

**Port of Pasco Commission**  
**Minutes of Regular Meeting of Port Commission**  
*Held remotely with Public Access*  
June 11, 2020 | 10:30 a.m.

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**CALL TO ORDER**

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Commissioner Klindworth called the meeting to order at 10:30 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 Economic Development Gary Ballew, Director of Airports Buck Taft, Director of Finance Donna Watts, , Deputy Director of Airports Don Faley, Executive Assistant & Human Resources Lori French, Property Leasing Associate and Administrative Assistant Audrey Burney.

**Excused:** Director of Properties-Mayra Reyna

**Guests:** James Sexton-JMS Construction

Eric Culverhouse and Dave Retter-Retter & Company Sothebys

Kevin Barney- PBS Engineering

Paul Harmsen- MacKay Sposito

Malin Bergstrom- Bergstrom Aircraft/Pasco Aviation Museum

**APPROVAL OF AGENDA**

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Commissioner Ryckman moved and Commissioner Gordon 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 20-28.2 with the addition of Item 7.E. Bond Refinancing. Motion carried unanimously.

**CONSENT AGENDA**

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- a) Regular Meeting Minutes of May 28, 2020.
- b) Vouchers and Warrants #94202-94267 & Direct Deposit #20349-20393 in the amount of \$406,497.50.

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

**PUBLIC HEARINGS AND RESOLUTIONS**

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Malin Bergstrom commented on behalf of the Pasco Aviation Museum, the Museum has been approved for a three-month rent deferral and is requesting that there be continued discussion on rent abatement. She is grateful for the rent deferral, but requests that the possibility for abatement not be forgotten in discussion by Commission.

## **PUBLIC HEARINGS AND RESOLUTIONS**

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**Resolution 1533-** Mr. Hayden presented, Commission passed a Tenant Rent Deferral program for tenants whose business had been negatively impacted by the COVID-19 crisis. The rent deferral program ends June 30, 2020 and staff presented options to extend deferrals, offer rent abatement, and provide community-based assistance grants. Ms. Watts presented four different cash flow options to help understand the financial impact of COVID -19 and various assistance programs on the Port, recognizing that the Airport, specifically, will likely need to make financial adjustments to account for the drop in air travel related revenue.

Commissioner Ryckman moved and Commissioner Gordon seconded to adopt Resolution 1533, extending the Port of Pasco COVID-19 Rent Deferral Program through July, August, and September 2020 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 September 30, 2020, unless earlier terminated or extended by the Commission. The repayment period will be extended by an additional three months.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to suspend Minimum Guarantee requirements for April through December 2020 for Terminal Based/MG related concession tenants that have been severely impacted by the drop in passenger volumes through the Tri-Cities Airport in accordance with recently developed guidance from the FAA. Both motions carried unanimously.

## **RECESS**

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Commissioner Klindworth recessed the meeting for lunch from 12:00 p.m. until 12:10 pm.

## **EXECUTIVE SESSION**

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At 12:10 p.m., Commissioner Klindworth announced the board would go into executive session for 30 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 12:40 p.m. regular session was reconvened.

## **ITEMS FOR ACTION/ CONSIDERATION**

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**Change Order for Taxiway A-** Mr. Faley presented the Airport has received two change orders from the contractor for the Taxiway A realignment project. The FAA ADO is aware of both change orders and stated that they are AIP eligible.

Change Order #3 is due to social distancing measures that the contractor is undertaking due to COVID-19 State and Health Department requirements. This Change Order adds 27 working days to the contract and has no additional associated costs.

Change Order #4 is for work that Commission was briefed about in the previous Commission Meeting. An area of existing taxiway was originally planned to be

a mill and overlay. After milling down to the required depth, the remaining pavement was found to be in poor shape and unable to be overlaid. Approximately 900 feet of the outer 20 feet, both sides of taxiway, needs to be rebuilt from the sub-base up. This work requires additional milling, rock base, concrete treaded base, and asphalt.

The total for change order #4 is \$183,063.14, including Washington State Sale Tax. The Port's cost for this Change Order will be \$18,306.31.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to sign Change Order #3 for 27 additional working days, for no additional cost to the project contract, and Change Order #4 for the Taxiway A Project for \$183,063.14, including sales tax.

**Osprey Point LOI Extension-** Mr. Ballew presented to the Commission that JMS Construction is requesting an extension of the Letter of Intent and its exclusivity period to December 30, 2020. JMS provided a \$10,000 deposit to the Port for consideration of the original Letter of Intent. The Letter of Intent, which expires June 30, 2020, called for a full refund of the deposit if the City of Pasco had not approved a mixed-use zone, which is still pending and will not occur prior to June 30. JMS is leasing the Port's former office and has made improvements to that building.

Staff proposed modifications to the Letter of Intent, requiring JMS to provide the Port a Development Plan, Financing Plan and Marketing Plan. Staff added a schedule for these plans to be provided to the Port Commission. The schedule is pegged to Commission accepting a Site Plan, which was added as a condition to the proposed Letter of Intent.

James Sexton of JMS Construction, and his team; Eric Culverhouse and Dave Retter of Retter & Company Sothebys, and Kevin Barney of PBS Engineering provided an update on the Osprey Pointe Development Plan to the Commission.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Directory to execute the First Amendment to the Letter of intent as presented or with minor modifications as may be approved by the Port Attorney, and to authorize the Executive Director to take such actions as may be necessary to carry out the Letter of Intent. Motion passed unanimously.

**EDA Compliance Documents-** Mr. Ballew presented to the Commission, on October 25, 2018, Commission authorized the Executive Director to sign and take other actions as necessary to execute the Financial Assistance Award from the U.S. Department of Commerce (EDA) for road and storm water improvements at the Big Pasco Industrial Center. The Port is required to record a covenant on the property benefited by the grant that runs with the property for the life of the project – 20 years. The covenant and other documents are required as part of the EDA site certification process.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to sign and take other actions as necessary to execute the Covenant of Purpose and Owners Certification Regarding Eminent Domain, and to have other documents prepared and executed as may be necessary to complete the Economic Development Administration Site Certification process in regard to the Financial Assistance Award from the U.S. Department of

Commerce for road and storm water improvements at the Big Pasco Industrial Center. Motion passed unanimously.

**Leggari Office Lease-** Ms. Burney presented, Properties Staff has been working with Leggari to come to a lease agreement and Staff counteroffered with Commissioners' recommendation of \$10 per square foot and the Port committing to installing the ventilation/exhaust system with the price not to exceed \$20,000.00, with 6 months of reduced rent at \$9 per square foot, if Leggari agreed to take care of the removal of the carpets from the two conference rooms on the Southeast side of the building and shot blast the floor to remove the carpet glue. Leggari Products agreed to most of the terms and countered with the reduced rent of \$9 for 6 months if the Port of Pasco will remove the carpets and they would remove the carpet glue. Staff agreed to bring this counter to Commission.

Commissioner Ryckman motioned and Commissioner Gordon seconded to authorize the Executive Director to execute the term lease with Leggari Products at 2926 E Ainsworth for rentable square feet of 10,557, for \$10 per square foot with a six month of reduced rent at \$9 per square foot, including Port installation of an HVAC system not-to-exceed \$20,000 (incl. tax) and removal of the carpets from the two large conference rooms. The Executive Director shall also be authorized to make minor changes to the lease, with approval by the Port Attorney, as may be needed to finalize the agreement. Motion passed unanimously.

**Bond Refinancing-** Ms. Watts and Mr. Hayden presented two options in the refinancing of the 2010 General Obligation Bonds and the 2019 HAIF Loan, through Public Bond Sale or Private Placement.

Commissioner Gordon moved and Commissioner Klindworth seconded to refinance the 2010 General Obligation Bonds and the 2019 HAIF Loan through Public Bond Sale. Motion passed unanimously.

## **ITEMS FOR DISCUSSION**

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**Airport Custodial Services-** Mr. Taft presented, Port staff has reviewed the hours submitted by Dura-Shine and it has been determined that Dura-Shine was overpaid a total of \$175,634.67 or 7,241 hours between 2016 and 2019. Staff met with Carlos Martinez to discuss repayment options. Staff is recommending a 2-year payback option starting in October 2020 and terminating in September of 2022. The Port will be credited \$7,318.11 per monthly invoice for the work already provided.

Commission directed staff to move forward with developing a formal repayment plan to be presented for Commission action at a later date.

**April Financial Report-** Ms. Watts presented the April Financial Report.

**Tenant Delinquent List-** Ms. Watts presented the Tenant Delinquent List.

### **Director Reports:**

1. Executive Director
  - a. Connell and Warden Lamb Weston plants are furloughing employees for 90 days.

- b. The Port Return to Work Plan was issued last week.
- 2. Airport Director
  - a. Statistics for May Enplanements:
    - 1. Alaska is down 43%
    - 2. Allegiant is down 57%
    - 3. Delta is down 89%
    - 4. United is down 95%
  - b. Total enplanements for the month are down 87% (April was down 95%) and 49% for the year.
  - c. Numbers are trending up, 6/3/2020-6/9/2020 saw a TSA average of 263 a day, compared to 1345 from the same time last year.
  - d. The agreement with DSR LLC to develop Rules and Regulations for the airport has been executed by the Director, and the first meeting will take place next week.
  - e. The Pasco Fire Department has acquired three busses from the school district for ARFF firefighting field practice. They are interested in placing one bus (at a time) near the trap range.
- 3. Economic Development & Marketing Director (EDM)
  - a. Reached out to Brant Mayo of Grant County and Connell, to better understand the economic impacts of the Lamb Weston closures in Connell and Warden.
  - b. The Airport marketing team has posted a survey on the TCA website and are gathering information about people's plans and expectations for air travel during reopening.
  - c. Working on an EDA Grant for the Process Water Reuse Facility with City of Pasco.
  - d. Also working on a grant through MARAD to install an automated barge mover at the container terminal.
- 4. Deputy Airport Director Report
  - a. Taxiway A making good progress.
  - b. Battelle Hangar punch list almost complete. Maintenance is doing training on the systems and the Hangar security system is going in soon.
- 5. Finance Director
  - a. Accounting Staff is gathering information for bond refinancing.
  - b. Accounting Staff will begin work on the new budget in the next few weeks.
- 6. Properties- Audrey Burney
  - a. Properties Staff is still waiting on a bond to finish the Leggari Lease.
  - b. IEDS moving ahead to fill the rest of Warehouse 2 Bay 2.
  - c. Christenson Lease waiting on survey.
  - d. Properties Staff is still dealing with encroaching tenant issues.

**Commissioners Reports:**

Commissioner Gordon noted there have been several meetings for the Benton Franklin Council of Governments. They have recently moved buildings and have been in clean up mode. This includes reviewing bylaws, articles of association, employee handbooks and so on. They have been the recipient of Cares funding.

Commissioner Gordon reported that the Columbia Basin Development League is meeting next week, online.

Commissioner Ryckman noted the WPPA executive committee will meet in person, but the Commissioners Seminar has been moved online.

Commissioner Ryckman also noted that the WPPA has been meeting weekly with the Governor's office on behalf of the Ports.

Commissioner Ryckman commented that the Airport Director represented the Port well on Tridec's "Coffee with Karl".

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

1. Deferment Approvals- As of June 11, 2020, the Executive Director has executed agreements to defer with the following tenants: Tailwind, EAN Enterprise, EAN National Alamo, Republic Parking, Delta Airlines, A-1 Hospitality and Pacific Northwest Aviation Museum and Historical Association.
2. Kingdom Logistics Lease- Kingdom Logistics, LLC entered a month-to-month building lease for 14,400 square feet in the southwest portion of Warehouse 2 Bay 3. They were represented by a broker with NAI Tri-Cities. The broker fee per Port of Pasco broker policy for a month-to-month lease is 50% of first month's rent, which is \$1,875.60. The lease value is \$3,715.20 per month.
1. T-Hangar, Brandon Boyd- Brandon Boyd entered into a month-to-month lease agreement for T-hangar 1-76 #15, effective June 1, 2020. The lease value is approximately \$2,495 for one year.

#### **CALENDAR OF EVENTS**

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Commissioners and staff discussed the calendar of events.

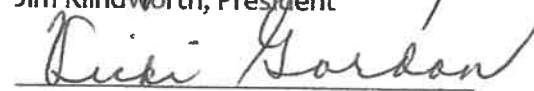
#### **ADJOURNMENT**

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The meeting adjourned at 1:59 p.m.

Port of Pasco Commission:

  
Jim Klindworth, President

  
Vicki Gordon, Vice-President

  
Jean Ryckman, Secretary