

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
April 13, 2023 | 10:30 a.m.

CALL TO ORDER

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, Wendy Culverwell of the Tri-City Herald, Michael Clayton, James Sexton of JMS Construction, Colin Hastings of the Pasco Chamber of Commerce, Clara Wiley and Maria Perez of KIS, Ben Hoppe of JUB, Mitch Gilbert, and Aaron Johnson

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of March 30, 2023.
- b) Vouchers and Warrants #99693-99794 in the amount of \$1,647,724.73 and Direct Deposits #23253-23295 in the amount of \$103,753.29.

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

PUBLIC CITIZEN COMMENT

Ms. Perez and Ms. Wiley of KIS were in attendance to discuss the KIS lease at Big Pasco. Ms. Perez cited the business complication of the last few years and requested additional time to catch up their delinquent account. The Commission discussed waiting to take any action until the next Commission Meeting, at that time they will review the status of the account and determine next steps. Though previously staff were instructed to issue a pay-vacate, due to the timing of the meeting, this letter has not been sent yet. Per commission direction, staff will wait until the next meeting, on April 26th, for any Port action. The Commission thanked Ms. Wiley and Ms. Perez for the information.

No additional public citizens provided comment.

PUBLIC HEARINGS AND RESOLUTIONS

Resolution 1607- Changing the Port of Pasco Commission Meetings to the Second and Fourth Wednesdays of the Month- Ms. French presented, staff was asked to prepare a Resolution changing

Commission Meeting days to the second and fourth Wednesdays of the month. This change is due to several Commissioner schedule conflicts and supersedes the days set in Resolution 1303.

Commissioner Ryckman moved and Commissioner Klindworth seconded to adopt Resolution 1607- Changing the Port of Pasco Commission Meetings to the Second and Fourth Wednesdays of the Month. Motion passed unanimously.

ITEMS FOR ACTION

Osprey Pointe Phase 1 Update- Mr. Sexton was in attendance to provide an update on the Osprey Pointe Phase 1 development. Mr. Sexton would like to proceed with the Master Development Agreement (MDA) and is intending to provide the requested financial documents. Commission and staff discussed the Port's options as the existing Letter of Intent (LOI) and exclusivity period expires on April 15th.

Mr. Sexton also discussed his relationship with Mr. Greg Creighton, Pacific Coast Capital Markets, LLC. Mr Creighton has been in communication with JMS and the Port to raise complaints about the termination of his involvement in financial programming for the project. Mr. Sexton relayed that he had been working with Mr. Creighton but had discontinued the relationship and is now working with other financial lending firms.

The Commissioners, staff, and Mr. Sexton discussed the missing documents needed to complete the MDA. At this time, Mr. Sexton has provided no additional documents related to the MDA as previously requested. After the discussion, Mr. Hayden summarized Commission comments on the importance of receiving a signed version of the MDA at the next meeting, or at a minimum a counter-proposal to the MDA, along with a financial business plan for the development and evidence of committed financing.

Commissioner Klindworth moved and Commissioner Ryckman seconded to approve Amendment #8 to the JMS LOI, extending the exclusivity period until April 26th, 2023.

Williams Pipeline Easement at RIC- Mr. McFadden presented, Williams Northwest Pipeline, LLC has a high-pressure natural gas transmission line that bisects the northern half of the Reimann Industrial Center. The company also has a "gate station" on the that line to supply gas to a Cascade Natural Gas lateral.

When the Darigold facility comes online, it will be connecting directly to the Williams pipeline. As a result, Williams has requested a new facility right of way for the 4-inch gas line that will travel from the gate station south to the Darigold facility. Williams has also requested a temporary access and construction workspace agreement. The Port has offered to provide the easement at no cost to Williams.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Executive Director to execute the Williams Northwest Pipeline, LLC Facility Easement and Temporary Access & Construction Workspace Agreement at the Reimann Industrial Center. Motion passed unanimously.

A-1 Hospitality Revised Letter of Intent- Mr. McFadden presented an updated LOI between A-1 Hospitality and the Port for a 2.89-acre site between the Courtyard Marriott and the Circle K at the Tri-Cities Airport Business Center. The LOI has previously been approved by the Commission, however, the national hotel brand that A-1 Hospitality is currently negotiating a contract with asked for stronger wording in the agreement that establishes clear exclusivity of the land for this project. This draft reflects those changes in language.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to execute the short-term Letter of Intent between the Port and A-1 Hospitality, and to authorize the Executive Director to execute the agreement with minor changes following review by the Port attorney. Motion passed unanimously.

Taxiway G Change Order #1- Mr. Faley presented, since the contract for Taxiway G was signed in 2022, there have been several updates requiring an increase in project cost. Washington State Sales taxes on this project has increased from 8.7% in 2022 to 8.9% at the beginning of 2023. A portion of the project requires the relocation of an electrical cable for the FAA weather equipment, and after FAA review, some changes had to be made to some of the materials called out in the construction plans.

The total for this change order is \$58,621.65, including Washington State Sale Tax. The original contract amount for this project was \$7,279,647.86. The revised contract total, with this change order, will be \$7,338,269.51. The FAA ADO is aware of this change order and had stated that it is AIP eligible.

Commissioner Klindworth moved and Commissioner Ryckman seconded to authorize the Executive Director to sign change order #1 for the Taxiway G Project for \$58,621.65, including sales tax, revising the contract total to \$7,338,269.51. Motion passed unanimously.

Bureau of Reclamation Purchase for Reimann Rail- Mr. McFadden presented, Port staff and the Bureau of Reclamation (BOR) have been working together since February 2022 to purchase land that lies immediately south of the RIC/Darigold parcel for an access point for the new rail spur to serve the Reimann Industrial Center. The Port is presenting the purchase of 2.14 acres of land by Quitclaim Deed from the United States Department of the Interior Bureau of Reclamation for \$8,560 for the 2.14 acres, for Commission consideration.

Commissioners questioned the use of a Quit Claim Deed instead of a Statutory Warranty Deed. Mr. McFadden replied that the BOR was only willing to sell the land using a Quit Claim Deed, but a land survey was performed by PBS and the Port received a Title Report to confirm there were no impediments to the rail spur.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to execute the Quitclaim Deed with the United States Department of the Interior Bureau of Reclamation for the purchase of 2.14 acres for \$8,560. The Executive Director shall also be authorized to make minor changes to the agreement, with approval by the Port attorney, as may be needed to finalize the agreement. Motion passed unanimously.

AIP 57 Grant Approval- Mr. Taft presented, the FAA has awarded the Tri-Cities Airport the AIP 57 Grant for the Runway 12-30 shift design. This project was approved for the 2023 capital budget. The grant is in the amount of \$1,159,171 and will be a 90% FAA funded project. The Port will be required to provide the 10% match. The current cost breakdown of the grant is as follows:

FAA Share: \$1,159,171
Port Share: \$128,797
Total Project: \$1,287,968

The design estimate for this project was \$1,400,000, and staff will present the Mead & Hunt design agreement at the next Commission meeting.

Commissioner Klindworth moved and Commissioner Ryckman seconded to accept the AIP 57 Grant in the amount of \$1,159,171 for the design of the Runway 12-30 Shift and authorize the Executive Director to sign the grant. Motion passed unanimously.

ITEMS FOR DISCUSSION

Potential Land Purchase Update- Mr. Hayden noted that Mr. Shaffer would be in attendance at an upcoming Commission Meeting to discuss potential land purchases for the Port of Pasco. Staff would like to discuss the topic briefly in executive session as it involves the selection of a site or the acquisition of real estate by purchase.

Port of Pasco Properties Tour- Commission, staff, and meeting guests were invited on a tour of Big Pasco tenants; Apollo, Zen-Noh Hay, and Aromatics at 1 pm.

Director Reports:

1. Executive Director
 - a. Mr. Hayden noted that he and Commissioner Gordon would be providing a tour of the Port's proposed shoreline reconveyance property at the Wharf with the Yakima Nation on Monday, April 17th.
 - b. Mr. Hayden discussed moving the Big Pasco Tenant Appreciation BBQ to June 28th.
 - c. The Washington State House capital budget has \$200,000 for a Tri-Cities Ag Innovation Center. The Port of Pasco is set to be the receiving agency if the designation makes it through the budget process.
 - d. Mr. Hayden noted his thanks to Lamb Weston for providing tater-tots to the PNWA Taste of the Northwest Reception in Washington DC.
2. Port Attorney
 - a. Ms. Ellerd noted that due to the day change for Port Commission Meetings, she may have some schedule conflicts in the next few months until she can get her calendar updated.
3. Airport Director

- a. Mr. Taft discussed the letter that he will send to the Commercial Aviation Coordinating Commission (CACC). It will request a full study of all Eastern Washington airport sites, if the Commission considers the eastern half of the state for expansion of commercial airports.
 - b. Mr. Taft will be attending the Allegiant Conference in Las Vegas next week to discuss opportunities for expanded air service to the Tri-Cities Airport.
4. Deputy Airport Director
 - a. Mr. Faley noted the FAA inspection will take place next week.
 - b. The Airport Airside and Landside Improvements Project will be bid on next week.
5. Finance Director
 - a. Ms. Watts noted that she and the accounting staff continue their work on the Annual Report.
6. Economic Development and Marketing Director
 - a. Mr. McFadden provided the EDM report, noting that waterpipe has been installed at the RIC.
7. Director of Properties
 - a. Ms. Reyna noted the Ideal Tarp lease is on hold.
 - b. Ms. Reyna will be attending the Northwest Marine Terminal Association meeting next week.
 - c. Ms. Reyna provided an update on Hispanic Chamber events.

Commissioner Reports:

Commissioner Klindworth complimented Ms. Reyna on Big Pasco being leased at almost 100%.

Commissioner Klindworth discussed the North Franklin County Rail Interchange and requested to see updated plans.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

RECESS

At 11:51 a.m., Commissioner Gordon recessed the meeting for lunch until 12:15 p.m. At 12:15 p.m. the meeting resumed.

At 12:45 p.m., Commissioner Gordon recessed the meeting for a break until 1 p.m. At 1:00 p.m., Commission, staff, and guests were invited to attend a tour of Big Pasco tenant facilities.

EXECUTIVE SESSION

At 12:16 p.m., Commissioner Gordon announced that the Commission would go into Executive Session until 12:35 p.m. to discuss the acquisition of real estate by purchase and to discuss collective bargaining unit mediation proceedings. At 12:35 p.m., the Executive Session was extended until 12:40 p.m., and at 12:40 p.m., it was extended until 12:45 p.m. At 12:45 p.m., the Regular Session was reconvened.

ADJOURNMENT

The meeting was adjourned at 3:04 p.m.

Port of Pasco Commission:



Vicki Gordon, President



Jean Ryckman, Vice-President



Jim Klindworth, Secretary