



Commission Meeting
Monday, October 24, 2022
5:30 PM

Percival Plaza - Olympics Room
626 Columbia Street NW
Olympia, WA 98501
www.portolympia.com

The meeting agenda is available on the Port's website as of October 20, 2022.
<https://www.portolympia.com/commission>

The public may join the meeting from their computer, tablet or smartphone at:

<https://us02web.zoom.us/j/84966130009>

or Telephone: 1 253 215 8782

Webinar ID: 849 6613 0009

Please note that the Zoom link changes for each meeting.

Written public comments may be submitted to commissioncoordinator@portolympia.com by 12:00 p.m. on the date of the meeting. All written comments will be compiled and sent to the Commissioners prior to the meeting.

Verbal public comment is accepted in person at the meeting. If an individual would have difficulty physically attending the meeting, they may request the option to provide verbal comment remotely.

If you wish to make verbal public comment remotely, **please register in advance by 12:00 p.m. the day of the meeting by emailing commissioncoordinator@portolympia.com.**

Please indicate the method which you will be giving public comment (computer or phone).
Individual public comments are limited to 3 minutes per person.

AGENDA

- A. Call to Order
- B. Pledge of Allegiance
- C. Approval of Agenda
- D. Executive Director Report
- E. Public Comment

NOTE: Guidelines for public comment can be found in the Commission Rules in Resolution Article VI.

- Comments should be directed to Commission: Comments should be directed to the Commission as a whole and should not include comments about individual Port staff or members of the public.

Port of Olympia Mission

Create economic opportunities by connecting Thurston County to the world by air, land & sea.

- Courtesy: All speakers (members of the public, Port staff, and Commissioners) shall be courteous in language and demeanor and shall confine remarks to those facts that are germane and relevant to the question or issue under discussion.

F. Consent Calendar:

1. 2022 Meeting Minutes: June 13, June 21, June 27, July 11, July 18, July 25, and August 8
2. Bills and Vouchers for September, Batches 35-39

G. Action Calendar:

1. Budd Inlet Consultant Contract Amendments – Lisa Parks, Executive Services Director

H. Action/Other Calendar:

1. Commission Position on Commercial Aviation Coordinating Commission Report – Warren Hendrickson, Airport Senior Manager
2. Public Comment on Action/Other Items

I. Advisory Calendar:

1. Budget Presentation – Operating Budget, Capital Investment Plan and Tax Levy – Matt Peach, Finance Director
2. Public Comment on Advisory Items

J. Commissioner Reports/Discussion

K. Other Business

L. Meeting Announcements

M. Adjourn



COMMISSION MEETING

<u>BRIEFING DATE/TIME:</u>	October 24, 2022
<u>DEPARTMENT:</u>	Environmental
<u>STAFF CONTACT/TITLE:</u>	Lisa Parks Telephone: 360.528.8020 Email: lisap@portolympia.com
<u>TOPIC:</u>	Budd Inlet Consultant Contracts: Dalton Olmstead & Fuglevand (DOF); Cascadia Law Group; Cascadia Policy Solutions; Gemini Environmental; Lund Faucett
<u>PURPOSE:</u> <i>Check all that apply</i>	<input type="checkbox"/> Information only <input checked="" type="checkbox"/> Decision needed <input type="checkbox"/> Follow up from previous briefing
<u>BACKGROUND & OVERVIEW:</u>	
<p>The Port of Olympia has signed an Agreed Order (AO) with the Washington Department of Ecology (Ecology) related to evaluating and cleaning up contaminated sediments in Budd Inlet in both West Bay (marine terminal) and in East Bay (marina/boatworks), as required by the Model Toxics Control Act (MTCA). This AO lays out the agreement between Ecology and Port for addressing past practices originating from Port property that have contributed to environmental contamination. Originally signed in December of 2008, the AO was amended in 2012 to require additional environmental characterization and cleanup alternatives analysis. Following this amendment, the Port was also awarded a MTCA Remedial Action Grant (RAG) to complete some of the additional work identified in the amended AO.</p> <p>In 2012, the current RAG agreement between Ecology and the Port was put into place, with a total project cost of \$4,177,340, including 50% of that to be provided by the Port, with a completion date of 2019. There have been two approved amendments to the RAG agreement, both of which were to extend the completion date – first to June 30, 2021 and most recently to June 30 of 2023. To-date, the total project costs expended through 2021 have been \$579,439.</p> <p>The Port has selected several professional consultants to assist with a variety of tasks associated with ensuring a successful project. Each of these consultants was selected using the Port's policies on procurement of consultants, and have entered into initial individual agreements with the Port, as required and/or authorized by applicable RCW's and Port policies. The initial agreements allowed the consultants to participate in a one day, strategic project kick off session, to participate in an extreme low tide occurrence in mid-July, to begin work providing stakeholder outreach, strategic policy and funding development, and to create early community outreach and project information materials. The firms under consideration at this Commission meeting include the following: Dalton Olmstead & Fuglevand, Cascadia Law Group, Cascadia Policy Solutions, Gemini Environmental, and Lund Faucett.</p>	

The specific request for Commission action is to approve a contract amendment with each consultant by adding money and extending the term of their various agreements. Their work will assist the Port with completion of Stage 1A of the project, which is focused on meeting the Port's current obligations under the amended AO and the amended RAG agreement. The table below demonstrates the specific additional dollar amounts being requested for each consultant:

Consultant	Initial \$	Additional \$	Total \$
Dalton Olmstead & Fuglevand	\$99,500	\$2,286,381	\$2,385,881
Cascadia Law Group	\$50,000	\$22,000	\$72,000
Cascadia Policy Solutions	\$50,000	\$43,000	\$93,000
Gemini Environmental	\$50,000	\$88,000	\$138,000
Lund Faucett	\$50,000	\$96,000	\$146,000
Total			\$2,834,881

Because this work will be completed to satisfy the tasks outlined in the existing RAG agreement, a majority of these costs will be reimbursed by Ecology at a rate of 50%. However, not all costs are grant eligible, including legal costs and potentially some of the work to develop stakeholder partnerships. Staff anticipates, of the \$2,834,881 included in the above contracts, approximately \$75,000 is not likely to be grant eligible.

Assuming satisfactory completion of Stage IA, secured funding and a decision by the Commission to move forward to Stage IB, staff anticipates bringing future amendments to these contracts to the Commission for consideration and approval.

Staff is recommending approval of each consultant's agreement, and has provided suggested motions in the attached PowerPoint presentation for the Commission's consideration.

DOCUMENTS ATTACHED:

- Power Point Presentation



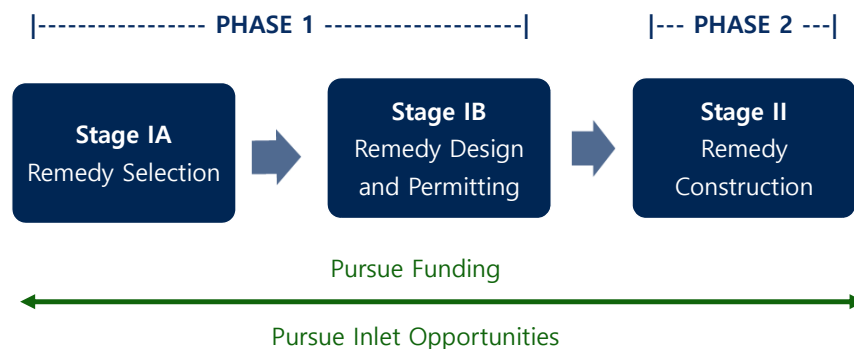
Budd Inlet Consultant Contracts:

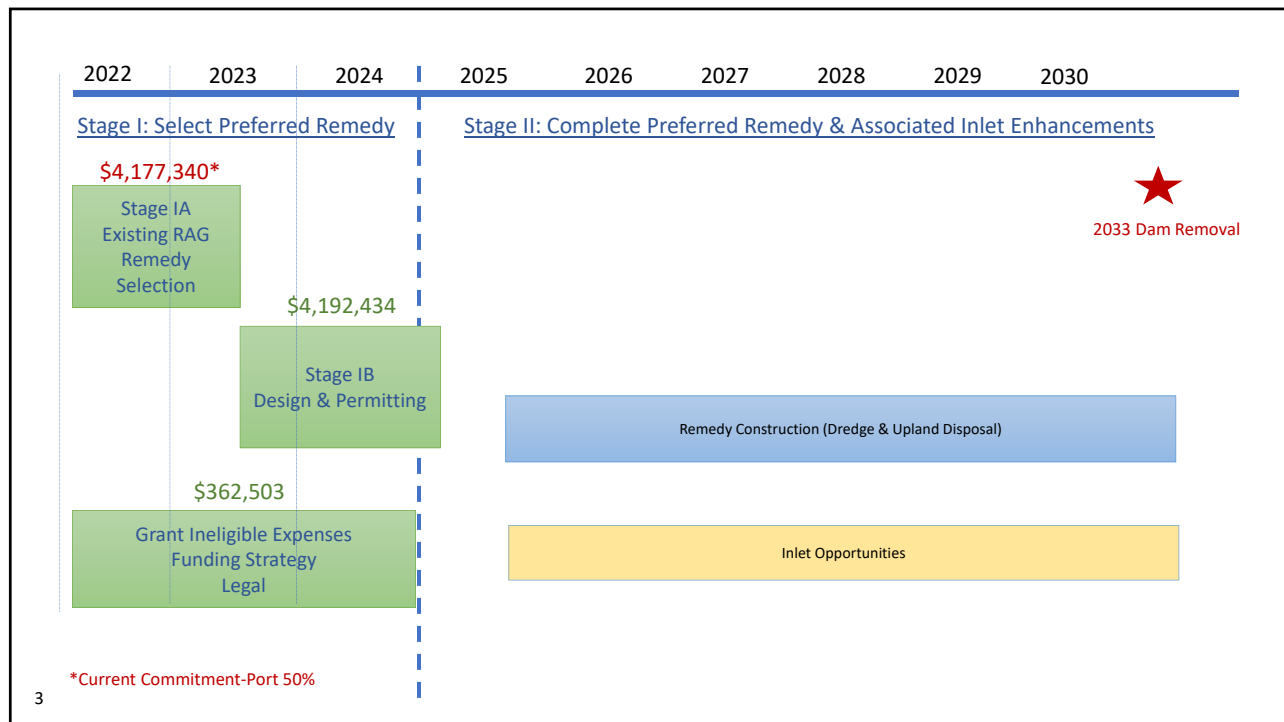
Dalton Olmstead & Fuglevand
Cascadia Law Group
Cascadia Policy Solutions
Gemini Environmental
Lund Faucett

October 24, 2022

Lisa Parks
Executive Services Director

Project Stages





Calculating Port's Overall Commitment

Factors:

- Cost Over Time (Contingency)
- External Funding Sources

Forecasting Approach:

- Three Possible Forecasts ~ **Both** Factors:
 - **Best** Case
 - **Likely** Case
 - **Worst** Case
- Refine the projections

Grants

Appropriations

Insurance Recovery

Potentially Liable Parties

Agreements

Partnerships

Factors

Cost Over Time (Contingency):

- Availability of Detailed Information
- Inflation
- Additional Requirement
- Accuracy of Estimates

External Funding:

- Availability of Detailed Information
- Eligibility
- Rationale
- Timing

Cost Over Time (Contingency)		
	Percent	\$\$
Best Case	0%	\$129,000,000
Likely Case	10%	\$141,378,000
Worst Case	20%	\$153,432,000

Port Share of Costs:		
	Percent	\$\$
Best Case	5%	\$6,445,000
Likely Case	10%	\$12,040,000
Worst Case	40%	\$61,519,000

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Stage IA Project Budget

Stage IA (Existing RAG) Financial Summary			
Eligible Costs	Total	Ecology Share	Port Share
Spent Thru Aug, 2018	\$407,000	\$203,500	\$203,500
Sept, 2018 thru Sept, 2021	\$171,995	\$85,998	\$85,998
Oct, 2021 thru Dec, 2021	\$0	\$0	\$0
Jan, 2022 thru July, 2022 <i>Actual</i>	\$168,404	\$84,202	\$84,202
Aug, 2022 thru Dec, 2022 <i>Projected</i>	\$981,561	\$490,789	\$490,789
Jan, 2023 thru June 30, 2023 <i>Projected</i>	\$2,448,381	\$1,224,191	\$1,224,191
Subtotal Eligible Costs	\$4,177,340	\$2,088,670	\$2,088,670
Ineligible Costs*			
Jan, 2022 thru July, 2022 <i>Actual</i>	\$31,604	\$0	\$31,604
Aug, 2022 thru Dec, 2022 <i>Projected</i>	\$72,500	\$0	\$72,500
Jan, 2023 thru June 30, 2023 <i>Projected</i>	\$110,000	\$0	\$110,000
Subtotal Ineligible Costs	\$214,104	\$0	\$214,104
Total Stage 1A (Existing RAG) Project Costs	\$4,391,444	\$2,088,670	\$2,302,774

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Commission Request

Approve Contract Amendments for Stage IA:

- Dalton Olmstead & Fuglevand (DOF) – Technical, engineering, permitting
- Cascadia Law Group – Legal, regulatory issues
- Cascadia Policy Solutions – Policy, funding, stakeholder relations
- Gemini Environmental – Strategy, technical coordination
- Lund Faucett – Communications, outreach, public relations

Consultant	Initial \$	Add \$	Total \$	Term
DOF	\$99,500	\$2,286,381	\$2,385,881	June 30, 2023
Cascadia Law Group	\$50,000	\$22,000	\$72,000	June 30, 2023
Cascadia Policy Solutions	\$50,000	\$43,000	\$93,000	June 30, 2023
Gemini Environmental	\$50,000	\$88,000	\$138,000	June 30, 2023
Lund Faucett	\$50,000	\$96,000	\$146,000	June 30, 2023

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Suggested Motion...

*"...move to authorize the Executive Director to sign a contract amendment with **Dalton Olmstead and Fuglevand** to continue work on Stage IA of the Budd Inlet Remediation project, extending the term of the agreement through **June 30, 2023** and adding **\$2,286,381** for a total not to exceed amount of **\$2,385,881.**"*

DOF DALTON
OLMSTED
FUGLEVAND

8



Suggested Motion...

*"...move to authorize the Executive Director to sign a contract amendment with **Cascadia Law Group** to continue work on Stage IA of the Budd Inlet Remediation project, extending the term of the agreement through **June 30, 2023** and adding **\$22,000** for a total not to exceed amount of **\$72,000**."*



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Suggested Motion...

*"...move to authorize the Executive Director to sign a contract amendment with **Cascadia Policy Solutions** to continue work on Stage IA of the Budd Inlet Remediation project, extending the term of the agreement through **June 30, 2023** and adding **\$43,000** for a total not to exceed amount of **\$93,000**."*



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Suggested Motion...

*"...move to authorize the Executive Director to sign a contract amendment with **Gemini Environmental** to continue work on Stage IA of the Budd Inlet Remediation project, extending the term of the agreement through **June 30, 2023** and adding **\$88,000** for a total not to exceed amount of **\$138,000**."*



GEMINI ENVIRONMENTAL STRATEGIES LLC

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Suggested Motion...

*"...move to authorize the Executive Director to sign a contract amendment with **Lund Faucett** to continue work on Stage IA of the Budd Inlet Remediation project, extending the term of the agreement through **June 30, 2023** and adding **\$96,000** for a total not to exceed amount of **\$146,000**."*

LUND  FAUCETT

12





COMMISSION MEETING

<u>BRIEFING DATE/TIME:</u>	October 24, 2021
<u>DEPARTMENT:</u>	Executive
<u>STAFF CONTACT/TITLE:</u>	Rudy Rudolph, A.A.E., Operations Director Telephone: 360.528.8000 Email: rudyr@portolympia.com
<u>TOPIC:</u>	Commercial Aviation Coordinating Commission (CACC)
<u>PURPOSE:</u> <i>Check all that apply</i>	<input type="checkbox"/> Information only <input checked="" type="checkbox"/> Decision needed <input type="checkbox"/> Follow up from previous briefing
<u>BACKGROUND & OVERVIEW:</u>	
<p>In October 2022, the Commercial Aviation Coordinating Commission (CACC) forwarded a report to the state legislature recommending a location in central Thurston County, east of Olympia, as one of three potential greenfield (undeveloped) sites for further analysis for future development of a Commercial Service Airport.</p> <p>The Thurston Board of County Commissioners (BoCC) has asked the Port of Olympia to endorse a letter to Thurston County State Legislators in "opposition to any proposed Airport Expansion Sites being located in Thurston County."</p>	
<u>DOCUMENTS ATTACHED:</u>	
<ul style="list-style-type: none">▪ CACC REPORT OCTOBER 2022▪ Port of Olympia 2020 Letter to CACC▪ Draft BoCC Letter to Legislators	
<u>AFFECTED PARTIES:</u>	
Thurston County Citizens	
<u>NEXT STEPS/TIMEFRAME:</u> <i>Based on the Commission's recommendation, describe the next steps required in order to bring this item to conclusion. Include the time frame for each step.</i>	
Commission Action and Direction	

2022

Commercial Aviation Coordinating Commission Report to Legislative Transportation Committees

Washington State Department of Transportation
10/15/2022

Introduction

Per SSB 5370 (2019), as revised by SSB 5165 (2021), the following report is provided as the third report to the Legislature from the Commercial Aviation Coordinating Commission (CACC). At the onset, it is important to note that as a result of legislative action in 2022, the timeline for the Commission's work was extended to June 15, 2023.

I. Executive Summary

The primary purpose of this report is to address the assigned task from legislation for the Commission to recommend the top two locations for the site of a new primary commercial aviation facility by October 15, 2022. In keeping with the intent of the legislation, but given the complex nature of this work, during the September 2022 Commission meeting voting members approved a recommendation supporting its adopted strategy to add capacity at existing airports while continuing to develop a greenfield option.

The Commission's recommendations include:

- Add capacity to Paine Field according to its Airport Master Plan (with potential for additional capacity), assume Sea-Tac (SEA) executes its Sustainable Airport Master Plan (SAMP), and assist other airports interested in pursuing regional commercial service (distributed air service supported by emerging technology), and
- Continue to develop greenfield site options with a two (2) runway configuration.

The three greenfield sites requiring further analysis include:

- Pierce County East – located south of Puyallup, 4.5 miles east of JBLM, south of Graham
- Pierce County Central – located 2.25 miles south of JBLM, east of Roy and McKenna
- Thurston County Central – located east of Olympia, the southern portion overlaps the westernmost portion of JBLM land

II. Strategy development and adoption

The Commission has adopted a resilient strategy focused on a system solution. It provides options within options. It continues the analysis on the greenfield options of Pierce County East, Pierce County Central and Thurston County Central and it pursues an "Airport of the Future" approach that addresses harmful emissions and noise.

Previous work by the Commission revealed that existing airports would be unable to meet the projected demand. In keeping with its earlier adopted strategy, the Commission reaffirmed its resilient approach to seek additional capacity in existing airports and to continue its work to identify a feasible new airport 'greenfield' site.

III. Interface between the CACC and the Aviation System Plan

The Aviation System Plan study, separate but parallel, and similar to the CACC's work, will be conducting in-depth, technical analysis on the greenfield sites including these next steps:

- Airspace review – with assistance from the FAA
- Air cargo analysis
- Additional environmental factor analysis
- Transportation/access analysis
- Infrastructure analysis
- Rough Order of Magnitude (ROM) cost estimates

This analysis will be crucial to providing Commission Members with more detailed knowledge about the sites.

The recommendations of the Commission recognize the complex parameters for viable solutions. The population density of the Puget Sound region is estimated to be around 4.5 million residents. While future growth is unclear given work/life balance shifts recognized during the pandemic, indications are the region population will continue to grow, and with that, a need for increased air transportation; both passengers and freight.

The Washington Aviation System Plan (WASP) consultant identified a 2050 unmet passenger need of 27 Million Annual Passengers (MAP). The passengers originate from across the region from as far north as Skagit County to as far south as Lewis County. By the very nature of their geographical dispersion, a one-size-fits-all solution may not be the best choice. Hence, the Commission's strategy is to provide air passenger service capacity in multiple locations. In essence, the Commission is recommending a three-site solution. While the future capacity of Paine Field in Snohomish County is unknown, similar airports in other metropolitan areas across the nation have demonstrated their ability to accommodate a meaningful portion of their region's travel needs, and we believe we can expect similar growth opportunities at Paine Field according to its airport master plan. This may provide additional capacity for Skagit, Snohomish, and north King counties for the foreseeable future.

Sea-Tac airport continues to work to meet passenger and shipper needs. The airport is likely to remain the flagship airport for the region, and airport plans can be expected to optimize capacity for passengers and freight into the 2030s.

A greenfield site thus becomes an important part of the overall solution. Of the 27 MAP forecast need, this site may be called upon, over time, to provide capacity to support up to 20 MAP. In addition to air passenger service, air cargo for the region may rely heavily on this new location. While it is reasonable to anticipate both Sea-Tac and Paine Field airports will support air cargo needs, the volume of estimated freight, roughly 800,000 metric tons will likely overwhelm their capabilities. Hence, the new airport site will be important to industry and the economic vitality of the region.

The Commission also recognizes the need for air transportation at other locations across the state. Over the last decade the state has experienced a contraction of air service, especially to many central and eastern Washington communities. In addition, communities in western Washington continue to grow, and travelers and shippers seek air transportation solutions to meet their needs. For these reasons, the Commission also recommends supporting airports across the state seeking to initiate or expand regional air transportation service.

All of these recommendations nest with three overarching objectives:

1. Provide accessible and equitable air transportation for all.
2. Transform air transportation in Washington state away from fossil-fuels to more sustainable forms of aircraft propulsion, such as hydrogen and hybrid-electric or all-electric.
3. Embrace and accelerate the adoption of emerging aviation technologies.

IV. Next Steps

With these objectives in mind, the Commission's recommendations in this report lay the foundation for its final report in 2023. The Commission envisions a gradual transformation of air transportation. Capacity should align with demand, providing additional capacity just-in-time to meet demand but not building until realistic expectations demonstrate the need to do so. Hence, capacity begins with Sea-Tac executing its Sustainable Airport Master Plan [(SAMP) Note: the SAMP is a work in process and has not been approved]. In parallel, the Commission recommends priority and funding to support Paine Field planning and construction to meet anticipated demand through gradual increases in capacity according to its airport master plan. In concert with both of these efforts, is the need to begin planning for a new airport in the south Puget Sound area. A new airport of this size and scale can be expected to take 20 years to deliver. Hence, work would need to begin soon to meet the anticipated capacity constraints both at Sea-Tac and Paine Field by the early 2040s. While the Commission recognizes a single runway at this new airport would be sufficient at the onset, if growth projections hold true, a second runway would be needed within a few years; hence land acquisition for both should be part of the new airport program.

These recommendations address the function, but there are other important factors we cannot ignore. Air quality and noise around airports have been proven in numerous studies to be harmful to the people who live and work under the aircraft flight paths. The Commission is not recommending the creation of a new airport that mimics these impacts. Rather, the Commission recommends an airport of the future; an airport that integrates an array of emission and noise reduction measures. In the near term, one of the more important methods to address is to fund the development of infrastructure to produce and distribute Sustainable Aviation Fuel (SAF) also known as bio-jet fuel. While SAF is not the ultimate solution, it is a critical bridging strategy to reduce emissions and the harmful effects of commercial aviation. For the state to fully benefit from SAF, regional production of SAF will be required across the nation so that both arriving and departing aircraft are fueled with SAF. In parallel with this effort, the Commission also recommends a concerted effort by the state, in collaboration with federal and industry partners, to accelerate the adoption of alternative aircraft propulsion systems such as electric, hybrid electric and hydrogen. These have the potential to be the ultimate solution, however these industries are in their infancy and need to come to scale as quickly as possible to address GhG and global warming concerns along with harmful aircraft emissions. Particular to addressing noise, the Commission will also consider actions legislators could take in working with an airport sponsor and the FAA to implement a Community Benefits Agreement.

Over the next several months, the Aviation System Plan consultant will continue in-depth, technical analysis on these sites, as well as examine general aviation capacity needs. At this time, the Commission

does not have enough technical data to provide a single preferred location recommendation. The data that emerges will inform the Commission's deliberations, and the Commission will report back to the legislature recommendations based on the information obtained.

Appendix A

I. Current Members and Position

Voting Members

Jeffrey Brown	9/27/2019 – present	Representative of commercial service airports and ports – county with a population of two million or more
Stroud Kunkle	8/19/2019 – present	Representative of commercial service airports and ports – Port in eastern WA with a runway of at least 13,500' in length
Lawrence Krauter	10/24/2019 – present	Representative of commercial service airports and ports – Commercial service airport in eastern WA located in a county with a population of 400,000 or more
James Kuntz	8/19/2019 – present	Representative of commercial service airports and ports – Association of ports
Shane Jones	9/30/2019 – present	Representative from the airline industry and private sector
Lorin Carr	12/29/2021 – present	Representative from the airline industry and private sector
Andrea Goodpasture	10/15/2019 – present	Representative from the airline industry and private sector
Mark Englizian	9/30/2019 – present	Citizen representative from eastern Washington
Steve Edmiston	8/19/2019 – present	Citizen representative from western Washington
Thomas Embleton	3/25/2022 – present	Representative from the freight forwarding industry
Arif Ghouse	9/27/2019 – present	Representative from a community organization which understands the impacts of a large commercial aviation facility on a community
Bryce Yadon	8/19/2019 – present	Representative from a statewide environmental organization
Robin Toth	8/19/2019 – present	Representative from the Department of Commerce

David Fleckenstein	8/19/2019 – present	Representative from the Division of Aeronautics (Aviation), Department of Transportation
<u>Non-voting Members</u>		
Warren Hendrickson	9/27/2019 – present	Representative from the WA state Aviation Alliance (WSAA)
Robert Rodriguez	9/27/2019 – present	Representative from the Department of Defense
Senator Jim Honeyford	8/19/2019 – present	Senate member from the two largest caucuses in the Senate, appointed by the President of the Senate
Senator Karen Keiser	8/30/2019 – present	Senate member from the two largest caucuses in the Senate, appointed by the President of the Senate
Representative Tom Dent	6/19/2019 – present	House of Representatives member from the two largest caucuses, appointed by the Speaker of the House
Representative Tina Orwall	8/19/2019 – present	House of Representatives member from the two largest caucuses, appointed by the Speaker of the House
Robert Hodgman	10/4/2019 - present	Representative from the Division of Aeronautics of the Dept. of Transportation
Lois Bollenback	8/16/2021 – present	Representative from an eastern WA metropolitan planning organization
Jason Thibedeau	7/2/2021 – present	Representative from a western WA metropolitan planning organization
Anthony Bean	9/27/2019 – present	Representative from an eastern WA regional airport
Robert ‘Rudy’ Rudolph	8/19/2019 - present	Representative from a western WA regional airport
Kerri Woehler	10/4/2019 – present	Department of Transportation multi-modal planning

II. Past Members and Position

Spencer Hansen	8/19/2019 – 12/31/2021	Representative from the freight forwarding industry
Sabrina Minshall	8/19/2019 – 12/31/2020	Representative from an eastern WA metropolitan planning organization
Kevin Wallace	1/6/2021 – 8/15/2021	Representative from an eastern WA metropolitan planning organization
Josh Brown	9/27/2019 – 7/1/2021	Representative from a western WA metropolitan planning organization
Joseph Braham	9/30/2019 – 2/7/2022	Representative from the trucking industry

July 14, 2020

Mr. Davis Fleckenstein
Chair, Commercial Aviation Coordinating Commission
Director, Aviation Division
Washington State Department of Transportation
7702 Terminal Street
Tumwater, WA 98501

Dear Mr. Fleckenstein:

Thank you for your June 24, 2020 letter inquiring as to the Port of Olympia interest as a potential sponsor for a green field airport or in Olympia Regional Airport being considered for future expansion.

On July 13, 2020 the Port Commission took action on this matter.

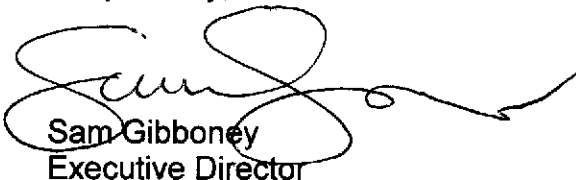
The Port of Olympia has no interest in being considered for sponsorship of a potential greenfield airport at a future Thurston County location.

Additionally, the Port of Olympia has no interest in Olympia Airport Expansion to meet the future aviation capacity needs of the State of Washington.

The Port Commission expressed interest in a future discussion regarding potentially partnering with another Port to meet the future aviation capacity needs of the State of Washington.

If you have any questions, please give me a call at (360) 528-8001.

Respectfully,


Sam Gibboney
Executive Director

C: File, Port Commissioners, R. Rudolph



COUNTY COMMISSIONERS

Carolina Mejia
District One
Gary Edwards
District Two
Tye Menser
District Three

City of Tenino
Washington

Town of Bucoda



YELM
WASHINGTON

BOARD OF COUNTY COMMISSIONERS

October 17, 2022

TO: Senator Jim McCune, District 2
Representative Andrew Barkis, District 2
Representative J.T. Wilcox, District 2
Senator John Braun, District 20
Representative Peter Abbarno, District 20
Representative Ed Orcutt, District 20
Senator Sam Hunt, District 22
Representative Laurie Dolan, District 22
Representative Jessica Bateman, District 22
Senator Tim Sheldon, District 35
Representative Dan Griffey, District 35
Representative Drew MacEwen, District 35

Dear Thurston County Legislators,

On August 2, 2022 the Thurston County Board of County Commissioners (BoCC) sent the attached letter to the State Commercial Aviation Coordinating Commission (CACC). This is the third formal correspondence the BoCC has sent on this topic to the CACC which demonstrates consistent opposition to any proposed Airport Expansion Sites being located in Thurston County since 2020. As demonstrated in this letter, all local jurisdictions stand together in opposition to this proposal.

On September 23, we learned that Central Thurston County moved forward for consideration as one of three potential new sites for a two-runway airport. The BoCC, in addition to all local jurisdictions in Thurston County, are now asking for your help in opposing any potential airport projects in Thurston County.

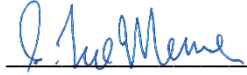
Please help us maintain the quality of life and character of Thurston County. Our county has a delicate balance between development and fragile prairie habitats that are home to endangered species. Thurston County has also experienced rapidly-dwindling agricultural lands. The prospects of an airport expansion will exponentially increase the loss of agricultural lands and put at risk the balance our residents have worked hard to maintain with our natural environment.

We appreciate your support in this very important issue. If you have further questions, please reach out to County Manager, Ramiro Chavez at (360) 754-2960 or Ramiro.Chavez@co.thurston.wa.us.

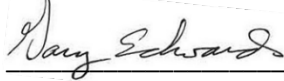
Thank you,



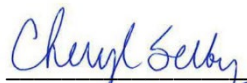
Carolina Mejia, Chair



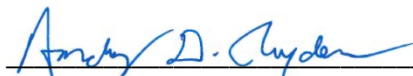
Tye Menser, Vice-Chair



Gary Edwards, Commissioner



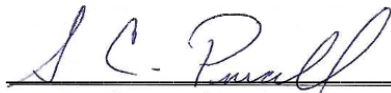
Cheryl Selby, Mayor of Olympia



Andy Ryder, Mayor of Lacey



Debbie Sullivan, Mayor of Tumwater



Carolina Mejia, Chair



Joe DePinto, Mayor of Yelm



Robert Shaw, Mayor of Rainier



Wayne Fournier, Mayor of Tenino

Bob Iyall, Port of Olympia, Chair



COMMISSION MEETING

<u>BRIEFING DATE/TIME:</u>	October 24, 2022
<u>DEPARTMENT:</u>	Executive
<u>STAFF CONTACT:</u>	Matt Peach, Finance Director Telephone: 360.528.8004 Email: mattp@portolympia.com
<u>TOPIC:</u>	2023 Draft Preliminary Operating Budget and Capital Investment Plan
<u>PURPOSE:</u> <i>Check all that apply</i>	<input checked="" type="checkbox"/> Information only <input type="checkbox"/> Decision needed <input type="checkbox"/> Follow up from previous briefing
<u>BACKGROUND & OVERVIEW:</u>	
<p>Staff will review with the Commission the 2023 Draft Preliminary Operating Budget and the Capital Investment Plan. In the review, we will cover the following:</p> <ul style="list-style-type: none">• Review Budget Timeline• 2023 Budget Assumptions• Capital Investment Plan• 2023 Budget Overview• 2023 Operating Budget by Business• Non Operations (Commission & Other Non-Ops)• Questions & Comments	
<u>DOCUMENTS ATTACHED:</u>	
<ul style="list-style-type: none">• 2023 Budget Timeline/Schedule• PowerPoint Presentation	
<u>AFFECTED PARTIES:</u>	
Thurston County Citizens	
<u>COMMISSION RECOMMENDATION:</u> <i>Commission Discussion, Deliberation and Direction</i>	
Advisory Only	



2023 BUDGET AND CAPITAL INVESTMENT PLAN

October 24, 2022

Sam Gibboney, Executive Director
Matt Peach, Finance Director

Agenda

- Review Schedule
- 2023 Budget Assumptions
- Capital Investment Plan
- 2023 Budget Overview
- 2023 Operating Budget by Business
- Tax Levy & Non Operations (including Environmental, Commission & Other Non-Ops)
- Questions & Comments

2023 BUDGET TIMELINE

SEPTEMBER 23, 2022

Work Session – First Review of Draft 2023 Proposed Operating Budget & Capital Investment Plan

OCTOBER 3, 2022

Work Session – First Review of Draft 2023 Proposed Operating Budget & Capital Investment Plan

OCTOBER 10, 2022

Advisory on 2023 Budget Process

OCTOBER 17, 2022

Work Session – Review Tax Levy Uses, Environmental Uses and Capital Investment Plan

OCTOBER 24, 2022

Advisory on Draft 2023 Proposed Operating Budget, Capital Investment Plan, & Tax Levy



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2023 BUDGET TIMELINE (CONT.)

OCTOBER 31, 2022 –

Work Session Review & Discussion

NOVEMBER 7, 2022 –

Work Session for Final Review (If Needed)

NOVEMBER 14, 2022 –

Public Hearing on Draft 2023 Proposed Operating Budget, Capital Investment Plan, & Tax Levy

NOVEMBER 21, 2022 –

Work Session for Final Review (If Needed)

NOVEMBER 28, 2022 –

Final Adoption of 2023 Operating Budget, Capital Investment Plan, & Tax Levy



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2023 BUDGET ASSUMPTIONS

OPERATING BUDGET

- Focus: *Vision 2050 & Strategic Action*
 - Overall Revenues Increase of 10.7%
 - Gross Operating Income Increase of 3.0%
 - Staffing 7.0% for Salary Adjustment (total/combined);
1 Additional FTE

CONTINUED WIDE SCALE ECONOMIC DISRUPTION

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2023 STRATEGIC INITIATIVES & GOALS

OPERATING BUDGET

- Annual Action Plan
- Focus on Workplace Culture
- Prepare for Increase in Commissioners
- Update Financial Measures
- Budd Inlet Cleanup & Collaboration
- Destination Waterfront Implementation & Funding Strategy
- Launch Refreshed Communication Strategy

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2023 PORT WIDE INITIATIVES & GOALS

CAPITAL INVESTMENT PLAN HIGHLIGHTED PROJECTS

- Runway 8/26-Reconstruction Design
- Marine Terminal
 - Berth 1 Assessment
 - Paving
 - Maintenance Facility
- Boatworks Stormwater Treatment System
- Marina Electrical – B/C Docks (Carryover)
- Marine Center Building Design – Schematic
- IT Cyber Security & Infrastructure Project
- Lacey Commercial Business Center Roof Replacement

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CAPITAL BUDGET

2023 Capital Budget					
Business Unit	Project Name	Capital Budget	PORT Funds	Grant Funds	Notes, Comments, Assumptions
Airport	Hangar Expansion Pilot Project**	\$50,000	\$50,000		Planning, design and permitting
	Airport Maintenance Shop**	\$20,000	\$20,000		Planning, conceptual design and cost estimate
	Airport Runway 8/26 Reconstruction**	\$250,000	\$250,000		Planning, design and permitting
	Subtotal Airport	\$320,000	\$320,000	\$0	
Marina & Boatworks	Marina/Admin Offices - Development**	\$425,000	\$175,000	\$250,000	Planning, design and permitting
	Marina Electrical B/C Docks**	\$253,000	\$253,000		Design, engineering, permitting, construction
	BW-Stormwater Unit/Treatment	\$200,000	\$200,000		2022 Stormwater Permit Changes
	Manlift-Towable/Electric	\$35,000	\$35,000		Equipment - potential WSDOT and DOE Grants
	Port-wide Piling Replacement Plan**	\$85,000	\$85,000		Engineer Assessment
	Subtotal Marina & Boatworks	\$998,000	\$748,000	\$250,000	
Marine Terminal	Asphalt/Repairs-Berth 1**	\$50,000	\$12,500	\$37,500	PIDP submitted May 2022 - Design, engineering, permitting
	Maintenance Facility**	\$50,000	\$12,500	\$37,500	PIDP submitted May 2022 - Design, engineering, permitting
	Marine Terminal Paving**	\$110,000	\$27,500	\$82,500	PIDP submitted May 2022 - Design, engineering, permitting
	Warehouse-Fire System **	\$150,000	\$150,000		Construction
	Dock Ramps	\$40,000	\$40,000		Equipment: Need (6) - (2) per budget year
	Water Truck	\$55,000	\$55,000		Equipment: End of Life - Replace
	Forks for Supersacks	\$28,000	\$28,000		Equipment
	Subtotal Marine Terminal	\$483,000	\$325,500	\$157,500	
Properties	CBC Bldg #2 - Roof Replace	\$275,800	\$275,800		Design, engineering, permitting, construction
	Shell Gas Station - HVAC Replace	\$22,000	\$22,000		Equipment: End of Life - Replace
	Subtotal Properties	\$297,800	\$297,800	\$0	
Non-Ops / Admin	IT: Doors/Gates (Portwide)**	\$75,000	\$75,000		Equipment purchase/Software Integration
	IT: Fiber to Port Cyber Security Infrastructure**	\$222,776	\$55,694	\$167,082	Equipment purchase; Grant
	IT: Network & PC Upgrades - Annual	\$75,000	\$75,000		Equipment purchase
	Commission Room Upgrades	\$75,000	\$75,000		Equipment purchase Room Upgrade
	Billy Frank Trail Signs**	\$25,000	\$25,000		Centennial
	Centennial Legacy Project**	\$50,000	\$50,000		Plan, design, engineering, permits
	Sustainability Infrastructure (Port-Wide)	\$100,000	\$100,000		Zero-Emissions De-Carbonization Solar Grant Capital Initiatives
	Subtotal Non Ops & Admin	\$622,776	\$455,694	\$167,082	
	Capital Total			Grants Total	
Total		\$2,721,576	\$2,146,994	\$574,582	

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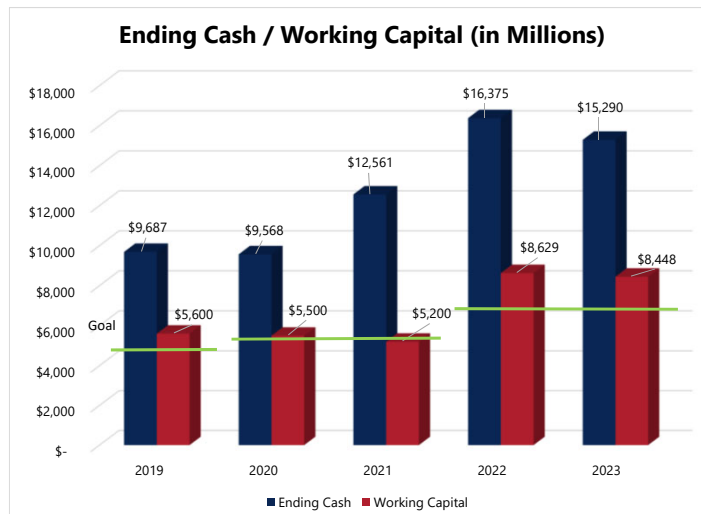
CASH 2023 STATUTORY BUDGET IN \$,000s

	2022 Adopted Budget	2022 Projected	2023 Budget
Beginning Cash & Investments	\$ 12,461	\$ 14,121	\$ 16,375
<i>Projected Sources of Funds</i>			
Operating Revenues	14,352	17,861	15,889
Operating Expense	(12,114)	(14,665)	(14,001)
Funds Provided by Operations	2,238	3,196	1,888
Ad valorem tax revenue	7,124	7,117	7,593
Projected Borrowing for Capital Projects	-	-	-
Other, Net	(2,265)	(1,967)	(3,814)
Projected Sources of Funds	7,097	8,346	5,667
<i>Projected Uses of Funds</i>			
Debt Service Payments (Bond & Bank)	(4,611)	(4,613)	(4,605)
Capital Investments - Planned Projects	(2,010)	(1,479)	(2,147)
Projected Uses of Funds	(6,621)	(6,092)	(6,752)
Ending Cash & Investments	\$ 12,937	\$ 16,375	\$ 15,290

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ENDING CASH / WORKING CAPITAL HISTORY



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Total Cash:	\$15.3 Million
Reserved Cash:	\$6.9 Million
Bond Funding	
Bond Payment Fund	
Real Estate Investment Fund	
Working Capital:	\$8.4 Million



OPERATING BUDGET

INCOME STATEMENT IN \$,000s

	Airport & New Market	Swantown Marina	Marine Terminal	Properties	General Admin.	2023 Budget
Operating Revenues	3,295	4,633	6,301	1,661		\$ 15,890
Operations & Maintenance Expenses	(1,626)	(3,430)	(4,835)	(1,023)		(10,914)
Contribution Margin	1,669	1,203	1,466	638	-	4,976
Administration Expenses	(828)	(828)	(892)	(540)	-	(3,088)
Operating Expenses	(2,454)	(4,258)	(5,727)	(1,563)	-	(14,002)
Operating Income before depreciation	841	375	574	98		1,888
Depreciation	(963)	(653)	(1,778)	(358)	(127)	(3,879)
Operating Income (loss)	(122)	(278)	(1,204)	(260)	(127)	(1,991)

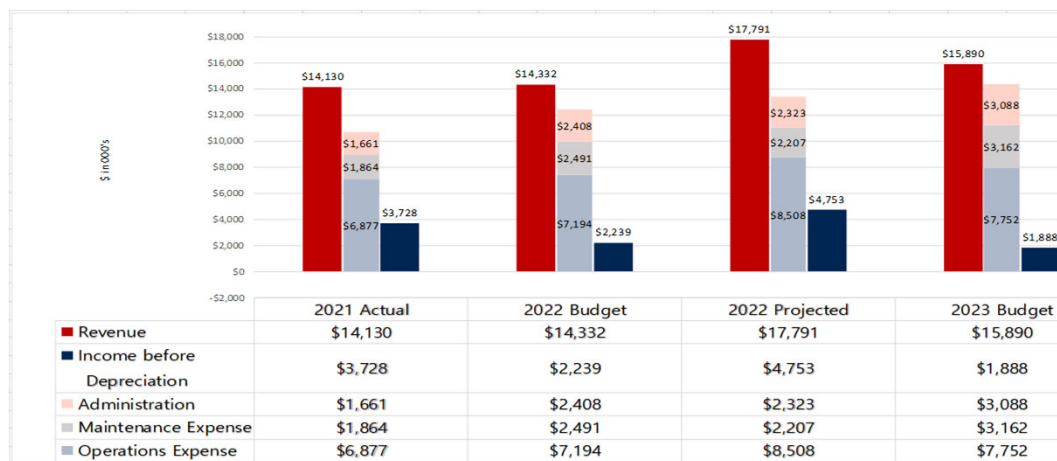
Expected Cash Earnings
from Operations

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TOTAL PORT OPERATING BUDGET

HISTORY



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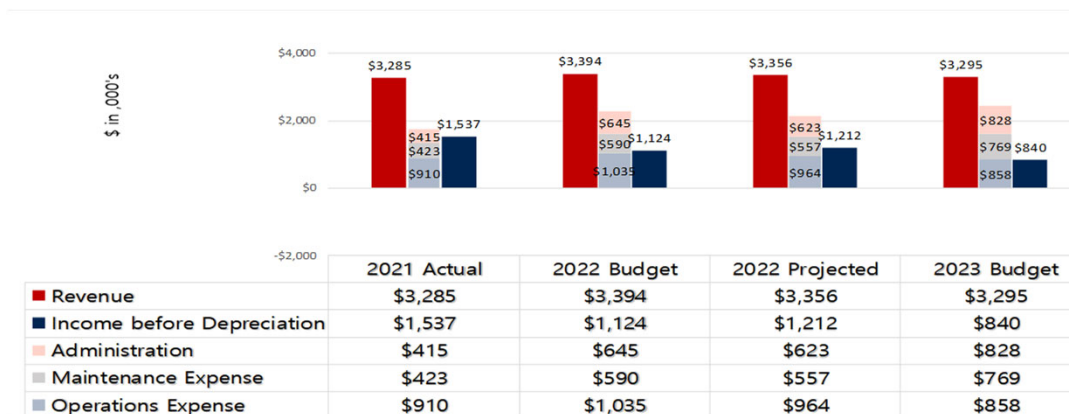
2023 BUDGET OVERVIEW

AIRPORT, NEW MARKET & CLEANWATER CENTRE

Operating Revenues	\$3.3 Million	<i>Decrease of 3%</i>
Operating Expenses	\$858 Thousand	<i>Decrease of 17%</i>
Maintenance Expenses	\$769 Thousand	<i>Increase of 30%</i>
Airport Capital Investment Plan	\$320 Thousand	
Net Income (Before Depreciation)	\$840 Thousand	
Net Income (After Depreciation)	(\$122) Thousand	

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AIRPORT, NEW MARKET & CLEANWATER CENTRE



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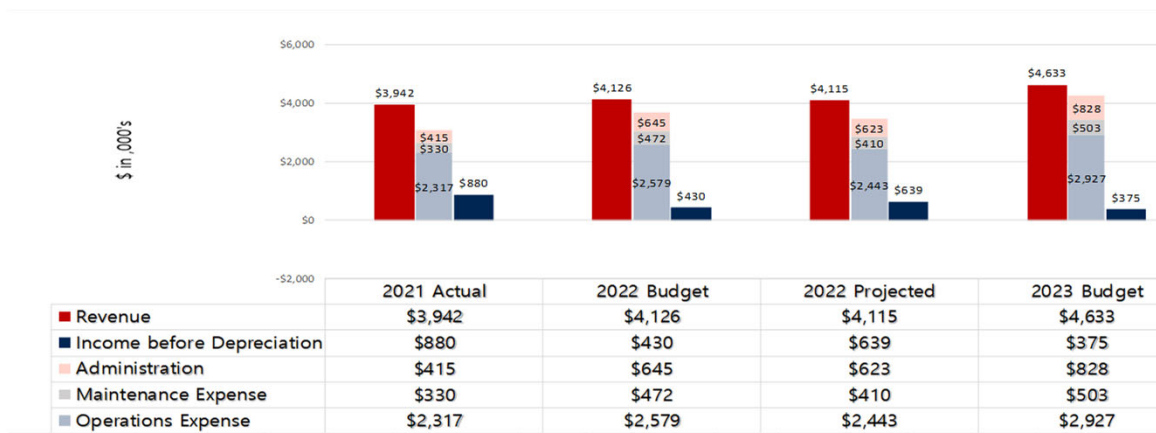
2023 BUDGET OVERVIEW

MARINA, BOATWORKS & FUEL DOCK

Operating Revenues	\$4.6 Million	<i>Increased by 12%</i>
Operating Expenses	\$2.9 Million	<i>Increased by 13%</i>
Maintenance Expenses	\$503 Thousand	<i>Increased by 6%</i>
Swantown Capital Investment Plan	\$748 Thousand	
Net Income (Before Depreciation)	\$375 Thousand	
Net Income (After Depreciation)	(\$278) Thousand	

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MARINA & BOATWORKS & FUEL DOCK



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2023 BUDGET OVERVIEW

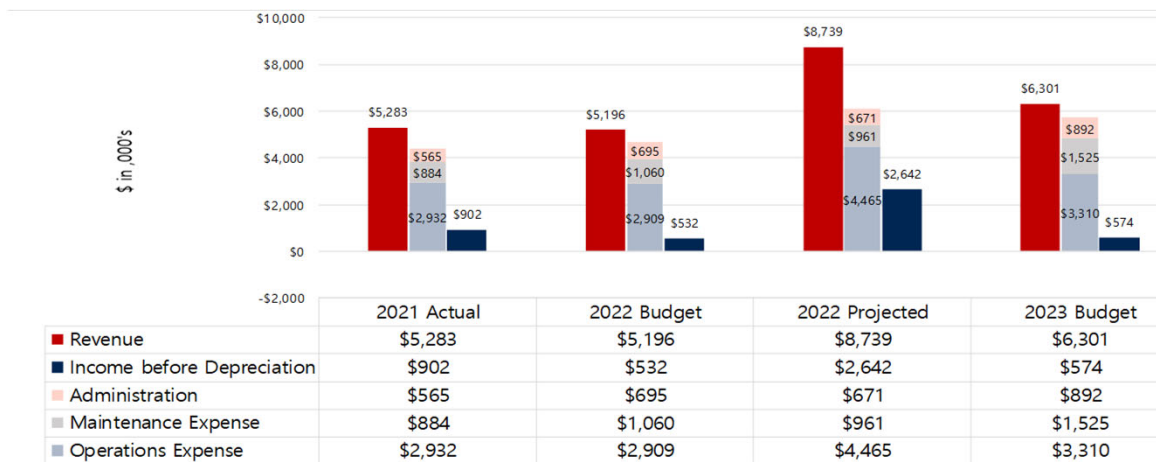
MARINE TERMINAL

Operating Revenues	\$6.3 Million	<i>Increased by 21%</i>
Operating Expenses	\$3.3 Million	<i>Increased by 14%</i>
Maintenance Expenses	\$1.5 Million	<i>Increased by 44%</i>
Marine Terminal Capital Investment Plan	\$325 Thousand	
Net Income (Before Depreciation)	\$574 Thousand	
Net Income (After Depreciation)	(\$1.2) Million	

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MARINE TERMINAL



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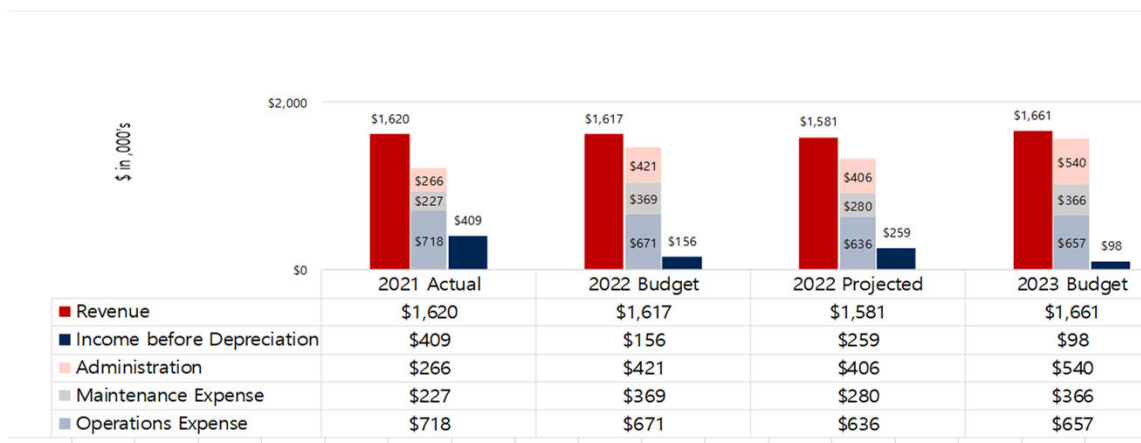
2023 BUDGET OVERVIEW

REAL ESTATE AND BUSINESS DEVELOPMENT

Operating Revenues	\$1.6 Million	<i>Increase of 3%</i>
Operating Expenses	\$656 Thousand	<i>Decrease of 2%</i>
Maintenance Expenses	\$366 Thousand	<i>Decrease of 1%</i>
Real Estate Capital Investment Plan	\$298 Thousand	
Net Income (Before Depreciation)	\$98 Thousand	
Net Income (After Depreciation)	(\$260) Thousand	

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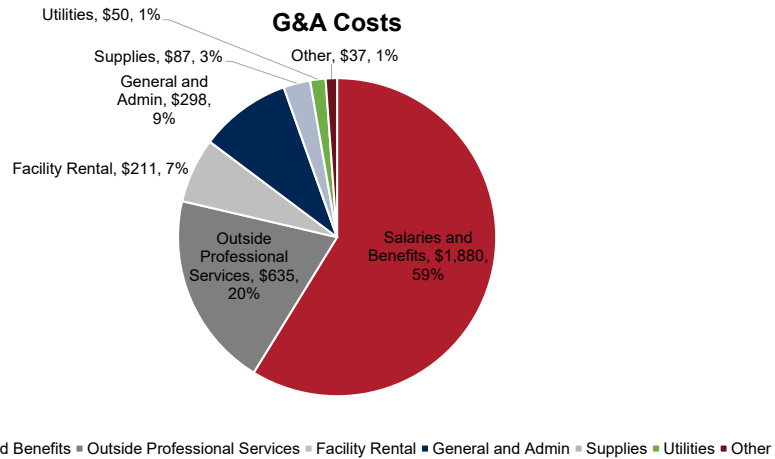
REAL ESTATE



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BUDGET OVERVIEW

GENERAL & ADMINISTRATIVE IN \$,000s

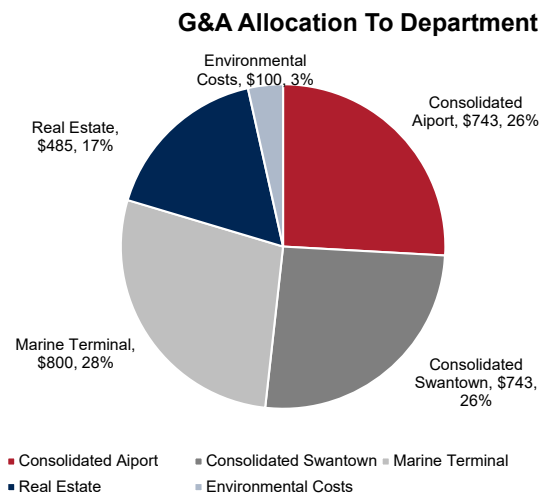


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BUDGET OVERVIEW

GENERAL & ADMINISTRATIVE IN \$,000s



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TAX LEVY

CALCULATED PROPOSED AMOUNT

		1% + Const. Incr.
2022 levy amount		\$ 7,124,012
Increase on prior year levy	1%	71,240
Levy increase for new construction		135,347
Administrative Refund Re-Levy		7,945
Increase in value of State Assessed Property		-
Banked Capacity		255,000
Proposed 2023 tax levy		\$ 7,593,544
Increase (Decrease)		\$ 469,532
2023 Preliminary Assessed Valuation	\$60,377,557,540	
2023 Millage Rate (calculated)		\$ 0.1258
2022 Millage Rate		\$ 0.1507

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TAX LEVY USES

USES, IN ,000s

2023 BUDGET

Tax Levy	\$	7,339
Banked Tax Levy	\$	255
Grant Revenue	\$	1,424
Total Revenues	\$	9,018
Uses of Taxes:		
Principle & Interest Expense, Debt		(4,605)
Environmental Expense:		
Cascade Pole		(606)
Environmental Administration		(1,375)
Budd Inlet Remediation		(2,158)
Community Events		(56)
Public Amenities		(290)
Harbor Patrol		(33)
Small Cities		(40)
Capital Project Funding		-
Special Projects:		
Election Costs		(300)
Commission Expense		(568)
Membership and Partner Costs		(137)
Total Use of Taxes	\$	(10,168)
Net Levy Funds	\$	(1,150)
Additional Cash Required	\$	1,150

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2023 BUDGET FTE OVERVIEW

	2023 Budget	2022 Budget
Airport, New Market, Cleanwater Centre	6.07	5.85
Swantown Marina	13.43	13.15
Marine Terminal	9	9.04
Properties	3.35	4.08
Administration	13.45	11.95
Environmental Admin/Cascade Pole	1.75	1.98
Public Amenities	1.7	1.7
Total FTEs	48.75	47.75

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Next Steps

October 31, 2022 –

Work Session on Draft 2023 Proposed Operating Budget,
Capital Investment Plan, & Tax Levy

November 14, 2022 –

Public Hearing on Draft 2023 Proposed Operating Budget,
Capital Investment Plan, & Tax Levy

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Questions & Comments

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