

Port of Pasco Commission
Minutes of Regular Meeting of Port Commission
Held remotely with Public Access
May 28, 2020 | 10:30 a.m.

CALL TO ORDER

Commissioner Klindworth called the meeting to order at 10:30 a.m. The meeting was attended remotely by all participants via Zoom and with Public Access through call in to 1-301-715-8592, meeting ID 6676918983.

Present: Commissioner Jim Klindworth, Commissioner Vicki Gordon, Commissioner Jean Ryckman, Executive Director Randy Hayden, Port Counsel Dan Hultgrenn, Director of Economic Development Gary Ballew, Director of Airports Buck Taft, Director of Finance Donna Watts, Director of Properties Mayra Reyna, Deputy Director of Airports Don Faley, Executive Assistant & Human Resources Lori French.

Guests: Wendy Culverwell- Journal of Business

Colin Hastings- Pasco Chamber of Commerce

APPROVAL OF AGENDA

Commissioner Ryckman moved and Commissioner Gordon seconded to approve the agenda determining that all agenda items were “1) matters necessary and routine, 2) necessary to respond to the outbreak and current public health emergency” per Governor’s Proclamation 20-28.2 Motion carried unanimously.

CONSENT AGENDA

- a) Regular Meeting Minutes of May 14, 2020.
- b) Vouchers and Warrants #94107-94201 & Direct Deposit #20308-20348 in the amount of \$878,118.13.
- c) Accept as complete- Building 85 Fire Protection System.

Commissioner Ryckman moved and Commissioner Gordon seconded to approve the consent agenda as presented. Motion carried unanimously.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1532- Moving the 2nd June Commission Meeting back to the original date. Staff presented the previous scheduling conflict has been resolved and the Commission Meeting may return to its original date of the 25th of June 2020.

Commissioner Gordon moved and Commissioner Ryckman seconded to adopt Resolution 1532 to return the second regularly scheduled meeting in June to June 25, 2020 at 10:30 am. Motion carried unanimously.

ITEMS FOR ACTION/ CONSIDERATION

Change Order for Battelle Hangar- Mr. Faley presented the previously discussed Change Order for the Battelle Hangar for work associated with the installation of louvers in the hangar and with the foam fire suppression system. These louvers will open when the foam fire suppression system is

activated in the hangar to relieve air pressure in the building. This Change Order is in the amount of \$16,270.52, including Washington State Sales Tax.

Mr. Faley also informed the Commission that for the Battelle Hangar, the punch list is in review, the security system is due to be installed next week and everything is scheduled to be completed mid-June.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to sign Change Order #7, in the amount of \$16,270.52, including Washington State Sales Tax, for the Battelle Hangar project. Motion carried unanimously.

Barge Terminal Pollution Insurance Renewal- Ms. Watts presented the quote for renewal of pollution insurance for the Barge Terminal. The premium has gone up from \$6,216.87 to \$6,347.41. The difference in premium essentially falls on the fee added by the carrier. The premium excludes terrorism coverage. Staff recommends renewing the Barge Terminal Pollution Insurance with Tokio Marine Specialty Insurance Company without terrorism coverage.

Commissioner Gordon moved and Commissioner Ryckman seconded to approve the Barge Terminal Pollution Insurance renewal without terrorism coverage for \$6,347.41. Motion carried unanimously.

Christensen Lease- Ms. Reyna presented to the Commission, as discussed previously, Christensen Inc. is proposing to lease additional ground at the Big Pasco Barge Slip to expand their propane transloading business. One of the remaining items to resolve is access into their leased premises. Christensen has opted to lease additional land from the Port for access bringing their entire lease to 4.82 acres. As compensation for needing to lease additional land for access, they have requested a reduction in price per acre for the first 36 months of the lease. They have also asked for any rent increases for the previous 3 years be limited to 10% vs. our standard 15% limit.

Lease value for the entire term at published rate would be \$1,604,950. If granted 36 months of reduced rent, the value of the lease would be \$1,585,210, a difference of approximately -\$19,379. Staff recommends granting only 12 months of reduced rent for a difference of -\$6,580. The Port would also be responsible for the improvements as stated in the lease.

Commissioner Gordon moved and Commissioner Ryckman seconded to authorize the Executive Director to execute a lease with Christensen, Inc. for 4.82 acres of land located at the Port's Container Terminal at a reduced rate for the first 12 months along with other deviations as presented. Executive Director shall also be authorized to make minor changes to the lease, with approval by the Port attorney, as may be needed to finalize the agreement. Motion carried unanimously.

CERB Initial Offer of Financial Assistance- Mr. Ballew presented, the Port pursued a grant from the Community Economic Revitalization Board (CERB) to support the development of a Master Plan at the Reimann Industrial Center (RIC). Commission approved Resolution 1530, authorizing the submittal at the March 26, 2020 meeting.

The CERB Board approved the grant at their May 21, 2020 meeting. The award is a

\$50,000 grant. The Port has until July 6, 2020 to enter into an Initial Offer of Financial Aid and until September 17, 2020 to meet the initial award conditions.

Commissioner Ryckman moved and Commissioner Gordon seconded to authorize the Executive Director to execute the Initial Offer of Financial Aid with CERB for Master Planning at the Reimann Industrial Center. Motion carried unanimously.

ITEMS FOR DISCUSSION

2019 Annual Report- Ms. Watts presented the 2019 Annual Report.

Representative Cohen Letter- Mr. Taft presented the letter that was sent on to Representative Cohen of Tennessee on behalf of the Tri-Cities Airport in regard to CARES Act Funding. There has been no response at this time.

Director Reports:

1. Executive Director
 - a. The Port of Pasco Newsletter, formerly known as “The Beacon”, will be released in the June issues of the Journal of Business and Franklin County Graphic.
2. Airport Director
 - a. Statistics for May are not available yet, but the trend is upwards. TCA will be getting a few more flights in June and the airlines seem to have a capacity issue. It appears as if they have made too big of cuts throughout the system and now, they are having issues filling the demand.
 - b. Staff is working on signing an agreement with Daniel Reimer (DSR LLC) to prepare our Minimum Standards and Rules and Regulations. This agreement is within the Airport Director’s delegated authority to sign and we will report back when executed.
 - c. Staff is working on a Public Records Request from Will MacHugh regarding his desire to enhance the overall experience for general aviation pilots.
 - d. Airport and Accounting Staff are working together to analyze the current revenue and budget numbers for the Airport, with plans to discuss the next steps related to deferment, possible waivers and the budget with Commission at the next Commission Meeting.
 - e. Airport Director and Jack Penning with Volaire Aviation will be on Coffee with Karl Friday, May 29, 2020.
3. Economic Development & Marketing Director (EDM)
 - a. Osprey Pointe rezoning: Nichole Stickney of AHBL submitted a letter to the Planning Commission advocating for the approval of private roads within the proposed Waterfront Zone. Planning Commission closed the public hearing and is making a recommendation to Council that they adopt the Waterfront Zone.
4. Deputy Airport Director Report

- a. Taxiway A project will have a change order request at the next Commission Meeting, a portion of the taxiway was set to be overlaid but will have to be redone due to inadequate quality. The overall cost is 183,063.14, and the Airport is responsible for 10% of that figure.
5. Finance Director
 - a. Accounting Staff is moving forward with the audit.
 - b. Accounting Staff will begin work on refinancing 2010 Bonds.
6. Properties Director
 - a. Properties Staff is keeping very busy.
 - b. Properties Staff is still waiting on exhaust system quotes for the Leggari lease update.
 - c. IEDS expansion is on track for May, with possible additional expansion in June.
 - d. Properties Staff is dealing with encroaching tenant issues, this involves correcting billing for tenants.
 - e. Properties Staff has received multiple notifications for land purchases at Reimann Industrial Center.

Commissioners Reports:

Commissioner Gordon noted there have been no meetings to attend since the last Commission meeting and that the Columbia Basin Development League is set to meet in June.

Commissioner Ryckman reported that she was looking forward to “Coffee with Karl”.

Commissioner Ryckman noted the WPPA executive committee meeting was set for next week, and that the 2020 Commissioner Seminar scheduled for July in Walla Walla was likely to be moved online.

Commissioner Ryckman noted a meeting with Victoria Lincoln at WPPA was scheduled for today that she was hoping to attend online.

Executed Items: The Executive Director has signed the following agreements in accordance with the Port’s Delegation of Authority Policy.

1. Deferment Approvals- As of May 14, 2020, the Executive Director has executed agreements to defer with the following tenants: Tailwind, EAN Enterprise, EAN National Alamo, Republic Parking and Delta Airlines.
2. Surplus of Abandoned Rail Car-The Executive Director will surplus the rail car under Resolution 1525
3. Cost Less Carpets Lease- A new lease has been signed with Cost Less Carpet for Building 2-87 and land at 4405 Stearman, in the Tri-Cities Airport Industrial Park. Lease value is \$142,698 for the initial term of this lease.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

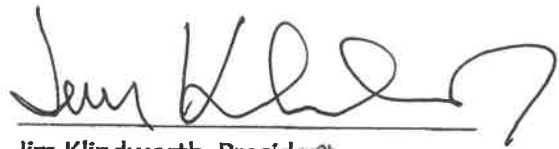
EXECUTIVE SESSION

At 11:40 a.m., Commissioner Klindworth announced the board would go into executive session for 10 minutes to discuss the minimum price at which real estate will be considered for lease, and to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party. At 11:50 a.m. regular session was reconvened.

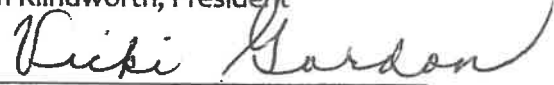
ADJOURNMENT

The meeting adjourned at 11:51 a.m.

Port of Pasco Commission:



Jim Klindworth, President



Vicki Gordon, Vice-President



Jean Ryckman, Secretary