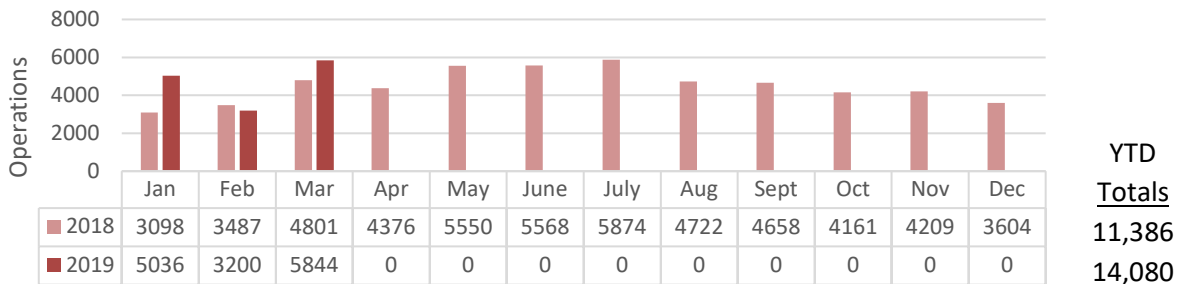


Quarterly Activity Report: 1st Quarter 2019

Olympia Regional Airport

2019 first quarter operations were 23% higher than first quarter 2018. YTD Jet fuel deliveries were 18% lower, however aviation gas deliveries were 38% higher than YTD 2018. YTD landing fees are 32% lower than YTD 2018. Extreme winter weather during February was a strong factor.

2019 Airport Operations
with Prior Year Comparison



¹Air 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 – 98%

63 Hangars Total
1 Vacant

Landing Fees Collected

2018 YTD \$ 2,491
2019 YTD \$ 1,706

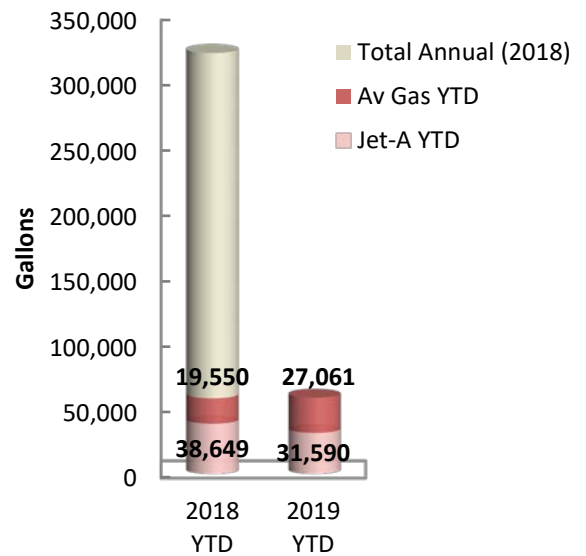
FAA Grant Funding Received

1993 to 2018 \$27,317,597
Received 2019 \$ 0
Total FAA Grants \$27,317,597

WSDOT-Aviation Grants Received

2005 to 2018 \$ 382,780
Received 2019 \$ 0
Total WSDOT Grants \$ 382,780

Fuel Deliveries

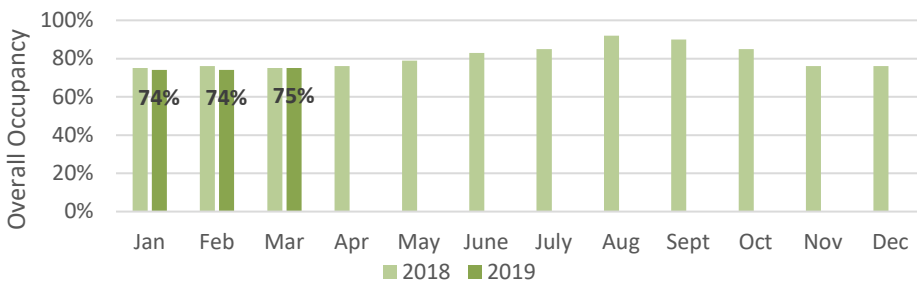


YTD = Cumulative, January to month of report

Swantown Marina & Boatworks

1st quarter marina occupancy is in line with prior years. Occupancy will continue to increase through September as the boating season develops. Mini storage and dry boat trailer storage operations continue to operate at 100%+ occupancy even throughout the winter months. Haulouts are down significantly during the first quarter compared to last year. We attribute that to the snow storm and adverse weather this past winter that discouraged, or in some cases prevented boatyard services from occurring. Fuel sales, especially diesel sales, showed a substantial increase during the first quarter. It is unknown at this time whether this is a trend or a seasonal abnormality driving sales.

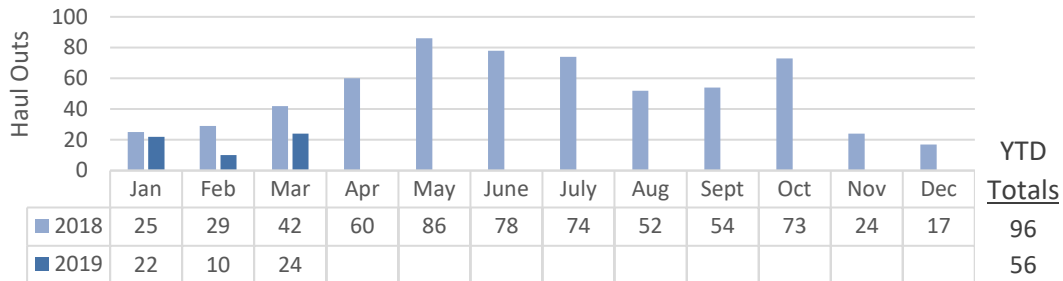
2019 Marina Total Occupancy
with Prior Year Comparison



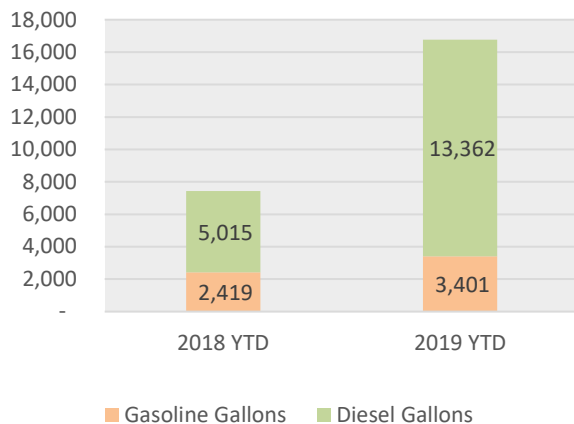
Occupancy for March:

Slips 20'-24'	15%
Slips 28'+	88%
Dry Storage	119%
Mini Storage	100%

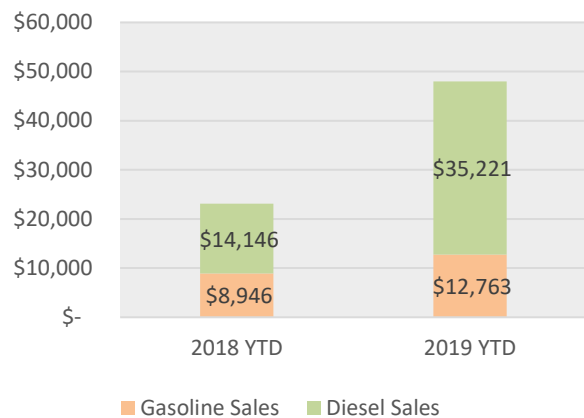
2019 Boatworks Haul Outs
with Prior Year Comparison



Fuel Dock Gallons Sold



Fuel Dock Sales



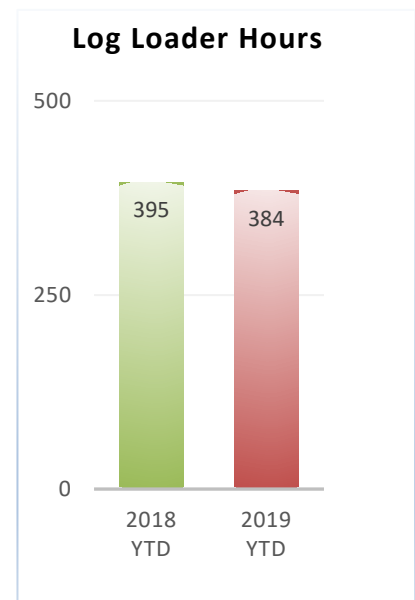
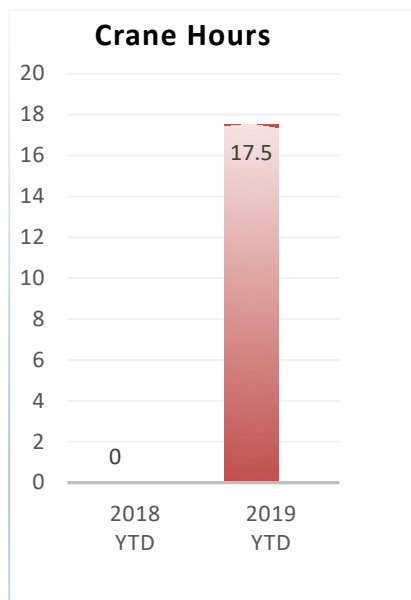
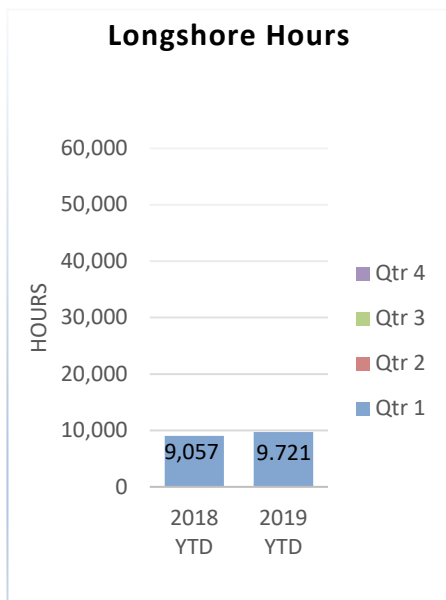
Marine Terminal

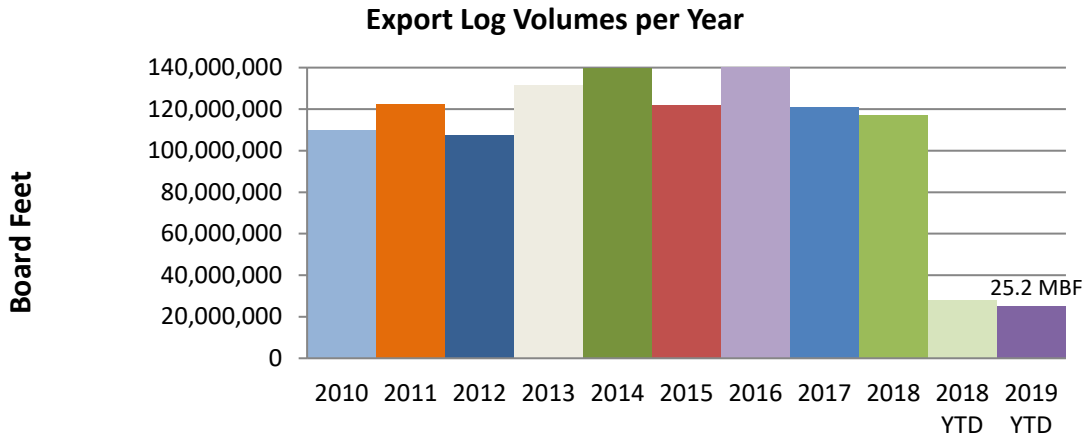
First quarter activity at the Marine Terminal included the loading of 25.2 MBF of logs onto four vessels and 1,625 head of cattle onto one vessel. Activity also included unloading 412 MT of feed and bedding from 16 inbound trucks and loading 21 MT of proppants on 1 outbound truck. The market effect of the trade wars resulting from the tariff threats and cargo retaliation has greatly slowed the PNW log export market. For Olympia, PLS has moved very little cargo and has not yet chartered a vessel in 2019 and has less inventory on hand than it did last year. Weyerhaeuser has pushed through the export challenges and has kept cargo movements on pace with what the Port did at this time last year. The second quarter looks equally promising for Weyerhaeuser, but the recent tariff discussion and deadlines may still negatively impact exports in Q3 and Q4. The fracking sand customer is expected to move product by the close of the current contract in July of 2019. Port staff continues to seek new business lines and engage with other market partners in the hope of capturing more cargo throughput.

Vessel Activity YTD

		<u>2018</u>	<u>2019</u>
General Cargo Vessels*		<u>0</u>	<u>1</u>
Log Vessels			
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	0
Total Log Vessels		<u>5</u>	<u>4</u>
Barges	Breakbulk/Machinery	0	0
Layberths	Tugs, Barge, Ferry	<u>1</u>	<u>2</u>
YTD Total All Vessels		6	7

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

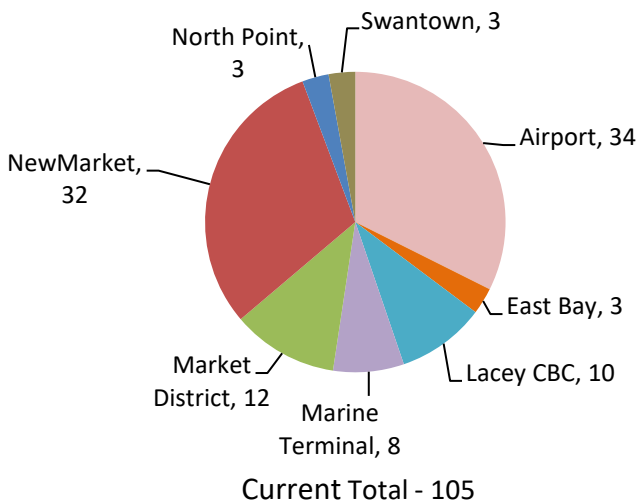




Properties/Real Estate

First quarter 2019 real estate activity included the execution of one lease agreement, two lease terminations, nine lease amendments, and two license agreements for use of Port properties. YTD 2019 lease revenues decreased 2% over same period 2018 due to leasing activity that occurred throughout 2018 and early 2019, which included the vacancy of a temporary land use at Cleanwater Center, expiration or vacancy of four leases and a flex space use, and a reduction in lease size by one tenant in New Market.

Number of Leases by Location*



* See map of leasing locations on page 7.

Cleanwater Centre Campus:

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

Lacey Commerce Business Center:

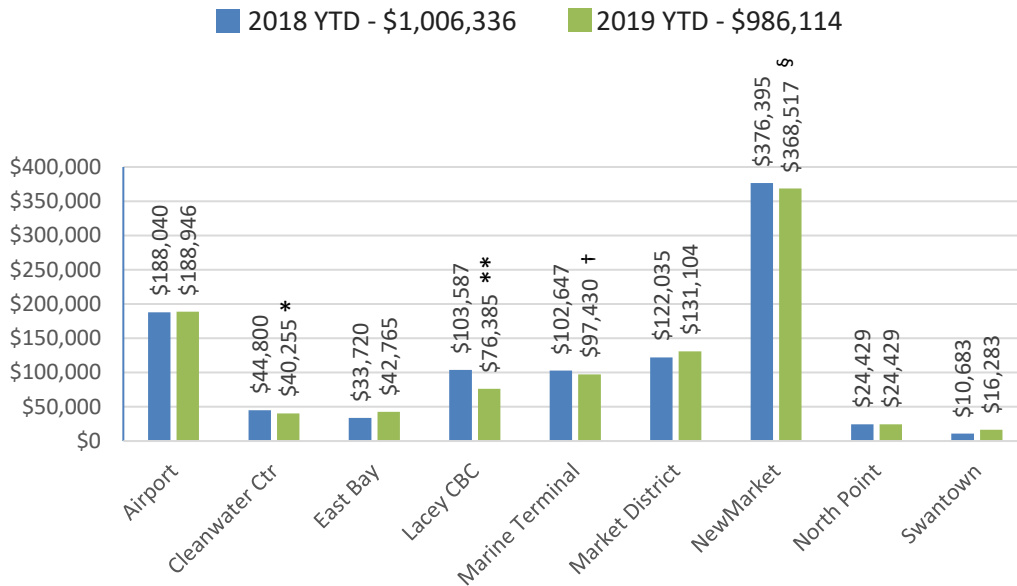
- Bldg 1 – 12,500 sf, ILA with City of Lacey
- Bldgs 2 & 3 – 47,289 sf
65.54% occupancy
34.46% vacancy
- 10 Tenants

Rent Adjustments YTD: 9

Port Plaza Uses YTD: 1

Uses to date: 1 Olympia Yacht Club Event.
8 reservations pending for 2019.

Lease Revenues YTD



*Cleanwater Center – Vacate of temporary parking

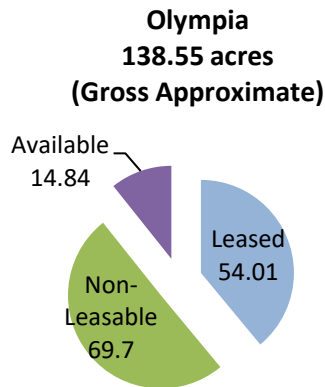
†Marine Terminal – Vacate of flex space

**Lacey CBC – Tenants transition out (vacate 16,298 s.f.)

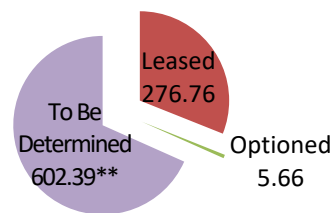
§NMIC – Land lease reduction (7.6 acres)

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.



Tumwater
891.66 acres
(Gross Approximate)



Planning, Public Works and Environmental Programs

Environmental Clean-up/Remediation Efforts	
East Bay Redevelopment Site	Construction is underway on the site. Pile work is complete. Concrete work is scheduled to begin in the next couple of weeks.
Budd Inlet Remediation	Revisions to Appendix C of the Human Health Sediment Cleanup Objectives and Cleanup Screen Levels Development (June 2018) were submitted to Ecology. We are awaiting their review.
Airport (Pearson Air) Remediation	The Port received Ecology comments on the RI/FS. We will begin to address the issues outlined in the 32-page letter in the spirit of finalizing this effort by end of calendar year 2019.
Cascade Pole Site	All documentation and waste disposal is moving forward as required. All DMR's have been submitted on time.
Sustainability	
Port of Olympia GHG Assessment	Reporting for calendar year 2017 was completed. It is available for review on the Port's website.
Sea Level Rise	Final meeting was conducted. The Port Commission is working with staff to draft a Resolution that will commit the organization to continued work on this issue.
Climate Change & Sustainability Action Team	Per direction from the Acting Executive Director, this project was put on hold in May 2018.
Green Marine Certification	Green Marine self-evaluation forms for 2018 were completed and submitted.
SEPA/Environmental Review	
New Market Industrial Campus	Environmental review was put on hold pending action by the Port Commission.
CSHI & Design Guidelines	Nothing to report.
Environmental Permits	
Marine Terminal Air Permits	On-site inspection was conducted and no issues were identified.
Industrial Stormwater Permit	The Port has met ISGP benchmarks for both 2019 Q1 and Q2. Performance sampling continues in an effort to identify system modifications necessary to address 2017 Level 3 Corrective Action.
Habitat Conservation Plan	Chapters 1-3 of the HCP have been completed and are currently being reviewed. Stakeholder group and sub-groups have been meeting. Training with USFWS on HCP implementation is scheduled for May 20.
Capital Projects & Asset Management	
Contracts	Open order contracts for painting and roofing are complete and out for bid. An RFP to do the remainder of the work outlined for the airport/New Market and another for work at Boatworks will be completed in the next couple of weeks. Once contracts have been awarded, work will begin.
Long-term Asset Management Plan	Phase 1 of the long-term asset management plan (excluding the Marine Terminal) will be complete by May 8. This will include building envelope and system assessments.
CAD Files	Reorganizing and harmonizing the CAD files will be complete by mid-May. This will allow for easier access to maps for all Port staff.

Property Leasing Locations

Olympia



Tumwater

