

**Port of Pasco Commission**  
**Minutes of Regular Meeting of Port Commission**  
*Held remotely and partially in person with Public Access*  
*May 25, 2021 | 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 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.

**Guests:** James Sexton of JMS Construction and Steve Bauman.

**APPROVAL OF AGENDA**

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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 passed unanimously.

**CONSENT AGENDA**

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- a) Regular Meeting Minutes of May 13, 2021.
- b) Vouchers and Warrants #95929-96018 and Direct Deposit #21262-21298 in the amount of \$481,904.48.
- c) Right of Entry Agreement with Charter Communications Operating, LLC.

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

**PUBLIC CITIZEN COMMENT**

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Mr. Bauman, a member of the General Aviation (G.A.) Community, was in attendance to comment on the new Airport Rules and Regulations regarding aircraft fueling. He stated that he believes the new rules and regulations will drive GA traffic to other airports, that the fuel flowage reporting requirements are unnecessary red tape, and that there is no good reason to limit fueling co-ops to only three members. Mr. Bauman also expressed that he received no communication about the proposed rules and regulations.

**ITEMS FOR ACTION/CONSIDERATION**

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**EEO Policy Update-** Ms. French presented, the Port's EEO (Equal Employment Opportunity) Policy has been updated to include updated language and an increase of scope to cover non-Port employee related practices.

Commissioner Gordon moved and Commissioner Ryckman seconded to adopt the revised Port Personnel Policy 110-Equal Employment Opportunity. Motion passed unanimously.

**Reimann Industrial Center (RIC) Letter of Intent-** Mr. McFadden presented a draft Letter of Intent for the sale of land at RIC. Action on the Letter of Intent has been paused in order to address some newly proposed components. The parties are discussing moving directly into a purchase sale agreement rather than a letter of intent. No Commission action needed at present.

**Designation of EDOF Funds-** Ms. Watts presented, the Economic Development Opportunity Fund (EDOF) has a current balance of \$2,611,827, not including an outstanding transfer from the General Fund to the EDOF in the amount of \$500,000 from the capital budget. The Commission previously approved purchase of the Cox property, east of the Pasco Processing Center. The Port's portion of the land purchase will be approximately \$4,600,000, including broker's fees and closing costs. Port staff recommends paying for the land using \$3,000,000 that will be received from the Airport for loan repayment, \$1,100,000 from the EDOF, and \$500,000 from the capital budget that was designated to be added to the EDOF fund.

Commissioner Ryckman moved and Commissioner Gordon seconded to approve the transfer of \$1.1 million dollars from the Economic Development Opportunity Fund to the general fund for the Cox land purchase and to assign the 2021 capital budget's Economic Development Opportunity Fund amount of \$500,000 in the general fund to the Cox land purchase. Motion passed unanimously.

**Repayment of Airport Loan-** Ms. Watts presented, on July 31, 2018, the Port Commission passed Resolution 1487 authorizing the Tri-Cities Airport to reimburse the Port of Pasco \$3,000,000 for capital contributions and operating expenses incurred between July 31, 2012, and December 31, 2017. In October of 2018, the Port Commission approved the Airport to pay the Port back over a ten-year period and terms as identified in Resolution 1487. Due to the airport's receipt of CARES, CRRSA grants in the amounts of \$6 million and \$3.2 million dollars respectively, and an expected \$3-6 million dollars from the ARA grant, Port staff proposes the use of the CARES grant to pay the total principal balance of \$3,000,000 for the loan to the Airport from the Port, in addition to the use of grant funds to offset airport debt payments through 2024.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the repayment of the \$3,000,000 loan to the Airport from the Port in a single lump sum, upon approval by the FAA of using the CARES grant. This motion will supersede the repayment terms approved by Commission on October 9, 2018. Motion passed unanimously.

**Osprey Pointe Public Market Lease-** Mr. Hayden reviewed the lease for the Osprey Pointe Marketplace and discussed the non-standard lease items included in it. Staff is waiting on the completed project schedule. Mr. Sexton provided an update on the progress that JMS is making, noting that the shovel study begins this week, which will entail 400 hand dug holes. Mr. Sexton also noted that there have been 126 vendor applicants for the Marketplace.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to execute the attached lease and associated documents with JMS Construction Inc., for the Public Market site at Osprey Pointe with minor changes as approved by the Port Attorney and receipt of a satisfactory project schedule. Motion passed unanimously.

**Airport Fueling Rules and Regs-** Mr. Taft provided a review of the process he undertook to engage the General Aviation (G.A.) Community in the creation of the Rules and Regulations for the Tri-Cities Airport, and addressed the concerns that Mr. Bauman brought up during the Public Citizen Comments. Mr. Bauman reiterated his concern that the additional costs and requirements, such as reporting and insurance, cause an inconvenience to pilots, and that he does not believe it is the Airport's business how many members there are in a co-op, in addition to questioning why the co-op limit is 3 members. Mr. Taft discussed the requirements of the FAA and how the Airport has decided to recover costs, as allowed. Staff is willing to review reporting requirements to see how the process could be simplified, and will consider that if a single plane is owned by several owners, that plane may constitute a single member in a co-op. The Commissioners, Mr. Bauman, and Mr. Taft discussed the other components of the fueling rules and regulations.

Commissioner Ryckman moved and Commissioner Gordon seconded to adopt the Chapter 7, Airport Fueling and Environmental Protection Chapter of the Airport Rules and Regulations, with further instructions for Airport staff to work with Mr. Bauman to simplify the reporting requirements. Motion passed unanimously.

Commissioner Klindworth asked Mr. Bauman if he was satisfied with the outcome, and Mr. Bauman commented that he was disappointed that the motion was passed in spite of the flaws. Commission replied that the adoption of the rules and regulations today does not mean they can't be changed in the future to make improvements.

**Easterday Bankruptcy Update-** Ms. Reyna presented the ROI analysis on the Easterday Farms building that is located at the TCIAP. The current assessed value of the building on the Franklin County website is \$377,100. Staff is of the position that owning the building could be beneficial to the Port if it can be purchased at an attractive price. Staff recommends continuing to pursue a purchase through the bankruptcy process and to discuss minimum purchase price in Executive Session.

No Commission Action at this time.

**AIP 49 Grant-** Mr. Taft presented the FAA has awarded the Tri-Cities Airport our AIP 49 Grant for the Taxiway G design and construction. Staff was planning on this grant being for design only, but due to remaining funds from the AIP 47 (Taxiway A) project, the airport had funds that were set to expire. These funds will be added to this grant for the construction portion of the project which will occur in 2022. This grant is in the amount of \$1,057,651 and will be a 100% FAA funded project. The Port will not be required to provide the typical 10% match. The current cost breakdown of the grant is \$682,510 for design and \$375,141 (remaining funds from AIP47) for construction. The Mead and Hunt design agreement will be presented at the next Commission Meeting.

Commissioner Gordon moved and Commissioner Ryckman seconded to accept AIP 49 in the amount of \$1,057,651 for the design and construction of Taxiway G and authorize the Executive Director to sign the grant. Motion passed unanimously.

**I.Farm Lease Proposal-** Ms. Reyna presented, staff has received a proposed lease from I.Farm, Inc. for building T-300, the 3,000-sf building located at 1952 Dock Street on the west side of the Big Pasco barge slip. They are looking at leasing it at published rate but have asked the Port to replace an HVAC unit that is nearing the end of its useful life. I. Farm made a few changes to the standard lease and staff is negotiating the wording of these changes to ensure its consistency with other Port leases.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to execute a lease with I.Farm, Inc. for building T-300, located at 1952 Dock Street. 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.

#### **RECESS**

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At 12:15 p.m., Commissioner Klindworth recessed the meeting for lunch, until 12:35 p.m. At 12:35 p.m. the meeting was called back to order.

#### **ITEMS FOR DISCUSSION**

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**2020 Annual Report-** Ms. Watts presented the 2020 Annual Report.

**Property Purchase Update-** Mr. Hayden presented, the Cox property purchase hit a milestone as the waiver of contingency has been signed and the Port has assigned their interests in the southern 41 acres to a 3<sup>rd</sup> party. The only item remaining to move to closing is recording of the boundary line adjustment at the County. At this time, there has been no further expressions of interest in the portion of the land remaining with the Port.

#### **Director Reports:**

1. Executive Director
  - a. Congressman Newhouse gave an excellent speech at the Andrus Center Conference opposing the dam breaching proposal, including a good analogy to illustrate the impact of Rep. Simpson's proposal.
  - b. Port staff have continued to meet with local partners regarding the Tax Increment Financing and the Reimann Industrial Center Infrastructure.
  - c. The Port has obtained a bankruptcy attorney for the Easterday Farms Bankruptcy. The attorney is out of Spokane and the Port has worked with the firm in the past.
2. Airport Director
  - a. The Airport has signed a work order with Mead & Hunt for \$28,085 for the RWY 12-30 shift CAT-X environmental review.
  - b. Allegiant San Diego flight ribbon cutting will take place on Friday, May 28<sup>th</sup>.
3. Finance Director
  - a. A Leasehold Tax Audit is in progress. The auditor has flagged rail fees as subject to the leasehold excise tax which will affect several Port tenants who use rail at the Port.

4. Economic Development and Marketing Director
  - a. Mr. McFadden is working on two deadlines for Reiman Industrial Center infrastructure funding. The first is for Senator Cantwell and the second is for the Franklin County.09 Economic Development Fund. Port staff are continuing conversations with local partners on additional funding for Phase 2.
  - b. Amplifi will be upgrading the Port and Airport to the most current version of the web platform. Staff will be working to identify the marketing priorities for 2022, and in the mean-time Osprey Pointe will now have a page on the Port's website.
5. Properties Director
  - a. Ms. Reyna noted that City of Pasco contacted the Port for participation in a city-wide scavenger hunt, and the Port recommended the Osprey Pointe "Osprey Pole".
  - b. The Port continues to have inquiries for space.
  - c. The Big Pasco Track 411 and 416 Intermodal Rail Rehabilitation Project is expected to start June 6<sup>th</sup>.
6. Airport Deputy Director
  - a. The Airport is expecting the FAA Certification Inspection will take place on Thursday and Friday of next week.

#### **Commissioner Reports:**

Commissioner Ryckman noted that she attended the WPPA Spring Meeting.

Commissioner Gordon noted that she has been named the chairperson of the recommendation committee for the Federal Revolving Loan Fund for the Benton-Franklin Council of Governments.

#### **CALENDAR OF EVENTS**

Commissioners and staff discussed the calendar of events.

#### **RECESS**

At 1:10 p.m., Commissioner Klindworth recessed the meeting until 1:15 p.m. At 1:15 p.m. the meeting was called back to order.

#### **EXECUTIVE SESSION**

At 1:15 p.m., Commissioner Klindworth announced that Commission would go into executive session until 1:30 p.m., to consider the minimum price at which real estate will be offered for sale or lease, and to discuss with legal counsel representing the agency potential litigation to which the agency is likely to become a party. At 1:30 p.m. the executive session was extended for 10 minutes, until 1:40 p.m. At 1:40 p.m. the executive session was extended for 10 minutes, until 1:50 p.m. At 1:50 p.m. the executive session was extended for 10 minutes, until 2:00 p.m. At 2:00 p.m. the executive session was extended for 5 minutes, until 2:05 p.m. At 2:05 p.m. the executive session was extended for 5 minutes, until 2:10 p.m. At 2:10 p.m. the regular session was reconvened.

#### **ADJOURNMENT**

The meeting was adjourned at 2:13 p.m.

Port of Pasco Commission:

A handwritten signature in black ink, appearing to read "Jim Klindworth", written over a horizontal line.

Jim Klindworth, President

A handwritten signature in black ink, appearing to read "Vicki Gordon", written over a horizontal line.

Vicki Gordon, Vice-President

A handwritten signature in black ink, appearing to read "Jean Ryckman", written over a horizontal line.

Jean Ryckman, Secretary