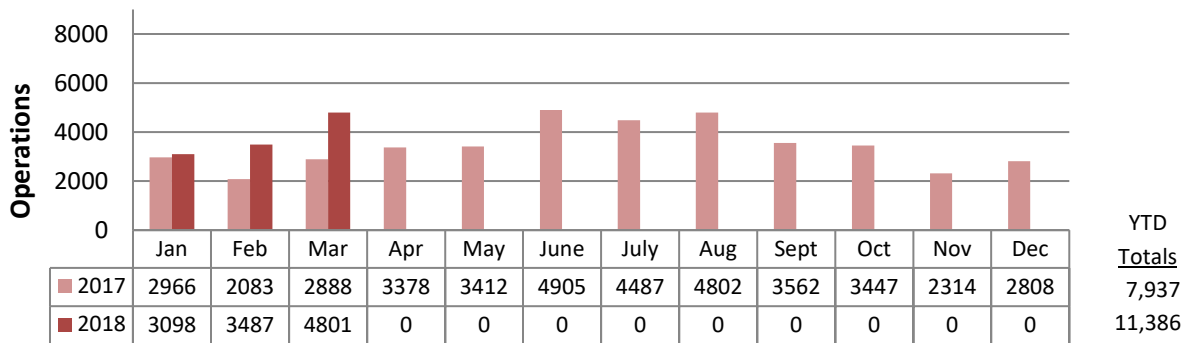


# Operations Report: March 2018

## Olympia Regional Airport

2018 YTD operations are 43% higher than 2017 YTD. Jet fuel deliveries are 6% lower, but aviation gas deliveries were double that of 1<sup>st</sup> quarter 2017. YTD landing fees earned are 28% greater than YTD 2017.

### 2018 Airport Operations with Prior Year Comparison



<sup>1</sup>Air traffic counts are recorded by the Control Tower during its operating hours of 8:00am to 8:00pm daily. Operations occurring outside these hours are not monitored and are in addition to these recorded traffic counts.

#### Hangar Occupancy – 97%

63 Hangars Total  
2 Vacant

#### Landing Fees Collected

YTD 2017 \$ 2,242  
YTD 2018 \$ 2,882

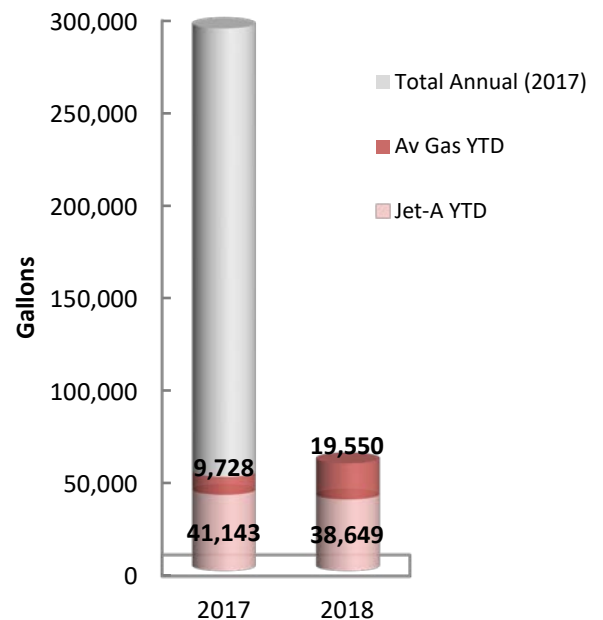
#### FAA Grant Funding Received

1993 to 2017 \$27,317,597  
Received YTD 2018 \$ 0  
Total FAA Grants \$27,317,597

#### WSDOT-Aviation Grants Received

2005 to 2017 \$ 382,780  
Received YTD 2018 \$ 0  
Total WSDOT Grants \$ 382,780

#### Fuel Deliveries



YTD = Cumulative, January to month of report

**Swantown Marina & Boatworks**

Marina occupancy for the first quarter of 2018 was higher than expected for permanent moorage. Entering the busier boating season, occupancy is anticipated to be at 100% in all slip sizes 36 feet and above. Moorage occupancies are expected to increase through September, as the boating season gets underway. Guest moorage and group reservations also look strong for this year’s boating season.

Following the slower winter boating season and associated fuel sales, and as the weather has improved, there has been a substantial increase in fuel sales. Staff expects to see greater fuel sales as the season progresses. There are currently four commercial fuel accounts, which will contribute much to the 2018 sales volume.

Boatyard usage year to date has increased 39% over 2017. There were also several boat demolitions in first quarter, which will add considerably to revenues in 2018.

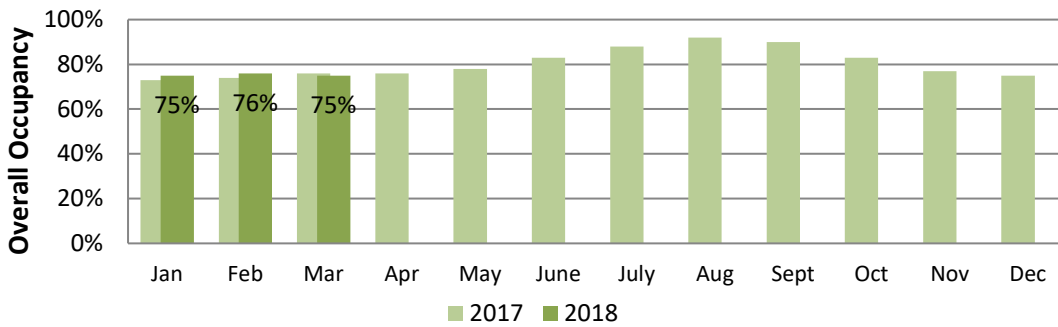
**Occupancy for March:**

Slips 20’-24’	15%
Slips 28’+	87%
Dry Storage	108%
Mini Storage	100%

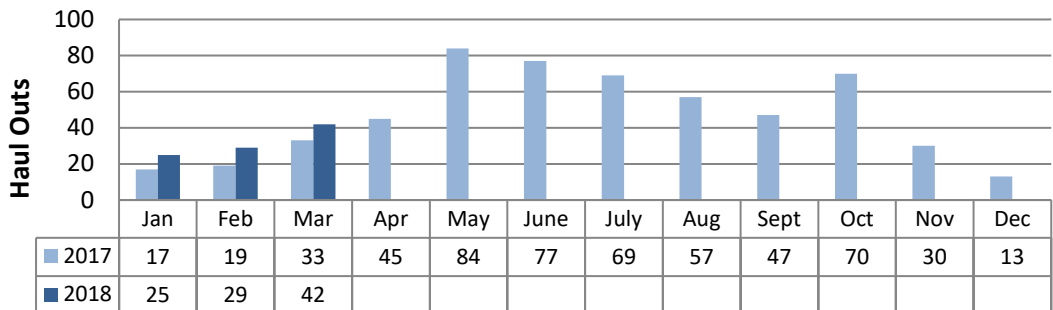
**Total Number of Slips:**

109
543
37
16

**2018 Marina Total Occupancy with Prior Year Comparison**



**2018 Boatworks Haul Outs with Prior Year Comparison**



YTD Totals	69	96
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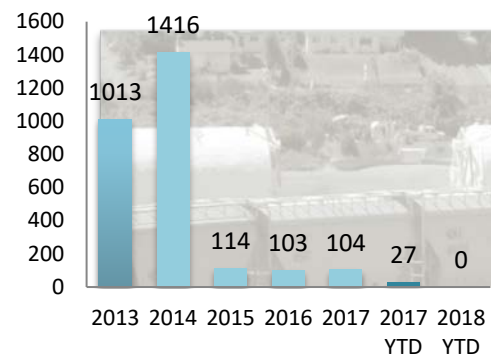
**Marine Terminal**

First quarter activity at the Marine Terminal included the loading of 27.9 MBF of logs onto five vessels. As projected during the budgeting process late last year, general cargo ships and spot project cargoes were not identified for business at the Port of Olympia at the start of the year. Regionally, project cargoes for break bulk ports have not been available thus far this year and ports are leaning heavily on their fixed business for revenue. Outside of military cargo movements, project cargoes have been unavailable. The Port's log tenant business remains reliable and consistent with the ship counts for Q1 and our team is projecting this to continue in the foreseeable future despite high log prices as both Chinese and Japanese demand remains moderately strong. The Port has seen a recent increase in inquiries both in long and short term bulk and break bulk cargoes and will continue to pursue those leads. Furthermore, the Port remains active in its marketing efforts completing several regional trips and meetings to both Portland and Seattle and with agents, stevedores, and vendors. Upcoming planned marketing includes Vancouver BC and Houston, TX to visit ship owners, freight forwarders, and cargo brokers.

**Vessel Activity, YTD**

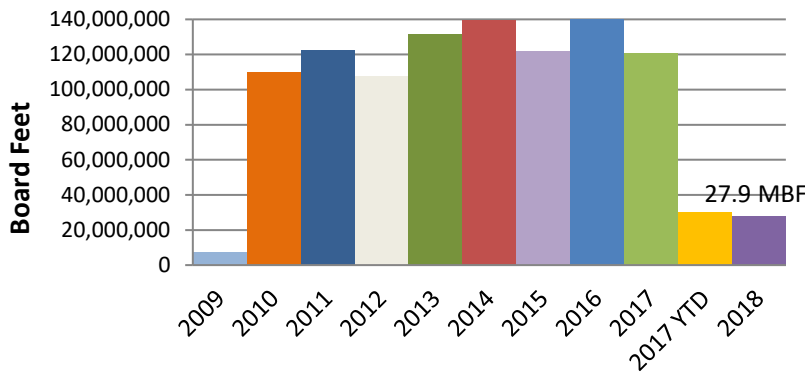
		2017	2018
<b>General Cargo Vessels*</b>		1	0
<b>Log Vessels</b>			
Japan	Full Vessel	3	3
	Partial Vessel	0	0
China	Full Vessel	1	1
	Partial Vessel	0	0
Korea	Partial Vessel	0	0
China/Japan	Full Vessel	0	0
China/Korea	Full Vessel	1	1
<b>Total Log Vessels</b>		<b>5</b>	<b>5</b>
<b>Barges</b>	Breakbulk/Machinery	0	0
<b>Layberths</b>	Tugs, Barge	2	1
<b>Total All Vessels, YTD</b>		<b>8</b>	<b>6</b>

**Loaded Outbound Rail Cars**

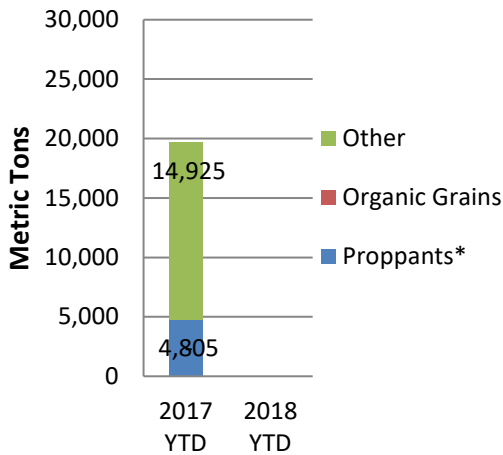


\*General cargo may include steel, pipe, bulk corn, proppants, livestock, wind and energy components and/or other cargo.

**Export Log Volumes per Year**

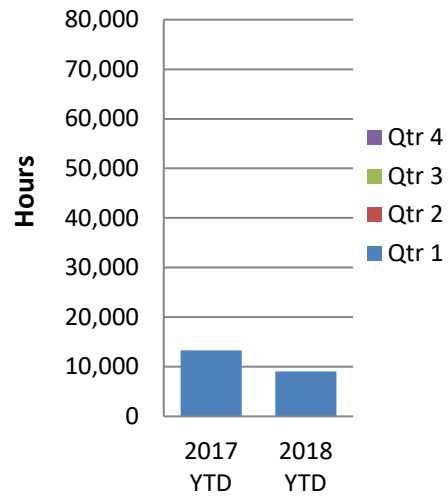


## 2018 Import General Cargo with prior year comparison



\*2017 proppants received by truck.

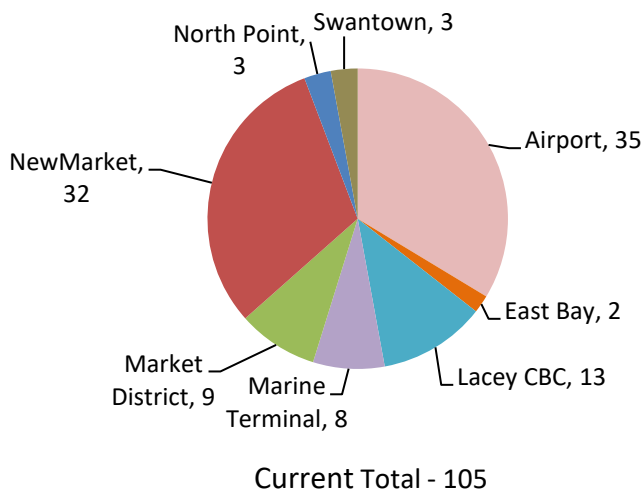
## 2018 Longshore Hours with prior year comparison



## Properties/Real Estate

First quarter 2018 real estate activity included the execution of thirteen lease amendments, two utility easements and seven license agreements for use of Port properties. YTD lease revenues show an increase of 17.5% over YTD 2017, due in part to the leasing activity at the Commerce Business Center in Lacey.

### Number of Leases by Location\*



### Cleanwater Centre Campus:

- 76,140 sf Leasable Space
- 16% occupancy (12,000 sf)
- 2 Tenants

### Lacey Commerce Business Center:

- 59,747 sf Leasable Space
- 68% occupancy (40,480 sf)
- 13 Tenants

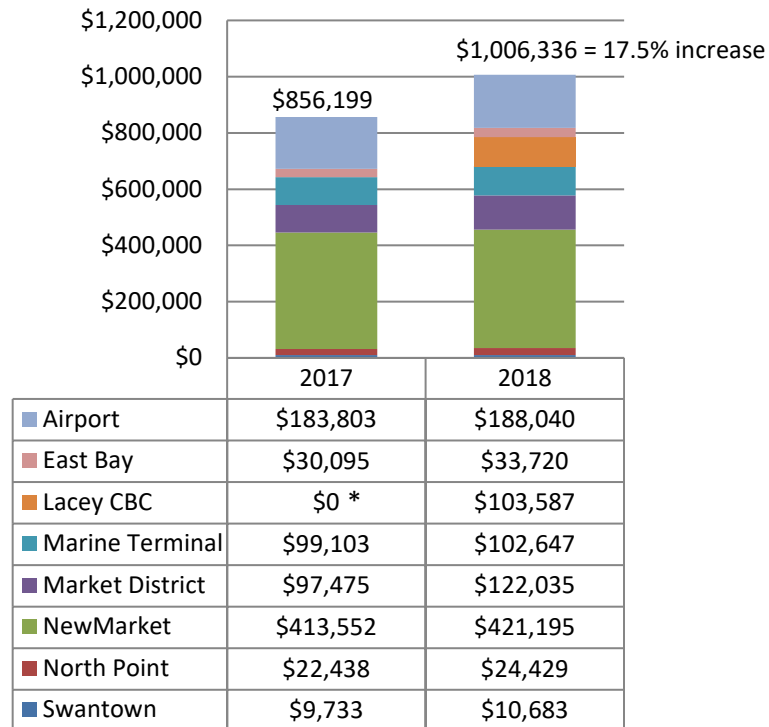
### Rent Adjustments, YTD: 9

### Port Plaza Uses, YTD: 0

7 reservations pending for 2018.

\* See map of leasing locations on page 8.

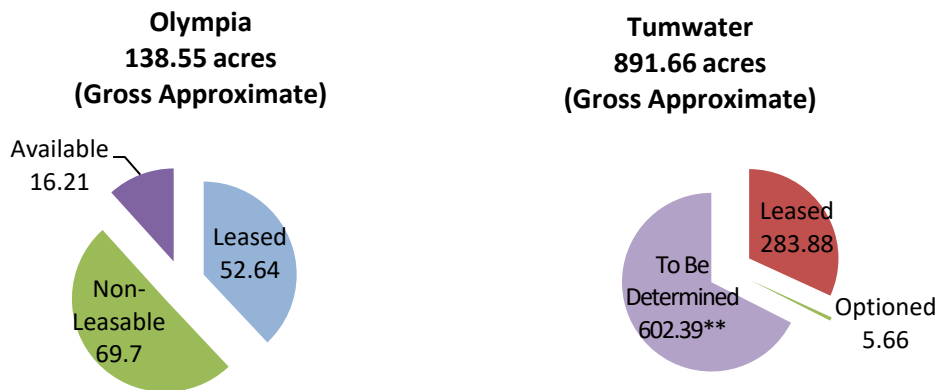
**Lease Revenues YTD**



\*Lacey CBC revenue began 2<sup>nd</sup> Qtr 2017.

**Summary of Leasable Land**

The charts below show current total leased, optioned and available land in the Olympia and Tumwater properties. The master planning process is ongoing for the Port's Tumwater properties.



**Landscaping**

During first quarter, the landscape crew built and installed signs for the East Bay remediation project, mulched beds, pruned trees, and updated the plantings in the boat launch bed. They incorporated changes in their practices, switching from synthetic to organic fertilizers for flower bulb beds, and burning rather than spraying weeds in the gravel areas. Additionally, they assisted with the Billy Frank Jr trail project and facilitated an Eagle Scout project at the Marina. **Staff have picked up and safely disposed of 20 used needles and other paraphernalia from the Port properties year to date.**

**Planning, Public Works and Environmental Programs**

Environmental Clean-up/Remediation Efforts	
<b>East Bay Redevelopment Site</b>	CAP Amendment documents were completed and approved by Ecology. The City of Olympia's SEPA and land use determinations were appealed by the Urban Waters League. The appeal was dismissed in its entirety by the City's Hearings Examiner. Construction of Walker John's Westman Mill project is scheduled to start in mid-July.
<b>Budd Inlet Remediation</b>	Received "Budd Inlet Background Level Report" in draft from the Department of Ecology. Comments on the document were submitted. Received comments on the Alternatives Memo the Port submitted in the Fall of 2017. We are working to set up a meeting with Ecology to discuss and to collaboratively develop a path forward.
<b>Airport (Pearson Air) Remediation</b>	All requisite testing has been completed. All testing came back as anticipated. RI/FS is anticipated to be complete and submitted to Ecology by the end of May.
<b>Cascade Pole Site</b>	All documentation and waste disposal is moving forward as required. A leak from the Cascade Pole site into the SW system was identified and, through collaborative work with the Department of Ecology, remedied.
Sustainability	
<b>Port of Olympia GHG Assessment</b>	Reporting for calendar year 2017 was completed. It is available for review on the Port's website.
<b>Sea Level Rise</b>	Team continues to meet weekly to keep the project moving. Several day-long workshops have occurred with representatives from partner organizations as adaptations strategies are being considered. Public workshop and joint electeds meeting is being scheduled for the fall.
<b>Climate Change &amp; Sustainability Action Team</b>	The draft plan was sent out to stakeholders throughout the community to get their feedback. Feedback was received from numerous partners. The plan was sent to the Port's designer to be put into a final draft form. Next steps: draft will be given to Commission to review and will then go out for public comment.
<b>Green Marine Certification</b>	Verification occurred in April. No issues were identified. Report was submitted to Green Marine by verifier.
SEPA/Environmental Review	
<b>New Market Industrial Campus</b>	Met with SCJ Alliance. SEPA checklist is complete. Environmental review is underway. Anticipate going to Commission to initiate an EIS process in May/June.
<b>East Bay Remediation Site</b>	Nothing to report.
<b>CSHI &amp; Design Guidelines</b>	Nothing to report.
Environmental Permits	
<b>Marine Terminal Air Permits</b>	Nothing to report.
<b>Industrial Stormwater Permit</b>	Level 3 Corrective Action letter is being sent to Ecology to ask for time to develop a comprehensive strategy for addressing the consistent issue with not meeting benchmarks at the facility. Final draft of negotiated settlement with WAP is currently being reviewed by WAP.
<b>Fueling Dock Air Permit</b>	Nothing to report.
<b>Habitat Conservation Plan</b>	Process continues to move forward according to schedule.

## Capital Project Summary Report 1st Quarter 2018

Project No.	Project	2018 Budget	Total Budget	Total Cost to Date	% Complete	Project Manager	Status
<b>PUBLIC AMENITIES</b>							
<b>OLYMPIA REGIONAL AIRPORT</b>							
AP1801	7600 Terminal St - Hangar Doors	\$25,000	\$25,000	\$0	0%	Carpenter	On hold.
<b>SWANTOWN MARINA &amp; BOATWORKS</b>							
MB1703	Marina Security Cameras	\$0	\$10,000	\$7,468	80%	Marshall	Work underway.
MB1801	Harbor Patrol Vessel - Engine Replacement	\$65,000	\$80,000	\$76,262	100%	Marshall	Complete.
<b>MARINE TERMINAL</b>							
MT1702	Front End Loaders – New Equipment	\$0	\$1,821,000	\$1,820,446	100%	Faucher	Complete.
<b>PROPERTIES</b>							
PR1801	724 State Ave – Roof Repairs	\$12,000	\$12,000	\$0	0%	Carpenter	Planned for Q3 2018.
<b>NEWMARKET INDUSTRIAL CAMPUS</b>							
PR1304	New Market Industrial Campus Master Plan	\$0	\$810,000	\$609,863	80%	Jamison	Supplemental Environmental Impact Statement underway.
<b>INFORMATION TECHNOLOGY</b>							
IT1401	IT Hardware Upgrades	\$0	\$90,000	\$71,745	60%	Sevier	Work underway, completion in Q3 2018.
IT1501	Financial Software Improvements	\$0	\$35,000	\$3,543	10%	Mounts	Q3 or Q4 2018.
<b>ENVIRONMENTAL</b>							
ENV1303	East Bay Cleanup	\$0	\$1,952,094	\$1,510,753	100%	Carpenter	Complete.
ENV1401	Budd Inlet Environmental Cleanup	\$0	\$1,032,400	\$96,133	30%	Jamison	Consultant work underway.
ENV1503	Underground Storage Tank Cleanup – Pearson Air	\$75,000	\$232,150	\$98,854	90%	Jamison	Work underway.
ENV1801	East Bay CAP Amendments	\$87,500	\$132,500	\$22,216	40%	Jamison	Work underway.
ENV1802	Storm Pond Rehabilitations	\$175,000	\$175,000	\$0	0%	Carpenter	Planned for Q2 & Q3 2018.
ENV1803	Cascade Pole Site Improvements	\$175,000	\$175,000	\$0	10%	Carpenter	Work underway.
ENV1804	Stormwater Treatment Facility Improvements	\$99,667	\$99,667	\$0	5%	Carpenter	Work underway.

## Property Leasing Locations

Olympia



Tumwater

