PORT OF CENTRALIA
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Minutes
Regular Meeting of the
PORT OF CENTRALIA
October 15, 2025
Port of Centralia Administrative Office & Via Teleconference
3:00 PM

Attendees: Commissioners: Kyle Markstrom, Julie Shaffley, and Peter Lahmann
Port Staff: Kyle Heaton, Executive Director
Port Counsel: Ray Liaw, Van Ness Feldman
Public: Jan Banevich; Gary Odegaard; and Cynthia Mudge
Teleconference: 9 unknown callers

1) **Call Meeting to Order/Introductions:** Commissioner Markstrom called the meeting to order at 3:00 p.m.

2) **Approval of Agenda:** Commissioner Lahmann made a motion to approve the October 15, 2025, agenda as amended. Commissioner Shaffley seconded the motion. The motion carried.

3) **Good of the Order/Public Comment:** Commissioner Markstrom opened the meeting to public comment and stated the rules regarding public comment.

   Jan Banevich, of Centralia, attempted to comment on the ongoing Port of Centralia Commission election campaign. Commissioner Markstrom stopped her public comment and told her that comments on election campaigns were not permitted according to public comment rules. Ray Liaw reiterated the rule. Jan Banevich stated that she was not commenting on the campaign and that she would be continuing her comment. Commissioner Markstrom reminded Jan Banevich that her comments need to pertain to Port business. Jan Banevich continued her comments. Commissioner Markstrom informed her that her comments were not regarding Port business and ended her comment time.

   The meeting was interrupted by a disturbance in the audience, and the security guard removed a member so the meeting could continue.

   Gary Odegaard, of Centralia, commented on collaboration and the City of Centralia development moratorium.

   Cynthia Mudge, executive director of the Centralia-Chehalis Chamber of Commerce, commented on upcoming Chamber events.

   Commissioner Markstrom commented that the Port incorporates traffic mitigation into its development projects and is working toward improving congestion issues.

4) **Approval of Minutes:** Commissioner Lahmann made a motion to approve the October 1, 2025, regular meeting minutes. Commissioner Shaffley seconded the motion. The motion carried.

5) **Approval of Warrants:** Commissioner Lahmann made a motion to approve warrants 24586 through 24610 with an aggregate amount of $91,561.25. Commissioner Shaffley seconded the motion. The motion carried.

   Commissioner Lahmann asked about two warrants. Kyle Heaton replied that one was legal services, and one was traffic engineering.

6) **New Business:**

   a) **Executive Director Report:** Kyle Heaton presented the Commissioners with the 2026 preliminary budget. He estimated that the property tax assessments will be arriving in early November. He gave a brief overview of ongoing Port projects.

      Dennis Rice and Joe Sandhu with Logistics Property Company provided the Commissioners with an update on their ongoing project. They thanked the Commissioners for their support and requested their assistance. Joe Sandhu reported that in 4 weeks their project would be coming to a standstill due to permitting issues with the City of Centralia and stated that they would be talking to the Port in private regarding the situation. Kyle Heaton asked how much LPC is paying the City of Centralia for permits. Joe Sandhu reported that LPC has paid about $500,000 between permits and connection fees. Commissioner Shaffley asked what the costs to LPC would be if the project was shut down in 4 weeks. Joe Sandhu replied that a shutdown would cost LPC $75,000 to $100,000 per day for the $100 million project, along with tenants leaving the project because they do not want to come to cities that will not issue permits.

   b) **County/City Mediation:** Kyle Heaton reported that the Port has appealed a high-density residential SEPA near Kuper Road that required no traffic mitigation. He said the Port was asking for the City of Centralia to follow the law with evenly distributed traffic mitigation on Harrison Avenue for all development projects, not just the Port's. He gave the Commissioners an update on that process.

      Commissioner Markstrom stated additional residential development supports the Port's economic development goals and wanted to make it clear that the Port supports residential development. He added that the Port also supports everyone adhering to the same standards and making sure that all development projects contribute to traffic equally.

      Kyle Heaton stated that the Port has contributed $3 million into exit 88 and millions of dollars more into Harrison Avenue that guarantees the Port a traffic pipeline that other development projects, who were not required to invest in traffic mitigation by the City during the SEPA process despite Port protestations, have tapped into. He said the Port is trying to protect its investment and require other development projects to mitigate their own pipelines instead of taking over the Port's, which has largely contributed to the mediation with the City of Centralia. He complimented Lewis County Commissioner Sean Swope and Lewis County Manager Ryan Barrett on their work on the mediation agreement and said that the Port only added one change as to include the UGA in the discussions. He said it was the Port's intent to come together with the City and the County to create an agreed-upon development agreement that is in the best interests of everyone and takes care of citizens' concerns. He added that the Port's land use attorney will select the consultants that will attend the mediation.

Commissioner Lahmann asked if the housing development property was north of Kuper Road. Kyle Heaton replied that it was just south of Goodrich Road.

Commissioner Lahmann made a motion to approve the amended mediation agreement. Commissioner Shaffley seconded the motion. The motion carried.

Commissioner Markstrom opened the agenda item for public comment. There was no public comment made.

Commissioner Lahmann thanked Lewis County for stepping forward and said he thought it was for everyone's benefit.

Commissioner Markstrom asked if the Port needed to appoint a Commission representative. Kyle Heaton replied that since it was a three-person Commission, the President would attend the mediation, but the resulting agreement would need to come before the Port Commission to be ratified. Commissioner Lahmann stated that the Commissioners were all reasonably on the same line with the mediation. Commissioner Markstrom and Commissioner Shaffley agreed.

Kyle Heaton reported that the Washington State Chapter of the National Commercial Real Estate Development Association has put the Centralia moratorium out to all of its members as a problem, and he has received word that the Port of Tacoma and the Washington State Department of Commerce recognize it as well and will most likely be weighing in on the situation.

Commissioner Markstrom commented that at the Centralia City Council's meeting, the Council voted on the first reading of the City's comprehensive plan. This indicated that they intend to make the restrictions passed in the temporary 6-month emergency moratorium permanent. He said that City staff stated that they had addressed all of the Port's concerns and clarified that was absolutely false, dishonest, and inaccurate.

Commissioner Shaffley commented that the moratorium and the comprehensive plan are separate. Commissioner Markstrom agreed and said that it is confusing, and the comprehensive plan is not going to show the information, but it updates City code, and the proposed revised City code contains the language pertaining to the moratorium.

Commissioner Lahmann asked if the new housing development was required to do a traffic study. Kyle Heaton replied that it did not. Commissioner Lahmann said the Port has had to do traffic studies and asked if the other development is siphoning off the Port's traffic capacity. Kyle Heaton confirmed that they were.

Commissioner Markstrom explained that when the Port invests in traffic mitigation, the Port is entitled to that mitigation. As other developments come in, they do not have the right to take the traffic capacity the Port has created, although that is what the City has allowed to happen by not requiring the developments to create their own additional traffic mitigation.

c) **Small Works Project #25-15 Park 3 – Long Road Fill:** Commissioner Shaffley made a motion to approve Pay Request No. 1 to Sturdevant Trucking & Excavation in the amount of $159,222.79 for Small Works Project #25-15 Park 3 – Long Road Fill. Commissioner Lahmann seconded the motion. The motion carried.

Commissioner Markstrom opened the agenda item for public comment. There was no public comment made.

Commissioner Lahmann questioned the mobilization cost. Kyle Heaton explained the discrepancy was due to the road vacation process being delayed so a portion of the project could not be completed.

d) **Purchase & Sale Agreement – Centralia Station – Pad 8:** Commissioner Shaffley made a motion to approve the Purchase & Sale Agreement with Great Northwest Federal Credit Union for a 30,000 square feet parcel of land in the amount of $22.99 per square foot. Commissioner Lahmann seconded the motion. The motion carried.

Commissioner Markstrom opened the agenda item for public comment. There was no public comment made.

e) **Purchase & Sale Agreement – Centralia Station – Pad G:** Commissioner Shaffley made a motion to approve the Purchase & Sale Agreement with Wilco Farmers for a 4-acre parcel of land in the amount of $2,352,240.00. Commissioner Lahmann seconded the motion. The motion carried.

Commissioner Markstrom opened the agenda item for public comment. Gary Odegaard, of Centralia, asked about the Pad 8 purchase price.

7) **Commissioner Reports:** Commissioner Lahmann reported he attended and helped at a career day trade event at Port of Grays Harbor Satsop Business Park where all of the area high schools attended. He also attended a Lewis County Board of County Commissioners meeting and a Centralia City Council meeting.

Commissioner Shaffley reported that she attended Centralia-Chehalis Chamber of Commerce events and encouraged the community to do so as well. She added that she was appreciative of the work that went into the two real estate transactions and what it means to the community.

Commissioner Markstrom had nothing to report.

8) **Adjourn:** Commissioner Shaffley made a motion to adjourn the meeting at 3:57 p.m. Commissioner Lahmann seconded the motion. The motion carried.

COMMISSIONER **COMMISSIONER**