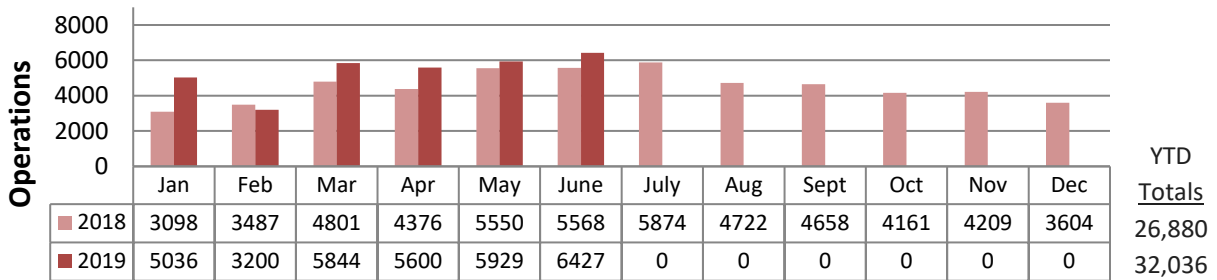


Quarterly Activity Report: 2nd Quarter 2019

Olympia Regional Airport

2019 YTD operations are 19% higher than 2018 YTD. Jet fuel deliveries are 8% lower, however aviation gas deliveries are 10% higher than YTD 2018. YTD landing fees are 24% lower than YTD 2018.

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 – 100%

63 Hangars Total
0 Vacant

Landing Fees Collected

2018 YTD \$ 5,341
2019 YTD \$ 4,075

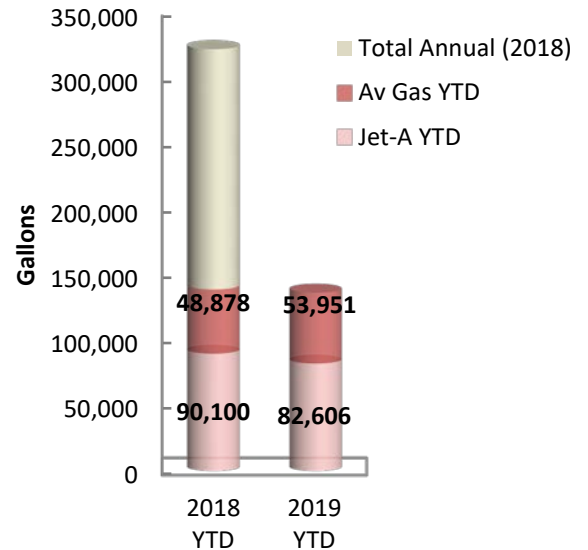
FAA Grant Funding Received

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

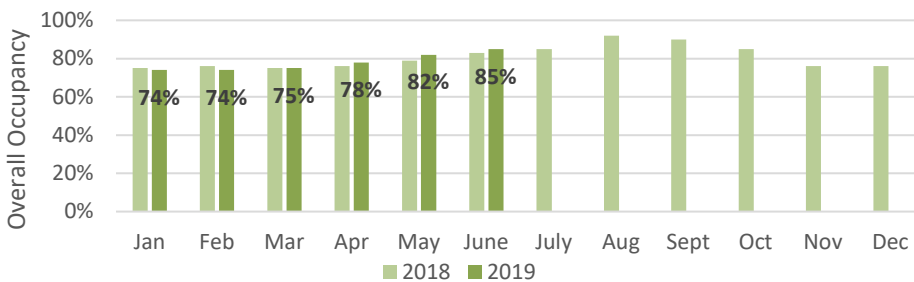


YTD = Cumulative, January to month of report

Swantown Marina & Boatworks

2nd quarter occupancy for permanent moorage showed an increase over the same period in 2018. This year, for the first time in the last decade, there is a substantial increase in the number of smaller (less than 28 ft) slips occupied. This indicates an improving boating economy and is expected to continue throughout the boating season with increased occupancy in all services at the marina. Dry trailer boat storage is at an all time high with the seasonal overflow lot at 100% occupancy with a waiting list. Although four mini storage units were recently added, there is demand on a waiting list to fill an additional four units. Fuel sales have shown a substantial increase with total gallons sold up 32.2% over 2018 YTD. Boatyard haulouts are down 13% from 2018 YTD.

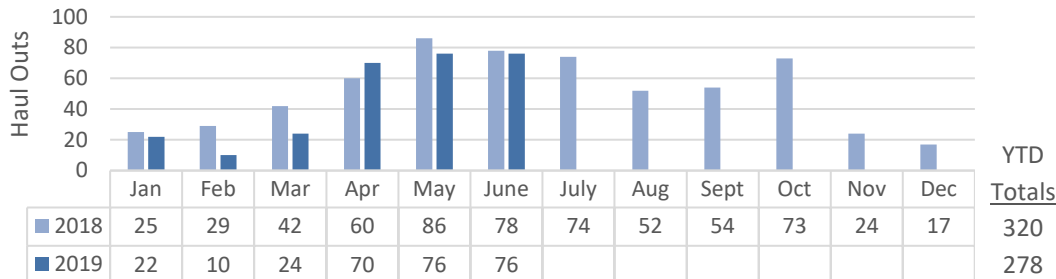
2019 Marina Total Occupancy
with Prior Year Comparison



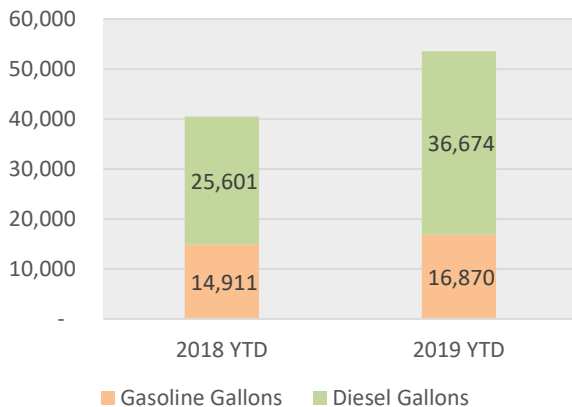
Occupancy for June:

Slips 20'-24'	46%
Slips 28'+	93%
Dry Storage	133%
Mini Storage	100%

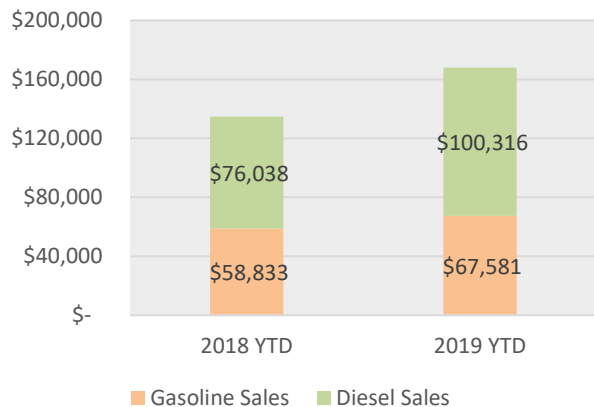
2019 Boatworks Haul Outs
with Prior Year Comparison



Fuel Dock Gallons Sold



Fuel Dock Sales



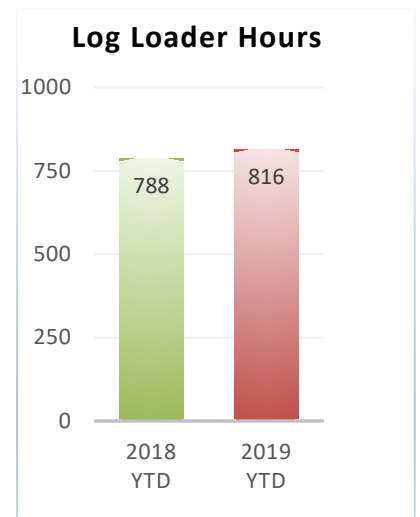
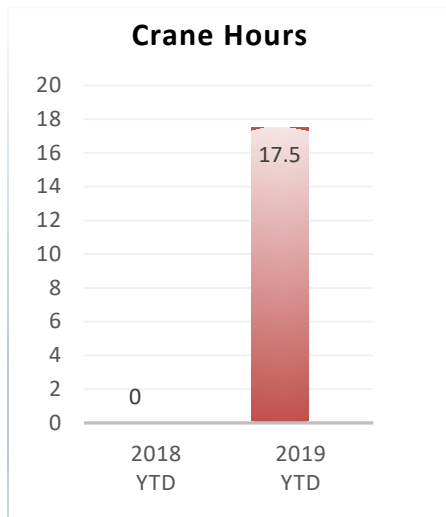
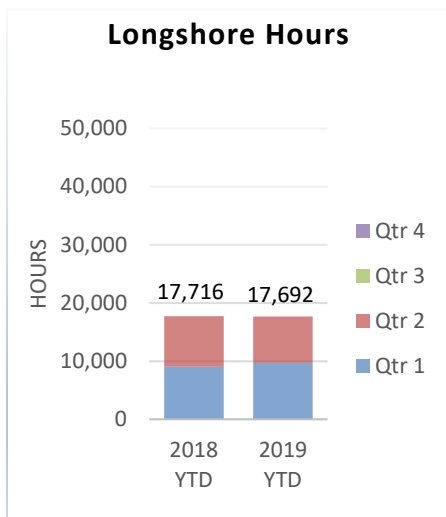
Marine Terminal

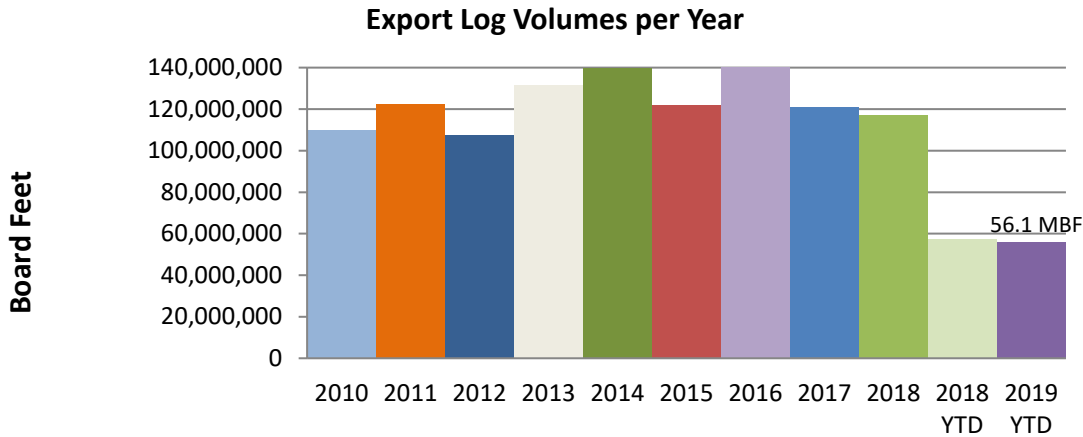
Second quarter activity at the Marine Terminal included the loading of 30.8 MBF of logs onto five vessels and transloading product from 3.5 railcars to 14 trucks during a Union Pacific temporary closure for rail maintenance. In May, the Port began storing 15 railcars for AMCOR Rigid Plastics as a solution for a lack of capacity at their West Olympia facility with the plan to move 2 or 3 cars at a time as needed. Three loaded railcars were released to AMCOR at the end of May, but in June, the Union Pacific closed the rail line for maintenance and repairs shutting down access to the AMCOR facility. As a result AMCOR transloaded the product at the Port from 3.5 railcars to 14 trucks to keep their facility running. The log market continues to be impacted by the threat of Chinese tariff retaliations. PLS has yet to move any Chinese log ships to date and are only contributing to the Japanese log ships departing Olympia. This trend is seen throughout the Pacific Northwest log ports with many companies contracting or minimizing bulk shipments. Weyerhaeuser continues to buck this trend and remains on a similar pace with last year. The trade war and tariff impacts expect to be a factor for the balance of 2019. Port staff continues to travel for business and attempt to gain new markets through participation in the recent Livestock Exports Association meetings and regular agent, stevedore, and customer visits.

Vessel Activity YTD

		2018	2019
Log Vessels			
Japan	Full Vessel	5	6
	Partial Vessel	0	0
China	Full Vessel	3	4
	Partial Vessel	0	0
Korea	Partial Vessel	0	0
China/Japan	Full Vessel	0	0
China/Korea	Full Vessel	2	0
Total Log Vessels		10	10
General Cargo Vessels*		0	1
Barges	Breakbulk/Machinery	0	0
Layberths	Tugs, Barge, Ferry	3	2
YTD Total All Vessels		13	13

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

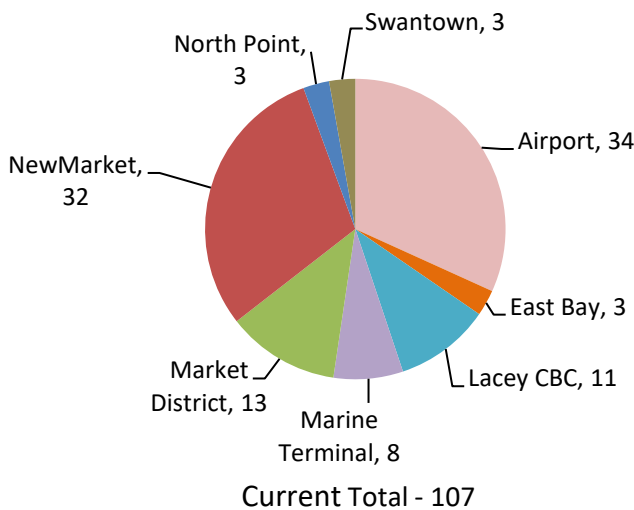




Properties/Real Estate

Second quarter 2019 real estate activity included the execution of two lease agreements, two lease assignments, seventeen lease amendments, and twelve license agreements for use of Port properties. YTD 2019 lease revenue is comparable to same period 2018. Revenue growth was affected by lease expirations and vacancies that occurred throughout 2018 and early 2019.

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
70% occupancy
30% vacancy
- 11 Tenants

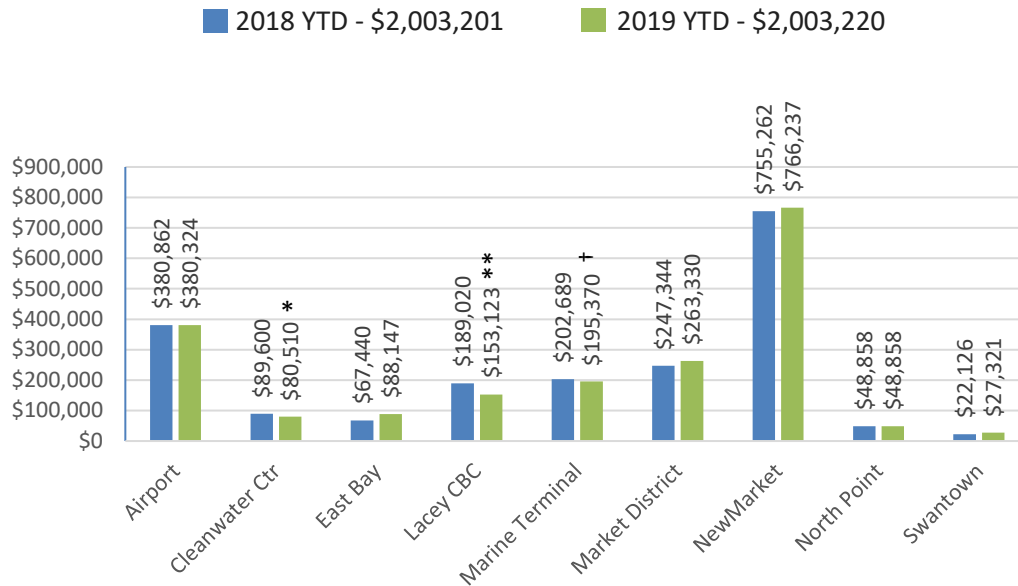
Rent Adjustments YTD: 24

Port Plaza Uses YTD: 5

Uses to date: Olympia Yacht Club, Olympia Musical Theater, Music in the Plaza, and 2 Weddings.

10 reservations pending for 2019.

Lease Revenues YTD

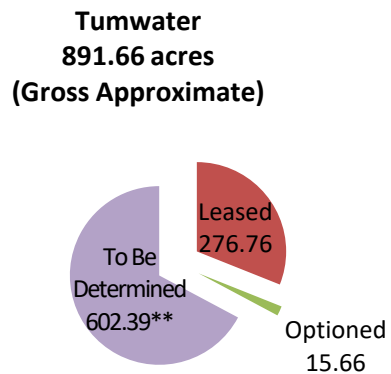
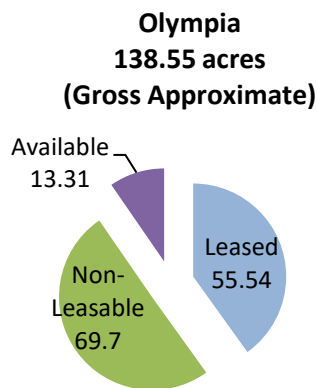


*Cleanwater Center – Vacate of temporary parking
 † Marine Terminal – Vacate of flex space

**Lacey CBC – Vacate of 16,298 s.f.

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.



Planning, Public Works and Environmental Programs

Environmental Clean-up/Remediation Efforts	
East Bay Redevelopment Site	Construction is underway on the site. Most earth work is complete and the building that fronts State Street is being constructed.
Budd Inlet Remediation	Remediation alternatives maps were submitted to Ecology upon their request. Ecology later requested text describing, which was also submitted. Ecology is currently reviewing the documents.
Airport (Pearson Air) Remediation	The Port received Ecology comments on the RI/FS. Requisite additional testing, well decommissioning, and well installation are underway.
Cascade Pole Site	All documentation and waste disposal is moving forward as required. All DMR's have been submitted on time. Marine Terminal and Planning, Public Works and Environmental staff are working to ensure the plant continues to operate compliantly during Don's absence.
Sustainability	
Sea Level Rise	Meetings are scheduled with the City of Olympia and LOTT Cleanwater Alliance to discuss scope of phase 2 work the City would like to start in CY2020. More information will be shared as it is available.
Climate Change & Sustainability Action Team	Sustainability team is being reinstated with the hope of completing a first draft of the report for presentation to the Commission by the end of CY2019.
Green Marine Certification	Port staff attended the Green Marine conference where best practices were shared, new technologies discussed and meeting other Port's with sustainability commitments were made.
SEPA/Environmental Review	
New Market Industrial Campus	Commission authorized staff to move forward with SEPA on the NMIC plan. Staff anticipates determination being made in early to mid-September.
CSHI & Design Guidelines	Nothing to report.
Environmental Permits	
Marine Terminal Air Permits	Nothing to report.
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. An Agreed Order between the Port and the Department of Ecology was entered into wherein the Port will work in collaboration with the department to identify additional enhancements to the system to address the Level 3 exceedance from 2019.
Habitat Conservation Plan	Process continues to move forward.
Capital Projects & Asset Management	
Contracts & Public Works	New Project Manager is on staff and working with departments to complete 2019 capital projects and help develop a more efficient method for managing maintenance in the organization.
Long-term Asset Management Plan	Phase 1 of the long-term asset management plan (excluding the Marine Terminal) was completed and items contained therein included in draft 2020 Capital projects and maintenance summaries. Phase 2 is underway.

Property Leasing Locations

Olympia



Tumwater

