

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
August 9, 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 and Marketing Stephen McFadden

Guests: Wendy Culverwell of the Tri-Cities Herald, Sara Shilling of the Tri-Cities Journal of Business, Clint Didier of the Franklin County Commission, Joe Davis of Enduris, Darren McEuin of HUB Insurance, Michael and Brody Clayton, Russ Chrisman of McKay Sposito, Ben Hoppe of JUB, Malin Bergstrom of Bergstrom Aircraft, James and Merideth Sexton of JMS Construction.

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of July 20, 2023.
- b) Vouchers and Warrants #100550-100619, and Direct Deposits #23579-23621 in the amount of \$2,053,943.65 for the General Fund. Vouchers and Warrants.

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

PUBLIC CITIZEN COMMENT

No public citizen comment was provided.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1610- Changing the Location of the First September 2023 Commission Meeting- Annually the Port Commission holds a meeting in the City of Connell. Due to scheduling considerations, the meeting will be held in Connell on September 13, 2023.

Commissioner Ryckman moved and Commissioner Klindworth seconded to change the location of the first regularly scheduled September Commission Meeting to 10:30 am on Wednesday, September 13, 2023 at the North Franklin Visitor Center, located at 661 S. Columbia Avenue in Connell, Washington.

Resolution 1611- Adopting the Interlocal Cooperation Agreement and Bylaws of the Benton Franklin Council of Government- Mr. Hayden presented the Interlocal Agreement and Bylaws that were adopted by the Benton Franklin Council of Governments. Resolution 1611 acknowledges the adoption of the updated Interlocal Agreement and Bylaws, replacing previous versions.

Commissioner Klindworth moved and Commissioner Ryckman seconded to adopt Resolution 1611- The Interlocal Cooperation Agreement and Bylaws of the Benton-Franklin Council of Governments. Motion passed unanimously.

ITEMS FOR ACTION

Enduris Insurance Renewal- Mr. McEuin and Mr. Davis were in attendance to discuss the September 1, 2023, Enduris insurance renewal for 2023/2024. Mr. McEuin provided an overview of the insurance market, and Mr. Davis discussed the impact of the market on the pool, and the rate fatigue that the pool and members are under. Ms. Watts and the Commission discussed the renewal options and cost of the increase with Mr. Davis and Mr. McEuin. Mr. Hayden noted that lease prices have been increased in part to help with the increases in insurance costs.

Mr. Davis thanked the Commission for Donna's participation in the Enduris Board.

Commissioner Ryckman moved and Commissioner Klindworth seconded to accept Enduris insurance for the policy year effect September 1, 2023, to August 31, 2024, for liability (non-aviation), property, and auto physical damage. Motion passed unanimously.

Osprey Pointe Master Development Agreement Approval- Mr. Hayden provided an overview of the Master Development Agreement (MDA) and related documents. Mr. Hayden noted that each specific project/phase will come back to the Commission for approval. Mr. Sexton discussed the project and phasing. Commission and staff discussed.

Commissioner Gordon pointed out an incorrect Commence Construction date of 8/30/2023 for the PH-M11 Condo.

Commissioner Ryckman moved and Commissioner Klindworth moved to approve the Master Development Agreement with JMS Development, LLC for the Osprey Pointe Development. Motion passed unanimously.

Mead & Hunt Terminal Design- Mr. Taft presented, on February 23 Commissioners approved resolution 1605 relating to PFC application #12. This application included the design of jet bridges on gates 2, 3, 5 and the expansion of the baggage makeup area. At the time the PFC application was considered, the estimated design costs were \$1.2M. The final proposed fee from Mead & Hunt was \$1,306,498.00. Staff obtained an Independent Fee Estimate (IFE) from a 3rd party consultant, who projected fees at \$86,969 more than what Mead & Hunt proposed.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to Execute Task Order #2 with Mead & Hunt for the design of Gates 2,3,5, and the Outbound

Baggage Expansion for the Airport Terminal in the amount of \$1,306,498.00. Motion passed unanimously.

Bid Award for Business Park Taxilane A- Mr. Faley presented, on Tuesday, July 25, 2023, the bids were opened for the Airport Business Taxilane A Project. Three companies provided bids, and the engineers estimate was \$858,081.91. The apparent low bidder was Central Washington Asphalt, with a bid of \$696,577.00, including Washington State Sales Tax. The bids were reviewed by Mead & Hunt for compliance and accuracy.

The total project cost including this bid is \$5,990,691.98. The total CERB grant, loan and match is \$6,250,000, leaving a balance of \$259,308.02. Staff is working with the engineers to get an estimate to complete all of the earthwork so that the business park is balanced and ready for construction and we are able to maximize the entire CERB grant/loan.

Commissioner Ryckman moved and Commissioner Klindworth seconded to award the Airport Business Park Taxilane A Project to Central Washington Asphalt for \$696,577.00, including Washington State Sales Tax. Motion passed unanimously.

Bid Award for BPIC Warehouse 3 Bay 2 Re-roof Project- Ms. Reyna presented, bids received by 10:30 AM (local time) on August 1, 2023, for the Big Pasco Industrial Center WH3B2 Re-roof project were opened in accordance with the Contract Documents. The low bidder was Arrow Roofing and Construction LLC, of Prosser, WA with a bid of \$222,450.03, including sales tax. All required bidding forms for Arrow Roofing and Construction LLC were fully completed and included with the bid, and all criteria were successfully met.

Commissioner Klindworth moved and Commissioner Ryckman seconded to award the Big Pasco Industrial Center Warehouse 3 Bay 2 Re-roof Project to Arrow Roofing and Construction, LLC, as they appear to have submitted the lowest, responsible, responsive bid in accordance with the Contract Documents for the total contract price of \$222,450.03, including sales tax. Motion passed unanimously.

Bid Award for BPIC Road 33 Pavement Improvements- Ms. Reyna presented, bids received by 2:00 PM (local time) on August 1, 2023, for the Big Pasco Industrial Center Road 33 Pavement Improvements project were opened in accordance with the Contract Documents. The low bidder was C Watts Trucking LLC, of Kennewick, WA with a bid of \$110,288.48, including Alternate #1 and sales tax. Alternate #1 was for the addition of 1" of HMA to section of asphalt. All required bidding forms for C Watts Trucking, LLC were fully completed and included with the bid, and all criteria were successfully met.

Commissioner Ryckman moved and Commissioner Klindworth seconded to award the Big Pasco Industrial Center Road 33 Pavement Improvements Project to C Watts Trucking, LLC for the base bid plus Alternate #1 as they appear to have submitted the lowest, responsible, responsive bid in accordance with the Contract Documents. The total contract price, including sales tax, is \$110,288.48. Motion passed unanimously.

IEDS Big Pasco Lease- Ms. Reyna presented, staff previously provided Commissioners with a draft lease from IEDS for Warehouse 2 Bay 1. After negotiations between insurance brokers for the tenant and for the Port, some of the originally requested language changes were withdrawn or modified by the tenant. Ms. Reyna noted that not included in this final draft is Article 1.A. regarding rail use and will need to be added before the lease is signed.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Executive director to execute a two-year lease with Inland Empire Distribution Systems Inc. for 43,200 square feet of Warehouse 2 Bay 1 with a 4% discounted rate of \$13,179.80 per month with changes to the lease and the addition of Article 1.A. as provided. Motion passed unanimously.

Mr. Hayden commented on the stress that meeting insurance requirements has been on tenants, and that staff is working with tenants and providers to find solutions.

ITEMS FOR DISCUSSION

June Financial Report- Ms. Watts provided the June Financial Report for discussion.

Tenant Delinquent List- Ms. Watts provided the Tenant Delinquent List for discussion.

North Franklin Heritage Museum American Legion Building Request- Mr. Hayden provided a review of the request for funding from the North Franklin Heritage Museum for the American Legion Building roof. The Commission and staff discussed the project and the Port's opportunity to promote economic development in Connell and North Franklin County. The Commissioners would like to see community support for this project, Mr. Hayden noted that Ms. Harper, the Executive Director for the Museum, would be in touch with staff regarding the project. Ms. Ellerd spoke on the ability of the Port to support different projects based on legal requirements and concerns. The Commissioners showed interest in the idea of an annual consideration of funding requests.

FBO Lease Rates Review- Ms. Bergstrom was in attendance to discuss the FBO lease rates, however, she is still in the process of working through the lease renewal process with Ms. White and Mr. Taft and would like to return at a later date to discuss rates with the Commission. Ms. Bergstrom provided a brief overview of services her company offers.

Director Reports:

1. Executive Director
 - a. Mr. Hayden noted that the Port was contacted by the Bureau of Reclamation and the Department of Ecology regarding ground water from the Grand Coulee Dam. They are likely to enact a fee for certain water rights.
 - b. Mr. Hayden noted that he attended the Connell Chamber Luncheon.
2. Airport Director
 - a. Mr. Taft provided and discussed the June Airport Activities Report.
 - b. Mr. Taft discussed the new gate visit program.
3. Airport Deputy Director

- a. Mr. Faley noted the Rickenbacker Road Project is progressing well.
- 4. Human Resources
 - a. Ms. French provided an overview of the Association of Washington Cities (AWC) Trust Benefits Forum. Staff is pleased with the Trust, and projected rates. Finalized plan and rates will be provided on September 28th.
- 5. Finance Director
 - a. Ms. Watts provided and discussed the 2024 Budget Schedule.
 - b. Ms. Watts noted that the audit is in progress and that the auditor hopes to complete it by the end of August.
- 6. Economic Development and Marketing Director
 - a. Mr. McFadden provided the EDM Report.

Commissioner Reports:

Commissioner Gordon noted that she may no longer participate as a trustee in the Columbia Basin Development League, and that she will be becoming chair of the Benton Franklin Council of Governments.

EXECUTED ITEMS/NO DISCUSSION

A-1 Hospitality Lease Amendment- The Port executed a lease amendment with A-1 Hospitality, effective August 1, 2023, as per previous discussions at the June 14, 2023, Commission meeting. The amendment removes hospitality taxes and food/beverage revenues from the definition of "Gross Revenue" in subsection 1. (m) and also clarifies the percentage rent due is 1.25% of the previous month's Gross Revenue rather than the previous year's Gross Revenue. Both of these changes were approved on June 14, 2023.

Lease Assignment- Rickenbacker Dr. FT LLC to Fast Talkers LLC- The lease with Rickenbacker Drive FT, LLC has been assigned to Fast Talkers, LLC, effective July 26, 2023. This assignment was required to aid in facilitating an IRS Section 1031 tax exchange on behalf of the Mussers. Acknowledgment of the assignment by the Port was reported at the February 9, 2023, Commission meeting.

Musser Auto Auction Estoppel/Landlord Consent - The Port executed a landlord consent/estoppel agreement as required from Scott Musser's lender to facilitate additional financing on the auto auction building on July 20, 2023. The agreement was executed as per previous Commission action (August 11, 2022) authorizing the Executive Director to execute the Port's standard Estoppel/Landlord Consent agreement, with minor changes as approved by Port Attorney.

2nd Quarter Credit Card Report- The 2nd Quarter Credit Card Report was provided for Commission Review.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

RECESS

At 11:37, Commissioner Gordon recessed the meeting for lunch until 12:00. At 12:00, the meeting resumed.


EXECUTIVE SESSION

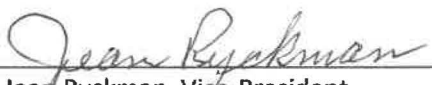
At 1:42, Commissioner Gordon announced that the Commission would go into Executive Session until 1:50 to discuss potential litigation that the agency is a party of. At 1:50, the Executive Session was extended until 1:55. At 1:55, the regular meeting resumed.

ADJOURNMENT

The meeting was adjourned at 1:55 p.m.

Port of Pasco Commission:


Vicki Gordon, President


Jean Ryckman, Vice-President


Jim Klindworth, Secretary