

**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*  
*June 14, 2023 | 10:30 a.m.*

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**CALL TO ORDER**

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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 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 Economic Development and Marketing Stephen McFadden, Director of Properties Mayra Reyna, and Human Resources and Executive Staff Assistant Lori French.

**Excused:** Commissioner Jean Ryckman

**Guests:** Ben Hoppe of JUB Engineering, Michael Clayton, Brody Clayton, Maria Perez and Clara Wiley of KIS.

**APPROVAL OF AGENDA**

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

**CONSENT AGENDA**

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- a) Regular Meeting Minutes of May 24, 2023.
- b) Vouchers and Warrants #100131-100214, and Direct Deposits #23413-23452 in the amount of \$1,203,605.62.

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

**PUBLIC CITIZEN COMMENT**

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Ms. Perez and Mrs. Wiley were in attendance to provide information on the dissolution of KIS and to give their thanks to the Commission for working with them. They requested assistance with the remaining balance of their lease, and noted their last day would be June 30<sup>th</sup>. Staff noted that the Commission would discuss the outstanding balance further in Executive Session.

**RESOLUTIONS**

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**Resolution 1608- Changing the Date of the Second July Commission Meeting-** Due to a conflict of WPPA Commissioner Seminar, staff presented a Resolution to change the meeting date.

Commissioner Klindworth moved and Commissioner Gordon seconded to approve Resolution 1608- A Resolution Changing the Date of the Second July 2023 Commission Meeting to July 20<sup>th</sup>, 2023. Motion passed.

**ITEMS FOR ACTION**

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**First Amendment to A-1 Hospitality Lease-** Mr. McFadden presented, Port staff and A-1 Hospitality have discussed making two changes regarding the Gross Revenue calculations set forth in the current lease. Item #1: Remove food and beverage revenues from the Lease Definition for Gross Revenues. The result of this change is that A-1 Hospitality's food and beverage revenues will no longer be included in the lease calculation where the Port receives 1.25% of the annual Gross Revenues. Item #2: Under the Term of Lease section in the existing agreement, the monthly lease revenue is based on an Annual Guaranteed Base Rent (\$28,000) or an amount equal to 1.25% of the previous year's Gross Revenue, whichever is greater. The First Amendment changes "previous year's Gross Revenue" to "previous month's Gross Revenue". Commission and staff discussed the proposed changes.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to execute the First Amendment to the Amended and Restated Ground Lease for A-1 Hospitality and the Courtyard Marriot. Motion passed.

**Mead & Hunt Airport Business Park Amendment –** Mr. Taft presented, during the design of the Airport Business Park Landside and Airside construction project, costs were estimated to be higher than the available funding the grant and loan with CERB would support. This is also the time that staff became aware of the line-of-sight issues with the air traffic control tower (ATCT). The project was designed and ready for bid when staff elected to remove the middle section of the taxilane to reduce the overall cost of the project. This was seen as having no impact to the overall development of the business park since the ATCT line of sight issue would not allow development in those lots. Staff asked Mead & Hunt to quickly redesign and bid the project and also received an increase in the CERB grant/Loan for this project.

Bid actuals were significantly lower than the engineers' estimate. In order to utilize all of the available CERB funding staff would like to redesign the center portion of the taxilane and complete the entire business park project, taking advantage of the funding enables the Port to complete all of the infrastructure and focus on completing the development of the Business Park.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve Amendment #1 with Mead & Hunt in the amount of \$61,179.33 for the original redesign of the taxilane for the Business Park Airside and Landside Improvements Project. Motion passed.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve Amendment #2 with Mead & Hunt for a not-to-exceed amount of \$194,196.22 for the redesign of the taxilane and construction management for the Business Park Airside and Landside Improvements Project. Motion passed.

**FAA Reimbursable Agreement for AIP 58 Runway Shift -** Mr. Taft presented, the Tri-Cities Airport will be receiving AIP Grant 58 for a reimbursable agreement with the FAA for the preliminary design, final design, flight checks, inspection, and installation of the FAA facilities relating to the runway shift. This reimbursable agreement will be in the amount of approximately \$2M and will be available for 90% reimbursement, or \$1.8M, through the AIP program as soon as the Port remits the \$2M.

Staff requested the Commission to authorize the Executive Director to execute the reimbursable agreement with the FAA and to execute AIP 58.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to Execute the reimbursable agreement between the Department of Transportation Federal Aviation Administration and the Port of Pasco for up to the amount of \$2 million. Motion passed.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to Authorize AIP 58 for up to the amount of \$1.8M. Motion passed.

**Taxiway G Change Order #2** – Mr. Taft presented, Runway 21R was damaged during the aircraft accident last September, resulting in the need for major asphalt repair work. The runways are required to have grooving to allow for proper drainage during rain events. The lowest cost option was to coincide its repair with grooving for the taxiway G project. Nelson Construction had provided pricing for the repair that was comparable to the line-item pricing in the taxiway G project. This work is an ineligible expense for the AIP Grant and will be covered through the Insurance Claim on the aircraft's owner. The total for this change order is \$40,472.80, including Washington State Sale Tax. The previous contract amount for this project, including Change Order #1, was \$7,338,269.51. The revised contract total with this change order will be \$7,378,742.31.

Commissioner Klindworth moved and Commissioner Gordon seconded to authorize the Executive Director to sign change order #2 for the Taxiway G Project for \$40,472.80, including sales tax, revising the contract total to \$7,378,742.31. Motion passed.

**Use of EDOF for DNR Land Purchase** - Mr. McFadden presented, on March 30<sup>th</sup>, the Port Commission authorized staff to execute a Purchase and Sale Agreement with the Washington State Department of Natural Resources to purchase DNR ground that lies between the Reimann Industrial Center and 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. DNR's Board of Directors unanimously approved the land sale during its meeting on Tuesday, June 6. To close on the purchase, the State requires payment of the purchase price in advance of preparation of the final closing documents. Port staff recommend the use of the Economic Development Opportunity Fund to cover the \$495,000 purchase price.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the use of the Economic Development Opportunity Fund for the \$495,000 purchase of 18.83 acres of State Department of Natural Resources land adjacent to the Reimann Industrial Center. Motion passed.

## **ITEMS FOR DISCUSSION**

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**KIS Termination-** Ms. Reyna provided a review of the outstanding lease amounts owed by KIS and the impact and details of June 30<sup>th</sup> end of their lease. Staff noted that further discussion would be needed in the Executive Session.

Upon return from Executive Session:

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the application of KIS' cash deposit to the outstanding delinquent lease balance, and to ask KIS for permission in writing to immediately apply the new lease amount to the remaining balance. Motion passed.

**Director Reports:**

**1. Executive Director**

- a. Mr. Hayden noted that NOAA Fisheries has issued two contradictory opinions about impacts of the Snake River Dams, this will be discussed at the Lower Snake River Dams field hearing on June 26<sup>th</sup>.
- b. Mr. Hayden noted that the .09 Funds uses are still in discussion. The entities are working to gather more information about the possibility of bonding the funds out.
- c. The federal government has based broadband funding in the amount of \$2 billion, with Franklin County being the recipient of \$30 million of these funds. Mr. Hayden noted the Council of Governments Executive Director Michelle Holt has been particularly helpful in coordinating meetings and making plans around these funds.
- d. Mr. Hayden also noted that Mr. Shaffer would be back at a Commission meeting to discuss land purchase options for the Port at the beginning of July.
- e. Mr. Hayden informed the Commission that Senator Cantwell may be coming to the Port for a tour of the Reimann Industrial Center.

**2. Airport Director**

- a. Mr. Taft discussed the FAA Reauthorization that would impact moving the air traffic control tower at the Tri-Cities airport. The bill would prioritize small hub towers that are at least 50 years old.
- b. Jack Penning of Volaire Aviation Inc. will be in attendance during the second July Commission meeting to discuss the new retention and leakage study.
- c. Mr. Taft noted that staff is in discussion with TSA over the National Amendment that requires all airports to randomly screen employee access secured areas that is set to take effect in September. The compliance plan is due in July.
- d. Mr. Taft also provided an overview of the proposed changes to leasehold taxes, noting there are a lot of voices providing pushback on this increase.

**3. Deputy Airport Director**

- a. Mr. Faley noted that Taxiway G is scheduled to be completed on July 17<sup>th</sup>.
- b. Airside and Landside Business Park project work begins June 27<sup>th</sup>.
- c. The fire department is training at the Tri-Cities Airport this week.

**4. Human Resources**

- a. Ms. French noted that the Port and Airport seasonal/summer hires are being onboarded.
- b. Ms. French discussed the Long-Term Care Act that goes back into effect in July.

**5. Finance Director**

- a. Ms. Watts noted that she and Senior Accountant Ms. Newman attended the WPPA Finance Seminar last week.

**6. Economic Development and Marketing Director**

- a. The EDM Report was provided for Commission review.

- b. Mr. McFadden discussed the Darigold and American Rock connection to the municipal water supply at the Reimann Industrial Center.
  - c. Mr. McFadden noted that staff received the 1<sup>st</sup> round draft of the Aim Center Master Plan and are expecting to finish the document next week. Mr. McFadden stated that JUB moved heaven and earth to complete the report in the allotted time, and that he is thankful for all of their hard work and the help from Airport and Port staff.
7. Director of Properties
- a. Ms. Reyna discussed the potential location of the 4<sup>th</sup> of July fireworks barge loading at the Port.
  - b. Ms. Reyna noted the possible interest of Mid-Columbia in the KIS bay that will be vacated.

#### **Commissioner Reports:**

Commissioner Gordon attended the Columbia Basin Development League and Council of Governments Meetings.

Commissioner Klindworth discussed an article in the Franklin County Graphic about a North Franklin County reservoir.

#### **ITEMS FOR INFORMATION**

**Washington Grit, LLC:** Washington Grit, LLC entered into a long-term land lease for approximately .34 acres, located next to their building in the airport industrial park, effective June 1, 2023. The lease value is \$35,128.80 for the initial term of the agreement. The Executive Director executed the lease in accordance with the Commission's Delegation of Authority Policy.

**Premier Excavation Change Order #5:** Change Order #5 provides compensation for additional welding necessary to splice section of steel casing to ensure the provided material was enough to complete the project. The total cost of the change order is \$8,781.70, and includes Washington State sales tax, and was executed per the Commission's Delegation of Authority Policy.

#### **CALENDAR OF EVENTS**

Commissioners and staff discussed the calendar of events.

#### **RECESS**

At 11:56 Commissioner Gordon recessed the meeting for lunch until 12:15. At 12:15 the meeting resumed.


#### **EXECUTIVE SESSION**

At 12:18 Commissioner Gordon announced that the Commission would go into Executive Session until 12:35 to discuss potential litigation that the agency may become a party of. At 12:35, the Executive Session was extended until 12:40. At 12:40, the regular meeting was resumed.

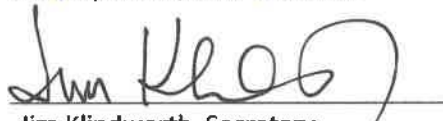
#### **ADJOURNMENT**

The meeting was adjourned at 12:44 p.m.

Port of Pasco Commission:

  
Vicki Gordon, President

  
Jean Ryckman, Vice-President

  
Jim Klindworth, Secretary