

**MINUTES OF THE PORT OF WALLA WALLA
COMMISSION MEETING
Thursday, June 05, 2025**

The meeting of the Port of Walla Walla Commission was called to order at 9:03 a.m. by Commission President Kip Kelly 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 Director
Jennifer Skoglund, Airport Manager
Joe Keown, Auditor/Treasurer
Meagan Blair, Governmental Affairs/Community Outreach
Karla Miller, Administrative Assistant
Jared Hawkins, Legal Counsel
Brian Enslow, Arbutus Consulting
Julia Eastham, Walla Walla Union-Bulletin
Griffin Beach, Elkhorn Media
Aden Foster
Colleen Rehn
Craig Woodard

PLEDGE OF ALLEGIANCE

Commissioner Dunning 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 Dunning moved, and Commissioner Schwab 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 Dunning seconded, to approve the minutes of the Port Commission meeting, held on Thursday, May 22, 2025, as presented. Motion passed unanimously.

FINANCIAL REPORTING

Port Auditor/Treasurer Keown provided Commissioners with the Cash Balance Report and Aged 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 by RCW 42.24.080 and reimbursement claims were certified as required by RCW 42.24.090. Commissioner Dunning moved, and Commissioner Schwab seconded, to approve for payment the Check History Report lists summarized in the June 05, 2025 Warrant Approval Document, which is incorporated and attached to these minutes. Motion unanimously carried.

NEW BUSINESS

A. Port of Walla Walla

1. Arbutus Consulting – Legislative Update

Brian Enslow with Arbutus Consulting, LLC, reviewed with the Commissioners his work history and background. Mr. Enslow gave an update on the state legislative sessions, an outlook on the state operating and capital budgets, and what to expect during the next legislative session. The Commissioners asked several questions and thanked Mr. Enslow for his efforts.

2. Purchase & Sale Agreement – Project Nova Point

Executive Director Reay reviewed the proposed terms for selling ± 40 acres at the Port's Stearns Kelly Park to buyer to construct a renewable natural gas plant. Commissioners asked a host of questions. Commissioner Schwab moved, and Commissioner Dunning seconded, to authorize the Executive Director to negotiate and enter into a purchase and sale agreement, with the terms and conditions outlined herein, between the Port of Walla Walla and the proponent of Project Nova Point for approximately 40 acres of property at the Port's Stearns Kelly Park (see exhibit A-1) and authorize the Executive Director to execute the necessary documents to complete the real estate transaction, upon legal counsel review and approval. Motion passed unanimously.

CORRESPONDENCE & REPORTS

A. Review Calendar of Events

Executive Director Reay reviewed the calendar of events.

B. 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 10:50 a.m., Commissioner Kelly announced the convening of an Executive Session under: RCW 42.30.110(1)(b) to consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price; and 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 Kelly reconvened the open session at 11:42 a.m.

NEXT MEETING & LOCATION

Thursday, June 26, 2025, at 6:00 p.m.
Waitsburg City Hall
106 Main Street
Waitsburg, WA 99361

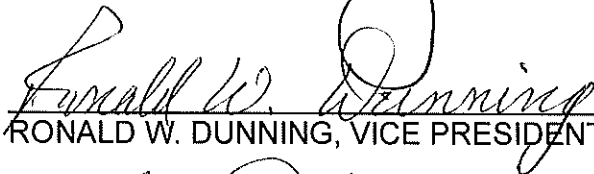
ADJOURNMENT

Commissioner Schwab moved, and Commissioner Dunning seconded, to adjourn the Port Commission meeting at 11:42 a.m. Motion passed unanimously.

APPROVED:

PORT OF WALLA WALLA COMMISSIONERS


KIP KELLY, PRESIDENT


RONALD W. DUNNING, VICE PRESIDENT


AMY SCHWAB, SECRETARY

Warrant Approval Document

June 05, 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 21239 through 21259 and direct deposit numbers PR05302025-1 through PR05302025-7, and ACH/EFT numbers EFT-CHECK22 through EFT-CHECK35 in the amount of \$150,708.30 to be paid from the Port of Walla Walla General Fund on the above stated date.


Walla Walla Regional Airport - General Fund

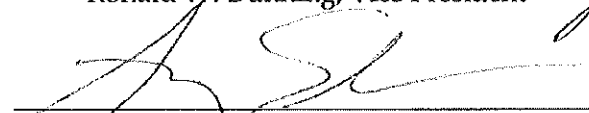
Approved for payment are check numbers 25508 through 25539, and direct deposit numbers PR05302025-1 through PR05302025-13 and ACH/EFT numbers EFT-CHECK25 through EFT-CHECK36 in the amount of \$98,301.92 to be paid from the Walla Walla Regional Airport General Fund on the above stated date.

Approved By:

Port of Walla Walla Commissioners


Kip Kelly, President


Ronald W. Dunning, Vice President


Amy Schwab, Secretary

Port of Walla Walla **Staff Report**

TO: Port of Walla Walla Commission

FROM: Patrick H. Reay, Executive Director
Jay Hester, Economic Development Director
Jared Hawkins, Port Legal Counsel

SUBJECT: Purchase and Sale Agreement (PSA) – Stearns Kelly Property

DATE: Thursday, April 24, 2025 - Port of Walla Walla – Regular Meeting

PROJECT LOCATION: Stearns Kelly Property

JURISDICTION: Port of Walla Walla

PURPOSE: Action Item

STAFF RECOMMENDED ACTION:

Port Commission authorize the Executive Director to negotiate and enter into a Purchase and Sale Agreement, with the terms and conditions outlined herein, between the Port of Walla Walla and Project Nova Point for approximately 40 acres of property at the Port's Stearns Kelly Park (See Exhibit A-1) and authorize the Executive Director to execute the necessary documents to complete the real estate transaction upon legal counsel review and approval.

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 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:
 - Waterfront 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 negotiate and enter into a Purchase and Sale Agreement, with the terms and conditions outlined herein, between the Port of Walla Walla and the proponent Project Nova Point for approximately 40 acres of property at the Port's Stearns Kelly property (See Exhibit A-1) and authorize the Executive Director to execute the necessary documents to complete the real estate transaction, upon legal counsel review and approval.

BACKGROUND:

Over the last 60 days, Port staff has been working with representatives of Project Nova Point regarding the purchasing of \pm 40 acres at the Port's Stearns Kelly Park to construct a RNG (Renewable Natural Gas) plant supplying gas to utilities and biogenic CO₂ to the food sector using waste wheat straw as feedstock. The site will consist of digesters, gas upgrading and CO₂ liquefaction equipment, gas injection point and CHP's (combined heat and power). The project is estimated to employ 25-40 fulltime employees at the site with more jobs likely created in the straw contracting business. Project representatives estimate a build cost of approximately \$80M with private investment, with a view to expanding the site within the next 5 years.

DISCUSSION/ANALYSIS:

The following are some specifics that would be incorporated into a PSA:

1. Property Size: \pm 40 acres.
2. Purchase Price: \$2,600,000 or \$65,000 per acre.
3. Earnest Money: \$50,000 earnest money deposit.
4. Due Diligence Approval Period: The Buyer shall have a period of one hundred eighty (180) days to obtain title, survey, receive building permits, and complete general due diligence of the property. If the closing is delayed by a governmental permitting agency despite Purchaser's diligent efforts, Buyer may extend the Closing Date up to four (4) times, each time for up to thirty (30) days, exercisable by the delivery of written notice thereof to Seller (each such notice referred to as an "Extension Notice").
5. Closing: The closing shall take place no later than the later of (a) thirty (30) days after the Purchaser obtains building permits approval from Walla Walla County Community Development Department to construct its proposed project or (b) thirty (30) days after the Purchaser gives Seller notice of feasibility.
6. Closing Costs: Seller to pay excise tax (if applicable). All remaining closing costs shall be split between Buyer and Seller as customary in Walla Walla County.
7. Repurchase Terms: It is hereby agreed, if the Buyer has not commenced construction of the proposed development in accordance with Buyer's building plans (submitted to Walla Walla County Community Development Department) within twenty-four (24) months from the date of Closing, the Seller shall have

the right, but not the obligation to repurchase the Property from Buyer at the Purchase Price (less Seller's closing costs).

8. Broker Fee: None.

FISCAL IMPACT:

2025-2026 Budget
Property Sale - \$2,600,000
Water - Capital Connection Charge and Capital Facility Charges

LEGAL REVIEW:

Yes. Port staff will draft, and legal counsel will review the PSA and the First Right of Refusal Agreement.

EXHIBIT:

Exhibit A-1 Stearns Kelly Park

