

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, WA
March 21, 2025 | 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 Vicki Gordon, Commissioner Hans J. Engelke, outgoing Executive Director Randy Hayden, incoming Executive Director Adam Lincoln, Attorney Heidi Ellerd, Airport Director Buck Taft, Deputy Airport Director Don Faley, Director of Economic Development and Marketing Stephen McFadden, Finance Director Donna Watts, Director of Properties Mayra Reyna, Project Manager Jaime Vera, Business Manager Tara White, and Human Resources Director and Executive Assistant Lori French.

Guests: Matt Watkins, Ana Cordova, Gabriel Portugal, Eddie Morfin, Wendy Culverwell, and representatives of the Yakama Nation; Michael David, Lydia Bitsoi, Star Diavolikis, Stephan Selam, and Christopher Wallace.

APPROVAL OF AGENDA

Commissioner Gordon moved and Commissioner Engelke seconded to approve the agenda as presented. Motion passed.

CONSENT AGENDA

- a) Regular Meeting Minutes of February 26, 2025.
- b) Vouchers and Warrants #103824-103899 and Direct Deposits #25157-25197 in the amount of \$616,509.98 for the General Fund. Voucher and Warrant #5062 in the amount of 3,150.00 for the Incidental Fund. Vouchers and Warrants #103900-103963 in the amount of \$489,671.59 for the General Fund. Vouchers and Warrants #103964-103980 and Direct Deposits 25198-25273 in the amount of \$309,820.17 for the General Fund. Voucher and Warrant #5063 in the amount of \$950.00 for the Incidental Fund.
- c) Accept as Complete- TCA Industrial Center 13 Building Demolition Project.

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

Commissioner Engelke moved and Commissioner Gordon seconded to authorize the Executive Director to accept the Tri-Cities Airport Industrial Park- 13 Buildings to be Demolished Project as complete. Motion passed unanimously.

PUBLIC CITIZEN COMMENT

No Public Citizens provided comment.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1652- Authorizing the Signing of Port Warrants and Authorizing Certain Officers to Sign Warrants Prior to Commission Approval-

Ms. Watts presented, the Commission authorizes who the approved officers are to sign warrants before they go to the Commission for approval, by Resolution. This resolution has been updated to reflect the change of Commissioner for District 3 and the change of Executive Director.

Commissioner Gordon moved and Commissioner Engelke seconded to approve Resolution 1652, authorizing the signing of Port warrants and authorizing certain officers to sign warrants prior to Commission approval. Motion passed unanimously.

Resolution 1653- Recognizing and Commending Randy Hayden for His Dedication and Service to the Port of Pasco-

Commissioner Ryckman read Resolution 1653- A Resolution Recognizing and Commending Randy Hayden for His Dedication and Service to the Port of Pasco. The Commissioners thanked Mr. Hayden for his excellent work, most recently as Executive Director.

Commissioner Gordon moved and Commissioner Engelke seconded to adopt Resolution 1653- Recognizing and Commending Randy Hayden for His Dedication and Service to the Port of Pasco. Motion passed unanimously.

ITEMS FOR ACTION

2025 Tri-Cities Airport Rotating Art Display – Ms. White presented, the Tri-Cities Airport Art Committee has selected the Confederated Tribes and Bands of the Yakama Nation to display artwork at the Tri-Cities Airport for 2025. Members of the Yakama Nation were in attendance to present their proposed artwork and discuss the importance of the project. Tribes' representatives and the Commissioners discussed their shared excitement for the art display and the opportunity to collaborate.

Commissioner Gordon moved and Commissioner Engelke seconded to approve the Art Display proposed by the Yakama Nation for 2025 and authorize the Executive Director to execute the Port's standard art loan agreement between the Port and the Confederated Tribes and Bands of the Yakama Nation. Motion passed unanimously.

On-Call Architect/Engineer Recommendation to Award – Mr. Vera presented, Request For Qualifications were received on February 24, 2025, for the Port of Pasco and Tri-Cities Airport On-Call Firm for required task orders. Four proposals were received from Design West Architects, CKJT Architects, Dahlin, and Meier Architecture and Engineering, and in-person interviews were conducted with the firms. Sample tasks to be completed under this agreement include but are not limited to small civil project structural designs, construction drawings, bidding, construction management, specification development, roofing, tenant remodels, fire suppression systems, underground utility development/design and other work as required by requested tasks. Projects are expected to fall under the Small Works designation and cost will be determined by Task Order, and in section 3 the contract will be modified to include a "not-to-exceed" limit of \$100,000 per Task Order. Based on the evaluation scores of the proposals and interviews, staff is recommending awarding the contract to Design West Architects.

Commissioner Gordon moved and Commissioner Engelke seconded to authorize the Executive Director to execute and award the Professional Services Agreement with Design West Architects for on-call architecture and engineering services for Big Pasco Industrial Center and the Tri-Cities Airport. With a not-to-exceed amount of \$100,000 per Task Order. Motion passed unanimously.

Warehouse 8 Bay 2 Re-Roof Project Contractor Recommendation to Award – Mr. Vera presented, bids were received on March 18, 2025, for the Big Pasco Industrial Center WH8B2 Re-roof project. Bids were opened in accordance with the contract documents. The apparent low bidder is Royal Roofing of Pasco, WA with a bid of \$166,617.00, including state sales tax.

Commissioner Gordon moved and Commissioner Engelke seconded to authorize the Executive Director to accept the Bid and execute the Professional Services Agreement with Royal Roofing for the Big Pasco Industrial Center WH8B2 Re-roof project with Royal Roofing, for the not-to-exceed amount of \$166,617.00. Motion passed unanimously.

Cold Summit PSA and Amendment to Cold Summit LOI for Reimann North and Third – Mr. McFadden presented, staff and the Port attorney have been working with Cold Summit for the purchase of land for a cold storage facility to be located at the Reimann Industrial Center North. Staff is requesting two actions from the Commission. The first is to approve of the Purchase and Sale agreement in draft form for the suggested sale price of \$4,500,000 for 30 acres, once the final language is approved by the Port attorney. The second is the extension of the LOI with Cold Summit, to allow for the continued negotiation of the Purchase and Sale Agreement, until both parties can come to an agreement on the outstanding terms.

Commissioner Gordon moved and Commissioner Engelke seconded to authorize the Executive Director to execute the Purchase and Sale Agreement with Cold Summit for Lot #3 at the Reimann Industrial Center for \$4,500,000. And further authorize the Executive Director to approve minor changes to the agreement as approved by the Port attorney. Motion passed unanimously.

Commissioner Gordon moved and Commissioner Engelke seconded to authorize the Executive Director to execute the Third Amendment of Cold Summit's original Letter of Intent, extending it through April 23, 2025. Motion passed unanimously.

Connell Industrial Site Readiness Consultant Agreement – Mr. McFadden presented, the Port of Pasco and the City of Connell received six responses to the Request for Proposals (RFP) for the Connell Industrial Site Readiness/Economic Development Market Analysis project. Two Port staff and two City of Connell representatives have reviewed and scored all six proposals. Interviews were held on Monday, March 17, with the top two candidates. As a result, ECONorthwest has been selected as the preferred candidate to conduct this study. The firm has a proven track record in similar projects throughout the Pacific Northwest. This contract is for a not-to-exceed amount of \$125,000, and will be funded by the \$100,000 CERB grant, with a \$20,000 match by the Port and \$5,000 match by the Avista Corporation.

Commissioner Engelke moved and Commissioner Gordon seconded to authorize the Executive Director to execute the Personal Services Agreement with EConorthwest for the Connell Industrial Site Readiness Study for a not-to-exceed amount of \$125,000. Motion passed unanimously.

Ag Symbiosis Center Grant Acceptance – Mr. Hayden presented, the Port has been awarded a grant of \$150,000 from the WA State Department of Commerce for preliminary planning of an agricultural symbiosis park in the Port district. The grant will be used to prepare initial mapping of stakeholders, resources, infrastructure, regulations and policy to support development of an ag symbiosis park. When complete, the mapping will serve as a basis for decisions regarding the next steps in development. If the grant is approved by Commission, staff will review consultants to perform the work with the expectation of having the mapping efforts complete by June 2026. This work is follow-up to symbiosis convening efforts the Port organized in 2023 and 2024.

Commissioner Gordon moved and Commissioner Engelke seconded to approve the grant agreement with the Washington State Department of Commerce for work on an Ag Symbiosis Park at the Port of Pasco, with minor changes as approved by the Port attorney. Motion passed unanimously.

American Airlines Ticket Counter Bid Award – Mr. Faley presented, on March 4th, bids were opened for the Ticket Counter Expansion Project. Two companies provided bids for this project and the apparent low bidder was Banlin Construction, with a bid of \$202,160.23, including Washington State Sales Tax. After review, staff is recommending the project be awarded to Banlin Construction as the apparent low bidder.

Commissioner Engelke moved and Commissioner Gordon seconded to award the Ticket Counter Expansion Project to Banlin Construction for \$202,160.23, including Washington State Sales Tax. Motion passed unanimously.

Air Badge Agreement – Mr. Taft presented, staff has been considering the cost and impact on Port staff/staffing levels to support the TSA required security badges for all individuals who need access inside of secured areas at the Tri-Cities Airport. Currently, the Airport is issuing between 700-900 new/renewed badges per year. Staff would like to purchase Air Badge software as a solution that will provide an automated badging process, which has an estimated reduction of staff time by more than 60%.

Commissioner Engelke moved and Commissioner Gordon seconded to authorize the Executive Director to Execute the agreement with Air Badge LLC for three years and continue with one-year extensions until the service is no longer needed or wanted. Motion passed unanimously.

Aviation Fuel Tax Diversion ILA – Mr. Taft presented, the Port entered into an Interlocal Agreement with multiple agencies regarding Washington States diversion of taxes from aviation fuel sales out of the aviation system. The Port was asked to contribute \$7,500 along with a majority of all the airports in the state of Washington. All commercial service airports have contributed. The Chelan Douglas Regional Port Authority is taking the lead on managing the ILA and the revenue diversion process. They are asking

for a second round of contributions from all airports involved, which is \$7,500 additional from the Tri-Cities Airport. Staff and Commission discussed the progress on this work and potential outcomes.

Commissioner Engelke moved and Commissioner Gordon seconded to no longer participate in the Interlocal Agreement for legal services concerning the diversion of aviation fuel tax.

R3T Ventures Agreement Extension – Mr. Taft presented, in March 2024, the Port entered into a land lease with R3T Ventures LLC for Aviation Lot #5 in the Tri-Cities Airport Business Center. The lease includes language that requires the hangar construction to be completed within one year of the execution of the lease with rent to begin upon tenant receiving a Certificate of Occupancy from the City of Pasco. The tenant is making good progress on construction but has been delayed slightly and is requesting an extension on the construction deadline. R3T and staff are seeking a 90-day extension allowing the hangar to be fully constructed by June 30, 2025.

Commissioner Engelke moved and Commissioner Gordon seconded to approve the completion date for the hangar that is being constructed on Aviation Lot #5 in the Airport Business Center by R3T Ventures LLC be extended to June 30, 2025. Motion passed unanimously.

T1- 2010 Lease Payment – Ms. Reyna presented, Building T1-2010 is a 22,195 square foot office building that was subdivided and leased by a tenant since July 2010. At that time the tenant was consistently growing and outgrew their office space in Warehouse 5 Bay 2. The tenant approached the Port to request a reduction in rent or space in January of 2024. The Port Commission granted a request to terminate the long-term lease and execute a new lease starting March 1st, 2024 for a 6-month term at a reduced rate for the first 3 months, with 3 additional options to renew available if needed. The tenant vacated the premises at the end of the first 6 months – August 31, 2024, and is delinquent on the last 2 months of rent. Staff would like to discuss the options for lease price in executive session.

Big Pasco Rail Crossing Settlement – Mr. Hayden presented, on June 26, 2024, a haul truck with its bed in the raised position struck the Port's railroad crossing signals on Oregon Street. The Port had the crossing repaired and put back into service shortly thereafter. The actual cost of the repair was \$87,255. Since that time, the Port and our insurance broker have been negotiating with the trucking company's insurance company (Industrial & Environmental Consultants, EIN) to cover the repair costs. Mr. Hayden discussed the negotiation process with the most recent settlement offer of \$62,602.81. Staff is satisfied with the offer, which would allow the Port to avoid litigation costs.

Commissioner Engelke moved and Commissioner Gordon seconded to accept the offer of \$62,602.81 with Industrial & Environmental Consultants as a final settlement for the Oregon Street railroad crossing damage. Motion passed unanimously.

BPIC Land and Rail Lease – Ms. Reyna presented, staff is currently working with a potential tenant interested in leasing approximately 12.5 acres of land and 3,500 linear feet of rail on both Tracks #410 and #415 (total usable rail will be 7,000 lf). Additionally, the tenant plans to refurbish another 2,900 linear feet of Track #407, located immediately north of Track #410. The potential tenant has requested that a portion of their rent be credited toward the costs of the track rehabilitation, up to a specified

amount (the tenant is currently obtaining a preliminary cost estimate). Staff would like to discuss the lease price in Executive Session.

Upon return from Executive Session, Commissioner Gordon moved and Commissioner Gordon seconded to authorize the Executive Director to execute a 2-year land and rail lease for 12.5 acres and 9,900 linear feet of rail with a rent credit of \$2.50 per linear feet for any unusable rail, up to an amount not to exceed \$200,000. The tenant will not be required to sign a personal guarantee, and the security deposit will remain at 3 months' rent including tax and fees. Additionally, the Executive Director is authorized to make minor adjustments to the lease, with approval from the Port attorney, as necessary to finalize the agreement. Motion passed unanimously.

ITEMS FOR DISCUSSION

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

Lamb Weston Airport Operations- Mr. Taft discussed the notifications the Port/Airport have received from community members regarding the smell from the Lamb Weston operations at the Airport. Lamb Weston is reportedly working on the issue on a number of fronts. Staff will keep the Commission informed as new information is available.

Commission Districts and WA Voting Rights Act – Mr. Lincoln presented the Washington Voting Rights Act Violation Letter that was received on March 10th. Mr. Lincoln provided a review of the 2022 redistricting process. Staff would like to discuss the potential litigation in Executive Session. Mr. Morfin and Mr. Portugal did not want to comment.

Director Reports:

1. Executive Director
 - a. Mr. Hayden provided a brief recap of the PNWA Mission to Washington.
 - b. Mr. Hayden noted the Shoreline Reconveyance Project agency agreement is under review by the attorney, all participating agencies will sign it once the language is finalized.
 - c. Mr. Hayden thanked the Commission and staff for a very enjoyable career.
2. Airport Director
 - a. Mr. Taft provided the February Airline Activities Report and Digital Marketing Report.
3. Deputy Airport Director
 - a. Mr. Faley noted that the Terminal Expansion Project will be bid on in April.
4. Finance Director
 - a. Ms. Watts discussed progress with the Annual Report.
5. Director of Economic Development & Marketing
 - a. Mr. McFadden provided the Port's Digital Marketing Report.
 - b. Mr. McFadden provided information on the progress at Reimann North and the CERB Grant for Connell.
6. Director of Properties
 - a. Ms. Reyna discussed the Property Activities Report.

Commission Reports- Commissioner Engelke provided an overview of his experience at the PNWA Mission to Washington. Noting that he has been onboarding with Mr. Hayden and staff.

Commissioner Gordon discussed working on human trafficking concerns at the Airport with Mr. Taft and Mirror Ministries.

Commissioner Ryckman discussed her meeting with Governor Ferguson’s Eastern Washington representative, and her most recent meeting with TRIDEC. Commissioner Ryckman noted her appreciation for working with Mr. Hayden.

ITEMS FOR INFORMATION

Runway 12-30 Shift Project Change Order #2- Through Delegation of Authority the Executive Director signed Change Order #2 for the Runway 12-30 Shift Project. This change order was in the amount of \$27,159.66, including Washington State Sales Tax. This change order is related to adding a well screen for the new well for the farm pivot that is being relocated under this project. The FAA ADO has agreed that this is an AIP approved item and has also signed the change order. The Port’s portion of this change order is \$2,715.97, including Washington State Sales Tax.

Blue Tag Farms to Triple E Farms LLC- In September 2021, the lease for land in the airport industrial park, previously held by Easterday Farms, was assigned to Blue Tag Farms, LLC. Recently, Blue Tag Farms expressed a desire to reduce its operations associated with this lease and requested to assign the lease to Triple E Farms LLC. Triple E Farms has been collaborating closely with Blue Tag Farms on operations at the site. This document facilitates the transition of the lease from Blue Tag Farms LLC to Triple E Farms, LLC and eliminates the last 10-year extension option, setting a new lease termination date of April 30, 2034. Importantly, no other amendments or changes to the lease agreement were made during this process. The Executive Director has executed the assignment and amendment document in accordance with the Commission’s Delegation of Authority Policy.

Linde Inc. Lease- This is a lease renewal for a long-term tenant formerly known as Praxair. They handle the delivery and transloading of carbon dioxide into above-ground storage tanks, which is then transferred to trucks for distribution within our region. The new lease will begin on January 1, 2026, as the current lease administrator wishes to finalize it before her retirement, due to an anticipated staff change. The initial lease term is for 5 years with a value of \$157,905.60 for the initial term. The Executive Director has signed the lease in accordance with the Delegation of Authority.

RECESS

Commissioner Ryckman recessed the meeting for lunch from 12:05-12:30. The Meeting was resumed at 12:30.

EXECUTIVE SESSION

At 1:26, Commissioner Ryckman called for an Executive Session for 20 minutes, until 1:46, to consider the minimum price at which real estate will be offered lease, minimum price at which land will be offered for sale, and to discuss with legal counsel potential litigation to which the agency may become party. At 1:46, the Executive Session was extended until 1:56. At 1:56, the Executive Session was extended until 2:06. At 2:06, the regular meeting was resumed.

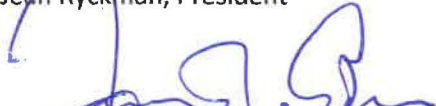
ADJOURNMENT

At 2:10, the meeting was adjourned.

Port of Pasco Commission:



Jean Ryckman, President



Hans J. Engelke, Vice-President



Vicki Gordon, Secretary