

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 28, 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 Economic Development and Marketing Stephen McFadden, Director of Properties Mayra Reyna, Airport Business Manager Tara White, and Human Resources and Executive Staff Assistant Lori French.

Guests: Michael Clayton, Brody Clayton, Wendy Culverwell of the Tri-Cities Herald, Sara Shilling of Tri-Cities Journal of Business, James Sexton of JMS Construction.

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of June 14, 2023.
- b) Vouchers and Warrants #100215-100311, and Direct Deposits #23453-23492 in the amount of \$517,482.03.
- c) Accept as Complete- BPIC Concrete Dock WH5B4.

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

PUBLIC CITIZEN COMMENT

No public citizen comment was provided.

ITEMS FOR DISCUSSION

May Financial Report- Ms. Watts provided the May Financials for discussion.

Tenant Delinquent List- Ms. Watts provided the Tenant Delinquent List for discussion. It was noted that KIS provided written permission to apply their cash deposit to their outstanding/delinquent balance.

Airport Lease Rates Review- Mr. Taft provided an overview of the airport aviation rates and fees study that was conducted in 2022. The rates provided by the study helped determine the January 1, 2023, CPI increase of 8.3% that was implemented by Resolution 1601. Ms. White discussed the meeting that took place between Airport staff and Bergstrom Aircraft regarding concerns with the new rates and insurance

requirements. Staff will continue to work with Bergstrom and is expecting a representative to attend the first July Commission meeting for further discussion.

Osprey Pointe Update- Mr. Hayden provided an update on progress being made between the Port and JMS Construction on the Master Development Agreement (MDA). The two outstanding items are the Land Valuations and the 2009 Development Agreement between the Port and the City of Pasco. The 2023 land appraisal has been provided to the Commission and the new value of the land based on that appraisal is \$6.50/SF, up from the 2019 appraisal price of \$4.25/SF. Mr. Sexton was in attendance to provide a proposal for purchase price. Mr. Sexton proposed to pay the 2019 price of \$4.25 plus the intervening 4 years' CPI of 3% for a total of \$4.75/SF for Phase 1 of the development project, and to pay the updated appraisal value for the remaining phases of the project. Sale price will be discussed in Executive Session. Mr. Sexton also discussed community interest in the project.

Mr. Hayden noted that there is significant risk and investment made by the developer and that this is noted in the MDA as one of the considerations for setting a sale price. Mr. Sexton indicated that it is still his goal to execute the MDA and the PSA for Phase 1 of the Osprey Pointe Development Project at the same time.

Director Reports:

1. Executive Director

- a. Mr. Hayden noted he, Commissioner Gordon, and Mr. McFadden had the opportunity to give a tour of the Reimann Industrial Center's Darigold and Last Mile Rail Project to Senator Cantwell and staff. The site visit went very well. Commissioner Gordon and Mr. Hayden also mentioned the importance of proposed language in the FAA Reauthorization Bill to support replacement of the air traffic control tower at the Tri-Cities Airport.
- b. Mr. Hayden noted that he and two Commissioners attended the Lower Snake River Dams Field Hearing that took place on Monday, June 26th. The discussion seemed very helpful and shined a light on important considerations on the future of the dams.
- c. Mr. Hayden also noted that he attended the PNWA Annual Meeting. Lt. Governor Heck discussed the need for a large new airport in the state and the challenges involved for the airport siting committee.

2. Airport Director

- a. Mr. Taft noted that the airport is very busy, and it seems to be nearly back to pre-Covid activity.
- b. Mr. Taft noted his excitement in getting closer to the 2nd phase of the Airport's landscaping project. Bids were opened on Tuesday, and staff will be bringing proposals to the Commission at the next meeting.

3. Deputy Airport Director

- a. Mr. Faley noted the significant excavation taking place at the Airport Business Park for the Rickenbacker Road Project sewer line.

4. Economic Development and Marketing Director

- a. Mr. McFadden noted that the PSA for the Department of Natural Resources land at the Reimann Industrial Center has been signed. The Port must now wait for the Governor to sign a quit claim deed, which may take some time.
 - b. Darigold is preparing for installation of the pre-cast walls.
5. Director of Properties
- a. Ms. Reyna provided the Property Activities Report.
 - b. Ms. Reyna noted that Mid-Columbia Warehouses is entering into a lease for W1B4.
 - c. A pay-vacate was issued to a Marine Terminal tenant. They paid their outstanding amount but have failed to update their insurance or security deposit requirement with the Port, so the Port is beginning the eviction process.
 - d. There are several tenants that are or will be in the relocation process at Big Pasco and Airport Industrial Center.

Commissioner Reports:

Commissioner Gordon attended the PNWA Annual Conference and noted that Port of Everett was the host Port and that their waterfront project turned out beautifully.

Commissioner Ryckman noted that the Snake River Dams Field Hearing did not have any testimony from Tribal members and that it was informative, but there were not enough attendees with opposing views.

ITEMS FOR INFORMATION

Premier Excavation Change Order #3: Change Order 3 for the Reimann Waterline Extension Project is to provide compensation for modifications at the connections to the existing water lines at Sta 16+49, Sta 200+00, and 204+ 73 due to the configurations being different than indicated on the record drawings used to develop the project drawings. The total cost of the change order is \$17,272.15, 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.

EXECUTIVE SESSION

At 11:08 Commissioner Gordon announced that the Commission would go into Executive Session until 11:25 to discuss potential litigation that the agency may become a party of, and minimum sales price. At 11:25, the regular meeting was resumed.

ADJOURNMENT

The meeting was adjourned at 11:38 a.m.

Port of Pasco Commission:


Vicki Gordon, President


Jean Ryckman, Vice-President


Jim Klindworth, Secretary