

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held remotely and in person with Public Access
Port of Pasco 1110 Osprey Pointe Blvd., Ste. 201, Pasco, WA
February 10, 2022 | 10:30 a.m.

CALL TO ORDER

Commissioner Gordon called the meeting to order at 10:32 a.m., the meeting was attended in person and remotely via Zoom with Public Access through call in to 1-301-715-8592, meeting ID 6676918983, and in person, with standards and guidelines set forth by the Governor's Office.

Present: Commissioner Vicki Gordon, Commissioner Jean Ryckman, Commissioner Jim Klindworth, Executive Director Randy Hayden, Port Attorney Dan Hultgrenn, Airport Director Buck Taft, Deputy Airport Director Don Faley, Finance Director Donna Watts, Director of Properties Mayra Reyna, and Executive Staff Assistant & Human Resources Lori French.

Excused: Director of Economic Development and Marketing Stephen McFadden.

Guests: Jack Kelly, Ben Hoppe of JUB Engineering, Franklin County Commissioner Clint Didier, and Darren McEuin of Conover/HUB Insurance.

APPROVAL OF AGENDA

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the agenda with the addition of Item 8.F., 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

- a) Regular Meeting Minutes of January 27, 2022
- b) Vouchers and Warrants #97299-97372 and Direct Deposits #21942-21981 for the total amount of \$718,187.32

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

ITEMS FOR ACTION/CONSIDERATION

Excess Liability Insurance- Mr. McEuin presented the Excess Liability Insurance proposal and reviewed the premiums with Commissioners and staff. The proposal is for 10 months of coverage and will allow the Port to eventually make all non-Enduris policies have a renewal date of 12/31. Mr. McEuin, Commissioners and staff discussed coverage details, and as requested by the Commission, Mr. McEuin will provide additional information on the Marine coverage to the Commissioners before they move forward with the Excess Liability renewal.

Commissioner Klindworth noted his concern regarding the influx of laser airstrikes on incoming airplanes at the Tri-Cities Airport. Mr. Taft and Mr. McEuin will provide information about what other airports are doing and what the insurance implications are at a future Commission Meeting.

Mead & Hunt Engineering Agreement- Mr. Taft presented, Mead & Hunt has been requested to provide the engineering design and construction services for the Business Park Airside and Landside Improvements Project that will construct approximately 2,000 linear feet of airside taxilane and 1,900 linear feet of landside roadway on Rickenbacker Drive. The associated design and construction services fee is \$713,276.05.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the Business Park Airside and Landside Improvements Project design and construction services contract with Mead & Hunt in the amount of \$713,276.05. Motion passed unanimously.

PIC395 Purchase Sale Agreement- Mr. Hayden presented, after review of the purchase and sale agreement, Old Dominion Freight Line, Inc. returned a modified document, reorganizing the content of the PSA, deleting the rescission clause and adding an escrow clause for the Port for its share of the natural gas pipeline relocation. The Port returned the document with additional modifications, and staff have received the response this morning. There will be additional modifications needed, but the price per acre remains \$150,000, with a total purchase price of \$2,653,500 for 17.69 acres, and a 150-day due diligence period prior to closing. Commission and staff discussed the PSA.

Commissioner Ryckman moved and Commissioner Klindworth to authorize the Executive Director to execute the updated purchase and sale agreement with Old Dominion Freight Line, Inc. The Executive Director shall also be authorized to make changes to the agreement, with approval by the Port attorney, as may be needed to finalize the agreement, subject to resolution of the market value compensation language added to the rescission section of the agreement. Motion passed unanimously.

Donaldson Lease Assignment- Ms. Reyna presented, Donaldson LLC dba Quality Valve and Sprinkler leases 1.56 acres of land at the northernmost end of the Tri-Cities Airport Industrial Park, that includes a former potato shed. The lease is scheduled to end in 2029, but has three 5-year renewal options, which would allow the lease to end in 2044 if exercised. With the passing away of Mr. Donaldson, the family is selling the business to B.A. Fisher Sales Co., LLC. The new company will use the property for same purpose and Judy Donaldson has requested the Port consent to assign her interest in the lease to the purchaser and release her from any and all obligations under the lease after the effective date of the assignment.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the Executive Director to execute the assignment releasing Donaldson LLC from all obligation, once the new company signs the personal guarantee, provides the security deposit, and updates insurance that may be required by the lease. The Executive Director shall also be authorized to make minor changes to the assignment with approval by the Port attorney, as may be needed to finalize the agreement. Motion passed unanimously.

Propak Delinquent Rent Request- Ms. Reyna presented, staff has been working with Propak Logistics Inc. on paying off a delinquent rent balance of \$6,457.22 which was initially incurred in September of 2018. Propak requested to have the balance written-off for several reasons including consistent payment of their rent (this invoice excluded) and investments made in the warehouses they have leased

as a growing tenant since 2015. They have provided a breakdown of building improvements made in 2021 for the Commission to consider writing off the delinquent rent balance.

Commissioner Ryckman moved and Commissioner Klindworth seconded to write off the delinquent rent balance of \$6,457.22 for Propak Logistics Inc that was incurred in 2018. Motion passed unanimously.

Big Pasco Lease Corrections Update- Ms. Reyna presented, staff is drafting the upcoming leases that will be provided to Mid-Columbia Warehouses with updated rental rates as previously approved by the Commissioners. The combined security deposits amount required is \$391,865.66. Currently, Mid-Columbia has a lease bond of \$88,625.73 + a cash amount of \$17,829.45, for a total security deposit of \$106,455.18. Staff and Commission discussed the security deposits for the new leases.

Commissioner Ryckman moved and Commissioner Klindworth seconded that for Big Pasco tenants who lease 8 or more bays, have 10 or more years leasing history in good standing at the Port, and at the discretion of the Commissioners, the security deposit amount may be reduced to two months, rather than the standard four month security deposit. Motion passed unanimously.

The Mid-Columbia security deposit will be calculated based on two months, as approved by the Commission, and the above changes will be included in the lease incentive policy Resolution 1546.

ITEMS FOR DISCUSSION

Tenant Delinquent List- Ms. Watts and Ms. Reyna presented the Tenant Delinquent List.

2021 4th Quarter Credit Card Report- Ms. Watts presented the 2021 4th Quarter Credit Card Report.

Preliminary TIF Bond Schedule for the Reimann Industrial Center- Mr. Hayden and Ms. Watts presented the preliminary bond schedule. Commission and staff discussed. Staff will be on the lookout for other grant funding opportunities to pursue for the remainder of the Reimann Industrial Center development.

RECESS

At 11:57 a.m. Commissioner Gordon recessed the meeting for lunch for 23 minutes, until 12:20 p.m. The meeting was resumed at 12:20 p.m.

Director Reports:

1. Executive Director
 - a. Mr. Hayden provided an update on the Growth Management Hearings Board ruling on the UGA. The Board remanded the Comprehensive Plan back to the County, and the County/City may either accept it or appeal it.
 - b. Mr. Hayden and Mr. Taft met with the Franklin PUD and Mr. Nies regarding a potential solar project at the airport. The PUD will consider the cost of the project and its benefits and will let the Port know if the project will be a good fit for them.

- c. The PNWA has hired a new Executive Director, Heather Stebbings. Mr. Hayden also noted that PNWA met with the consultant commissioned by Governor Inslee and Senator Murray who is preparing a report on how to replace the benefits of the Snake River Dams.
 - d. Mr. Hayden provided a brief overview of the State legislature’s proposed transportation budget that was released yesterday.
2. Airport Director
- a. Mr. Taft provided an update on Kyle Clark’s Commission approved search for abandoned US Navy equipment at the Tri-Cities Airport. A request will have to be made to the State Archeology Department and the National Naval Museum in order to obtain a release on the equipment. Mr. Clark has been notified and Mr. Taft will provide the Commission with any updates in the future.
 - b. On January 22nd, there was a slip and fall incident on the ramp. Staff is anticipating the issue being dealt with by the insurance companies, and additional information will be provided when available.
3. Deputy Airport Director
- a. The City of Pasco is putting up a four way stop at Argent and 20th for the next couple of days as they perform work on the intersection.
 - b. Taxiway G is the AIP project for 2022 and is going out to bid on February 18th. Because Congress only passed a 3-week continuing resolution budget for FAA, FAA has requested that bids be held for 90 days before awarding the project. This will allow FAA time to determine how and whether they can fund large projects in the absence of a larger funding resolution being passed.
 - c. The Pasco School District Bus Maintenance Facility is under construction and progress continues to be made on The Landing.
4. Human Resources
- a. Ms. French noted that staff is still in the beginning stages of redistricting and will continue to provide updates.
5. Finance Director
- a. Ms. Watts noted that she will be at the AAAE Finance Conference during the next Commission Meeting.
6. Director of Economic Development and Marketing
- a. The EDM Report was provided for Commission review.
7. Properties Director
- a. Ms. Reyna noted that there are several maintenance projects underway.

Commissioner Reports:

Commissioner Klindworth noted that he is interested in attending the Hispanic Chamber meeting next week and is looking forward to hearing from the speaker, Jacob Gonzalez.

Commissioner Gordon noted that she attended a Downton Pasco Development Association meeting yesterday, the meeting was for introduction purposes.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.


EXECUTIVE SESSION

At 12:53 p.m., Commissioner Gordon announced that Commission would go into executive session for 7 minutes, until 1:00 p.m., to discuss minimum lease price. At 1:00 p.m., the regular session was reconvened.

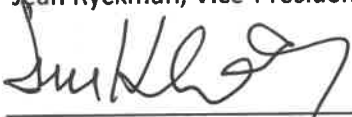
ADJOURNMENT

The meeting was adjourned at 1:02 p.m.

Port of Pasco Commission:


Vicki Gordon, President


Jean Ryckman, Vice-President


Jim Klindworth, Secretary

