

PORT OF OLYMPIA COMMISSION
Resolution 2004-06

A RESOLUTION OF THE PORT OF OLYMPIA COMMISSION establishing guidelines and procedures for the Port of Olympia lease policy at the NewMarket Industrial Campus (NMIC) and Olympia Regional Airport.

WHEREAS, the Port of Olympia owns and operates the NewMarket Industrial Campus and the Olympia Regional Airport; and

WHEREAS, the Port of Olympia Commission believes it is imperative to guarantee an equitable and profitable rate of return on leased property; and

WHEREAS, it is deemed in the best interest of the Port of Olympia and its tenants to formalize said policy.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the following guidelines and procedures will be in effect for leases at the following NewMarket Industrial Campus properties.

1. This policy shall only apply to leases written during the period November 1, 2004 through December 31, 2006, at the NewMarket Industrial Campus, and the Olympia Regional Airport.
2. The maximum initial term for leases written hereunder shall not exceed thirty (30) years.
3. All leases written hereunder shall have an independent appraiser determine the land value for the purpose of setting the initial rent.
4. All leases written hereunder shall have the rent revised after five (5) years, and every five (5) years thereafter.
5. There shall be no limitation or cap on rent revisions.
6. After the initial value determination, Tenant may select either an independent appraiser or the County Assessor to perform the appraisal of land value. Such appraisal method shall be consistent thereafter during the term of the lease.
7. The monthly rent shall be equal to one-twelfth (1/12) of nine and one half percent (9.5%) of seventy-five percent (75%) of the fee simple fair market value of the land (7.125%). This formula shall be applied to all the land in the NewMarket District; those lands in the Commercial Core District having frontage on 75th Avenue, Harper Street, Center Street, or Tumwater Boulevard; and those lands in the Mixed Use District and the Corporate Aviation District of the Olympia Regional Airport having frontage on Tumwater Boulevard.
8. After the initial thirty (30) year term, the monthly rent for the remainder of the lease shall be equal to one-twelfth (1/12) of nine and one-half percent (9.5%) of the fee simple fair market value of the land.
9. The fair market value shall be the highest and best use of the land as determined by an appraisal of the land on the basis of sales of comparables in the general area and shall not take into consideration land that is owned by a governmental entity or is a leased facility.
10. This policy shall apply only to existing parcels in the NewMarket Industrial Campus as described above. Any project-related improvements shall be the subject of independent negotiations.

ADOPTED this 25th day of October, 2004, by the Port of Olympia Commission. _

Paul Telford, President

Bob Van Schoorl, Vice President

Steve Pottle, Secretary/Treasurer