

OPEN SESSION

PRELIMINARY AGENDA

May 2, 2022

REGULAR MEETING

I. OPEN SESSION

12:00 PM

Pledge of Allegiance

CONSENT ITEMS

All matters listed under Consent Items have been distributed to each member of the Commission for review, are considered routine, and will be enacted by the motion of the Commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Items and placed under Action Items by request.

- A. Approval of Minutes of the Regular Meeting on April 20, 2022
- B. Approval of Checks

PUBLIC COMMENT

Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit comments in writing to the Chief Executive Officer.

NEW BUSINESS/DISCUSSION ITEMS

- C. Pump Dynamics Lease Termination – Derek
- D. Waterfront Amended Master Lease Agreement – David

PUBLIC COMMENT

Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit comments in writing to the Chief Executive Officer.

ACTION ITEMS

STAFF REPORTS & COMMENTS

- E. Chief Executive Officer & Directors

COMMISSIONER REPORTS & DISCUSSION

ADJOURN

Meetings that may be attended by members of the Commission:

<u>Date</u>	<u>Meeting</u>
* May 4 th – May 6 th	WPPA Spring Conference (Skamania Lodge)
*Denotes events that in which two (2) or more Commissioners may attend	

MINUTES OF THE REGULAR COMMISSION MEETING
PORT OF CAMAS-WASHOUGAL
April 20, 2022

By: Juli Burnett, Administrative Assistant

Prior to the Regular Meeting, per the notice sent out on April 7th, 2022, Commissioners and Staff held a Workshop at 11:00 am. This workshop was open to the public.

A Regular Meeting of the Commissioners of the Port of Camas-Washougal was held in person and virtually at the Port Office at 24 South 'A' Street, Washougal WA on Wednesday, April 20, 2022, at 12:03 pm.

PRESENT: Commissioners Larry Keister, Cassi Marshall, and John Spencer; Chief Executive Officer David Ripp, Director of Finance Krista Cagle, Director of Business Development & Real Estate Derek Jaeger, Administrative Assistant Juli Burnett, Attorney Carolyn Lake, and members of the press and public. General public has access through a designated Zoom conference call line and Zoom video link.

At 12:03 pm, following the Pledge of Allegiance, Commission President Cassi Marshall called the Open Session public meeting to order, noting Governor Inslee's Proclamation 20-28, and the Washington State legislature's Resolution SCR 8402, the Commission Meeting is held virtually and in person. This meeting is being video recorded, and the chat function has been disabled.

CONSENT ITEMS

- Minutes & Checks

Minutes from the Regular Meeting on April 6, 2022, and electronic payments and the issuance of general fund checks 7952-7991 in the total amount of \$649,377.46 were presented for approval. After a brief discussion, a motion was made for unanimous consent by Commissioner Spencer and seconded by Commissioner Keister, the minutes and electronic payments and checks were carried unanimously.

PUBLIC COMMENT #1

Randall Friedman, Camas, commented that electronic charging stations for airplanes would need significant infrastructure. Electric aviation comes with challenges, and it may take years to plan for charging stations. However, if it is possible to have them at Grove Field in the future that would put our airport on the map. Friedman invited the public to help build paper boats as a fun kid's activity to race down the flume on July 24th during the Ducky Derby event. Friedman thanked Port CEO, David Ripp, for getting the Georgia Pacific Mill cleanup started as the Port has been instrumental in the process.

Bob Martella, airport tenant, commented that there has been congestion at the fuel pump and asked for an update on the fuel pump relocation. Ripp replied that the relocation will be in September after the Wheels and Wings event.

Sean Philbrook, Identity Clark County (ICC) Vice President of Programs, thanked the Commission and Ripp for attending their recent event and for their leadership!

NEW BUSINESS / DISCUSSION ITEMS

- Waterfront Phase 1 Lease

Chief Executive Officer, David Ripp, presented the Waterfront Phase 1 Lease. It is the same lease that was previously discussed at the last Commission Meeting. Today's goal is to have a final discussion and approval in its substantial form.

- Lease Term: 50 years with three 10-year options
- Annual CPI increase every year and an option for appraisal at year 10
- Payment begins when the Occupancy Permit is received

Approval will be requested during Action Items.

- Fourth of July Port Event Relocation

Chief Executive Officer, David Ripp, commented that the Fourth of July event will be moved to Marina Park as the Washougal Waterfront Park grass area will not be available for seating due to the Breakwater access construction.

PUBLIC COMMENT #2

Bernie Bacon, marina tenant, asked if the firework barge will be in the same spot as before and Ripp replied, it will be in the river halfway between the two parks.

David Stuebe, Washougal City Council, commented that he loved the vision for the airport at the workshop today. It will be great for the community and to bring kids to watch the planes!

ACTION ITEMS

- Waterfront Phase 1 Lease

Commissioner Marshall requested formal approval of the Waterfront Phase 1 Lease. Upon motion by Commissioner Keister, seconded by Commissioner Spencer and carried unanimously, the approval of the Waterfront Phase 1 Lease effective April 20, 2022.

STAFF REPORTS & COMMENTS

- Chief Executive Officer

Chief Executive Officer, David Ripp, commented that Pacific Coast Congress members (Ports from Alaska down to California) toured our Port. Ripp thanked Harbormaster Mark Hamrick and Assistant Harbormaster Matt Cox for inviting them and giving a great tour! Ripp reminded everyone that the next Commission Meeting is Monday May 2nd at 12:00 PM.

- Director of Finance

Director of Finance, Krista Cagle, announced the Port's first event this year is Earth Day. It will be held this Friday, April 22nd from 2:00 pm – 3:30 pm at Washougal Waterfront Park. Another exciting announcement is that we are in data conversion with Caselle! The first items they convert over are accounts payable, accounts receivable, and the general ledger. Commissioner Marshall asked when will the conversion be completed and Cagle replied it depends how quickly she can get the data to them as it must be re-formatted to be compatible

with their system. Cagle commented the 2022 Annual Report has been finalized and will be printed soon.

- Director of Business Development & Real Estate
Director of Business Development & Real Estate, Derek Jaeger, commented that the American Empress will be here Wednesday June 8th. There is a lot of excitement in the community, especially from business owners.
- Director of Facilities
Director of Facilities, Eric Plantenberg, commented that he will receive bids back for electric vehicle (EV) charging stations by May 12th.

COMMISSIONER REPORTS & DISCUSSION

- Commissioner Spencer
Commissioner Spencer commented that he would like to see flight tracking at the airport and Ripp replied he will investigate this. Commissioner Spencer asked if a Request for Proposal (RFP) is needed for fuel at the airport and Ripp replied that he would like to setup a meeting with staff and Commission to discuss. Commissioner Spencer asked if our art funds will go towards Ninebark Apartments and Cagle replied the Port has \$27,000 in the art fund and the Commission would need to vote on how this money is spent.
- Commissioner Keister
Commissioner Keister commented he is planning on attending the Port’s Earth Day event this Friday, April 22nd.
- Commissioner Marshall
Commissioner Marshall thanked Dave Stuebe for communicating the excitement that the Washougal City Council has regarding the American Empress. Project/Environmental Manager, Jennifer Taylor and Commissioner Marshall attended the spring forum for the Association for Professional Energy Managers (APEM), and it was an excellent! Within our PUD district there is 92 megawatts of conservation potential (total grid is 525 megawatts). There are 18,000 energy burdened households in our community. This means their energy costs are a larger portion of their income than it should be. Commissioner Marshall also commented that the new legislation now includes 20,000 square foot buildings or higher for energy conservation assistance.

The meeting adjourned at 1:00 PM.

PORT OF CAMAS-WASHOUGAL COMMISSION

Commissioners

FIRST AMENDMENT TO MASTER LEASING AGREEMENT

This **FIRST AMENDMENT TO MASTER LEASING AGREEMENT** (the "Amendment") is entered into as of the ____ day of _____, 2022 (the "Effective Date"), by and between **PORT OF CAMAS-WASHOUGAL**, a Washington municipal corporation (the "Port"), and **RKM DEVELOPMENT, INC.**, an Oregon corporation ("Developer"), each a "Party" and collectively, the "Parties."

RECITALS

- A. The Parties entered into that certain Master Leasing Agreement on June 14, 2021 ("MLA") to govern a process whereby the Developer is to develop a mixed-use development at the Property as that term is defined in the MLA.
- B. On even date herewith, the Parties are entering into the first Ground Lease contemplated in the MLA and agree that certain modifications to the MLA are necessary as agreed by the Parties during their preparation of the first Ground Lease, and to ensure consistency between the MLA and Ground Lease, as set forth below in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein, the Parties hereto hereby agree as follows:

1. Section 4.6 of the MLA is revised and replaced with the following language:

Modifications. The Parties shall meet and confer to discuss any Material Modification to the Project Documents or Site Plan Application Documents proposed by Developer. A Material Modification is any material and substantial modification that (i) conflicts with the Project Documents, Master Plan, or Master Plan Documents; (ii) alters the exterior physical appearance of the Project in a material and substantial way; (iii) alters the exterior dimensions or structure of any improvement to be constructed on the Parcel (awnings, decks, and patios shall not be considered Material Modifications); or (iv) causes the commencement or completion of construction to be delayed by more than sixty (60) days unless such delay can be attributed to Force Majeure or any other exception that is outlined in this Agreement. Developer's modifications to the internal space of a building that do not otherwise fall within (i)-(iv) of the previous sentence are not considered Material Modifications for purposes of this Agreement.

2. Section 5.2.2.2 of the MLA is revised and replaced with the following language:

Annual Adjustments. At the beginning of each calendar year, starting with January 1, 2021, the Base Land Value for the Property and the Base Rent for each executed Lease will be adjusted equal to any increase of the Consumer Price Index (CPI-U, West Region – Size Class A), as measured by the average annual CPI increase over the previous ten (10) years. In no event shall the Base Land Value or the Base Rent under any Lease ever be reduced as a result of the Annual Adjustment process.

3. Section 5.2.2.3 of the MLA is revised and replaced with the following language:

Periodic Adjustments. In addition to Annual Adjustments, a new Base Land Value or fair market rental value for the Property and Base Rent for each executed Lease shall at the Port's discretion be periodically established via an MAI appraisal. This MAI appraisal may occur every 10 years, with the first 10 years beginning on the first Annual Adjustment under the Lease for Phase 1. Based on the result of the MAI appraisal, the Port may elect to withdraw its election as to a Periodic Adjustment Date and have the Annual Adjustment apply to such Adjustment Date. In no event shall Base Land Value or Base Rent ever be reduced as a result of the Periodic Adjustment process.

4. Section 9.1 of the MLA is revised and replaced with the following language:

Rescission Option if Developer or SPE Fail to Start Construction. If Developer or the applicable SPE fails to commence construction of a Project by the Construction Start Date, as set forth in the Project Schedule (or as modified pursuant to this Agreement), then the Port shall have the right and option to rescind the sale of the Parcel or cancel the Lease (the "Rescission Option") by refunding the purchase price paid under the Sale Agreement or any rent prepaid under the Lease. Notwithstanding the foregoing, the Rescission Option shall terminate if Developer or the applicable SPE commences construction within ninety (90) days of the Port's written notice to Developer exercising the Rescission Option. This Rescission Option shall be set forth in the Deed or contained in the Lease.

5. Exhibit F of the MLA is replaced with the updated Master Development Schedule set forth in Exhibit A attached hereto.

6. This Amendment is binding upon and inures to the benefit of the Parties hereto and their respective successors and assigns.

7. Except as modified by this Amendment, the Parties confirm that all provisions of the MLA shall and do remain in full force and effect.

8. In the event of any inconsistency between this Amendment and the MLA, the terms of this Amendment shall govern.

9. This Amendment may be executed in one or more counterparts, each of which shall be an original, but taken together shall constitute one and the same document.

10. This Amendment is made and entered into and shall be governed by the laws of the State of Washington.

11. All capitalized terms used in this Amendment but not otherwise expressly defined herein shall have the same meanings ascribed to such terms under the MLA.

Exhibit A

Exhibit F Master Development Schedule

Master Development Schedule (MLA)
Milestones

		MLA Section	Min. Size (Acres)	Date	Cumulative Years	Net Developable Land		Permitting &Construction (Months)	CO/ End of P&C Period
						Leased	Unleased		
Effective Date of MLA	Day #1			6/14/2021		-	17.08		
Phase 1 Lease execution		3.1; 5.1.2	2.4	4/20/2022	0.5	2.4	14.7	36	4/20/2025
	Shall include City Streets A, 2 and 4, and complete utilities for property	4.19				2.4	14.7		
	Shall include at least one restaurant	4.19				2.4	14.7		
Next Phase lease execution	Within 2-years of Phase 1 execution	3.1; 4.12	1.2	4/21/2024	2.5	3.6	13.5	24	4/20/2026
Subsequent phases	Each subsequent Year	3.1	1.2	4/20/2026	4.5	4.8	12.3	24	4/21/2028
		3.1	1.2	4/21/2028	6.5	6	11.1	24	4/20/2030
		3.1	1.2	4/20/2030	8.5	7.2	9.9	24	4/21/2032
		3.1	1.2	4/21/2032	10.5	8.4	8.7	24	4/20/2034
		3.1	1.2	4/20/2034	12.5	9.6	7.5	24	4/21/2036
		3.1	1.2	4/21/2036	14.5	10.8	6.3	24	4/21/2038
Buildout required	Within 15-years of Effective Date of MLA	3.1	6.3	4/20/2036	15.0	17.1	-	24	10/20/2038

This Master Development Schedule is subject to modification if the Parties exercise the options to extend under this Agreement