

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, Washington, 99301
March 30, 2023 | 10:30 a.m.

CALL TO ORDER

Commissioner Gordon called the meeting to order at 10:30 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.

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

Excused: Director of Economic Development Stephen McFadden

Guests: Franklin County Commissioner Clint Didier, Wendy Culverwell of the Tri-City Herald, Michael Clayton, James Sexton of JMS Construction, Scott Sanders of Ambrose Property Group.

APPROVAL OF AGENDA

Commissioner Ryckman moved, and Commissioner Klindworth seconded to approve the agenda with the amendments that Item 5.C. Warehouse 5 Bay 4 Concrete Docks and 5. F. PSC Airline 4th Agreement be moved from the consent agenda to Items 8.G. and 8.H., respectively. Motion passed unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of February 23, 2023
- b) Vouchers and Warrants #99521-99604 in the amount of \$2,159,924.87 and Direct Deposits #23093-23212 in the amount of \$95,755.63. Vouchers and Warrants #99605-99692 in the amount of \$449,790.65 and Direct Deposits #23213-23252 in the amount of \$97,807.81.
- c) Landlord Consent for Solgen Warehouse 2 Bay 3
- d) Landlord Consent for Solgen Warehouse 2 Bay 1
- e) A-1 Hospitality LOI

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

PUBLIC CITIZEN COMMENT

Mr. Hastings of the Pasco Chamber of Commerce was in attendance to provide a recap of the 2023 Ag Hall of Fame dinner that the Port of Pasco sponsors. Mr. Hastings also provided a summary of the 2023 Crawfish Festival that will be held in July at Osprey Pointe. Mr. Hastings requested sponsorship of \$3,000 for the Crawfish Festival from the Port.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve the sponsorship. Motion passed unanimously.

No additional public citizens provided comment.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1606- Regulations for For-Hire Vehicles at the Tri-Cities Airport- Mr. Taft presented, Resolution 1606 provides an update to the previously adopted Resolution 1430 regarding the regulation on for-hire vehicles at the Tri-Cities Airport. If adopted, Resolution 1606 would supersede Resolution 1430 and contains the following changes:

- Update/clarification of language, including changing taxis to for-hire vehicles
- Clarification on where vehicles for-hire may park
- City of Pasco operating requirements
- Rights of the Port

Commissioner Klindworth moved and Commissioner Ryckman seconded to adopt Resolution 1606- A Resolution updating Regulations for For-Hire Vehicles at the Tri-Cities Airport, and superseding Resolution 1430. Motion passed unanimously.

ITEMS FOR ACTION

UPS PSA Third Amendment- Mr. Hayden presented, the third UPS PSA Amendment for property at PIC395 addresses the removal of the decommissioned Cascade Natural Gas pipe for both pipes A and B, confirming that UPS will pay for the removal of the two pipes and will reimburse the Port \$35,125.80 at closing.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to execute the BT-OH, LLC Third Amendment based on UPS' request that Pipe A and B be removed at its expense. Motion passed unanimously.

Ideal Tarp Lease- Ms. Reyna presented, Ideal Tarp, Inc. has contacted staff to modify their lease space at the Wharf. The change necessitates a new lease and Ms. Reyna noted that Ideal Tarp has not yet provided confirmation of the bond renewal or certificate of insurance. Ms. Reyna noted staff recommends signing a new lease with Ideal Tarp with a cash-only deposit that is four times the monthly rent instead of the standard two times for a month-to-month lease, in addition to Ideal Tarp providing the missing documents. Commissioner Ryckman asked staff if the extra work needed to collect lease payments and gather other required lease requirements was worth the effort or whether it would be better to not renew the lease. Staff believed they could make the lease work with the extra deposit.

Commissioner Klindworth moved and Commission Gordon seconded to authorize the Executive Director to execute a month-to-month lease with Ideal Tarp, INC. for building 304 and 1 acre of land located at the Wharf with four (4) month's rent required in cash as a security deposit and contingent upon receipt of current insurance. Motion passed with Commissioner Klindworth and Gordon in favor and with Commissioner Ryckman opposed.

LOI for PIC395- Mr. Sanders of Ambrose Property Group was in attendance to present an LOI for the remaining 25-acres of PIC395. A presentation was given to the Commission, discussing the plans for

development and job/community impact. The LOI establishes Ambrose Property Group's intention to purchase the property for the Port's asking price of \$150,000/acre (\$3,750,000 total), to reimburse the Port for the costs of relocating the natural gas line, and agree to the Port's standard rescission agreement. The Commission and staff discussed the land and potential use with Mr. Sanders.

Commissioner Ryckman moved and Commissioner Klindworth seconded to accept the LOI offer from Ambrose Property Group, with minor changes as approved by the Port Attorney. Motion passed unanimously.

DNR Purchase Agreement RIC- Mr. Hayden presented, staff has been in discussion with the Washington State Department of Natural Resources (DNR) regarding the purchase of DNR ground that lies between the Reimann Industrial Center and Railroad Avenue. Ownership of this ground will ensure that future development of the northern half of the Reimann will include direct access to Railroad Avenue. The total amount of land the Port intends to purchase is 18.33 acres. The purchase price is \$495,000 or \$27,004.91 per acre. The Port will recover the purchase price when the remaining portion of the RIC is sold. Once the PSA is executed, it will need approval from the DNR Board during the June meeting.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Executive Director to execute the purchase and sale agreement and approve such minor changes as may be needed to finalize the agreement. Motion passed unanimously.

City Sewer Easement- Mr. Hayden presented the City of Pasco's request for a temporary construction easement and a permanent utility easement for a sanitary sewer line on Port property adjacent to the Airport. The easement is located along the northern airport property line along the farm road between the Farm 2005 property and 4th street/Glade Road as part of a larger LID that will serve new residential development in north Pasco as well as the Reimann Industrial Center.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director or execute the temporary construction easement and the permanent utility easement with the City of Pasco with minor changes by the Port attorney. Motion passed unanimously.

Airport Advertising Budget- Mr. Taft presented, the airport marketing budget is a stand-alone budget that is approved by the Commission. With the airport continuing to focus on the Yakima Valley an opportunity arose to advertise in the Yakima Valley Visitor Guide for a half page advertisement for \$1,335. Mr. Taft requested to confirm the addition of the guide advertisement to the budget as it will give the airport a continued presence in the Yakima Valley.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve advertising in the Yakima Valley Visitor Guide for \$1,335. Motion passed unanimously.

Warehouse 5 Bay 4 Concrete Docks- Ms. Reyna presented, bids were received by 10:00 AM (local time) on March 27, 2023, for the Big Pasco Industrial Center Warehouse 5 Bay 4 Concrete Dock project and were opened in accordance with the Contract Documents. Four bids were received, and the low bidder was Tapani Inc., of Battle Ground, WA with a Base bid for WH5B4 Concrete Dock and Alternate #3

WH1B2 Concrete Dock of \$153,875.57 dollars, including sales tax. Alternates #1 & #2 include construction of asphalt approaches to the east & west of the new concrete dock, as well as a concrete pad directly south of the dock.

Staff believes the bid from Tapani to be reasonable and that the approaches and slab would be improvements that will add value and usefulness to the bay. Staff recommended proceeding with the improvements and modifying published rates to capture the costs for the upgrades at the next scheduled published rate adjustment.

Commissioner Klindworth moved and Commissioner Ryckman seconded to award Tapani Inc. the Contract for the base bid and Alternates #1, #2, and #3 as they appear to have submitted the lowest, responsible, responsive Bid in accordance with the Contract Documents. The Total Contract Price, including Alternates #1, #2, and #3 plus sales tax, is \$171,844.20. Motion passed unanimously.

PSC Airline 4th Amendment- Mr. Taft presented, the current airline operations agreement expired on 12/31/22. As a result, an amendment (the Fourth Amendment) was presented to the airlines to address the expiration and a few other minor changes that include the joint use formula, the bond language and adding FAA required non-discrimination language updates. This Agreement also includes updated rates and charges discussed with Commission at the November 15, 2022, Commission meeting. One airline has signed and returned the amendment to date. Staff expects the other airline amendments to trickle in over the next couple of weeks. The agreement amendment clauses are identical amongst the airlines. Staff requested approval for the Executive Director to sign the amendments once they are received.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the Fourth Amendment to the Port of Pasco, Tri-Cities Airport Airline Operating Agreement and Terminal Building Lease, as presented, and to authorize the Executive Director to execute the amendment with each airline as they are received. Motion passed unanimously.

ITEMS FOR DISCUSSION

Osprey Pointe Update- Mr. Sexton of JMS Construction was in attendance to provide an update on the Osprey Pointe Development. Mr. Sexton noted that permits have been turned in to the City of Pasco for offsite utilities. Commissioner Gordon asked Mr. Sexton to provide an updated plan for the development. Staff and Commission discussed funding for the project with Mr. Sexton and he discussed plans for a temporary outdoor concert venue and land improvements. Mr. Sexton will be in attendance at the April 13th Commission Meeting. Commissioners and staff expressed the importance of the Letter of Interest amended expiration date of April 15, 2023.

February Financials- Ms. Watts presented the February 2023 Financials for discussion.

Tenant Delinquent List – Ms. Watts presented the Tenant Delinquent List for discussion.

Field Group Update- Ms. Donegan of the Field Group was in attendance to provide a presentation on the Port and Airport's social media efforts.

Director Reports:

1. Executive Director

- a. Mr. Hayden commented on the PNWA Mission to Washington DC trip, noting that the session meetings went well and that the importance of the Snake and Columbia River Dams was emphasized.
- b. Mr. Hayden noted that Mr. McFadden attended the City of Pasco Council Meeting to share feedback on behalf of the Port on the Heritage Land use change from industrial to residential.
- c. The Futurewise challenge to Franklin County's Comprehensive Plan update has resulted in the Eastern Washington Growth Management Hearings Board invalidating the County's Comp Plan. This has the effect of making unincorporated areas known as "Franklin Crops" ineligible to be added to the City of Pasco Urban Growth Area (UGA). The Reimann Industrial Center did not contain lands known as "Franklin Crops" and is not affected by this ruling. The County is challenging the Hearings Board ruling with the Washington State Court of Appeals. The City of Pasco and the Port are intervenor respondents to the County's challenge. The Court of Appeals case will be held on April 24th at Chiawana High School.

2. Airport Director

- a. Mr. Taft commented on his time in Washington DC, noting that the Tri-Cities Airport Tower relocation need has been made known to Senators Cantwell and Murray, and Representative Newhouse, and that they seem to be receptive to working on the Port's behalf through language in the FAA Reauthorization bill and the federal appropriations process.
- b. Mr. Taft noted the upcoming remodel to the Tailwind bar and restaurant.

3. Deputy Airport Director

- a. Mr. Faley provided an update on the Taxiway G project- Commission will be seeing a change order come through for the project cost changes based on the recent sales tax increase.

4. Finance Director

- a. Ms. Watts noted that she and the accounting staff continue their work on the Annual Report.

5. Economic Development and Marketing Director

- a. Mr. McFadden's EDM report was provided for the Commissioners' review.

6. Director of Properties

- a. Ms. Reyna provided a review of the Property Activities Report. Noting the PSD lease is being finalized and that Lampson will be vacating some of their leased space.

Commissioner Reports:

Commissioner Gordon commented on her time in Washington DC during the PNWA Mission to Washington, noting our Senators' reception to seeking funds from the FAA to move the Tri-Cities Airport tower.

Commissioner Gordon also discussed the Benton Franklin Council of Governments by-laws and elected officers' changes.

ITEMS FOR INFORMATION

Inland Environmental Resources- Inland Environmental Resources, Inc. has entered into a month-to-month lease with the Port of Pasco to transload magnesium oxide from rail cars to tanker trucks. The lease value is \$908.14 per month and the Executive Director has signed the lease in accord with Commission policy delegating authority as there were no lease deviations. Staff is reporting for the Commissioners' information.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

ITEMS NOT ON THE AGENDA

Commissioner Gordon expressed an interest in changing Commission Meeting days to accommodate other schedule conflicts. The Commissioners discussed and proposed a change of days to the second and fourth Wednesdays of the month, requesting staff to prepare a resolution for the next Commission Meeting.

RECESS

At 11:53 a.m., Commissioner Gordon recessed the meeting for lunch until 12:15 p.m. At 12:15 p.m. the meeting resumed.

EXECUTIVE SESSION

At 2:09 p.m., Commissioner Gordon announced that the Commission would go into Executive Session until 2:25 p.m. to discuss potential litigation involving the agency, and to discuss minimum lease rates. At 2:25 p.m., the Regular Session was reconvened.

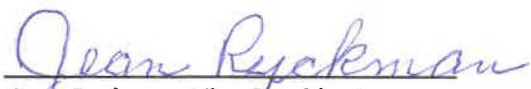
ADJOURNMENT

The meeting was adjourned at 2:27 p.m.

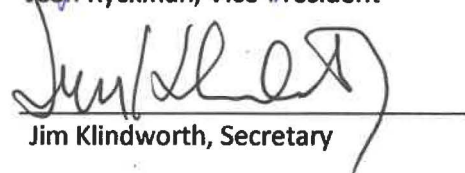
Port of Pasco Commission:



Vicki Gordon, President



Jean Ryckman, Vice-President



Jim Klindworth, Secretary