

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
February 14, 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, Executive Director Randy Hayden, Airport Director Buck Taft, Deputy Airport Director Don Faley, Finance Director Donna Watts, Director of Properties Mayra Reyna, and Human Resources Director and Executive Assistant Lori French.

Excused: Attorney Heidi Ellerd, Director of Economic Development and Marketing Stephen McFadden.

Guests: Wendy Culverwell of the Tri-City Herald, Russ Chrisman of MacKay Sposito, Cole Crapps of Field Group, and Jon Blodgett.

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of January 24, 2024.
- b) Vouchers and Warrants #101579-101642, and Direct Deposits #24069-24108 in the amount of \$1,145,722.65 for the General Fund and Warrant #5059-5060, in the amount of \$5,523.92 for Incidental Fund.
- c) Lampson Drainage Improvement Change Order #1.

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

PUBLIC CITIZEN COMMENT

No public citizens provided comment.

ITEMS FOR ACTION

2024 Airline Rates and Charges- Mr. Taft presented the 2024 rates and charges as discussed at the December 13, 2023, Commission Meeting. No comments/feedback from airline representatives were received by staff during the feedback period. The proposed rates are:

- 2024 Signatory Landing Fee: \$ **3.96** per 1,000 pounds
- 2024 Non-Signatory Landing Fee: \$ **5.15** per 1,000 pounds
- 2024 Signatory Terminal Rate: \$ **79.94** per square foot per year
- 2024 Non-Signatory Terminal Rate: \$ **120.97** per square foot per year

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the 2024 Airline Rates and Charges, as presented at the December 13, 2023, Commission Meeting. Motion passed unanimously.

TCA Business Center Earthwork Project Bid Acceptance- Mr. Faley presented the bids that were received for the Airport Business Center Earthwork and Mass Grading Project. There were seven companies that provided bids for the project and the apparent low bidder was Game Inc, with a bid of \$212,169.33, this included the base bid schedule, one additive, and Washington State sales tax on required Bid Schedules.

The bids were reviewed by Mackay Sposito, for compliance and accuracy and found no errors in the bids. The Earthwork and Mass Grading Project will allow the Airport to exhaust all funds from the CERB Grant and Loan. With this project, the Business Park will be fully graded and make it more valuable for further development.

Commissioner Klindworth moved and Commissioner Gordon seconded to award the Airport Business Center Earthwork and Mass Grading Project to Game Inc. for \$212,169.33, including Washington State Sales Tax, for the Base Bid and Additive 1. Motion passed unanimously.

Leggari Lease Request- Ms. Reyna presented the request from Leggari Products for a reduction in rent for the office building located at 2926 E Ainsworth. Ms. Reyna discussed the contributing factors to their request and that Staff has been working with Leggari trying to find a solution that would be agreeable to both parties that would provide a measure of relief. The Commission and staff will discuss lease prices in the Executive Session.

After the Executive Session the following motion was made.

Commissioner Gordon moved and Commissioner Klindworth seconded to authorize the Executive Director to terminate the existing term lease at the end of February and execute a new lease starting March 1st with Leggari Products for 10,547 square feet at the premises located at 2926 E Ainsworth at a rental rate of \$10 per square foot with a 50% discounted rate for the first 3 months, to help alleviate the financial downturn due to loss of sales, the economy, rising interest rates, inflation, etc. with additional consideration to include the fact that this small business was created at the port and is occupying a unique building that has limited marketability. The lease shall be for a term of 6 months and will have 3 options to extend the lease at 6-month intervals. Motion passed unanimously.

HDR Last Mile Rail Project Agreement Amendment- Mr. Hayden presented the HDR Last Mile Rail Project Agreement Amendment for Commission consideration. The initial Agreement amount of \$80,600 has been exhausted, as has the intended 6-month process. To date, HDR's coordination with the Port on the FRA pre-obligation process has been extensive. HDR also played a key role in assisting the port in recreating the BNSF Industry Track Agreement and Land Lease. The Amendment is for \$330,100 and includes the following services:

- Contract/Task Management
- Additional Rail Concept Planning and Coordination

- Rail Design/PSE 30%, 60%, 90% and 100%
- FRA Grant Coordination
- NEPA/Environmental and Permitting
- Utility Design Coordination

Commissioner Gordon moved and Commissioner Klindworth seconded to approve the HDR Track Design and Engineering Services Amendment #1 for a not-to-exceed amount of \$300,100, and to authorize the Executive Director to execute the amendment with minor changes as accepted upon review by the Port attorney. Motion passed unanimously.

Ambrose/APG Land Acquisitions Notice of Lease Assignment- Mr. Hayden presented, in May of 2023 the Port executed a purchase and sale agreement with APG Land Acquisitions, LLC, a division of Ambrose Property Group, LLC for the sale of land at Pasco Industrial Center 395. The PSA terms allowed APG the ability to assign the agreement to its third-party client, contingent upon the Port's consent as the seller. APG provided a Notice of Assignment & Consent to the Port on Thursday, February 8. In that notification, APG stated it intends to assign the Agreement to Amazon.com Services LLC, a Delaware limited liability company. APG also states the original project will be constructed as previously described. Ambrose will remain the developer, handling construction and construction management for the project.

Commissioner Klindworth moved and Commissioner Gordon seconded to grant the Port's consent to the assignment as requested and to authorize the Executive Director to execute the agreement. Motion passed unanimously.

ITEMS FOR DISCUSSION

Director Reports:

1. Executive Director
 - a. Mr. Hayden noted that he will be attending the Tri-Cities Legislative Day at the Capitol and will be discussing issues such as Tax Increment Financing (TIF) changes, industrial symbiosis park funding, and other items with legislators.
 - b. Mr. Hayden discussed IPNG's plan to closely monitor budget actions that will be needed to implement the measures included in the USG/Plaintiff settlement agreement for a 10-year stay on the Columbia Snake River Operations litigation.
 - c. Mr. Hayden discussed the impacts of Washington State building code requirements on EV charging requirements for new commercial development and parking lots in our area and the limited power supply.
2. Airport Director
 - a. Mr. Taft discussed the American Airlines dedication that will take place on February 15th.
 - b. Mr. Taft noted he will be meeting with Ms. Watts to discuss additional shared counter spaces for the Airlines in order to utilize the Airport's space most effectively.
3. Airport Deputy Director
 - a. Mr. Faley noted the upcoming invoice for chemicals for winter weather use.
4. Finance Director

- a. Ms. Watts noted her attendance at the AAAE Finance Meeting and discussed areas of interest.
 - b. Ms. Watts noted that Accounting is working on adjusting journal entries and notes, and that she will have the January Financial Report at the next Commission Meeting.
- 5. Director of Economic Development and Marketing
 - a. The EDM Report was provided for Commission review.
- 6. Director of Properties
 - a. Ms. Reyna provided an update on the building that is being remodeled at 1952 Dock Street.
 - b. A drawing of the buildings that are slated to be demolished in the foreseeable future at the Airport Industrial Park was provided for Port Commissioners.

Commissioner Reports:

Commissioner Klindworth discussed the Rd. 100 development and irrigation, purchasing land in Connell for the Port, and .09 Funds and development. He also noted his attendance at the TRIDEC Economic Development Forum.

Commissioner Ryckman noted that the TRIDEC Luncheon was excellent.

EXECUTED ITEMS

Centerline Logistics Dockage Agreement- This is a dock usage agreement for temporary use of mooring dolphins starting on January 10th, 2024, through April 1st, 2024, for the purpose of tying up during a Columbia River lock closure. The Mooring Dolphins shall not be used for any other purpose other than tying up. The agreement rate is \$215.50 per 24-hour period. The Executive Director has signed the agreement in accordance with the Delegation of Authority.

EXECUTIVE SESSION

At 11:26 Commissioner Ryckman announced that the Commission would go into Executive Session for 15 minutes, until 11:41, to consider the minimum price at which real estate will be offered for lease. At 11:41 the regular meeting was resumed.

RECESS

At 11:41 Commissioner Ryckman recessed the meeting for 20 minutes, until 12:01.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

ADJOURNMENT

At 12:10 pm the meeting was adjourned.

Port of Pasco Commission:



Jean Ryckman, President



Jim Klindworth, Vice-President



Vicki Gordon, Secretary