

# RESOLUTION NO. 1546

A RESOLUTION setting forth Port policy regarding the rental lease rates and related policies of the Port of Pasco

WHEREAS, the Port owns commercial and industrial properties and from time-to-time leases said property to individuals and companies; and

WHEREAS the Port is authorized by statute to lease all lands owned or controlled by it for such purposes and upon such terms as the Port Commission deems proper; and

WHEREAS, the Port chooses to maintain a listing of ordinary and usual rental lease rates; and

WHEREAS, Port wishes to establish certain policies related to the leasing of its commercial and industrial properties to act as a guideline to help establish lease rates and security requirements;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Port revises the following policy regarding the leasing of Port owned property and rental rates for lease thereof:

Section 1.-Rental Lease Rates: The Port of Pasco hereby establishes a schedule of rental lease rates as outlined in Exhibit "A", Exhibit "C" and rental policies as outlined in Exhibit "B" relating to leasing its commercial and industrial properties and related accessory facilities. This schedule of rental lease rates may be reduced, increased, and modified on a case-by-case basis at the Port's discretion, consistent with the Port's purpose of promoting economic development within the Port District and taking into consideration vacancy rates. The Executive Director may reduce or otherwise modify the rental lease rates per the Commission approved incentive policies included in Exhibit "B".

Section 2. –Consumer Price Index Adjustment: January 1 of each year, without further action by the Port Commission, the lease rates set forth in Exhibits "A" and "C" may be increased as outlined below:

At the beginning of each calendar year, the Rental lease rate may be increased in an amount equal to the product of the Rent times a number equal to the percentage increase in the CPI over a 12-month period, calculated by using the most recently published CPI and the CPI published 12 months earlier. The CPI used shall be based on the data Index of the Bureau of Labor Statistics of the United States Department of Labor for All items in West - Size Class B/C, all urban consumers, not seasonally adjusted.

SECTION 3. – Market Rate Adjustments: At least once every five years, without further action by the Port Commission, the Port staff shall ascertain by appraisal, market analysis or other means the fair rental value of the Port's properties, and may modify the rates set forth in Exhibit A. Market survey results will be shared with Port Commission.

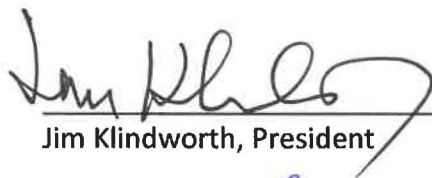
SECTION 4. – Utility and Other Charges: Without further action by the Port Commission, the Port shall increase its charges for utility services and similar charges to tenants by the amount of any increased cost to the Port for such items.


SECTION 5. – Tariffs: From time to time, without further action by the Port Commission, the Port Executive Director may increase, decrease or otherwise adjust, or approve the increase, decrease or adjustment of, the tariff schedule to bring it into conformance with market conditions, or adjust the rates for inflation based on the Consumer Price Index.


SECTION 6.-Effective Date: The effective date of these policies shall be January 1, 2021.

Resolution No. 1505, is hereby rescinded and this Resolution No. 1546 is adopted as of the 10th day of December, 2020.

PORT OF PASCO COMMISSION

  
Jim Klindworth, President

  
Vicki Gordon , Vice-President

  
Jean Ryckman , Secretary

**EXHIBIT "A"**  
**RENTAL LEASE RATES**  
**EFFECTIVE JANUARY 1, 2021**

Rates Do Not Include 12.84% Washington State Leasehold Excise Tax.

**Big Pasco Industrial Area – Warehouse Lease Rates**

Building ID	Building Address	Leasable Sq Ft	Monthly Bldg Rent	Per Sq Ft.
W1B1	1805 E Ainsworth	43,200	\$12,375.00	\$0.2865
W1B2	1901 E Ainsworth	43,200	\$1,917.00	\$0.0444
W1B3	1941/1951 E Ainsworth	43,200	\$8,624.00	\$0.1996
W1B4	2021 E Ainsworth	43,200	\$11,368.00	\$0.2631
W2B1	2105 E Ainsworth	43,200	\$15,101.00	\$0.3496
W2B2	2201 E Ainsworth	43,200	\$12,081.00	\$0.2797
W2B3	2241 E Ainsworth	43,200	\$9,061.00	\$0.2097
W2B4	2321 E Ainsworth	43,200	\$10,571.00	\$0.2447
W3B1	2405 E Ainsworth	43,200	\$10,571.00	\$0.2447
W3B2	2505 E Ainsworth	43,200	\$11,697.00	\$0.2708
W3B3	2541 E Ainsworth	43,200	\$10,181.00**	\$0.2357
W3B4	2699 E Ainsworth	43,200	\$10,571.00	\$0.2447
W4B1	2805 E Ainsworth	43,200	\$10,571.00	\$0.2447
W4B2	2825 E Ainsworth	43,200	\$9,061.00	\$0.2097
W4B3	2841 E Ainsworth	43,200	\$1,917.00	\$0.0444
W4B4	2999 E Ainsworth	43,200	\$15,101.00	\$0.3496
W5B1	3005 E Ainsworth	43,200	\$12,584.00	\$0.2913
W5B2	3105 E Ainsworth	43,200	\$11,578.00	\$0.2680
W5B3	3205 E Ainsworth	43,200	\$9,061.00	\$0.2097
W5B4	3295 E Ainsworth	43,200	\$11,578.00	\$0.2680
W6B1	3305 E Ainsworth	43,200	\$10,572.00	\$0.2447
W6B2	3405 E Ainsworth	43,200	\$9,061.00	\$0.2097
W6B3	3455 E Ainsworth	43,200	\$1,917.00	\$0.0444
W6B4	3599 E Ainsworth	43,200	\$11,326.00	\$0.2622
W7B1	1810 E Ainsworth	43,200	\$11,368.00	\$0.2631
W7B2	1902 E Ainsworth	43,200	\$7,047.00	\$0.1631
W7B3	1940 E Ainsworth	43,200	\$7,047.00	\$0.1631
W7B4	2020 E Ainsworth	43,200	\$9,061.00	\$0.2097
W8B1	2110 E Ainsworth	43,200	\$15,605.00	\$0.3621
W8B2	2202 E Ainsworth	43,200	\$9,061.00	\$0.2097
W8B3	2240 E Ainsworth	43,200	\$7,047.00	\$0.1631
W8B4	2320 E Ainsworth	43,200	\$9,061.00	\$0.2097

**APPLICABLE DISCOUNTS\*:**

4% for 2 yr term lease    5% for 3 yr term lease    6% for 4 yr term lease    7% for 5 yr term lease  
5% for leasing 4 or more bays    10% for leasing 8 or more bays

\*Discounts also apply with the above term leases to warehouse slabs that are not enclosed warehouse bays.

\*\*This price includes a 25% partial bay occupancy, as this is a "shared" bay.

**Big Pasco Industrial Area - Building Lease Rates**

<u>Building ID</u>	<u>Building Address</u>	<u>Leasable Sq Ft</u>	<u>Monthly Bldg Rent</u>	<u>Per Sq Ft.</u>
T131	2151 E Dock St	25,000	\$9,895.00	\$0.3958
T179	2440/2490 E Ainsworth	36,000	\$12,090.00	\$0.3358
T106	1740 E Ainsworth	3,100	\$1,115.00	\$0.3597
T107&T107A	1715 E Ainsworth	8,440	\$2,457.00	\$0.2911
T208	1699 E Ainsworth	5,129	\$1,723.00	\$0.3359
T208A	1799 E Ainsworth	4,480	\$1,279.00	\$0.2855
T2-75	2630-2690 E Ainsworth	10,920	\$3,536.00	\$0.3238
T6-75	2550-2590 E Ainsworth	10,920	\$3,536.00	\$0.3238
T-280	1830 SE Rd 18	6,732	\$2,012.00	\$0.2989
T-900	3305 E Commerce St	23,925	\$9,470.00	\$0.3958
T-300	1952 Dock Street	3,000	\$900.00	\$0.3000
T-323	2030 E Crane	1,848	\$598.00	\$0.3236
T1-2010	2926 E Ainsworth	22,535	\$23,142.00	\$1.0269
T3-80	2090 E Crane St	5,000	\$930.00	\$0.1860
T4-80	904 E Ainsworth	4,096	\$2,758.00	\$0.5208
	Paint & Sandblast Booth		\$780.00	

**Marine Terminal Building Lease Rates**

<u>Building ID</u>	<u>Building Address</u>	<u>Leasable Sq Ft</u>	<u>Monthly Bldg Rent</u>	<u>Per Sq Ft.</u>
M301	900 W River	4,750	\$1538.00	\$0.3238
M302	602 W Ainsworth	3,000	\$900.00	\$0.3000
M303	619 W River	3,000	\$396.00	\$0.1320
M304	669 W River	2,100	\$378.00	\$0.1800
M305	719 W River	5,000	\$480.00	\$0.0960
M306	1322 S 8th	900	\$421.00	\$0.4678
M307	812 W Washington	2,500	\$900.00	\$0.3600
M720	720 W River	1,605	\$529.00	\$0.3296

**LAND RENT SCHEDULE – BIG PASCO &  
MARINE TERMINAL**

NOTE: Rates do not include Washington State Leasehold Excise Tax at 12.84%

**Big Pasco Industrial Center & Marine Terminal**

	Per acre/mo.	Per acre/yr.
<b>Less than 1 acre</b>		
Unimproved Land	\$ 729.00	\$ 8,748.00
Semi Improved Land	\$ 781.00	\$ 9,372.00
Paved	\$ 807.00	\$ 9,684.00
<b>1.0 to 5.0 acres</b>		
Unimproved Land	\$ 521.00	\$ 6,252.00
Semi Improved Land	\$ 573.00	\$ 6,876.00
Paved	\$ 625.00	\$ 7,500.00
<b>More than 5.0 acres</b>		
Negotiable		

**EXHIBIT "B"**

**LEASING POLICIES FOR PORT LEASES**

**LEASE SECURITY POLICY**

<u>Lease Term</u>	<u>Required Security</u>
Month-to-Month	2 month
1 to 5 years	4 months
More than 5 years	6 months

The required security amount is determined to be the rent, plus leasehold tax, plus utility charges.

The type of security instrument can be either cash deposit, lease bond, money market account, certificate of deposit or savings account. Other types of security instrument, e.g. irrevocable letter of credit, etc. are subject to approval of the Port Commission.

This conforms to R.C.W. 53.08.085.

## **PARTIAL BAY RENTAL POLICY FOR BPIC WAREHOUSES 1- 8**

Space available only on month-to-month basis. Either party may terminate on 20-day notice.

Minimum size rental is 1/6 Bay - 7,200 square feet  
Minimum size rental for W1B1 – 1,200 square feet

Rental rate based on scheduled prorated rent plus:  
25% if less than ½ Bay  
10% if ½ to ¾ Bay  
5% if ¾ Bay to Full Bay

Leased area shall be delineated in lease agreement and also in building.

W3B3 is a “shared” bay and is exempt from the surcharge as it is already incorporated into the published rate per square foot.

**NOTE:** Existing warehouse tenants are exempt from minimum size rental until such time as they enter into a new lease.



## **BPIC WAREHOUSE INCENTIVES POLICY FOR WAREHOUSES 1- 8**

### **Ramped Rent:**

For "start-up companies" leasing a full warehouse bay, rents may be ramped up each month starting no lower than 50% of published rate for the first month, and increasing over the term of the lease to reach the full published rate on or before the 13<sup>th</sup> month of the lease.

### **Free Rent for New Tenants:**

One Month free rent for each full bay for a two-year lease or longer to new tenants which are defined as tenants that have not had a lease with the Port of Pasco within the previous three years. Tenant is required to pay Washington State Leasehold Tax on the one month free rent.

### **Tenant Improvement Allowance:**

A tenant improvement allowance of \$0.75/sf is available for generic improvements preapproved by the Port for each full bay rented with a three-year lease or longer.

(Example Calculation: 43,200 sf x \$ .75 = \$32,400 tenant allowance)

When warehouse demand increases and occupancy of warehouses reaches 80% or more, these incentives may be suspended by the Executive Director until such time as they are needed again.



**EXHIBIT "C"**  
**RENTAL LEASE RATES – TRI-CITIES AIRPORT PROPERTIES**  
**EFFECTIVE JANUARY 1, 2021**

NOTE: Rates do not include Washington State Leasehold Excise Tax at 12.84%

**Tri-Cities Airport Industrial Park Building Lease Rates**

Building ID	Building Address	Leasable Sq Ft	Monthly Bldg Rent	Per Sq Ft.
A35	3904 Stinson	6,000	\$648.00	\$0.1080
A35	639 Fairchild	12,134	\$1,746.00	\$0.1439
A35N	3906 Stinson	5,400	\$607.00	\$0.1124
A40	641 Fairchild	7,440	\$1,208.00	\$0.1624
A57	502 Boeing St.	6,480	\$1,218.00	\$0.1880
A58	3420 Swallow	700	\$70.00	\$0.1000
A58A	3418 Swallow	7,000	\$1,399.00	\$0.1999
A59	3416 Swallow	2,500	\$465.00	\$0.1860
A60	3412 Swallow	9,000	\$864.00	\$0.0960
A60A	3414 Swallow	1,000	\$137.00	\$0.1370
A61	3410 Swallow	9,000	\$1,349.00	\$0.1499
A63	3405 Stearman	2,560	\$368.00	\$0.1438
A68	3508 Stearman	3,575	\$808.00	\$0.2260
A68	3510 Stearman	6,000	\$576.00	\$0.0960
A69	3602 Stearman	12,900	\$1,135.00	\$0.0880
A69	3604 Stearman	6,000	\$576.00	\$0.0960
A69	3606 Stearman	3,000	\$337.00	\$0.1123
A69	3608 Stearman	550	\$119.00	\$0.2164
A84W	642 Grumman	2,500	\$565.00	\$0.2260
A85	3408 Swallow	15,000	\$5,467.00	\$0.3645
A89	3606 Swallow	7,000	\$1,574.00	\$0.2249
A92	3704 Swallow	4,896	\$734.00	\$0.1499
A101N	3611 Stearman	5,000	\$687.00	\$0.1374
A101S	3607 Stearman	1,000	\$60.00	\$0.0600
A102	3404 Swallow	21,600	\$5,937.00	\$0.2749
A107	606 Boeing St.	16,000	\$2,639.00	\$0.1649
A116	3605 Stearman	2,948	\$589.00	\$0.1998
A140	3406 Stearman	3,000	\$675.00	\$0.2250
A141	3409 Stearman	2,352	\$970.00	\$0.4124
A1-86	3416 Stearman	4,850	\$3,526.00	\$0.7270
A1-91	3411 Stearman	5,000	\$1,374.00	\$0.2748
A201	3406 Swallow	7,000	\$1,931.00	\$0.2759
A2-74	3502 Stearman	1,200	\$554.00	\$0.4617
A2-87	4405 Stearman	23,625	\$2,007.00	\$0.0850

**Tri-Cities Airport Airfield Building Lease Rates**

Building ID	Building Address	Leasable Sq Ft	Mo. Bldg Rent	Per Sq Ft.	Comments
142	3906 Stearman	30,000	\$ 2,310.50	\$ 0.08	hangar space
2-01*	4102 Stearman	**	\$ 4,781.74	*blended rate	** FBO premises at 4102 Stearman
71 hangar N	3806 Stearman	4,000	\$ 479.01	\$ 0.12	hangar space
71 hangar S+	3804 Stearman	8,000	\$ 1,984.16	*blended rate	hangar, office and storage space
72 hangar N	4020 Stearman	6,000	\$ 489.93	\$ 0.08	hangar space
72 hangar S+	4020 Stearman	8,104	\$ 858.97	*blended rate	hangar and office space
72 tower	4020 Stearman	5,975	\$ 761.79	\$ 0.13	office/tower space
69 hangar+	612 Stearman	5,844	\$ 1,688.00	*blended rate	hangar, office and shop space
1-76 (small)	4326 Stearman	1,200	\$ 212.01	\$ 0.18	T-hangars (small)
1-76 (lg)	4326 Stearman	1,900	\$ 347.40	\$ 0.18	T-hangar (lg)
1-69	4328 Stearman	1,200	\$ 212.01	\$ 0.18	T-hangars (small)
1-69 (lg)	4328 Stearman	1,900	\$ 347.40	\$ 0.18	T-hangar (lg)
70*	3704 Stearman	**	\$ 1,321.13	* blended rate	**FBO premises at 3704 Stearman

**TRI-CITIES AIRPORT LAND RENT SCHEDULE**

NOTE: Rates do not include Washington State Leasehold Excise Tax at 12.84%

**Tri-Cities Airport Aviation Land Rates**

	Per ac/mo.	Per ac/yr.
0 to .5 acre	\$ 1,074.00	\$ 12,888.00
.5 to 1.0 acre	\$ 898.00	\$ 10,776.00
1.0 to 2.0 acres	\$ 722.00	\$ 8,664.00
More than 2.0 acres	Negotiable	

**Tri-Cities Airport Industrial Park**

Unimproved Land	\$ 521.00	\$ 6,252.00
Semi Improved Land	\$ 573.00	\$ 6,876.00
Paved	\$ 625.00	\$ 7,500.00

**Tri-Cities Airport Commercial Business Park Land**

Land - per acre/month Minimum	Varies by lot
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