

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held remotely with Public Access
April 9, 2020 | 10:30 a.m.

CALL TO ORDER

Commissioner Klindworth called the meeting to order at 10:35 a.m. The meeting was attended remotely by all participants via Zoom and with Public Access through call in to 1-301-715-8592, meeting ID 6676918983.

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 Economic Development Gary Ballew, Director of Finance Donna Watts, Director of Properties Mayra Reyna, Deputy Director of Airports Don Faley, Executive Assistant & Human Resources Lori French.

Guests: Diana Carlen- Gordon Thomas Honeywell

Wendy Culverwell- Journal of Business

Colin Hastings- Pasco Chamber of Commerce

APPROVAL OF AGENDA

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the agenda determining that all agenda items were “1) matters necessary and routine, 2) necessary to respond to the outbreak and current public health emergency” per Governor’s Proclamation 20-28. Motion carried unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of March 26, 2020.
- b) Vouchers and Warrants #93885-93962 & Direct Deposit #20191-20231 in the amount of \$2,491,176.19.
- c) Approve the TCA building 68 re-roofing project as complete.

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

ITEMS FOR ACTION/CONSIDERATION

Resolution 1531 COVID Tenant Rent Deferrals – Ms. Reyna presented the temporary Rent Deferral Program for Standard Leases that would allow up to 3-months of rent deferral for the months of April, May and June 2020 for tenants who demonstrate the need for assistance. Port Staff recommended that approval of the Program take place in the form of a resolution that sets forth the unique set of circumstances justifying the reasons for the action.

Commissioner Ryckman moved and Commissioner Gordon seconded to adopt Resolution No.1531, authorizing the Executive Director to oversee, administer and execute the Port of Pasco COVID-19 Rent Deferral Program, according to its terms and conditions, including execution of lease amendments permitted by the Program, and without further need of Commission action, provided however that the Commission shall be provided a list of all such approved lease amendments

entered into as part of the Program at the next regularly scheduled Commission meeting. This authority will remain in effect only until June 30, 2020, unless earlier terminated or extended by the Commission. Motion passed unanimously.

Rent Relief for Non-Standard Leases/Contracts - Mr. Taft presented, the Airport has several agreements in the terminal that rely on revenue generated by the traveling public. The COVID-19 pandemic has seen a 96% percent drop in passenger activity through TSA checkpoints. This drop has had a major impact on TCA tenants; airlines, car rental agencies, airport concessions, the parking lot and hotel. Tenants have requested various forms of relief, deferral of rent payments and/or suspension or waiver of Minimum Annual Guarantees. The Airport is waiting on additional information about the CARES ACT and further clarification from the FAA for relief options. The Port Staff is not considering any waiver of fees but recommends consideration of deferrals.

Commissioner Gordon moved and Commissioner Ryckman seconded to grant deferral of rents and fees for the months of April, May and June 2020 for Terminal Based/MAG related agreements in accordance with the COVID-19 policy and await further guidance from the FAA. Motion passed unanimously.

Rent Relief and Property Tax Deferral Cash Flow Analysis - Ms. Watts presented a Cash Flow Analysis reflecting the potential impacts of COVID-19 on Port and airport operations. As the Port has been approached by tenants and by Franklin County to defer receivables, the analysis was to assist the Commission in deciding how the Port will manage expenses and what the Port is able to do for tenants.

Commissioner Gordon moved and Commissioner Ryckman seconded to support the delayed collection of property taxes by the Franklin County Treasurer. Motion passed unanimously.

RECESS

At 12:05 p.m., Commissioner Klindworth recessed the meeting for lunch. At 12:30 p.m. the regular meeting was reconvened.

ITEMS FOR DISCUSSION

February Financial Statements- Ms. Watts discussed the February 2020 Financial Report.

Tenant Delinquent List- Ms. Watts discussed the Tenant Delinquent List.

CRSO DEIS Comment Letter- Mr. Hayden reviewed the letter that has been provided in response to the CRSO DEIS and noted that a second letter will be provided next week.

2020 WA Legislative Session Recap- Diana Carlen, from Gordon Thomas Honeywell, gave a presentation on the 2020 Washington State Legislative Session.

Director Reports:

1. Executive Director
 - a. The Port joined with other ports and state agencies to request that funding for broadband in Washington state be included with any new infrastructure stimulus package being developed in Congress. It now appears that a large infrastructure

- package is not being considered as Congress instead focuses on additional COVID-19 response funding.
- b. The Port appreciates the leadership, support, and resources that the City of Pasco is providing in the community response to COVID-19.
 - c. Kudos to Mr. Faley for putting together the Fleet Decontamination Protocol, and to Port Staff for keeping up with the needs of the Port and for functioning well through the COVID-19 outbreak.
2. Port Attorney
 - a. Background on Force Majeure clause in contracts.
 3. Airport Director
 - a. TSA has reported an 96% decrease in passengers nationally.
 - b. Airline Enplanement Stats for March:
 1. Enplanements are down 59% for the month and 19% for the year.
 1. Alaska is down 58% for the month.
 2. Allegiant is down 58% for the month.
 3. Delta is down 57% for the month.
 4. United is down 69% for the month.
 - c. Load Factors:
 1. Alaska is at 45%.
 2. Allegiant is at 51%.
 3. Delta is at 41%.
 4. United is at 43%.
 - d. April Schedule Update:
 1. Alaska- 2/day compared to 7/day in April of 2019.
 2. Allegiant- 1-2/week compared to 5/week in April of 2019.
 3. Delta- 4/day with expected decrease compared to 7/day in April 2019.
 4. United- 2/day compared to 5/day in April of 2019.
 - e. Passenger numbers continue to drop, with less than 100 passengers a day.
 - f. Concessions Impacts- daily check number averages from 609 to 34.
 - g. CARES ACT funding overview.
 4. Economic Development & Marketing Director
 - a. March EDM Report
 1. The Port is using Constant Contact for weekly newsletter to Port tenants.
 2. My-Tri 2030 Agricultural Subcommittee is on hold for a month.
 3. Osprey Pointe development is moving forward with JMS, and additional work has to be done with zoning and the City Planning Commission.
 4. The Port of Everett provided feedback on their experience regarding mixed use, with the goal for 18 hours a day of activity. The Port did not set a specific goal or percentage for non-residential development.
 5. Deputy Airport Director Report
 - a. The Battelle Hangar completion remains on hold due to the Stay Home Order.
 - b. Restart date on the Taxiway A project is planned for April 27th, 2020.
 6. Finance Director

- a. SAO (State Auditor's Office) has contacted the Port in hopes of beginning planning for this year's Audit. Port staff will not be available to assist in the Audit until mid-May, but the SAO was given the go ahead to begin planning.
 - b. S&P (rating agency) issued a negative outlook for transportation related organizations.
 - c. Based on the review with the Port's Municipal Advisor, the Port has rescheduled the bond issue to mid-July and will reassess at the beginning of June, if it needs to be pushed out further.
 - d. Additional Blanket Business Income/Extra Expense insurance coverage has been purchased.
 - e. Port is awaiting backup for February invoice from Durashine to issue payment.
7. Properties Director
- a. Previous Port of Pasco administration building is scheduled to be leased by JMS Construction as of April 16, 2020.
 - b. IEDS is scheduled to lease half of a Big Pasco Warehouse as of April 14, 2020, with plans for expansion.
 - c. Callies Welding and Fabrication land sale is on track.

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

- 1. T-Hangar Lease-Brad Peck entered into a month to month agreement to lease T-Hangar 1-76 #14 effective March 23rd, 2020 with the Port. The lease value is approximately \$2,494.92 for one year.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

EXECUTIVE SESSION

At 1:23 p.m., Commissioner Klindworth announced the board would go into executive session for 5 minutes 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 1:28 p.m., the meeting was reconvened.

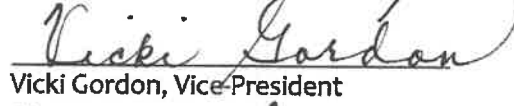
ADJOURNMENT

The meeting adjourned at 1:29 p.m.

Port of Pasco Commission:



Jim Klindworth, President



Vicki Gordon, Vice-President



Jean Ryckman, Secretary

