

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 26, 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: Michael Clayton, James Sexton of JMS Construction and Attorney Craig Walker, Sara Schilling of the Tri-Cities Journal of Business, Colin Hastings of the Pasco Chamber of Commerce, Paul Harmsen of McKay Sposito, Ben Hoppe of JUB, Mitch Gilbert, Aaron Johnson, and Kirt Shaffer of Tippett Company.

APPROVAL OF AGENDA

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

CONSENT AGENDA

- a) Regular Meeting Minutes of April 26, 2023.
- b) Vouchers and Warrants #99795-99891 in the amount of \$373,469.67 and Direct Deposits #23296-23335 in the amount of \$95,794.88.

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

PUBLIC CITIZEN COMMENT

No public citizens provided comment.

ITEMS FOR ACTION

Osprey Pointe Phase 1 Update- Mr. Sexton and Mr. Walker were in attendance to provide an update on the Osprey Pointe Phase 1 development. Mr. Sexton would like to proceed with entering into the Master Development Agreement (MDA) with the Port and has provided several documents since the April 13th Commission Meeting: an updated phasing plan and master development schedule, an updated Master Development Agreement draft, a Preliminary Approval Letter for a construction loan through Broadmark Realty Capital, and other documents. Staff noted they have not had enough time since the receipt of the documents to thoroughly review everything that has been provided. Mr. Walker discussed the intention of JMS's desire to move forward with an agreement for phase 1 of Osprey Pointe and the MDA in a parallel fashion. JMS is getting an appraisal of the property and proposed buildings completed in order to attain funding, and Port staff and Commissioners discussed obtaining a new

appraisal of their own for the Osprey Pointe property or estimating the value of the property from the last appraisal taking into consideration CPI. The Commission noted they would like to have the property reappraised.

Mr. Hayden discussed the complaint and demand letter that the Port has received from Mr. Gregory Creighton as well as the correspondence the Port has received, all of which was provided for Commission review. Ms. Ellerd provided an overview of the virtual meeting that she and Mr. Hayden had with Mr. Creighton on March 27th. She explained that she requested documentation from Mr. Creighton showing any relationship that Mr. Creighton had with JMS as well as documentation showing any claim that Mr. Creighton felt he had against the Port of Pasco. Ms. Ellerd noted that in Mr. Creighton's complaint, he said that during the virtual meeting Mr. Hayden had said there was a contract with JMS, and that Ms. Ellerd only recalled discussing that there was an LOI between the Port and JMS. Ms. Ellerd also noted there would be further discussion on the matter in an Executive Session.

The Commission and staff discussed extension of the exclusivity period in the Letter of Intent (LOI). Staff noted that it would take longer than two weeks to evaluate the information that has been provided.

Commissioner Ryckman moved and Commissioner Klindworth seconded to approve Amendment #9 to the JMS LOI, extending the exclusivity period until May 24th, 2023. Motion passed unanimously.

After the Executive Session, Mr. Hayden noted that in Mr. Creighton's requested a settlement from the Port. Mr. Hayden requested Commission direction as to the Port's response to the settlement request.

The Commission directed the Port attorney to issue a letter to Mr. Creighton, acknowledging that they have reviewed all material provided by Mr. Creighton and his letter of complaint (summary complaint), that they are declining to offer any settlement regarding the matter.

Mead & Hunt Runway 12-30 Shift Design - Mr. Faley presented, Mead & Hunt has provided a proposal for the Runway 12-30 Shift Design for the AIP 57 Project. The project has been included as part of the 2023 AIP schedule. An IFE was conducted using Shrewsberry and Associates Engineering from Denver, Colorado and it was determined that the Mead & Hunt's fees were within 1.04% of the IFE. The FAA has reviewed and approved the fees and found them to be eligible for Federal funding through the AIP 57 Grant. Mead & Hunt's proposed fee for Design Services is \$1,249,882.95. The Port will be responsible for 10% of this fee through our AIP 57 Grant, which will be \$124,988.30.

Commissioner Klindworth moved and Commissioner Ryckman seconded to award the Runway 12-30 Shift Design Services for the AIP 57 project to Mead & Hunt for \$1,249,882.95. Motion passed unanimously.

TCA Business Park Landside and Airside Improvement Project- Mr. Faley presented, bids were opened for the Airport Business Park Landside and Airside Improvements Project. On April 19th, 2023. The apparent low bidder was Inland Asphalt, for \$4,084,062.76 for all bid schedules and additives, including Washington State sales tax.

The bids were reviewed by Mead & Hunt, for compliance and accuracy. No errors with found and the recommendation is to award the project to Inland Asphalt as the apparent low bidder. Primary funding for the project is being provided by the state Community Economic and Revitalization Board (CERB) with a \$3.75M loan, \$1.25M grant, and a required \$1.25M match from the Port. With the additional funding available staff is considering going out for an additional bid to add taxiway work that was cut due to the high Engineer's estimate.

Commissioner Ryckman moved and Commissioner Klindworth seconded to award the Airport Business Park Landside and Airside Improvement Project to Inland Asphalt for \$4,084,062.76, including Washington State Sales Tax, for the Base Bid and all 3 Bid Additives. Motion passed unanimously.

Final Bill for TCA Runway Repair- Aircraft Accident- Mr. Faley presented, the airport has been working with Clean Harbors on soil reclamation from the aircraft accident in September of 2022. They removed the soil from the affected area and it has been in containers waiting for final testing results and determination of final disposal destination. Based on testing results and the final disposal site is in Utah. Their final estimate for disposal cost is \$80,000.00, but this number depends on the weight of the soil. Due to this unknown, staff is requesting Commission to authorize the Executive Director to award Clean Harbors the disposal of contaminated soil at the airport for the not to exceed amount of \$100,000.00, including Washington State Sales Tax.

Once the Port receives the final invoice, staff will be submitting a claim with the insurance company of the aircraft owner for cost incurred, to include replacement of ARFF's AFFF, pavement repair on Runway 21R, and Soil reclamation.

Commissioner Ryckman moved and Commissioner Klindworth seconded to authorize the Executive Director to award Clean Harbors the disposal of contaminated soil at the Tri-Cities Airport for the not to exceed amount of \$100,000.00, including Washington State Sales Tax. Motion passed unanimously.

ITEMS FOR DISCUSSION

March Financial Report- Ms. Watts provided the March Financial Report for discussion.

Tenant Delinquent List- Ms. Watts provided the Tenant Delinquent List for discussion. Staff and Commission discussed the KIS delinquency and Commission directed staff to work with KIS on a payment plan to catch up on what is owed and to issue a Pay-Vacate if a new payment is missed before the delinquent amount is paid.

Potential Land Purchase Update- Mr. Shaffer was in attendance to discuss potential land purchase options. The discussion will be held in Executive Session.

Director Reports:

1. Executive Director

- a. Mr. Hayden attended the Court of Appeals District 3 hearing that was held at Chiawana High School last week regarding the Futurewise case against the Franklin County UGA expansion. A decision by the court will be made in the upcoming months.
 - b. Mr. Hayden discussed state legislation that extends the .09 Economic Development Fund Bill from 2034-2054.
 - c. The first .09 Committee Meeting was held this morning, Mr. Hayden noted that the group discussed bonding the .09 collections amount out for larger projects now that the bill has been extended to 2054. The Commission agreed that the committee should look into that opportunity.
2. Airport Director
- a. Mr. Taft discussed his attendance at the Allegiant Conference in Las Vegas.
 - b. Mr. Taft discussed the Airport Activity Report.
 - c. Senator Cantwell has selected the relocation of the FAA Air Traffic Control Tower as one of her Congressionally Directed Spending projects. This phase of the project has been included at \$4 million. Staff is also working with other airports across the country to include language in the FAA reauthorization bill that specifies small hub airports with 50-year-old towers, ADA issues, line of site issues, or security issues as priorities for funding. At this time, these projects are trending positively, but we won't know for sure until the process is complete.
3. Deputy Airport Director
- a. Mr. Faley noted the Taxiway G project will continue through July.
 - b. Archaeological and topographical surveying is in progress for several projects.
4. Finance Director
- a. Ms. Watts noted that the Accounting Department is in the home stretch of the Annual Report.
 - b. Ms. Watts also discussed an upgrade in the S&P rating of the Port/Airport to an A.
5. Economic Development and Marketing Director
- a. Mr. McFadden noted that the Port is in the draft phase of the Project Ambrose PSA and that the Project Glacier PSA is upcoming.
 - b. Mr. McFadden noted that the Port is continuing to act as the .09 Committee coordinator.
 - c. JUB will be providing the Draft Master Plan for the AIM Center to the Port by May 30th, for submission to the Department of Commerce.
 - d. Mr. McFadden will be attending Select USA in Washington DC next week, and has numerous meetings set up.
6. Director of Properties
- a. Ms. Reyna provided an overview of her attendance at the Northwest Marine Terminal Association Conference last week.

Commissioner Reports:

Commissioner Ryckman commented on her attendance at the TRIDEC/Congressman Newhouse reception last week, and that it was good to see both local and DC staff in attendance.

Commissioner Klindworth noted that the .09 Fund bonding is an excellent idea.

CALENDAR OF EVENTS

Commissioners and staff discussed the calendar of events.

RECESS

At 12:05 p.m., Commissioner Gordon recessed the meeting for lunch until 12:25 p.m. At 12:25 p.m. the meeting resumed.

EXECUTIVE SESSION

At 11:34 p.m., Commissioner Gordon announced that the Commission would go into Executive Session until 11:55 a.m. to discuss the acquisition of real estate by purchase. At 11:55 a.m., the Executive Session was extended until 12:00 p.m., and at 12:00 p.m., it was extended until 12:05 p.m. At 12:05 p.m., the Regular Session was reconvened.

At 12:56 p.m., Commissioner Gordon announced that the Commission would go into Executive Session until 1:10 p.m. to discuss potential litigation against the Port. At 1:10 p.m. the Regular Session was reconvened.

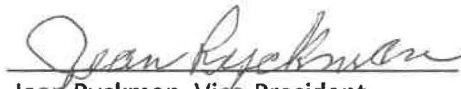
ADJOURNMENT

The meeting was adjourned at 1:12 p.m.

Port of Pasco Commission:



Vicki Gordon, President



Jean Ryckman, Vice-President



Jim Klindworth, Secretary