

RESOLUTION NO. 1623

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 policies 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 and condition of premises. 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, 2024.

Resolution No. 1601 is hereby rescinded.

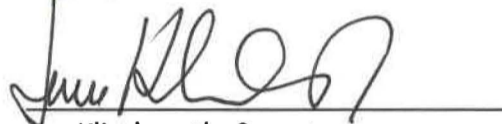
PORT OF PASCO COMMISSION



Vicki Gordon, President



Jean Ryckman, Vice-President



Jim Klindworth, Secretary

BIG PASCO INDUSTRIAL AREA - BUILDING LEASE RATES

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

Building ID	Building Address	Leasable Sq Ft	Per Sq Ft.
T131	2151 E Dock St	25,000	\$0.3741
T179	2440/2490 E Ainsworth	36,000	\$0.4020
T106	1740 E Ainsworth	3,100	\$0.4020
T107&T107A	1715 E Ainsworth	8,440	\$0.4020
T208	1699 E Ainsworth	5,129	\$0.4020
T208A	1799 E Ainsworth	4,480	\$0.4020
T2-75	2630-2690 E Ainsworth	10,920	\$0.4443
T6-75	2550-2590 E Ainsworth	10,920	\$0.4443
T-280	1830 SE Rd 18	6,732	\$0.4020
T-900	3305 E Commerce St	23,925	\$0.5077
T-300	1952 Dock Street	3,000	\$0.4020
T-323	2030 E Crane	1,848	\$0.2645
T1-2010	2926 E Ainsworth	22,535	\$1.0578
T3-80	2090 E Crane St	5,000	\$0.2645
	Paint & Sandblast Booth		\$0.1587

WHARF BUILDING LEASE RATES

Building ID	Building Address	Leasable Sq Ft	Per Sq Ft.
M301	900 W River	4,750	\$0.3425
M302	602 W Ainsworth	3,000	\$0.3173
M303	619 W River	3,000	\$0.2116
M304	669 W River	2,100	\$0.2116
M305	719 W River	5,000	\$0.2116
M306	1322 S 8th	900	\$0.4948
M307	812 W Washington	2,500	\$0.3808
M720	720 W River	1,605	\$0.3486

LAND RENT SCHEDULE – BIG PASCO & WHARF

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

Big Pasco Industrial Center & Marine Terminal

	Per ac/mo	Per ac/yr
Less than 1 acre		
Unimproved Land	\$1,074.72	\$12,896.70
Semi Improved Land	\$1,132.90	\$13,594.85
Paved	\$1,191.08	\$14,292.99
1.0 to 5.0 acres		
Unimproved Land	\$806.04	\$9,672.52
Semi Improved Land	\$888.55	\$10,662.62
Paved	\$952.02	\$11,424.24
More than 5.0 acres		
Negotiable		

EXHIBIT "B"

LEASING POLICIES FOR PORT LEASES

LEASE SECURITY POLICY FOR PORT LEASES

Lease security amounts will be three (3) month's rent, except for T-hangars and license agreements, which shall be two (2) month's rent. The security amount required shall be determined to be the rent, plus leasehold tax, plus utility charges plus any standby fees that may be applicable.

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

All leases shall have a signed Principal as Co-Obligor (personal guarantee) when necessary. If a company chooses not to sign a personal guarantee, the security deposit shall be doubled. Publicly traded companies shall be exempt from signing a personal guarantee.

*At the February 10th, 2022, meeting, Port Commissioners approved the following modification to this Exhibit B:

Big Pasco Industrial Center tenants who lease 8 or more bays, have 10 or more years of leasing history in good standing at the Port, and at the discretion of the Commissioners, may have the security deposit amount reduced to two-months' rent, rather than the standard four-month security deposit.

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
- Rental rate based on published rent plus:
 - 25% if less than 1/2 Bay
 - 10% if 1/2 to 3/4 Bay
 - 5% if 3/4 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.

WAREHOUSE INCENTIVES POLICY FOR WAREHOUSES 1- 8 AT BIG PASCO

The following incentives may be applied to warehouse leases. 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.

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 13th 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)

EXHIBIT "C"

RENTAL LEASE RATES – TRI-CITIES AIRPORT PROPERTIES

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	Per Sq Ft.
A35	3904 Stinson	6,000	\$0.2116
A35	639 Fairchild	12,134	\$0.2116
A35N	3906 Stinson	5,400	\$0.2116
A40	641 Fairchild	7,440	\$0.2116
A57	502 Boeing St.	6,480	\$0.3703
A58	3420 Swallow	700	n/a
A58A	3418 Swallow	7,000	\$0.2327
A59	3416 Swallow	2,500	\$0.2116
A60	3412 Swallow	9,000	\$0.2116
A60A	3414 Swallow	1,000	\$0.2116
A61	3410 Swallow	9,000	\$0.2116
A63	3405 Stearman	2,560	\$0.2116
A68	3508 Stearman	3,575	\$0.2539
A68	3510 Stearman	6,000	\$0.2116
A69	3602 Stearman	12,900	\$0.2539
A69	3604 Stearman	6,000	\$0.2116
A69	3606 Stearman	3,000	\$0.2116
A69	3608 Stearman	550	\$0.2962
A84W	642 Grumman	2,500	\$0.2962
A85	3408 Swallow	15,000	\$0.3914
A89	3606 Swallow	7,000	\$0.2962
A92	3704 Swallow	4,896	\$0.2116
A101N	3611 Stearman	5,000	n/a
A101S	3607 Stearman	1,000	n/a
A102	3404 Swallow	21,600	\$0.3173
A107	606 Boeing St.	16,000	\$0.2116
A116	3605 Stearman	2,948	\$0.2962
A140	3406 Stearman	3,000	\$0.3914
A141	3409 Stearman	2,352	\$0.5395
A1-86	3416 Stearman	4,850	\$0.8705
A1-91	3411 Stearman	5,000	\$0.3385
A201	3406 Swallow	7,000	\$0.3068
A2-74	3502 Stearman	1,200	n/a
A2-87	4405 Stearman	23,625	\$0.2962

TRI-CITIES AIRPORT AIRFIELD BUILDING LEASE RATES

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

Building ID	Building Address	Leasable Sq Ft	Per Sq Ft.	Comments
142	3906 Stearman	30,000	\$0.0909	hangar space
2-01*	4102 Stearman	20,000	\$0.2993	FBO premises at 4102 Stearman
71 hangar N	3806 Stearman	4,000	\$0.1445	hangar space
71 hangar S+	3804 Stearman	8,000	\$0.2786	hangar, office and storage space
72 hangar N	4020 Stearman	6,000	\$0.0929	hangar space
72 hangar S+	4020 Stearman	8,104	\$0.1238	hangar and office space
72 tower	4020 Stearman	5,975	\$0.1342	office/tower space
69 hangar+	612 Stearman	14,700	\$0.1445	hangar, office and shop space
1-76 (small)	4326 Stearman	1,200	\$0.2064	T-hangars (small)
1-76 (lg)	4326 Stearman	1,900	\$0.2167	T-hangar (lg)
1-69	4328 Stearman	1,200	\$0.2064	T-hangars (small)
1-69 (lg)	4328 Stearman	1,900	\$0.2167	T-hangar (lg)
70	3704 Stearman	5,400	\$0.2993	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 sf/yr
0 to .5 acre	\$1,423.54	\$0.3922
.5 to 1.0 acre	\$1,198.77	\$0.3302
1.0 to 2.0 acres	\$974.00	\$0.2683
More than 2.0 acres	Negotiable	

Tri-Cities Airport Industrial Park

	Per ac/mo	Per sf/yr
Unimproved Land	\$806.18	\$0.2221
Semi Improved Land	\$888.55	\$0.2448
Paved	\$952.02	\$0.2623

Tri-Cities Airport Commercial Business Park Land

Land - per acre/month Minimum	Varies by lot
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