

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held remotely and partially in person with Public Access
April 8, 2021 | 10:30 a.m.

CALL TO ORDER

Commissioner Klindworth called the meeting to order at 10:30 a.m., The meeting was attended remotely via Zoom and with Public Access through call in to 1-301-715-8592, meeting ID 6676918983, and in person at a reduced capacity, with standards and guidelines set forth by the Governor's Office.

Present: Commissioner Jim Klindworth, Commissioner Jean Ryckman, Commissioner Vicki Gordon, Executive Director Randy Hayden, Port Counsel Dan Hultgrenn, Director of Airports Buck Taft, Director of Finance Donna Watts, Director of Properties Mayra Reyna, Deputy Director of Airports Don Faley, Director of Economic Development and Marketing Stephen McFadden, Executive Staff Assistant & Human Resources Lori French, and Administrative Assistant Audrey Burney, Tara White Airport Business Manager.

Guests: Mark Kestnbaum -Circle K, James Sexton of JMS Construction, Karl Dye – TRIDEC, Wendy Culverwell of the Tri-Cities Journal of Business, and Allison Stormo

APPROVAL OF AGENDA

Commissioner Gordon moved and Commissioner Klindworth 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. Added memo to item 8.E.1 Big Pasco Rail Project Recommendation to award. Motion passed unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of March 25, 2021.
- b) Vouchers and Warrants #95733-95789 and Direct Deposit #21142-21181 in the amount of \$327,823.53.

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

ITEMS FOR ACTION/CONSIDERATION

Circle K Bond-Ms. White presented and introduced Mr. Mark Kestnbaum from Circle K, who submitted a formal request to remove the bond requirement that is contained in Article 5 of their lease agreement with the Port of Pasco. Mr. Kestnbaum specified that Circle K is a global company with thousands of locations in the United States and Canada, and they have a strong financial basis for their operations.

Commissioner Gordon moved and Commissioner Klindworth seconded to deny Circle K's request to remove the bond requirement from its lease. Motion passed unanimously.

Donaldson Lease Request-Ms. Reyna presented Donaldson LLC Lease request to terminate their lease for 1.24 acres of land, staff met virtually with Judy Donaldson and her son to discuss different options.

Judy explained that Lane Donaldson is ill and will not be able to construct a building on the land per the added clause under Article 2 in the lease. Commissioners and staff discussed that the land can be easily leased.

Commissioner Gordon moved and Commissioner Klindworth seconded to release Donaldson LLC from their 1.24 acres land lease that started September 1, 2019. Motion passed unanimously.

PUBLIC HEARINGS AND RESOLUTIONS

Port Development Infrastructure Public Hearing- Commissioner Klindworth opened the Public Hearing at 10:50 a.m. regarding development projects that may be good candidates for federal funding.

Staff learned that direct appropriations appear to be returning at the federal levels to focus investment dollars on community driven projects within each congressional district. The funding process is completely transparent and open to public input. Representative Newhouse will be considering up to 10 Washington State projects for federal appropriation funding and will be reviewing projects from the eight counties and two tribes within his district.

The proposed projects from the Port are the Reimann Industrial Center, The Wharf Rehabilitation and Osprey Pointe, which have been discussed at previous commission meetings that are open to the public, at community group presentations, and in the Port newsletter and newspaper articles. Commissioners discussed the importance of the projects and which would support the community. The ranking of the projects by top priority are:

1. Reimann Industrial Center
2. Osprey Pointe
3. The Wharf Rehabilitation

Commissioner Klindworth asked for public input on three port development projects. Mr. James Sexton commented that he agrees with the ranking of the projects.

The public hearing was closed at 11:13 a.m.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the submission of the Reimann Industrial Center as the Port's top priority and Osprey Pointe as the second priority for federal appropriations funding. Motion passed unanimously.

ITEMS FOR ACTION/CONSIDERATION

TRIDEC Annual Contract Renewal- Mr. Karl Dye of TRIDEC presented the 2021 work plan for the Port of Pasco. During the COVID-19 pandemic, TRIDEC has continued to build a stronger relationship with the Port and increase its efforts within Franklin County.

In the coming year TRIDEC will continue to work together on the Promotion of the Reimann Industrial Center and Tri-Cities Airport Business Center. There are new focused discussions on potential targeted recruitment of Aerospace and Aircraft Manufacturing, Supply Chain, and

Unmanned Aerial Systems. Port staff have initiated internal discussions and TRIDEC is prepared to join the effort as it advances.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to sign the 2021/2022 Economic Development Agreement with TRIDEC. Motion passed unanimously.

Big Pasco Warehouse Lease Requests- Mrs. Reyna presented that a current Big Pasco Industrial Center tenant is going through the process of new ownership and would like a new lease. Dura Plastic Products Inc., will be replaced with Dura Plastic Products, LLC. Typically, when a new lease is signed, the lease rate is adjusted to market rate. Dura Plastic LLC, the new owner, is requesting to stay at the existing lease rate, which is under market rate, to stay within their budget.

Commissioner Ryckman moved and Commissioner Gordon seconded to continue with the negotiation of a new lease with Dura Plastic Products LLC for a 2-year term, at the same rate of the existing tenant of \$11,812.38/month. Motion passed unanimously.

Big Pasco Rail Project Recommendation to Award- Mr. Hayden presented that bids were received on April 2 for the Big Pasco Intermodal Rail Construction 411 and 416 Track rehabilitation. Only one bid was received from Premier Excavation with a bid of \$1,546,139 and this bid amount was under the engineer's estimate of \$1,613,000.

Commissioner Ryckman moved and Commissioner Gordon seconded to award the Big Pasco Industrial Center Track 411 and 416 Track Rehabilitation Project to Premier Excavation for a total contract price, including sales tax, of \$1,546,639.45, for the base bid and alternate 1. Motion passed unanimously.

Airline Use Agreement- Mr. Taft presented that Airport Staff, Steve Horton, and Port Counsel Dan Hultgrenn, have modified the airline operating agreement to create a non-signatory airline agreement and terminal building lease. Avelo, a newly launched airline, would like to lease approximately 200 square feet of office space in the terminal and will sign a "non-signatory" agreement with a turn fee.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the "Non-Signatory Airline Agreement and Terminal Building Lease" in form and further approve to execute the "Non-Signatory Airline Agreement and Terminal Building Lease" with TEM Enterprises, dba Avelo. Motion carried unanimously.

Change Order for Reimann Industrial Center Master Plan- Mr. McFadden presented the Port's original contract fee with JUB Engineers for the Reimann Industrial Center Master Plan is \$203,000. Additional expenses are anticipated as staff has requested revisions and additions to the initial draft of the Master Plan, as well as the Engineer's estimates and technical memos specifically providing infrastructure to serve Project Ruby. The additional expenses to complete the project are estimated to be \$13,500 which brings the total contract amount to \$216,500.

Commissioner Ryckman moved and Commissioner Gordon seconded to approve the authorization for additional services and authorizes the Executive Director to execute the change order for a not-to-exceed amount of \$13,500. Motion passed unanimously.

Interlocal Agreement with Energy Northwest for IT Audit- Mr. Hayden presented that staff is requesting Commission approval of a revised Interlocal Agreement with Energy Northwest to provide a security audit of our IT system. Commissioners did approve a previous version of the Interlocal Agreement at the March 11, 2021 meeting, however, there have been consequential changes requiring new Commission action.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the revised interlocal agreement with Energy Northwest to provide specialty, technical, and/or professional services as requested. Motion passed unanimously.

RECESS

At 11:57 a.m., Commissioner Klindworth recessed the meeting for lunch, until 12:30 p.m.

ITEMS FOR DISCUSSION

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

Tenant Delinquent List- Ms. Watts discussed the tenant delinquent list.

Reimann Industrial Center Updates- Mr. McFadden presented that Project Ruby continues to be the prime driver of activity related to the Reimann Industrial Center. Commissioner Klindworth and Port staff hosted a meeting between the partners and the company's CEO on Wednesday, March 31. The CEO informed the group that the Reimann Industrial Center is the leading site under consideration. The infrastructure to the site will be the key to successfully securing this project.

Commissioner Gordon and Port staff met with Congressman Newhouse on Thursday, April 1 to discuss the potential for federal community project funding. Project discussion included Reimann Industrial center, the Wharf rehabilitation, and the Osprey Pointe mixed use development.

Director Reports:

1. Executive Director
 - a. Mr. Hayden provided an update on the Resolution that opposed the Scout Wind Energy and that recommended moving project approval to Benton County.
 - b. Received a letter from the Public Disclosure Commission informing the Port that we were late in filing forms related to public disclosure of lobbying activity. Staff has since completed and submitted the reports.
2. Airport Director
 - a. Airport Fueling – Port approved a one-year fuel moratorium on any new tanks on airport property on May 14th, 2020. Mr. Taft is meeting with the City of Pasco fire

marshal and fire department to discuss their draft rules and permit process. Once he meets with the City, he plans on meeting with the general aviation community to discuss how the airport moves forward with individual tanks.

- b. Airport Property- Port personnel received a letter asking about new restrictions to public access for land surrounding the Tri-Cities Airport. Because of nuisance activity including garbage disposal and noise complaints, Mr. Taft's recommendation is that the Port continues to identify and enforce this area as no trespassing for motor vehicles.
- c. TSA- Averaging over 800 passengers per day for the last two weeks. Average of 640% growth over 2020.
- 3. Economic Development and Marketing Director
 - a. Mr. McFadden is focusing on digital site tour/recruitment materials for marketing. He is working with Amplifi about the potential for a digital/visual site tour of the Reimann Industrial Center and The Tri-Cities Airport Business Center.
 - b. Downtown Pasco Development Authority: Mayra Reyna and Stephen participated in a walking tour with Executive Director Gustavo Gutierrez Gomez.
- 4. Director of Finance
 - a. Prepping for Bonds and year-end financials.
- 5. Properties Director
 - a. The agreement for a market survey of lease rates for Port properties with Tippet Company has been executed.
 - b. The Big Pasco Industrial Road and Stormwater Project is consuming a large portion of staff time.
 - c. Solgen Power's lease has been executed at Big Pasco; however, their sub-lessee has pulled out of their agreement and Solgen Power is looking for another sub-lessee.
- 6. Human Resources – In Ms. French's absence, Mr. Hayden reported:
 - a. Ms. French has started an analysis for shifting from sick/vacation hours to paid-time off hours. She has been compiled a list of what is offered by other ports and government agencies.
 - b. Franklin County typically was expecting to disseminate 2020 census data in March, however, due to delays at the federal level the information will get distributed around the September time frame. This will delay redistricting plans until 2022.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

PUBLIC HEARINGS & RESOLUTIONS

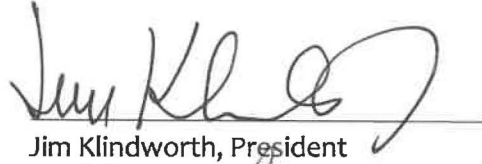
Resolution 1552-Supporting Funding for Reimann Industrial Center and Osprey Pointe

Development- Commissioner Ryckman moved, and Commissioner Gordon seconded to approve Resolution 1552, authorizing the submission of the Reimann Industrial Center as the Port's top priority and Osprey Pointe as the second priority for federal appropriations funding. Motion passed unanimously.

ADJOURNMENT

The meeting was adjourned at 1:40 p.m.

Port of Pasco Commission:


Jim Klindworth, President


Vicki Gordon, Vice-President


Jean Ryckman, Secretary