

RESOLUTION NO. 1409

A RESOLUTION setting forth Port policy regarding the rental 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 fees; 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 fees for lease thereof:

Section 1. – Rental Fees: The Port of Pasco hereby establishes a schedule of rental fees and policies relating to bond security requirements for its commercial and industrial properties and related accessory facilities as outlined in Exhibit "A" to this resolution. This schedule of rental fees may be reduced, increased, and modified on a case-by-case basis in the Port's discretion, consistent with the Port's purpose of promoting economic development within the Port District.

Section 2. – Consumer Price Index Adjustment: January 1 of each year, without further action by the Port Commission, the rents set forth in Exhibit "A" shall be increased as outlined below:

The nearest quarterly consumer price index (hereinafter called the Index) to January 1 of the previous year shall be the base Index and it shall be based on the data Index for all items of the Bureau of Labor Statistics of the United States Department of Labor for all Western Small Cities. The quarterly Index issued nearest in point of time to January 1 of the current year shall be the current Index. The current Index number shall be divided by the base Index number. From the quotient thereof, there shall be subtracted the integer 1, and any resulting positive number shall be deemed to be the percentage of increase in rent for the current calendar year. The rent charged in the previous year shall be multiplied by the percentage increase to establish the rent increase, which shall be added to the previous rent to establish the rental for the current year on new leases and rental agreements.

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 modify the rates set forth in Exhibit A.

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.

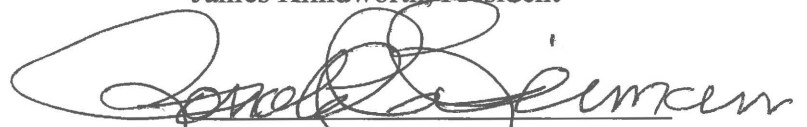
SECTION 6. – Effective Date: The effective date of these policies shall be August 1, 2015.

Resolution No. 1064, dated the 10th day of November, 1999, is hereby rescinded and this Resolution No. 1409 is adopted as of the 23rd day of July, 2015.

PORT OF PASCO COMMISSION



James Klindworth, President



Ron Reimann, Vice-President



Jean Ryckman, Secretary

EXHIBIT "A"

**MAIN WAREHOUSE RENTAL LEASE RATES
EFFECTIVE AUGUST 1, 2015**

<u>WAREHOUSE 1</u>	<u>MONTHLY RENT</u>	<u>WAREHOUSE 5</u>	<u>MONTHLY RENT</u>
#211	11,157.37	#251	11,346.48
#212	1,728.00	#252	10,438.76
#213	7,776.00	#253	8,169.47
#214	10,249.65	#254	10,438.76
<u>WAREHOUSE 2</u>		<u>WAREHOUSE 6</u>	
#221	13,615.78	#261	10,438.76
#222	10,892.62	#262	8,169.47
#223	8,169.47	#263	1,728.00
#224	9,531.04	#264	10,211.83
<u>WAREHOUSE 3</u>		<u>WAREHOUSE 7</u>	
#231	9,531.04	#271	10,249.65
#232 E	8,169.47	#272	6,354.03
#232 W	7,776.00	#273	6,354.03
#233 (Shared bay)	9,180.00	#274	8,169.47
#234	9,531.04		
<u>WAREHOUSE 4</u>		<u>WAREHOUSE 8</u>	
#241	9,531.04	#281	14,069.64
#242	8,169.47	#282	8,169.47
#243	1,728.00	#283	6,354.03
#244	13,615.78	#284	8,169.47

NOTE: RATES DO NOT INCLUDE 12.84% WASHINGTON STATE LEASEHOLD EXCISE TAX.

DISCOUNTS:*	4%	2 year term	7%	5 year term
	5%	3 year term	5%	for 4 or more bays
	6%	4 year term	10%	for 8 or more bays

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

LEASE SECURITY POLICY

<u>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 (cash deposit, lease bond, irrevocable letter of credit, etc.) is subject to approval of the Port Commission.

This conforms to R.C.W. 53.08.085.

INCENTIVES 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 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)

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.

PARTIAL WAREHOUSE BAY RENTAL POLICY

Effective August 1, 2015

Space available only on month-to-month basis. Either party may terminate on 30-day notice.

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

Minimum size rental for #211 – 1,200 square feet

Rental rate based on scheduled rent prorated plus:

25 % if less than 1/2 Bay

10% if 1/2 or 3/4 Bay

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

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

LAND RENT SCHEDULE BIG PASCO INDUSTRIAL CENTER

<u>Size of Parcel</u>	<u>Monthly Rent per Acre</u>
Less than 1.0 acres	\$601.55*
• Bare land/Unfenced	\$601.55
• Fenced	Add \$50/acre/month
• Gravel	Add \$86/acre/month
• Paved	Add \$100/acre/month

*\$100 per month minimum charge for less than 7,400 square feet of land.

1.0 to 5.0 acres

• Bare land/Unfenced	\$283.14
• Fenced	Add \$50/acre/month
• Gravel	\$369.17
• Paved	\$508.50

More than 5.0 acres Negotiable

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

Rail License \$2.50/lf - or - \$35.00/car**

** Applies to Heritage Industrial Park Track #2712 - rail use only.

TRI-CITIES AIRPORT INDUSTRIAL PARK LAND RENT SCHEDULE

<u>Type of Land</u>	<u>Monthly Rent per Acre</u>
• Bare land/Unfenced	\$366.63
• Fenced	Add \$50/acre/month
• Gravel/Unfenced	\$392.82
• Fenced & Gravel	\$442.82
• Paved	\$508.50

BPIC BUILDING RENT SCHEDULE

<u>Building</u>	<u>Square Feet</u>	<u>Monthly Rental</u>
#286 (T-131)	25,000	\$8,814.80
#288 (T-1-79)	36,000	\$10,770.08
#289 (T-106)	3,100	\$993.67
#290 (T-107)	7,000	\$2,022.30
#291 (T-107A)	1,440	\$166.41
#292 (T-208)	8,028	\$1,534.44
#293 (T-208A)	8,172	\$1,139.04
#295 (T-2-75)	10,920	\$3,150.25
#296 (T-6-75)	10,920	\$3,150.25
#297 (T-2-80)	6,732	\$1,792.22
#298 (Building 900)	23,925	\$8,435.76
#299 (T-49)	1,900	\$304.51
#322 (1952 Dock Street)	3,000	\$801.35
#301 (900 W. River)	3,000	\$1,370.30
#302 (602 W. Ainsworth)	3,000	\$801.35
#303 (619 W. River)	3,000	\$352.59
#304 (669 W. River)	2,160	\$336.56
#305 (719 W. River)	5,000	\$427.38
# --- (720 W River)	1,605	\$471.59
#306 (1322 S. 8 th)	900	\$375.03
#307 (812 W. Washington)	2,500	\$801.35

**RENTAL LEASE RATES
TRI-CITIES AIRPORT PROPERTIES
AUGUST 1, 2015**

AIRFIELD OPERATION

Landing Fees Signatory Airlines	\$2.21 per 1,000 lbs.
Landing Fees Non-Signatory Airlines	\$2.88 per 1,000 lbs.
Fuel Flowage Fee	\$0.035/gallon
Hangar Accessible Land	\$650.00/acre/month
T-Hangar Single or Twin Engine	\$2.23/ft ² /year

TERMINAL BUILDING

Advertising Space	\$1,250.00/month or 30%
Airline Exclusive Space	\$56.26/ft ² /year
Airline Common Space	\$56.26/ft ² /year 80/20
Car Rental Terminal Counter/office Space	\$56.26/ ft ² /year
Car Rental Ready Return Parking Stalls	\$60/stall/month
Restaurant/Bar/Gift shop Concession Transition Period (Through Construction)	7% gross
Lease years 1-5	7% gross (MAG is \$100,000)
Lease years 6-10	8% gross (MAG is 85% of actual rent paid, but not less than \$100,000)
Lease years 11+	9% gross (MAG is 85% of actual, rent paid, but not less than \$100,000)

COMMERCIAL BUSINESS PARK LAND

Land	\$1,842.00/acre/month minimum
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FARM LAND

Crop Production	\$195.00/acre/year
Grape Vineyard	12% Gross
