

ORIGINAL

RESOLUTION 22-42
A RESOLUTION OF THE PORT OF BENTON,
RELATING TO LAND RATES
RICHLAND AIRPORT PARK

WHEREAS, the Port of Benton acquired property within the Richland Airport Park to promote economic development for industrial and aviation purposes; and

WHEREAS, the primary goal of the Port is to maximize Airport revenue, minimize Airport financial obligations in leased areas, fulfill customer service goals and attract private investment instead of airport debt, while operating in a fiscally responsible manner; and

WHEREAS, the Port Commission will consider methodologies and practices for setting lease rates from time to time to ensure an equitable and profitable rate of return on leased property. Rental rates are required to be reviewed every five years per Federal Aviation Administration, and RCW 14.08.120, based upon fair market value to protect federal grant assurances, support strategic plans and attract new businesses as appropriate; and

WHEREAS, the rates established for the Richland Airport for 2022 are consistent with comparable airport appraisals and market studies, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the MAI, Uniform Standards of Professional Practice (USPAP) promulgated by the Appraisal Foundation; and


IT IS HEREBY RESOLVED, that all Ground Leases entered into by the Port, at the Richland Airport Park, be set at the rates established by the Port effective November 9, 2022: Aeronautical Improved Land (\$0.26 - \$0.32psf/yr*); Aeronautical Unimproved Land (\$0.22 - \$0.28psf/yr*); and Non-Aeronautical Land (\$0.32 - \$0.40psf/yr*); and

IT IS FURTHER RESOLVED, the Port Commission may modify the rental rate on a case-by-case basis, depending upon private investment, based that such lease enhances the public acceptance of the airport and serves the airport's business interest; and adopted procedures for approval of such lease and/or reduced rate are established.

ADOPTED by the Port of Benton Board of Commissioners, on this 8th day of November, 2022.



Christy L. Rasmussen, President



Roy D. Keck, Vice President



Lori Stevens, Secretary

**EXHIBIT 1
TO RESOLUTION 22-42
RELATING TO LAND RATES
RICHLAND AIRPORT PARK
[MAP]**

The Port of Benton is unique among Washington Public Ports, as it owns and operates two airports: Richland Airport Park (RLD) and Prosser Airport (S40).

Land Types and Rental Rates Classification:



**EXHIBIT 1
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RICHLAND AIRPORT PARK
[RATE SUMMARY]**

Land Rates for Richland Airport (RLD), as defined below:

1. Aeronautical Improved Land (Zone 1)
2. Aeronautical Unimproved Land (Zone 2)
3. Non-Aeronautical Land (Business Park)

<u>Aeronautical Improved Land – Zone 1</u>		<u>Site Value/Sf</u>	<u>CapRate</u>	<u>\$psf/yr*</u>
1	up to 99,000sf	\$3.20	10.00%	\$0.32
2	100,000 – 300,000	\$2.56	10.00%	\$0.26

<u>Aeronautical Unimproved Land – Zone 2</u>		<u>Site Value/Sf</u>	<u>CapRate</u>	<u>\$psf/yr*</u>
1	up to 99,000sf	\$2.80	10.00%	\$0.28
2	100,000 – 300,000	\$2.24	10.00%	\$0.22

<u>Non-Aeronautical Land</u>		<u>Site Value/Sf</u>	<u>CapRate</u>	<u>\$psf/yr*</u>
1	up to 99,000sf	\$4.00	10.00%	\$0.40
2	100,000 – 300,000	\$3.20	10.00%	\$0.32

(*) Rate excludes applicable leasehold excise tax (12.84% of base rent). Ground leases are annual based in term and land rent owed.

Security Deposit or Surety Bond

RCW 53.08.085 requires the Port to obtain rental insurance, bond or other security to secure the payment of the rent for leases of a term of more than one year. RCW 53.08.085 requires the rent security to be in the amount of one-sixth of the rent for the entire term of the lease, but not less than one year's rent and nor more than three year's rent. The Port will require a security deposit equal to one's years rent to be paid by the tenant for one year. In the event the rent is adjusted during the term of the lease, the security deposit shall be adjusted to reflect the change in the amount of the rent. Rent shall include applicable leasehold tax. (Resolution 94-7, April 13, 1994)