

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
January 14, 2026 | 9:30 a.m.

CALL TO ORDER

Commissioner Engelke called the meeting to order at 9:30 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 Hans J. Engelke, Commissioner Vicki Gordon, Commissioner Matt Watkins, Executive Director Adam Lincoln, Attorney Heidi Ellerd, Assistant Airport Director Don Faley, Assistant Airport Director Tara White, Deputy Executive Director Stephen McFadden, Properties Director Mayra Reyna, Finance Director Donna Watts, Director of Human Resources and Administration Lori French, Office Manager Sabrina Melendrez.

Guests: Ben Hoppe (JUB), Ty Beaver (Journal of Business), Diana Carlen (GTH), Cole Crapps (Field Group), Russ Christman (McKay Sposito); Bob Sterbank (Foster Garvey PC).

Presentation of Certification of Election for Commissioners- Mr. Lincoln presented Commissioners Engelke and Watkins with their certificates of election, which was followed by a ceremonial swearing in of both officials. Commissioner Watkins formally took the Oath of Office on December 4th, 2025, and Commissioner Engelke took the Oath of Office on December 17th, 2025.

Election of Officers- Commissioner Gordon moved and Commissioner Watkins seconded the motion to elect Commissioner Engelke as President, Commissioner Gordon as Vice-President, and Commissioner Watkins as Secretary. Motion passed unanimously.

APPROVAL OF AGENDA

Commissioner Gordon moved and Commissioner Watkins seconded the motion to approve the agenda as presented. Motion passed unanimously.

CONSENT AGENDA

- a) Special Meeting Minutes of December 16, 2025.
- b) Regular Meeting Minutes of December 17, 2025.
- c) Vouchers and Warrants #105454 - 105563 and Direct Deposit #25970 – 26007 and 26008-26048 in the amount of \$4,227,814.60 for the General Fund.

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

PUBLIC CITIZEN COMMENT

None.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1670 – Sale of Property No Longer Needed – In compliance with RCW 53.08.090, Ms. Watts presented Resolution 1670 to be passed to authorize the managing official of the port district to sell and convey port district property of \$22,000 or less in value. The resolution is valid for up to one calendar year from its adoption date and can be renewed annually. The resolution states that Port Commission will be provided with a list of property sold during 2026 at the first meeting in January of 2027. No assets were disposed of during the calendar year of 2025.

Commissioner Watkins moved and Commissioner Gordon seconded the motion to adopt Resolution 1670 – Sale of Property No Longer Needed. Motion passed unanimously.

ITEMS FOR ACTION

Economic Development Corporation Meeting — At 9:40 a.m., Commissioner Engelke recessed the regular meeting to hold the Economic Development Corporation Meeting. At 9:47 a.m. the EDC was adjourned and the regular Commission Meeting resumed.

2026 Association (Committee) Assignments — Ms. French presented the draft Association Assignments List noting that the purpose of the Association Assignment List is primarily to track the Port Commissioners' level of involvement in various organizations and to allow reimbursement and/or payment of expenses associated with attendance or participation in committee/organization events, without separate Commission approval, as is needed for Commissioner expenses regarding groups not on this list. Commissioners and staff discussed assignments and made changes to the list.

Commissioner Gordon moved and Commissioner Watkins seconded the motion to approve the 2026 Association Assignments List, with changes. Motion passed unanimously.

Government Relations Contract— Mr. Lincoln introduced the topic as well as our state lobbyist, Diana Carlen of Gordon Thomas Honeywell (GTH). Staff requested an extension of the contract with GTH for state lobbying services to assist with ongoing and upcoming capital budget requests as well as support for issue areas important to the Port.

Commissioner Gordon moved and Commissioner Watkins seconded the motion to authorize the Executive Director to extend the contract with Gordon Thomas Honeywell for state lobbying services for the 2026 calendar year, retroactive to January 1, 2026. Motion passed unanimously.

Approval of Legislative Agenda — Mr. Lincoln presented a list of current priorities to guide Port efforts through this legislative session, giving Ms. Carlen the ability to coordinate necessary meetings and discussions in Olympia. Mr. McFadden reminded commissioners of the legislative breakfast hosted late last year, during which staff were encouraged by legislators in attendance to submit funding requests for various projects. Mr. McFadden detailed the projects for which the Port is seeking funding and provided a list of secondary support matters, including items to monitor.

Commissioners expressed strong support and excitement for the projects pursued.

Commissioner Gordon moved and Commissioner Watkins seconded the motion to approve the Legislative Agenda and approve the Port of Pasco's 2026 Washington Legislative Funding Requests. Motion passed unanimously.

Cold Summit PSA Amendment #1 — Mr. McFadden presented Amendment #1 to the Purchase and Sale Agreement (PSA) with Cold Summit, originally executed in April 2025. The original PSA included a 270-day feasibility period, with the possibility for extensions. Upon learning that Cold Summit's primary tenant requires rail service to Lot#3, it became necessary for the Port to extend the feasibility period in an effort determine if rail service can ultimately be provided. Mr. Lincoln, the Executive Director, signed the Amendment to the PSA, allowing for a 90-day extension of the feasibility period.

Commissioner Gordon moved and Commissioner Watkins seconded the motion to ratify approval of Amendment #1 to the Purchase and Sale Agreement with Cold Summit, as executed by the Executive Director. Motion passed unanimously.

TCABC Letter of Intent — Mr. McFadden met with a developer representing Onkar Associates, LLC, who are interested in constructing a convenience store, refueling center, and nationally branded coffee shop project at Lot #55 of the Tri-Cities Airport Business Center (TCABC). The Port uses a non-binding, short-term Letter of Intent (LOI). This LOI provides the developer with exclusive access to the lot for the purpose of feasibility. While the LOI is in place, the Port will not show the property to other interested parties.

Commissioner Watkins moved and Commissioner Gordon seconded the motion to authorize the Executive Director to execute the Letter of Intent with Onkar Associates, LLC for Lot #55 at the Tri-Cities Airport Business Center. Motion passed unanimously.

General Counsel Fee Schedule — Mr. Lincoln presented an update to the current agreement held with Port Attorney Heidi Ellerd, which includes a flat monthly fee covering four regular monthly meetings, and an hourly rate for all other time spent performing work for the Port. At staff's request, Ms. Ellerd has been attending two additional meetings each month. This update to the agreement would adjust the monthly flat fee to include the additional meetings and raise the hourly rate for all other time spent performing work for the Port. This update will be the first adjustment since winter of 2022.

Commissioner Watkins moved and Commissioner Gordon seconded the motion to approve an amendment to the Port's agreement with Ellerd, Hultgrenn & Dahlhauser, LLP, to (1) increase the hourly billing rate to \$250/hr. for non-retainer work, and (2) increase the monthly flat fee to \$3,000/mo., effective January 1, 2026. Motion passed unanimously.

Pasco Golfland Sale Estoppel Certificate — Ms. White presented, the current land lease tenant and existing owner and operator of Pasco Golfland, NJ VerMulm, LLC, is in the process of selling their business to AG Cacchiotti, LLC. AG Cacchiotti, LLC is financing the purchase with a Small Business Administration (SBA) Loan. As a result, the lender is requiring the Port, as the landlord, sign an Estoppel Certificate and Agreement.

Commissioner Watkins moved and Commissioner Gordon seconded a motion to approve the Executive Director to execute the Estoppel Certificate and Agreement as requested by NJ VerMulm, LLC and AG Cacchiotti, LLC to facilitate the sale of Pasco Golfland, with any additional minor changes as approved by the Port attorney. Motion passed unanimously.

Terminal Expansion Project Change Order #1 — Mr Faley presented, throughout the initial stage of the Terminal Expansion Project, the contractor found several unknown underground utilities not identified on design plans. This required the contractor to conduct extensive investigation to determine the correct route of existing and abandoned utilities. Furthermore, it required the Port’s engineering consulting firm, Mead & Hunt, to update the project’s civil design drawings. This additional, unforeseen effort resulted in Change Order #1, valued at \$154,793.20, revising the contract total to \$13,224,793.20.

Commissioner Watkins moved and Commissioner Gordon seconded a motion to authorize the Executive Director to sign change order #1 for the Terminal Expansion Project for \$154,793.20, including sales tax, revising the contract total to \$13,224,793.20. Motion passed unanimously.

Personnel Policy 750 – Paid Family and Medical Leave (PFML) Update – Ms. French presented an update to the Washington State law as it relates to Paid Family and Medical Leave. The changes include, but are not limited to, guaranteed job protection and health insurance coverage, as well as impacts on how the program is administered by HR and Payroll. The Port’s Personnel Policy 750 has been updated to reflect the Port’s compliance with the changes in the law.

Commissioner Watkins moved and Commissioner Gordon seconded a motion to approve Personnel Policy 750 – Paid Family and Medical Leave as updated, with changes effective January 1, 2026. Motion passed unanimously.

ITEMS FOR DISCUSSION

November Financials – Ms. Watts presented the November Financials for discussion.

DIRECTOR REPORTS

1. Executive Director
 - a. Mr. Lincoln shared that it’s been a busy few weeks back since the holidays. The legislative session has kicked off, and accordingly, Deputy Executive Director Stephen McFadden will be spending much of his time this month in Olympia. A recent meeting with the Danish consulate discussing industrial symbiosis and potential future partnerships was encouraging.
 - b. Mr. Lincoln expressed his gratitude and appreciation towards Port of Pasco commissioners, who continue to set a positive tone from the top down. Mr. Lincoln thanked commissioners for their constant support.
2. Port Attorney
 - a. Ms. Ellerd signed up for the Airport Counsel International Seminar that will take place in May.
3. Deputy Airport Director
 - a. Mr. Faley provided a summary of airport activities, noting that staff have not yet seen behavioral changes due to the increase in short-term parking fees.
 - b. Mr. Faley provided an update on construction activities related to the Terminal Expansion project and Quick Turn Around project.
4. Director of Human Resources and Administration
 - a. Ms. French shared that the Port is adding a lead Operations staff member at the airport, which is something the airport team has been wanting to implement for a long time.

5. Finance Director
 - a. Ms. Watts said that she'll be working on the annual reports for the next few months.
6. Deputy Executive Director & Director of Economic Development & Marketing
 - a. Mr. McFadden discussed his upcoming trips to Olympia, the first of which will be a presentation to the Community Economic Revitalization Board (CERB) seeking funds towards a waterline at Reimann, which would serve all 8 lots.
 - b. Mr. McFadden shared the current effort to rebuild the Port's website.
7. Properties Director
 - a. Ms. Reyna shared that a few pending leases will be brought to commissioners next month. Ms. Reyna also shared current discussions about ending a lease due to a change in operations for one of the Port's tenants.

Commission Report— Commissioner Engelke shared that he'd recently met with the City of Connell council and mayor and was encouraged that they want to continue their partnership with the Port of Pasco.

Commissioner Gordon discussed her involvement with the Benton Franklin Council of Governments.

Commissioner Watkins has been onboarding, meeting with staff and learning about the various efforts and ongoing projects. He has been thinking about the impact he wishes to have as commissioner, having run for the position because he's seen first-hand what the Port has accomplished and wishes to preserve that momentum. Commissioner Watkins expressed his excitement at having joined the team and looks forward to working with and supporting staff while proudly representing his constituents.

ITEMS FOR INFORMATION

A-1 H2, LLC Name Change to A-1 PSC Hotel LLC – A-1 H2, LLC entered into a ground lease with the Port of Pasco in November 2023 for the purpose of constructing a hotel (Hilton Home2Suites) located at the Tri-Cities Airport Business Center. A1-H2, LLC recently changed its name to A-1 PSC Hotel, LLC. A lease amendment reflecting the name change has been prepared and executed, per the commission's Delegation of Authority policy.

EXECUTIVE SESSION

At 10:35 a.m., Commissioner Engelke called for an Executive Session to discuss minimum price at which real estate will be offered for sale (RCW 42.30.110 (l)(c) and potential litigation to which the agency is likely to become a party (RCW 42.30.110 (l)(i) for 15 minutes, until 10:50, after which action is expected. At 10:50 a.m., executive session was extended for 10 minutes. At 11:00 a.m., the regular meeting was resumed.

Following the Executive Session, Mr. Lincoln presented the offer from JMS Construction to purchase 55 Acres at Osprey Pointe for \$11,499,840.

In response to the Executive Session, Commissioner Gordon moved and Commissioner Watkins seconded to direct the Executive Director, in coordination with Port counsel, to respond in writing to JMS Attorneys declining the request to purchase approximately 55 acres at Osprey Pointe for \$11,499,840. Motion passed unanimously.

Commissioner Watkins noted that the decision was in alignment with the December 12th Commission action.

RECESS

At 12:00 p.m., the regular meeting was recessed for 10 minutes and was resumed at 12:10 p.m.

ADJOURNMENT

At 12:21 p.m., the meeting was adjourned.

Port of Pasco Commission:


Hans J. Engelke, President


Vicki Gordon, Vice-President


Matt Watkins, Secretary