

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
January 24, 2024 | 10:30 a.m.

CALL TO ORDER

Commissioner Ryckman 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 Jean Ryckman, Commissioner Jim Klindworth, Commissioner Vicki Gordon, 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 Director and Executive Assistant Lori French.

Excused: Executive Director Randy Hayden.

Guests: Wendy Culverwell of the Tri-City Herald, Michael and Brody Clayton, Russ Chrisman of MacKay Sposito, and Sean Gordon of Banner Bank.

APPROVAL OF AGENDA

Commissioner Gordon moved, and Commissioner Klindworth seconded to approve the agenda with the addition of Item 8.D. Motion passed unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of January 10, 2024.
- b) Vouchers and Warrants #101458-101578, and Direct Deposits #24029-24068 in the amount of \$980,533.09 for the General Fund.

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

PUBLIC CITIZEN COMMENT

No public citizens provided comment.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1628- Resolution Changing the Time of the Second February Commission Meeting- Due to the State of the Ports Luncheon on February 28th, Commission has elected to move the Commission Meeting to 9 am on the 28th to accommodate attendance.

Commissioner Gordon moved and Commissioner Klindworth seconded to adopt Resolution 1628- Changing the Time of the Second February Commission Meeting. Motion passed unanimously.

ITEMS FOR ACTION

Lanter Delivery System Lease Request- Ms. Reyna presented, Lanter is leasing a 10,920-sf bldg. and 1.05 acres of land surrounding the building for storage of their trucks. Their lease is up for renewal March 1, 2024, and they have requested to combine the leases. They have requested a lower lease rate with

annual rate increases. They have requested to pay 6.63% less than the published rate for the building for the initial year (2024) and are also requesting to pay 5% less than the published rate for the land for the initial year (2024). They are proposing to increase 3% at the end of the first year and 3.5% per year for the extending 2 years (after executing extension). Staff noted this is in line with the current trend.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to execute a two-year term lease with Lanter Delivery for building T2-75 located at 2630 E. Ainsworth, plus 1.05 acres of land at the proposed rate presented and shall also be authorized to make minor changes to the lease, with approval by the Port attorney, as may be needed to finalize the agreements. Motion passed unanimously.

RIC Road & Water Project Change Order #7- Mr. McFadden presented, Change Order No. 7 from Premier Excavation for \$67,234.86 including sales tax. JUB Engineering and Port staff have reviewed the requested change order and agree with the request. The installation of the 16-inch ductile iron waterline was hampered by buried electrical lines and a natural gas main. As a result, the contractor had to purchase additional pipe components with 22.5- and 45-degree bends. These fittings, with restrained joints, were used in the lateral supply lines that connect to nine new fire hydrants and one future water service line. The fittings allowed the lateral water lines to be installed under the existing utility conflicts. Mr. McFadden noted that the amount is within the authority of the Executive Director, but in his absence, staff is seeking Commission approval to keep the process clean.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve payment of Premier Excavation Inc.'s Change Order #7 for \$67,234.86. Motion passed unanimously.

Desert River Development LLC Mr. Taft presented, James Alford of Desert River Development, LLC, seeks to enter into a lease agreement for Hangar Lot #7 in the Tri-Cities Airport Business Center. With Commission approval, the lease will be effective February 1, 2024. Mr. Taft noted, the tenant was ready to sign a lease in 2022, but due to issues on the Airport's end (FAA line of site issue and City of Pasco Irrigation line) the lease couldn't be finalized until now. Staff feels it is fair to assess the 2022 rate, as the delay was at no fault of the tenant. At the 2022 rate, the lease value is \$1466.40 per month.

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the lease with Desert River Development LLC, as presented, with the monthly rent of \$1,466.40, based on the 2022 aviation land rates, and further approve the Executive Director to execute the lease. Motion passed unanimously.

Promotional Marketing Request for TRIDEC Economic Outlook Forum - Mr. McFadden presented, Port staff have the opportunity to partner with Port of Benton to be a co-sponsor the TRIDEC 25th Annual Economic Outlook & Workforce Summit. The marketing expenditure for the Port of Pasco would be \$500.

The TRIDEC Annual Economic Outlook is a well-attended event and great exposure for the Port of Pasco as a community partner. Additionally, TRIDEC provides constant support to the Port during recruitment

and attraction efforts. This event was not included in the Port's 2024 Promotional Advertising Budget. However, staff did include \$6,000 in this budget to be determined by the Commission.

Commissioner Klindworth moved and Commissioner Gordon seconded to approve a \$500 promotional marketing expense for the TRIDEC 25th Annual Economic Outlook & Workforce Summit. Motion passed unanimously.

ITEMS FOR DISCUSSION

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

Terminal Project Update – Mr. Taft presented the Terminal Project draft designs for Commission feedback. Commission and staff discussed the designs and noted preferences on options 1 and 2. Mr. Taft noted that staff would work with Mead & Hunt for further refinement on design and would return to Commission at a later date for additional feedback.

Director Reports:

1. Port Attorney
 - a. Ms. Ellerd noted that she would not be in attendance at the next meeting, but would try to join virtually if able.
 - b. Commissioner Klindworth discussed Ms. Ellerd's attendance at the upcoming ACI Conference in May. Staff and Commission discussed AAAE membership benefits versus ACI membership.
2. Airport Director
 - a. Mr. Taft provided the Airport Activities Report.
 - b. Mr. Taft provided the Airport's Digital Report.
 - c. Mr. Taft discussed the burst pipes in the parking lot building.
3. Airport Deputy Director
 - a. Mr. Faley discussed the weather impact of last week on the Airport.
 - b. Mr. Faley noted that the Commission will be seeing a change order for Taxiway G in an upcoming meeting.
4. Finance Director
 - a. Ms. Watts noted that there is talk in the legislature on potential changes to the TIF program.
 - b. Ms. Watts noted that accounting staff is working on wrapping up the month of December and 2023.
5. Director of Economic Development and Marketing
 - a. Mr. McFadden provided additional information on potential changes to the TIF program.
 - b. Mr. McFadden discussed weather impacts on the pipes along Railroad Avenue.
6. Director of Properties
 - a. Ms. Reyna discussed the broken pipes in Building 69 at the Airport Industrial Center and damages that happened.
 - b. Ms. Reyna provided the Properties Activities Report.
 - c. Ms. Reyna discussed potential request for changes to a Leggari lease.

Commissioner Reports:

Commissioner Gordon noted that she completed her first Benton Franklin Council of Governments Meeting as chair.

Commissioner Klindworth discussed the removal of Airport Industrial Center dilapidated buildings. Staff discussed the process that maintenance is in and that several will be removed this year.

EXECUTED ITEMS

TSA Lease Amendment- Per the terms of the lease, a rate increase has been applied to the lease with TSA that became effective January 1, 2024. This rate is \$66.48/square foot/year, which is the same rate the airlines and other terminal tenants pay for terminal space. The lease amendment value is \$142,932.72 for 2024. The Executive Director has signed the lease amendment in accordance with the Commission's Delegation of Authority Policy.

Fransen T-Hangar Lease- Lucas and Chad Fransen have entered into a month-to-month T-hangar lease agreement for Building 1-69 #7, effective January 15, 2024. The lease value is \$3,025.08 for one year. The Airport Director has executed the agreement, as per the Commission's Delegation of Authority Policy.

Columbia Pallet, LLC- Columbia Pallet, LLC has been a tenant at the Big Pasco Industrial Center since August 2011. The lease renewal is for 3.37 acres, and the lease value is \$32.596/20 per year. The acting Executive Director has signed the lease in accord with Commission policy delegating authority as there were no lease deviations.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

ADJOURNMENT

At 11:47 am the meeting was adjourned.

Port of Pasco Commission:


Jean Ryckman, President


Jim Klindworth, Vice-President



Vicki Gordon, Secretary