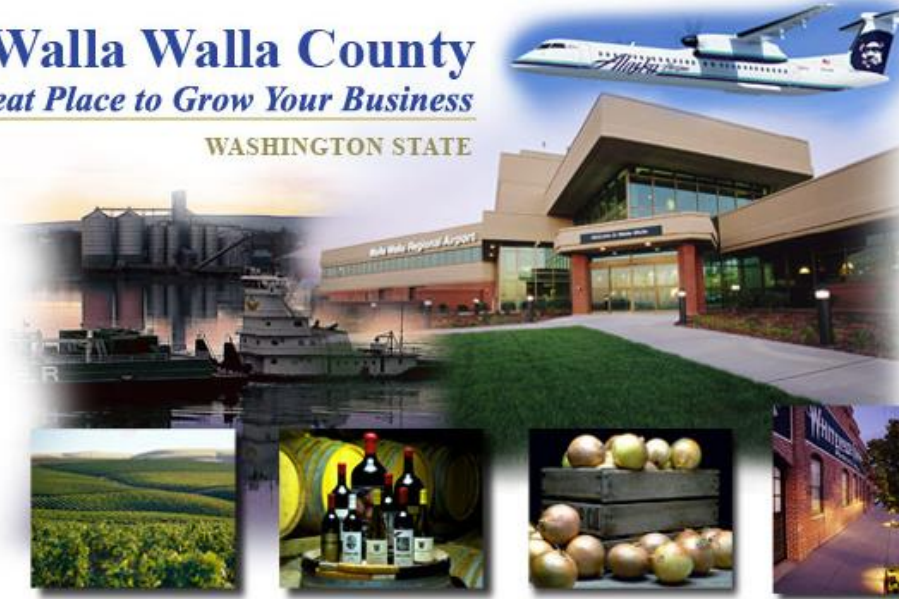


**Walla Walla County**  
*A Great Place to Grow Your Business*  
WASHINGTON STATE



## Washington Public Ports Association Commissioner Only Seminar

[www.portwallawalla.com](http://www.portwallawalla.com)

# Capital Allocation Matrix

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## Priority #1

Capital investments that directly result in new jobs and investment.

Examples:      Cliffstar  
                         Railex  
                         Amcor

## Priority #2

Capital investments that may not create new jobs but have a positive return on investment, making the Port and Airport more self-sufficient.

Examples:      Tyson Water Supply Agreement  
                         Columbia Basin Rebar  
                         Army Corps of Engineers – Annex Building

## Priority #3

Capital investments that are strategic in nature that have a reasonable chance to create new jobs, new investment, and have a positive return on investment over time.

Examples:      Wallula Gap Fiber Farm  
                         Burbank Business Park  
                         Burbank Water system  
                         Melrose Business Park

# Capital Allocation Matrix

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## Priority #4

Capital investments to maintain and/or enhance infrastructure using primarily the financial resources of other agencies (non Port/Airport funds).

Examples:      FAA - Aviation Ramp Rehabilitation  
                         State Grants – Wine Incubator Program

## Priority #5

Capital investments that do not create jobs and have a low probability of creating any return on investment.

Examples:      Repair of Burbank High Dock  
                         Replacement of Airport Sewer Lines

# General - Build to Suit Guidelines

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## Port of Walla Walla General - Build to Suit Guidelines

### Build-to-Suit Project Approach

1. Port and Business Tenant would select Architect & Engineering (A&E) firm for the site work and design of the building.
2. A&E firm will prepare plans and specifications based on Business Tenant's needs and Port's general purpose building guidelines.
3. Project will be publicly bid.
4. After bids are opened, Business Tenant would have the following options:
  - A. Proceed with the project and sign lease agreement with the Port.
  - B. Scale back plans and re-bid project.
  - C. Decide not to proceed with the project. In such event, Business Tenant will reimburse the Port for all A&E fees incurred to date.
  - D. If the project proceeds, Business Tenant would be required to sign and approve all change orders on the project.



# General - Build to Suit Guidelines

## Lease Term & Rates

The initial lease term would be for 5 years, with 3 five year options on a 20-year lease. The Lessee rent will be based on Actual Construction Cost (ACC) and Land Leased Area (LLA). ACC is defined as the total original bid price per the Request for Proposal (RFP) for the building construction and site work, agreed upon construction change orders, utility hook-ups and installation fees, engineering fees, applicable taxes and local permit fees.

As rental for the premises, Lessee agrees to pay as rental for the leased premises a monthly rental equal to 1/12<sup>th</sup> of the following listed annual payments with the reference to years meaning the 12-month periods following the rental commencement date:

<u>Term</u>	<u>Lease Rate</u>
Years 1-5	8.0% of ACC and LLA plus applicable State Leasehold Tax
Years 6-10	9.0% of ACC and LLA plus applicable State Leasehold Tax
Years 11-15	10% of ACC and LLA plus applicable State Leasehold Tax
Years 16-20	10% of ACC and LLA plus applicable State Leasehold Tax

Shorter lease term rates are as follows:

<u>Term</u>	<u>Lease Rate</u>
Years 1-3	12.0% of ACC and LLA plus applicable State Leasehold Tax
Years 1-4	10.0% of ACC and LLA plus applicable State Leasehold Tax



# General - Build to Suit Guidelines

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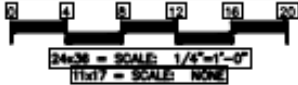
Lessee would be responsible for and shall pay throughout the term of this Lease Agreement all charges for all utility services furnished to the premises, including, but not limited to, electricity, natural gas, water & sewer (Port of Walla Walla), telephone, other communications, and garbage/waste disposal services.

Lessee will also be responsible at all times during the term of this Lease to carry and maintain commercial general liability insurance with coverage for bodily injury with a combined single occurrence limit of not less than \$2,000,000. All such insurance shall name the Port of Walla Walla as an additional named insured.

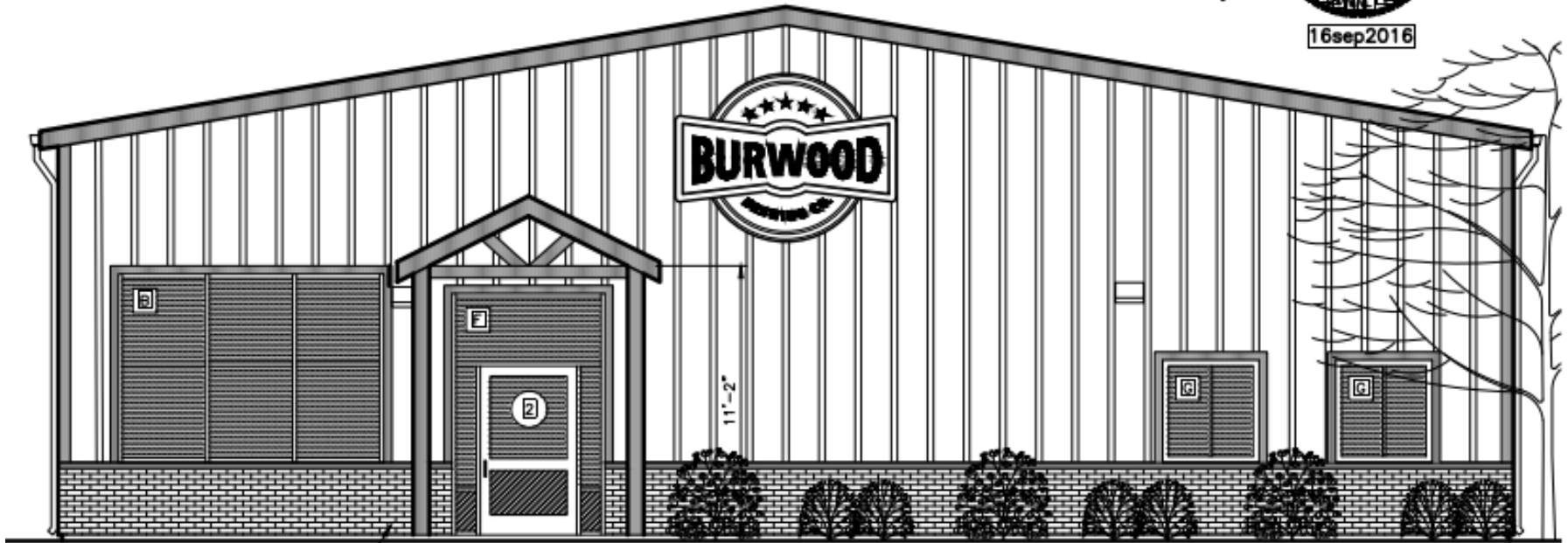
The Lessor will maintain in full force and effect, fire and other hazard insurance coverage against all risks on all buildings and improvements erected upon the Premises, in an amount equal to One Hundred Percent (100%) of the full replacement value. Lessee shall reimburse the Lessor for said annual insurance premium within 30 calendar days of receipt of billing from the Lessor.

# General - Build to Suit Guidelines

EXTERIOR ELEVATION  
PROJECT EAST ELEVATION



16sep2016



36" HIGH BRICK VENEER, SEE  
DETAIL 227/227  
CONTACT OWNER FOR SPECIFICATION  
(ALTERNATE COST TO OWNERS)

EXTERIOR ELEVATION  
PROJECT NORTH ELEVATION