

**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*  
*February 23, 2023 | 10:30 a.m.*

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**CALL TO ORDER**

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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 Economic Development and Marketing Stephen McFadden, Director of Properties Mayra Reyna, and Human Resources and Executive Staff Assistant Lori French.

**Guests:** Franklin County Commissioner Clint Didier and Wendy Culverwell of the Tri-City Herald.

**APPROVAL OF AGENDA**

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

**CONSENT AGENDA**

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- a) Regular Meeting Minutes of February 9, 2023
- b) Vouchers and Warrants #99445-99520 in the amount of \$403,799.97 and Direct Deposits #23053-23092 in the amount of \$98,335.35

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

**PUBLIC CITIZEN COMMENT**

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No public citizens provided comment.

**PUBLIC HEARINGS AND RESOLUTIONS**

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**Resolution 1604- Changing the Date of the Second March Commission Meeting-** Due to the conflict of the second March regular meeting date and the PNWA Mission to DC, the Commission has determined to move the meeting to March 30<sup>th</sup>, 2023.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve Resolution 1604- Changing the Date of the Second March Commission Meeting. Motion passed unanimously.

**Resolution 1605- PFC Resolution-** Mr. Taft presented Passenger Facility Charge (PFC) application #12. Projects included in PFC #12 include:

- Airport Master Plan- This project had a total cost of \$840,824. The FAA provided funding under AIP 46 in the amount of \$756,741. The Port is requesting to be reimbursed \$84,083 for its match.

- **Snow Removal Equipment-** The airport purchased three pieces of snow removal equipment at a cost of \$1,982,282. The FAA provided funding under AIP 47 in the amount of \$1,784,053. The Port is requesting to be reimbursed \$198,229 for its match.
- **RWY 12-30 Shift-** The design and construction of the runway 12-30 shift is estimated to cost \$18,035,556. The FAA is expected to provide funding in AIP grants of \$16,232,000. The Port is requesting to be reimbursed \$1,803,556 for its match.
- **Terminal Building Design-** Staff is beginning the process of design for the baggage makeup area and jet bridges for gates, 2,3,5. The design is estimated to cost \$1,200,000 and will be funded 100% with PFCs.
- **PFC Administration Costs-** Ongoing administration costs associated with these projects and the PFC process are eligible. Staff is recommending a \$75,000 cost associated with this application to be paid 100% with PFCs.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Airport Director to submit the PFC #12 application and any amendment applications to the Federal Aviation Administration along with any other documents necessary for the continuation of the imposition of a PFC at the \$4.50 level and the expenditure of revenues from the PFC at the Tri-Cities Airport, in accordance with the Capital Improvement Program, and the assurances and understandings contained in the application. Motion passed unanimously.

#### **ITEMS FOR ACTION**

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**MWHoldings Lease-** Mr. Taft presented, MWHoldings, LLC will enter into a land lease for aviation Lot 2 of the Airport Business Center, effective March 1<sup>st</sup>. The lease rate is \$824.74/month and is for a term of 20 years. MWHoldings will also pay a onetime fee of \$45,175.00 for the installation of the concrete pad on the leased premises to Mr. Musser and must provide certification for the payment within 15 days of lease commencement.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve the lease with MWHoldings, LLC and authorize the Executive Director to execute the lease with minor changes, as needed and approved by the Port Attorney, once proof of insurance and lease security is received. Motion passed unanimously.

**Warehouse 4 Bay 4 Security Deposit Reduction Request-** Ms. Reyna presented, staff has been working with the Park Co. (Park) on a new lease for Warehouse 4 Bays 3 & 4. During the discussions Park Co. decided they would lease all of Warehouse 4's Bays directly from the Port instead of subleasing Warehouse 4 Bays 1 & 2 from Mid-Columbia Warehouses. Once calculated, the security deposit required is \$525,113.83 and Park has requested a reduction.

Commission and staff discussed the deposit and the formula used to calculate the deposits in these types of leases. Staff will follow up with the Commission to further consider the formula.

Commission and staff also discussed tenant improvements that were requested by Park.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to execute a lease with Park Co. for Warehouse 4 Bays 1, 2, 3, and 4 for an initial term of 10 years for all bays with two 5-year options, with a 6 month deposit of \$262,556.92 and waiver of the Co-Obligor requirement. The Executive Director shall be authorized to make minor changes to the lease, with approval by the Port attorney as may be needed to finalize the agreement. Motion passed unanimously.

**Summit Strategies-** Mr. Taft presented, the airport has begun working with Summit Strategies on funding for a new Air Traffic Control Tower, in addition to Summit's existing projects with the Port. The Port is currently paying a monthly retainer of \$4,000, and staff requested to increase the retainer by \$6,000 to add former House Transportation Committee Chair Peter DeFazio to the government relations team to support the efforts to gain funding for building a new tower.

The tower in its current location and at its current height restricts new hangar developments at the Airport Business Center and the future expansion of the terminal. Additionally, the tower is 50 years old, not ADA compliant and cannot meet current FAA security requirements. Staff requested the increase until August, if this process concludes prior to then the retainer would return to \$4,000 a month.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Executive Director to increase the retainer for Summit Strategies from \$4,000 a month to \$10,000 a month, until August 2023. Motion passed unanimously.

## **ITEMS FOR DISCUSSION**

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**January Financials-** Ms. Watts presented the January 2023 Financials for discussion.

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

### **Director Reports:**

1. Executive Director
  - a. Mr. Hayden thanked the Commission for being able to take his trip, noting his trust in staff to keep things running.
  - b. Mr. Hayden discussed the Process Water Reuse Facility Expansion project that the City of Pasco is working on, noting the Port has expressed support at the two most recent City Council meetings.
  - c. Mr. Hayden and Mr. McFadden met with Interim City Manager Adam Lincoln to discuss sharing economic development functions and Mr. McFadden's services between the City and the Port.
  - d. Mr. Hayden will be presenting at the Mighty Columbia Conference in Portland next week.
  - e. Mr. Hayden provided the Ag Innovation Center Presentation.
2. Airport Director

- a. Mr. Taft noted staff is in the process of renegotiating the Bergstrom leases and has requested an increase of environmental insurance coverage due to the size of their fueling operation.
  - b. Mr. Taft noted the interest that the East GA side of the airport has been generating, and that there is no more space. The space problem should be alleviated by the development of the North and West sides.
- 3. Deputy Airport Director
  - a. Mr. Faley provided an update on the Taxiway G project- soil is now being moved.
  - b. Mr. Faley also noted that between March 6<sup>th</sup> and May 5<sup>th</sup> the North/South runway will be closed.
- 4. Finance Director
  - a. Ms. Watts noted that she and the accounting staff will be working on the Annual Report for the next several months.
- 5. Economic Development and Marketing Director
  - a. Mr. McFadden discussed the PIC395 gas line relocation and the discovery of a second, previously decommissioned gas line and its' implications. Staff expects both UPS and Old Dominion sales to close in March.
  - b. Mr. McFadden noted that Mr. Musser's project at the Airport Business Center is well under way.
  - c. Mr. McFadden provided a recap of the World Ag Expo.
  - d. Mr. McFadden received his NAIOP Certification.
- 6. Director of Properties
  - a. Mr. Reyna noted that properties staff are working on updating Mid-Columbia's eight leases now that Park Company has moved from sub-lease with Mid-Columbia to a standalone lease.

#### **Commissioner Reports:**

Commissioner Ryckman commented again on her time in Olympia for Ports Day noting the atmosphere was friendly and bipartisan, and that a consistent message in all of the meetings were workforce development and housing.

Commissioner Ryckman noted that she has spoken with Bill Moyer of Solutionary Rail, and he may be reaching out to staff to discuss the expansion of Class C rail.

Commissioner Klindworth noted his attendance at the Regional Chamber luncheon.

#### **ITEMS FOR INFORMATION**

**GK Real Estate DOS LLC-** GK Real Estate DOS, LLC has entered into a long-term land lease effective December 15, 2022. The lease is for the land previously leased by Astley Transmission in the TCAIP (4302 Swallow Avenue). GK Real Estate purchased Mr. Astley's building. A standard Consent to Sublease agreement, as approved at the February 9, 2023 Commission meeting, was executed between the Port and GK Real Estate DOS, LLC, consenting to a sublease to EAN Holdings LLC. The lease term is 10 years, and the lease value is \$81,000 for the initial term of the agreement. The Lease has been executed in accordance with the Delegation of Authority.

**Executed Agreement- Survey of Airport Aviation Lot 7-** The Survey of Airport Aviation Lot 7 through McKay Sposito in the amount of \$1,100 was executed through the delegation of authority.

#### **CALENDAR OF EVENTS**

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Commissioners and staff discussed the calendar of events.

#### **EXECUTIVE SESSION**

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At 12:17 p.m., Commissioner Gordon announced that Commission would go into Executive Session until 12:25 p.m. to discuss potential litigation involving the agency. At 12:25 p.m., the Regular Session was reconvened.

#### **ADJOURNMENT**

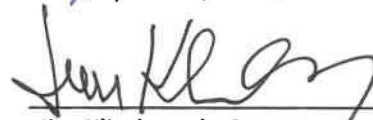
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The meeting was adjourned at 12:25 p.m.

Port of Pasco Commission:

  
Vicki Gordon, President

  
Jean Ryckman, Vice President

  
Jim Klindworth, Secretary