

RESOLUTION NO. 1499

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" 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 Exhibit "A" may be increased as outlined below:

At the beginning of each 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, 2019.

Resolution No. 1409, dated the 23rd day of July, 2015, is hereby rescinded and this Resolution No. 1499 is adopted as of the 13th day of December, 2019.

PORT OF PASCO COMMISSION


Jean Ryckman, President


Jim Klindworth, Vice-President



Vicki Gordon, Secretary

EXHIBIT "A"
RENTAL LEASE RATES
EFFECTIVE JANUARY 1, 2019

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	\$11,882.60	\$0.2751
W1B2	1901 E Ainsworth	43,200	\$1,840.32	\$0.0426
W1B3	1941/1951 E Ainsworth	43,200	\$8,281.44	\$0.1917
W1B4	2021 E Ainsworth	43,200	\$10,915.88	\$0.2527
W2B1	2105 E Ainsworth	43,200	\$14,500.80	\$0.3357
W2B2	2201 E Ainsworth	43,200	\$11,600.64	\$0.2685
W2B3	2241 E Ainsworth	43,200	\$8,700.48	\$0.2014
W2B4	2321 E Ainsworth	43,200	\$10,150.56	\$0.2350
W3B1	2405 E Ainsworth	43,200	\$10,150.56	\$0.2350
W3B2	2505 E Ainsworth	21,600	\$8,281.44	\$0.3834
W3B3	2541 E Ainsworth	43,200	\$9,776.70	\$0.2263
W3B4	2699 E Ainsworth	43,200	\$10,150.56	\$0.2350
W4B1	2805 E Ainsworth	43,200	\$10,150.56	\$0.2350
W4B2	2825 E Ainsworth	43,200	\$8,700.48	\$0.2014
W4B3	2841 E Ainsworth	43,200	\$1,840.32	\$0.0426
W4B4	2999 E Ainsworth	43,200	\$14,500.80	\$0.3357
W5B1	3005 E Ainsworth	43,200	\$12,084.00	\$0.2797
W5B2	3105 E Ainsworth	43,200	\$11,117.28	\$0.2573
W5B3	3205 E Ainsworth	43,200	\$8,700.48	\$0.2014
W5B4	3295 E Ainsworth	43,200	\$11,117.28	\$0.2573
W6B1	3305 E Ainsworth	43,200	\$11,117.28	\$0.2573
W6B2	3405 E Ainsworth	43,200	\$8,700.48	\$0.2014
W6B3	3455 E Ainsworth	43,200	\$1,840.32	\$0.0426
W6B4	3599 E Ainsworth	43,200	\$10,875.60	\$0.2518
W7B1	1810 E Ainsworth	43,200	\$10,915.88	\$0.2527
W7B2	1902 E Ainsworth	43,200	\$6,767.04	\$0.1566
W7B3	1940 E Ainsworth	43,200	\$6,767.04	\$0.1566
W7B4	2020 E Ainsworth	43,200	\$8,700.48	\$0.2014
W8B1	2110 E Ainsworth	43,200	\$14,984.16	\$0.3469
W8B2	2202 E Ainsworth	43,200	\$8,700.48	\$0.2014
W8B3	2240 E Ainsworth	43,200	\$6,767.04	\$0.1566
W8B4	2320 E Ainsworth	43,200	\$8,700.48	\$0.2014

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.

Big Pasco Industrial Area - Buildings Lease Rates

Building ID	Building Address	Leasable Sq Ft	Monthly Bldg Rent	Per Sq Ft.
T131	2151 E Dock St	25,000	\$9,502.10	\$0.3801
T179	2440/2490 E Ainsworth	36,000	\$11,609.83	\$0.3225
T106	1740 E Ainsworth	3,100	\$1,071.15	\$0.3455
T107&T107A	1715 E Ainsworth	8,440	\$2,359.45	\$0.2796
T208	1699 E Ainsworth	5,129	\$1,654.08	\$0.3225
T208A	1799 E Ainsworth	4,480	\$1,227.85	\$0.2741
T2-75	2630-2690 E Ainsworth	10,920	\$3,395.88	\$0.3110
T6-75	2550-2590 E Ainsworth	10,920	\$3,395.88	\$0.3110
T-280	1830 SE Rd 18	6,732	\$1,931.97	\$0.2870
T-900	3305 E Commerce St	23,925	\$9,093.51	\$0.3801
T-300	1952 Dock Street	3,000	\$863.83	\$0.2879
T-323	2030 E Crane	1,848	\$574.69	\$0.3110
T1-2010	2926 E Ainsworth	22,535	\$22,222.28	\$0.9861
T3-80	2090 E Crane St	5,000	\$892.62	\$0.1785
T4-80	904 E Ainsworth	5,296	\$4,007.71	\$0.7567
	Paint & Sandblast Booth		\$748.65	

Marine Terminal Building Lease Rates

Building ID	Building Address	Leasable Sq Ft	Monthly Bldg Rent	Per Sq Ft.
M301	900 W River	4,750	\$1,477.14	\$0.3110
M302	602 W Ainsworth	3,000	\$863.83	\$0.2879
M303	619 W River	3,000	\$380.08	\$0.1267
M304	669 W River	2,100	\$362.81	\$0.1728
M305	719 W River	5,000	\$460.71	\$0.0921
M306	1322 S 8th	900	\$404.27	\$0.4492
M307	812 W Washington	2,500	\$863.83	\$0.3455
M720	720 W River	1,605	\$508.36	\$0.3167

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	\$621.96	\$0.1037
A35	639 Fairchild	12,134	\$1,677.07	\$0.1382
A35N	3906 Stinson	5,400	\$583.08	\$0.1080
A40	641 Fairchild	7,440	\$1,160.41	\$0.1560
A57	502 Boeing St.	6,480	\$1,169.28	\$0.1804
A58	3420 Swallow	700	\$67.19	\$0.0960
A58A	3418 Swallow	7,000	\$1,343.73	\$0.1920
A59	3416 Swallow	2,500	\$446.31	\$0.1785
A60	3412 Swallow	9,000	\$829.27	\$0.0921
A60A	3414 Swallow	1,000	\$131.49	\$0.1315
A61	3410 Swallow	9,000	\$1,295.75	\$0.1440
A63	3405 Stearman	2,560	\$353.82	\$0.1382
A68	3508 Stearman	3,575	\$775.48	\$0.2169
A68	3510 Stearman	6,000	\$552.85	\$0.0921
A69	3602 Stearman	12,900	\$1,089.57	\$0.0845
A69	3604 Stearman	6,000	\$552.85	\$0.0921
A69	3606 Stearman	3,000	\$323.94	\$0.1080
A69	3608 Stearman	550	\$114.03	\$0.2073
A84E*	640 Grumman*	3,500	\$713.86	\$0.2040
A84W*	642 Grumman*	2,500	\$542.29	\$0.2169
A85	3408 Swallow	15,000	\$6,478.70	\$0.4319
A89	3606 Swallow	7,000	\$1,511.70	\$0.2160
A92	3704 Swallow	4,896	\$704.88	\$0.1440
A101N	3611 Stearman	5,000	\$659.87	\$0.1320
A101S	3607 Stearman	1,000	\$57.59	\$0.0576
A102	3404 Swallow	21,600	\$5,701.26	\$0.2639
A107	606 Boeing St.	16,000	\$2,533.89	\$0.1584
A116	3605 Stearman	2,948	\$565.90	\$0.1920
A140	3406 Stearman	3,000	\$647.87	\$0.2160
A141	3409 Stearman	2,352	\$931.21	\$0.3959
A1-86	3416 Stearman	4,850	\$3,385.68	\$0.6981
A1-91	3411 Stearman	5,000	\$1,319.74	\$0.2639
A201	3406 Swallow	7,000	\$1,854.35	\$0.2649
A2-74	3502 Stearman	1,200	\$532.12	\$0.4434
A2-87	4405 Stearman	23,625	\$1,927.41	\$0.0816

LAND RENT SCHEDULE

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

Big Pasco Industrial Center

	Per acre	Per yr
Less than 1 acre		
Unimproved Land	\$ 700.00	\$ 8,400.00
Semi Improved Land	\$ 750.00	\$ 9,000.00
Paved	\$ 775.00	\$ 9,300.00
1.0 to 5.0 acres		
Unimproved Land	\$ 500.00	\$ 6,000.00
Semi Improved Land	\$ 550.00	\$ 6,600.00
Paved	\$ 600.00	\$ 7,200.00
More than 5.0 acres		
Negotiable		

Tri-Cities Airport Industrial Park

Unimproved Land	\$ 500.00	\$ 6,000.00
Semi Improved Land	\$ 550.00	\$ 6,600.00
Paved	\$ 600.00	\$ 7,200.00

Tri-Cities Airport Commercial Business Park Land

Land - per acre/month Minimum	Varies by lot
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EXHIBIT "B"

LEASING POLICIES FOR PORT LEASES

LEASE SECURITY POLICY

	<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 30-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.

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 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.