
 - 3. Delta is up 5% for the month.
 - 4. United is down 6% for the month.
 - 2. Seats were down 3%.
 - b. Staff is starting to feel the impact of the 737 max. Airlines were set to take deliveries and they are now shuffling fleets. That filters down to us getting smaller planes.
 - c. The Airport Director, new Tridac Executive Director, and Port Air Service consultant Jack Penning met with United Airlines to discuss service to Chicago, the second San Francisco flight, Los Angeles, Houston, and larger aircraft. United is working on using E175s in the spring and summer months for Denver. They are excited about Chicago and disappointed with Los Angeles.
 - d. Alaska Airlines is partnering with American Airlines and Oneworld. This is creating a West Coast International Alliance. Effective immediately, travelers will be able to redeem Alaska Mileage Plan miles on all American Airlines Flights. Starting spring 2020 travelers can earn Alaska Mileage plan miles on any American Airlines flights, domestically and internationally. Starting summer 2021, travelers can earn and redeem Alaska Mileage Plan miles on all Oneworld airlines.
 - e. Staff is working with Tricia MacFarland from Mirror Ministries to conduct human trafficking training for airport staff in early March. In addition, the US Department of Transportation is requesting that the Port of Pasco make a pledge stating that the Tri-Cities Airport will help raise awareness for human trafficking.
3. Deputy Director
- a. The Courtyard by Marriott Hotel will be done by Mid-March.
 - b. Battelle Hangar – Completion at the end of March. Couple of small items will be completed in April.
 - c. Taxiway realignment – meeting next week for upcoming project in March. Hope to be done by June 2020.
4. Finance Director
- a. The State Auditor’s Office has issued a revised Audit Report for the 2018 Financial Statements and Federal Single Audit. The finding was removed, and they issued an unmodified opinion.
5. Properties Director

- a. Upcoming bill from Scott Sautell, regarding broker's fee for new tenant Lanter Delivery.
- b. Crew has been busy demolishing docks and the rail removal project is underway to be ready for the upcoming repaving and storm water project.
- c. Terragraphics would like to be released from their lease. They have leased one-quarter of 2926 E. Ainsworth. Their projects at Hanford have been delayed due to protests.
- d. Rob Ellsworth – a local real estate broker, provided a tour of the building at 2926 E Ainsworth to clients.
- e. BWX – would like some office space, but it is contingent upon Hanford contract being awarded.
- f. Panda Holdings has a building permit to start the foundation on a proposed brewpub.
- g. Taco Crawl is the last two weeks of April.

Chemical Waste Management – Commissioner Ryckman and Commissioner Gordon seconded to authorize the Executive Director to execute a 1-year term lease with Chemical Waste Management of the Northwest, Inc. for 1.25 acres of land & the non-exclusive use of 890 feet of rail, including those changes highlighted on the lease provided to Commissioners. Motion carried unanimously.

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

1. **Tri-City Mattress** – Tri-City Mattress is a sole proprietorship and has been a tenant since April 1, 2015 at the Tri-Cities Airport Industrial park at 3604 Stearman. They signed a new lease for three years with an option to extend for 1 additional year. Lease term effective February 1, 2020, with a lease value of \$38,078.64 for the term of the lease.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

RECESS

At 1:10 p.m., Commissioner Klindworth recessed the meeting for a five minute break. At 1:15 p.m. the regular meeting was reconvened.

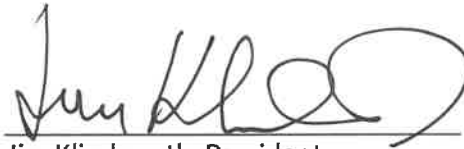
EXECUTIVE SESSION

At 1:15 p.m., Commissioner Klindworth announced the board would go into executive session for one-hour to consider 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 2:15 p.m., Mrs. Reyna announced on behalf of the Port Commissioners that the executive session would be extended for an additional 15 minutes. At 2:30 p.m., Port Counsel announced on behalf of the Port Commissioners that the executive session would be extended for an additional five minutes. At 2:35 p.m., the meeting was reconvened.

ADJOURNMENT

The meeting adjourned at 2:35 p.m.

Port of Pasco Commission:



Jim Klindworth, President



Vicki Gordon, Vice-President



Jean Ryckman, Secretary