

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, April 24, 2025**

The meeting of the Port of Walla Walla Commission was called to order at 9:00 a.m. by Commission Vice President Ron Dunning at the Walla Walla Regional Airport, 45 Terminal Loop Rd, Suite 214, Walla Walla, Washington.

In attendance via conference call or in person:

Kip Kelly, Commissioner
Ron Dunning, Commissioner
Amy Schwab, Commissioner
Pat Reay, Executive Director
Jay Hester, Economic Development Director
Paul Gerola, Economic Development Special Projects
Jennifer Skoglund, Airport Manager
Meagan Blair, Governmental Affairs/Community Outreach
Joe Keown, Auditor/Treasurer
Karla Miller, Administrative Assistant
Jared Hawkins, Legal Counsel
Julia Eastham, Walla Walla Union-Bulletin
Griffin Beach, Elkhorn Media
Jerry Ramsey, Walla Walla County
Lauren Prentice, Walla Walla County
R. L. McFarland
Craig Woodard
Coleen Rehn
Wendy Culverwell
Sonny Knotts

PLEDGE OF ALLEGIANCE

Commissioner Schwab led all in attendance in reciting the Pledge of Allegiance.

DECLARATIONS REGARDING CONFLICTS OF INTEREST

No conflicts of interest were declared.

ADOPTION OF AGENDA

Commissioner Schwab moved, and Commissioner Kelly seconded, to adopt the agenda as presented. Motion unanimously carried.

PUBLIC COMMENTS

There were no public comments made.

APPROVAL OF MINUTES

Commissioner Schwab moved, and Commissioner Kelly seconded, to approve the minutes of the Joint Work Session meeting, held on Tuesday, March 25, 2025, as presented. Motion passed unanimously.

Commissioner Schwab moved, and Commissioner Kelly seconded, to approve the minutes of the Port Commission meeting, held on Thursday, April 10, 2025, as presented. Motion passed unanimously.

FINANCIAL REPORTING

Port Auditor/Treasurer Keown provided Commissioners with the Cash Balance Report and Financial Reports for both the Port and the Airport.

PAYMENT OF BILLS

The Port Commission reviewed Port and Airport Check History Report lists as provided by Port Auditor/Treasurer Keown. Said lists were audited, authenticated, and certified as required per RCW 42.24.080 and reimbursement claims were certified as required by RCW 42.24.090. Commissioner Schwab moved, and Commissioner Kelly seconded, to approve for payment the Check History Report lists summarized in the April 24, 2025, Warrant Approval Document, which is incorporated and attached to these minutes. Motion unanimously carried.

NEW BUSINESS

A. Port of Walla Walla

1. 2025 Tourism Grant Funding Requests – Third Round

Executive Director Reay reviewed with Commissioners the Port's 2025 Tourism request application and reminded the Commission that the applicants can only use the funds for purposes to promote tourism consistent with the Port's Tourism Policy. Commissioners asked several questions and made comments. Commissioner Schwab moved, and Commissioner Kelly seconded, to approve the third round of tourism applications and requests and allocate said funds from the Port's 2025 tourism funds in the amounts determined by the Port Commission, as identified in Exhibit 2 of the staff report, with the addition of the application from Frontier Days Rodeo Committee. Round three of tourism grant funding will be in the amount of \$8,000. Motion passed unanimously.

2. Land Lease Agreement – Burbank Industrial Park – Oxarc, LLC

Economic Development Director Gerola provided Commissioners with proposed lease terms for a land lease in the Burbank Industrial Park for Oxarc, LLC. Commissioners asked several questions. Commissioner Schwab moved, and Commissioner Kelly seconded, to authorize the Executive Director to enter into a Land Lease Agreement between the Port of Walla Walla and Oxarc, LLC at the Port's Burbank Industrial Park as indicated in the enclosed staff report and execute the necessary documents to complete the agreement upon legal counsel review and approval.

B. Walla Walla Regional Airport

1. Consent to Assignment of Lease – K&R Wines, LLC to Reali Family Vineyards, LLC

Airport Manager Skoglund provided Commissioners with a proposed assignment of lease for the building located at 315 E. Cessna Avenue. Commissioner Schwab moved, and Commissioner Kelly seconded, to authorize

the Executive Director to enter into a consent to assignment of lease agreement between K 7 R Wines, LLC and Reali Family Vineyards, LLC for leased premises at 315 E. Cessna Avenue, Walla Walla. Motion passed unanimously.

2. Resolution No. 2025-04 – Submit PFC Application

Airport Manager Skoglund reviewed with Commissioners the Passenger Facility Charge (PFC) program and its intended funding use. Commissioner Schwab moved, and Commissioner Kelly seconded, to authorize the Executive Director to submit Passenger Facility Charge Application No. 3 (PFC) to the Federal Aviation Administration (FAA) by adoption of Resolution NO. 2025-04. Motion passed unanimously.

3. Bid Award for Project WWRA 2025-01 (202 A & 385 B Street Siding)

Airport Manager Skoglund provided Commissioners with the four (4) bid packages that were received for the siding project on buildings located at 202 A Street and 385 B Street, Walla Walla, WA. Commissioners asked several questions. Commissioner Schwab moved, and Commissioner Kelly seconded, to accept and award Bid Project No. WWRA 2025-01 siding project to ESF Development, LLC for the base bid of \$73,070.31 including sales tax, approve a total project budget of \$92,921 and authorize the Executive Director to execute all documents necessary to complete this project. Motion passed unanimously.

4. Bid Award for Project WWRA 2025-02 (760 C St Siding Repair & Paint)

Airport Manager Skoglund provided Commissioners with the three (3) bid packages that were received for the siding repair project on the building located at 760 C Street, Walla Walla, WA. Commissioner Schwab moved, and Commissioner Kelly seconded, to accept and award Bid Project No. WWRA-2025-02 Siding Repair & Paint project to ESF Development, LLC for the base bid of \$32,367 including sales tax, approve a total project budget of \$39,105 and authorize the Executive Director to execute all documents necessary to complete this project. Motion passed unanimously.

CORRESPONDENCE & REPORTS

A. Review Calendar of Events

Economic Development Director Hester reviewed the calendar of events

B. Airport Information

1. Commercial Air Report – March 2025

C. Executive Director and Staff Report

Executive Director Reay and staff reported on various matters of Port business.

COMMISSIONER REPORTS

The Commissioners reported on meetings they recently attended and other Port-related matters.

EXECUTIVE SESSION

At 10:40 a.m. Commissioner Dunning announced the convening of an Executive Session under RCW 42.30.110(1)(c) to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price.

Commissioner Dunning reconvened the open session at 11:02 am.

NEXT MEETING & LOCATION

Thursday, May 08, 2025, at 9:00 a.m.
Port of Walla Walla Administrative Office
45 Terminal Loop Road, Suite 214, Large Conference Room
Walla Walla, WA 99362

ADJOURNMENT

Commissioner Schwab moved, and Commissioner Dunning seconded, to adjourn the Port Commission meeting at 11:02 a.m. Motion passed with a 2-1 vote (Commissioner Kelly abstained as he was no longer in attendance).

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS



KIP KELLY, PRESIDENT



RONALD W. DUNNING, VICE PRESIDENT



AMY SCHWAB, SECRETARY

Warrant Approval Document

April 24, 2025

We the undersigned Commissioners of the Port of Walla Walla, of Walla Walla County Washington, do hereby certify that the merchandise or services hereinafter specified have been received.

Port of Walla Walla - General Fund

Approved for payment are check numbers 21126 through 21159 and direct deposit numbers PR1 through PR4, and ACH/EFT numbers EFT00020984 through EFT04182025 in the amount of \$71,841.06 to be paid from the Port of Walla Walla General Fund on the above stated date.

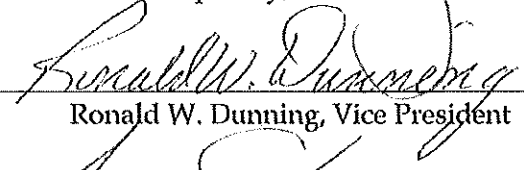
Walla Walla Regional Airport - General Fund

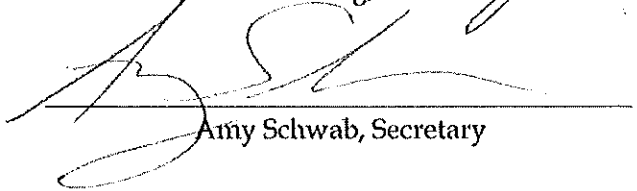
Approved for payment are check numbers 25327 through 25371, and direct deposit numbers PR1 through PR12 and ACH/EFT numbers EFT04172025 in the amount of \$311,636.80 to be paid from the Walla Walla Regional Airport General Fund on the above stated date.

Approved By:

Port of Walla Walla Commissioners


Kip Kelly, President


Ronald W. Dunning, Vice President


Amy Schwab, Secretary

**PORT OF WALLA WALLA
RESOLUTION NO. 2025-04**

**A Resolution of the Port of Walla Walla Authorizing the Executive Director to Submit to the FAA a
New Passenger Facility Charge Application and Any Necessary Amendment to Current Applications
Extending the Passenger Facility Charge Program**

WHEREAS, the Port of Walla Walla operates, maintains, and develops the Airport, in part, with federal grants, state funds, and user fees; and

WHEREAS, a Passenger Facility Fee (PFC) is a user fee authorized by Federal Law and imposed only on eligible enplaned passengers utilizing the Airport; and

WHEREAS, the Port of Walla Walla began collecting a \$3.00 PFC at the Walla Walla Regional Airport on November 1, 1993, pursuant to Port Commission approval on January 27, 1993, and increased the PFC level to \$4.50 on October 1, 2001, pursuant to Resolution No. 03-15-01-B for FAA approved projects that enhance safety, capacity, and security of the Walla Walla Regional Airport; and

WHEREAS, the Port desires to continue the existing \$4.50 level PFC on eligible passengers at the Walla Walla Regional Airport, in accordance with the Aviation Safety and Capacity Expansion Act of 1990 as approved by the FAA and desires to submit a new PFC application and any necessary amendments to impose PFCs under terms and conditions that are consistent with said Act as approved by the FAA and to expend such funds on FAA approved eligible projects.

NOW, THEREFORE BE IT AND IT IS HEREBY RESOLVED by the Port of Walla Walla Commission as follows:

The Executive Director is authorized to submit to the Federal Aviation Administration PFC Application #3, and any Amendment Applications, along with any other documents necessary for the continuation of the imposition of a PFC at the \$4.50 level, and the expenditure of revenues from the PFC at the Walla Walla Regional Airport, in accordance with the Capital Improvement Program, and the assurances and understandings contained in the application.

ADOPTED AND APPROVED by the Commissioners of the Port of Walla Walla this 24th day of April, 2025.

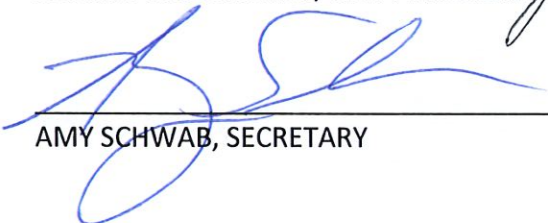
PORT OF WALLA WALLA COMMISSIONERS



KIP KELLY, PRESIDENT



RONALD W. DUNNING, VICE PRESIDENT



AMY SCHWAB, SECRETARY

Joint Workshop with Port of Walla Walla – March 25, 2025

The Board of Walla Walla County Commissioners met for a Joint Workshop with Chairman Gunner Fulmer, present, Todd L. Kimball, member, present, and member Bertha J. Clayton, present. Clerk of the Board, Diane L. Harris, was also present. Port Commissioners Kip Kelly, President, Ronald Dunning, Vice President, and Amy Schwab, Secretary were also in attendance.

COUNTY COMMISSIONERS

Chairman Fulmer

Roll call and establish a quorum Walla Walla County Board of Commissioners

[Commissioner District 3 Chair - Gunner Fulmer: Present](#)
[Commissioner District 2 - Todd L. Kimball: Present](#)
[Commissioner District 1 - Bertha J. Clayton: Present](#)

Roll call and establish a quorum Port of Walla Walla Commissioners

Kip Kelly - present
Amy Schwab - present
Ron Dunning - present

Silence cell phones

Declarations re: conflict of interest
County no conflicts/no additions
Port no conflicts/no additions

Approval of agenda

MOTION: I move to approve the agenda as presented.

[Commissioner District 2 - Todd L. Kimball: Motion](#)
[Commissioner District 1 - Bertha J. Clayton: 2nd](#)
[Commissioner District 3 Chair - Gunner Fulmer: Approve](#)
[Commissioner District 2 - Todd L. Kimball: Approve](#)
[Commissioner District 1 - Bertha J. Clayton: Approve](#)

Port Commissioner Kelly – Approved
Port Commissioner Schwab – Approved
Port Commissioner Dunning – Approved

Pledge of Allegiance

Public comment period (time limitations may be imposed)

Public Comment – County - none
Public Comment – Port - none

COMMUNITY DEVELOPMENT DEPARTMENT

Lauren Prentice

Introductions

Lauren Prentice - Director of Community Development
Melissa Shumake - Deputy Community Development Director
Clay White - Kimley, Horn and Associates

Meeting objectives
Growth Management Act (GMA) overview – project schedule
Growth targets – connection to permitting future growth

Housing

Employment

How the Steps Work Together

Capital Facility and utility planning requirements
coordination with non-county service provider
connection to permitting development under the land use element

Planning for Attalia – options and discussion
Pat Reay, Port of Walla Walla - comments

Planning for Burbank – options and discussion
Pat Reay, Port of Walla Walla - comments

Please note: Verbatim minutes are not prepared. Audio of each meeting is made available on the Walla Walla County website www.co.walla-walla.wa.us. If audio is not available on website please contact the County Commissioners' Office to request a copy.

Economic Development planning element

Questions and next steps

MOTION: I move to adjourn the meeting.

Commissioner District 1 - Bertha J. Clayton: Motion

Commissioner District 2 - Todd L. Kimball: 2nd

Commissioner District 3 Chair - Gunner Fulmer: Approve

Commissioner District 2 - Todd L. Kimball: Approve

Commissioner District 1 - Bertha J. Clayton: Approve

Port Commissioner Kelly – Approved

Port Commissioner Schwab – Approved

Port Commissioner Dunning – Approved

There was no further business to come before the Board and the meeting was adjourned.

Diane L. Harris, Clerk of the Board

Gunner Fulmer, Chairman, District 3

Todd L. Kimball, Commissioner, District 2

Bertha J. Clayton, Commissioner, District 1

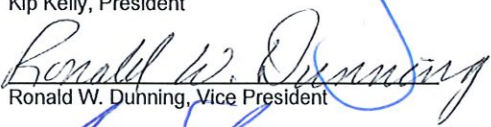
*Constituting the Board of County Commissioners
of Walla Walla County, Washington*

Approved By:

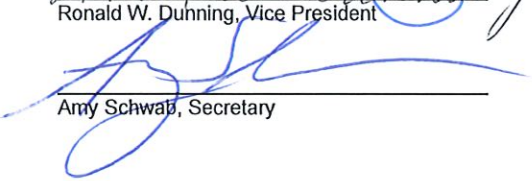
Port of Walla Walla Commissioners:



Kip Kelly, President



Ronald W. Dunning, Vice President



Amy Schwab, Secretary

Port of Walla Walla **Staff Report**

TO: Port of Walla Walla Commission

FROM: Patrick H. Reay, Executive Director
Jay Hester, New Economic Development Director
Paul Gerola, Economic Development Special Projects

SUBJECT: Land Lease Agreement – Burbank Industrial Park – Oxarc, LLC

DATE: April 24, 2025

PROJECT LOCATION: Burbank Industrial Park

JURISDICTION: Port of Walla Walla

PURPOSE: Action Item

STAFF RECOMMENDED DIRECTION:

Port staff recommends the Port Commission authorize the Executive Director to enter into a Land Lease Agreement between the Port of Walla Walla and Oxarc, LLC at the Port's Burbank Industrial Park.

The staff recommendation accomplishes the following goals and policies outlined in the Port's adopted Comprehensive Plan:

- **Goal 1:** "Increase the economic vitality of Walla Walla County through the retention, expansion, start-up, and recruitment of desired businesses and industries."

Policy 1.3

The Port prefers to retain, expand, and recruit industries and employers that have the following characteristics:

- Increase overall community economic well-being and stability;
- Further diversify the county's economic base;
- Support or strengthen other area businesses and industry clusters;
- Exhibit willingness and ability to make capital investments;

- **Goal 3:** "Strategically invest in infrastructure in order to make land and buildings ready for development."

Policy 3.1

The Port should continue to make strategic infrastructure investments in Port-owned land and buildings to ready sites for new and expanding businesses and industries. Shovel-ready land and buildings are critical to attracting new investment to Walla Walla County.

Policy 3.5

In smaller rural communities within Walla Walla County, the Port should consider adopting more proactive economic development incentives to attract new business and industries.

- **Goal 4:** "Maintain flexibility and creativity in real estate transactions (selling and leasing of property) to attract new, emerging, and relocating businesses and industries."

Policy 4.1

The selling or leasing of Port property may be structured to act as an incentive for businesses relocating to the area and for new expanding businesses. Property sales and/or lease rates may be structured to meet specific needs of a prospective business, if the business meets one or

more of the following criteria:

- Its products or services will be exported outside the local market area;
- It provides goods or services that are consumed within the community by those from outside the community;
- It will increase, or has the potential to increase, the number and compensation level of jobs;
- It can demonstrate a measurable increase in the tax collected by local jurisdictions;
- It can provide steady, year-around, family-wage jobs;
- It can demonstrate that it will result in an improvement to the local economy;
- It is a start-up or developing business; and/or,
- It is a desired business and industry, as defined in Policy 1.3.

Policy 4.3

The Port uses the following criteria regarding the selling of Port property:

- In general, the Port supports selling Port properties if it adds to the tax base of Walla Walla County and helps secure the business and/or industry in Walla Walla County;
- The Port encourages the sale of property and its associated buildings by providing an “option to purchase” in many of its lease agreements;
- The Port does not sell the following types of properties:
 - Water front properties;
 - Airport property, due to the FAA strongly discouraging such land sales; and,
 - The Port is prohibited by law from selling property for speculative purposes

PROPOSED MOTION:

I move that we authorize the Executive Director to enter into a Land Lease Agreement between the Port of Walla Walla and Oxarc, LLC at the Port’s Burbank Industrial Park as indicated in the enclosed staff report and execute the necessary documents to complete the agreement upon legal counsel review and approval.

BACKGROUND:

Port of Walla Walla is the owner of certain real property (Port’s Burbank Industrial Park) located at the confluence of the Columbia and Snake Rivers. Enclosed as Attachment A-1 is a map of the Port’s Burbank Industrial Park.

Over the six (6) months, Port staff has been working with representatives of OXARC, LLC (hereinafter “OXARC”) on a site location for a liquid carbon dioxide (CO2) tank farm at the Port’s Burbank Industrial Park in the western portion of Walla Walla County. OXARC Inc. is a family-owned business that has been providing welding and industrial supplies, as well as industrial, medical and specialty gases, since 1968.

At the October 24, 2024, Port Commission meeting, the Port Commission authorized the Executive Director to execute a Land Lease Option/Right of First Refusal (ROFR) with OXARC, LLC for approximately 4.75 acres at the Port’s Burbank Industrial Park, WA and authorized the Executive Director to execute the necessary documents to complete this Land Lease Option/Right of First Refusal (ROFR) transaction upon legal counsel review and approval. The ROFR was executed by both parties on October 24, 2024.

On April 2, 2025, an OXARC representative notified the Port staff that they are exercising the right under the ROFR to lease approximately 4.75 acres at the Port’s Burbank Industrial Park. The business operation will employ approximately 6 full-time employees at start-up and will increase overtime. The initial private capital investment is expected to be approximately \$500k to \$1M.

DISCUSSION/ANALYSIS:

OXARC is interested in leasing approximately 4.75 acres ("Premises") of land at the Port's Burbank Industrial Park. Below are some of the key elements to the proposed land lease agreement:

Lease Term: This Lease shall commence on May 1, 2025, and shall terminate at midnight on April 30, 2030. Subject to OXARC being in compliance with all lease terms and conditions, OXARC shall have the option to renew this land lease agreement for one (1) additional, successive five (5) year term commencing immediately upon expiration of the initial term.

Lease Rate: See Attachment A-2

Use of Premises: OXARC shall use the Premises for the storage and distribution of industrial gases (primarily CO2), in conformance with all zoning, building, fire codes, and/or use ordinances or other statutes or ordinances affecting said Premises.

Alterations and Improvements: OXARC must obtain approval in writing from Port before making any alterations or improvements to the Premises in excess of \$50,000; provided, however, that Port hereby expressly approves in advance OXARC's installation of bulk CO2 storage tanks and pumps, piping and manifolds required to offload railcars into storage and quality assurance testing equipment, all of which shall remain the property of OXARC notwithstanding anything in this Lease to the contrary (the "Approved Improvements").

LEGAL REVIEW: Yes.

FISCAL IMPACT: Positive. See Attachment A-2

ALTERNATIVE(S):

1. Amend the terms and conditions of the Land Lease Agreement with OXARC.
2. Do not enter into a Land Lease Agreement with OXARC.

ATTACHMENT:

Attachment A-1	Premises Map of the Port's Burbank Industrial Park
Attachment A-2	OXARC Land Lease Rent Schedule

Port will prepare a legal survey of the Premises to determine the exact acreage.



Oxarc Land Lease											
Burbank Industrial Park											
						Land Area (Acres)	Annual Land Base Lease - Cost per Acre (1)	Annual Land Base Lease	Monthly Land Base Lease	Monthly State Leasehold Tax (12.84%)	Total Monthly Base Lease Revenue
Initial Term	Year 1	05/01/25	to	04/30/26		4.75	\$ 6,534.00	\$ 31,036.50	\$ 2,586.38	\$ 332.09	\$ 2,918.47
	Year 2	05/01/26	to	04/30/27		4.75	\$ 6,730.02	\$ 31,967.60	\$ 2,663.97	\$ 342.05	\$ 3,006.02
	Year 3	05/01/27	to	04/30/28		4.75	\$ 6,931.92	\$ 32,926.62	\$ 2,743.89	\$ 352.31	\$ 3,096.20
	Year 4	05/01/28	to	04/30/29		4.75	\$ 7,139.88	\$ 33,914.42	\$ 2,826.20	\$ 362.88	\$ 3,189.09
	Year 5	05/01/29	to	04/30/30		4.75	\$ 7,354.07	\$ 34,931.85	\$ 2,910.99	\$ 373.77	\$ 3,284.76
Option 1	Year 6	05/01/30	to	04/30/31		4.75	\$ 7,574.70	\$ 35,979.81	\$ 2,998.32	\$ 384.98	\$ 3,383.30
	Year 7	05/01/31	to	04/30/32		4.75	\$ 7,801.94	\$ 37,059.20	\$ 3,088.27	\$ 396.53	\$ 3,484.80
	Year 8	05/01/32	to	04/30/33		4.75	\$ 8,036.00	\$ 38,170.98	\$ 3,180.92	\$ 408.43	\$ 3,589.34
	Year 9	05/01/33	to	04/30/34		4.75	\$ 8,277.08	\$ 39,316.11	\$ 3,276.34	\$ 420.68	\$ 3,697.02
	Year 10	05/01/34	to	04/30/35		4.75	\$ 8,525.39	\$ 40,495.59	\$ 3,374.63	\$ 433.30	\$ 3,807.94
(1) Annual increase of 3%											