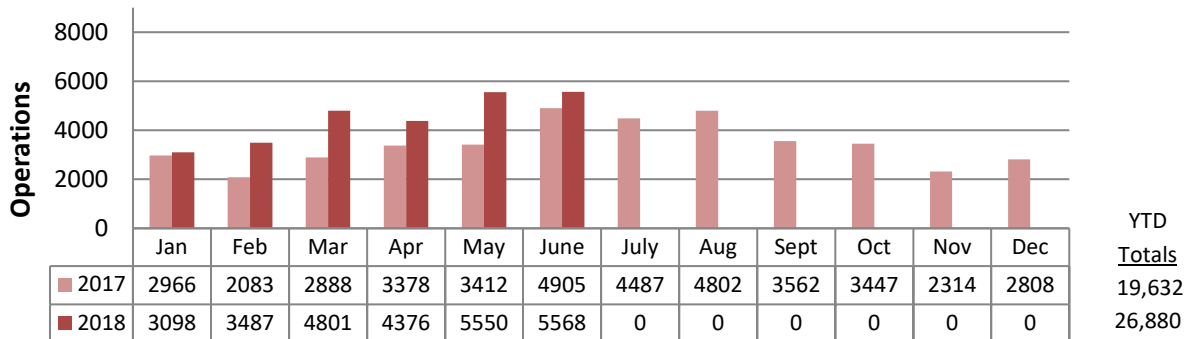


# Quarterly Activity Report: 2<sup>nd</sup> Quarter 2018

## Olympia Regional Airport

2018 YTD operations are 37% higher than 2017 YTD. Jet fuel deliveries are 2% lower, and aviation gas deliveries are 10% higher than 2017 YTD. YTD landing fees are slightly higher than 2017 YTD.

### 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 \$ 5,102  
YTD 2018 \$ 5,131

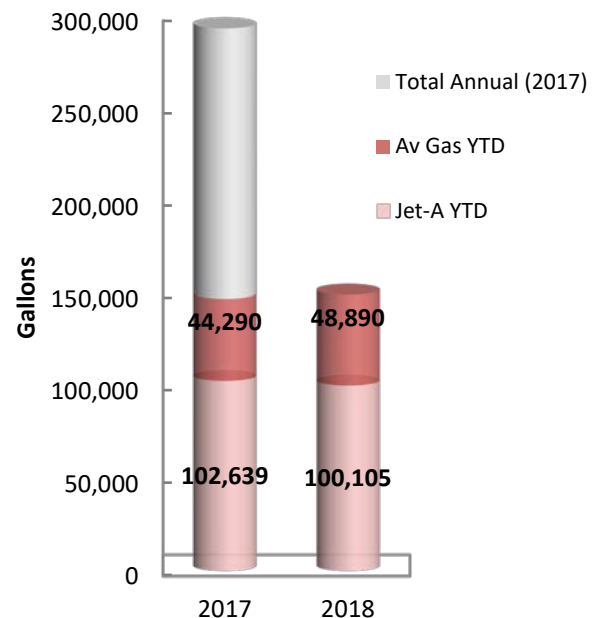
### FAA Grant Funding Received

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

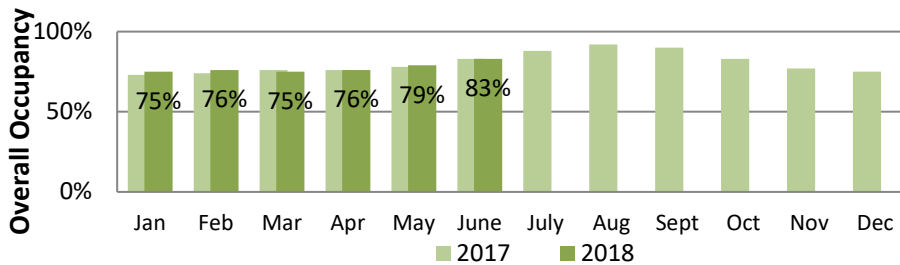


YTD = Cumulative, January to month of report

## Swantown Marina & Boatworks

As expected, marina, boatyard and fuel dock usage has increased over last quarter. Third quarter is expected to see further increases in fuel sales, marina occupancies and dry storage use. The boatyard experienced a substantial seasonal increase over last year. Boatyard usage will decrease during third quarter, but it is still expected to be its second busiest quarter of the year.

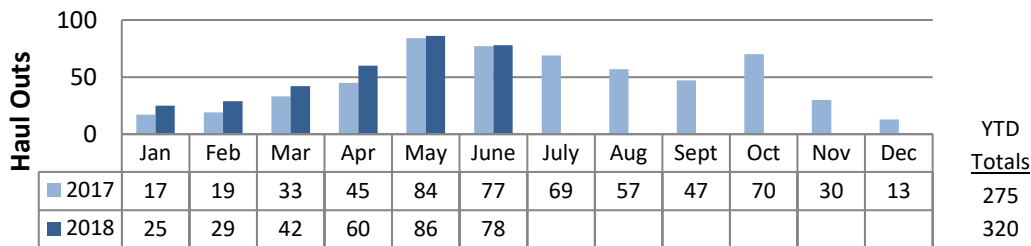
**2018 Marina Total Occupancy with Prior Year Comparison**



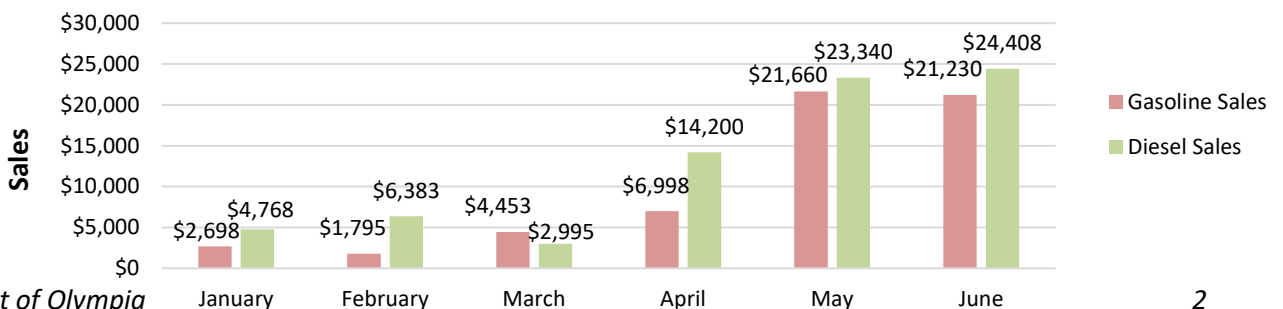
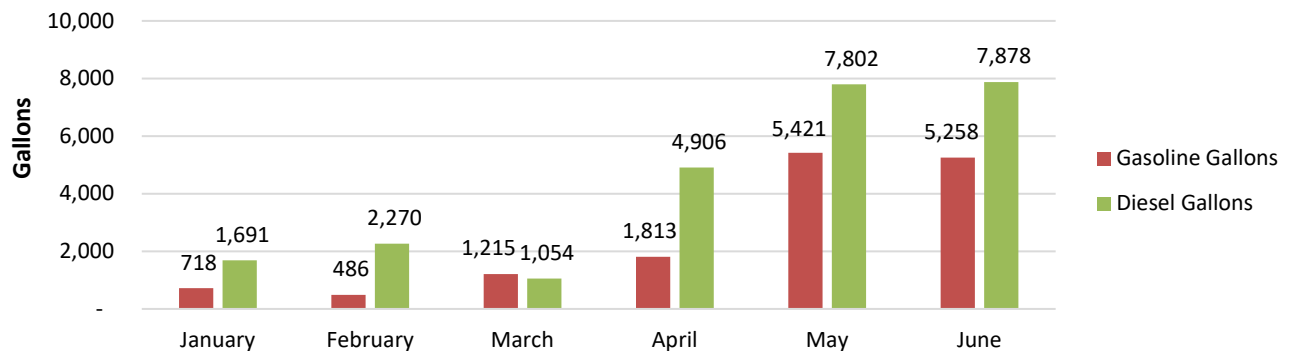
**Occupancy for June:**

Slips 20'-24'	34%
Slips 28'+	92%
Dry Storage	113%
Mini Storage	100%

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



**Fuel Dock Sales 2018 YTD**



## Marine Terminal

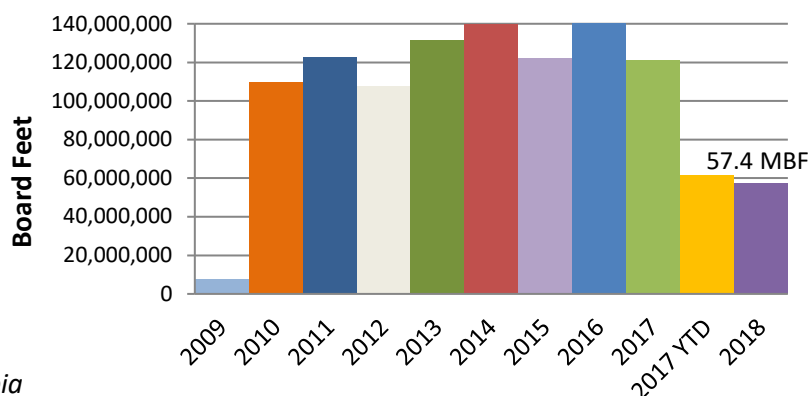
Second quarter activity at the Marine Terminal included the loading of 29.4 MBF of logs onto five vessels. The second quarter log market mirrored the first half activity seen last year with 10 Weyerhaeuser vessels moving cargo over the same six months. However, the Port's other tenant, Pacific Lumber and Shipping, has yet to move any of its China partial cargoes but does have its first vessel expected in mid-August. To simplify, the log market was steady as expected for the first half of the year. Recent events pertaining to Chinese tariffs and currency wars including the White House's threats for tariff hikes on Chinese imports and the softening of the Yuan by about 15% is expected to impact U.S. exports including local logs. Simply put, it is now more expensive for the Chinese to buy U.S. logs than it was six months ago, leaving the Port to expect a decrease in log ships in the second half. Other markets are being impacted by the trade war sentiment as investors are holding back on new capital infrastructure projects. This decrease in new project cargoes is seen throughout the entire Pacific Northwest. The Port continues to market for a long-term bulk cargo customer as well as short-term spot business. Cattle shipments were stalled due to the trade war issues, but one is expected in November and another could come in line at the end of Q3. The Port's marketing staff has met with customers in Houston and attended the recent Livestock Exporters Association meetings in Baltimore and are planning on making additional regional trips including Vancouver BC in August.

## Vessel Activity, YTD

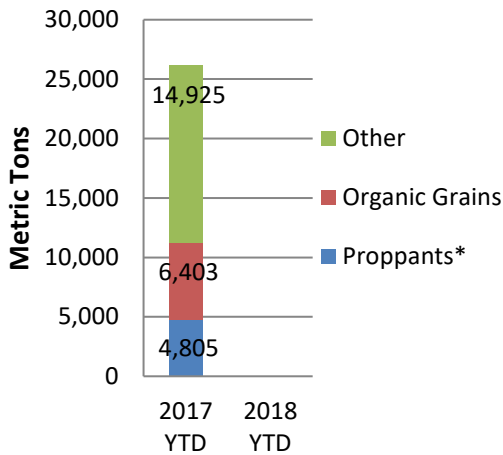
		2017	2018
<b>General Cargo Vessels*</b>		4	0
<b>Log Vessels</b>			
Japan	Full Vessel	6	5
	Partial Vessel	0	0
China	Full Vessel	3	3
	Partial Vessel	1	0
Korea	Partial Vessel	0	0
China/Japan	Full Vessel	0	0
China/Korea	Full Vessel	1	2
<b>Total Log Vessels</b>		<b>11</b>	<b>10</b>
<b>Barges</b>	Breakbulk/Machinery	0	0
<b>Layberths</b>	Tugs, Barge, Ferry	2	2
<b>Total All Vessels, YTD</b>		<b>17</b>	<b>12</b>

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

## Export Log Volumes per Year

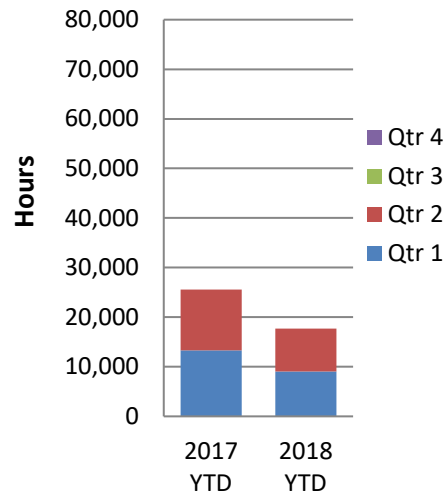


## 2018 Import General Cargo with prior year comparison



\*2017 proppants received by truck.

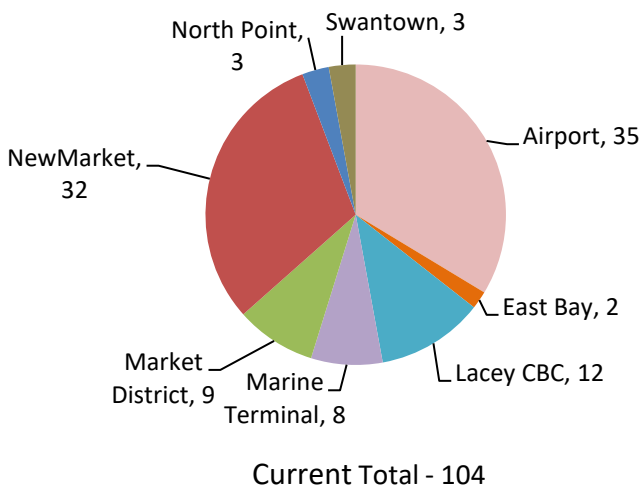
## 2018 Longshore Hours with prior year comparison



## Properties/Real Estate

Second quarter 2018 real estate activity included the execution of one lease amendment, one lease assignment, and three license agreements for use of Port properties. YTD lease revenues show an increase of 6.3% over YTD 2017.

### 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
- 60% occupancy (35,800 sf)
- 12 Tenants

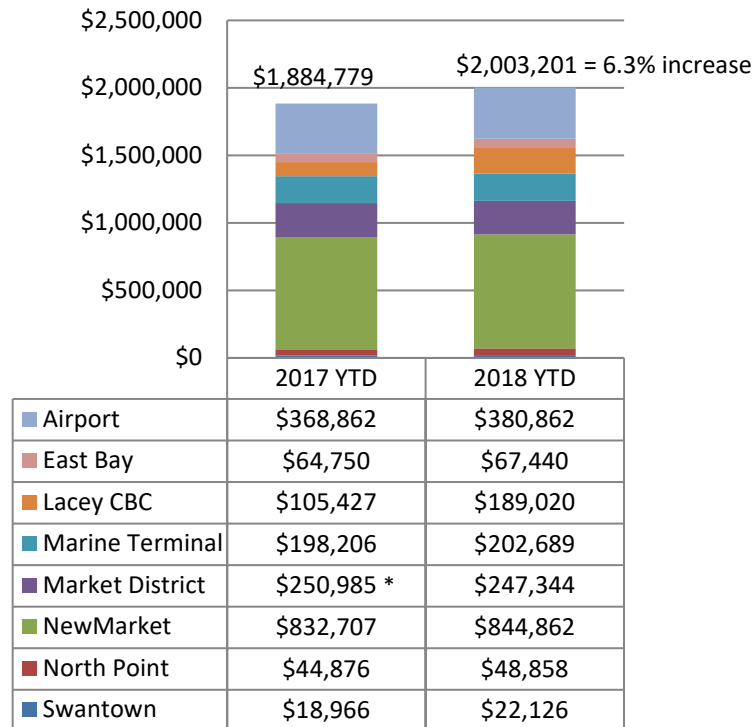
### Rent Adjustments, YTD: 10

### Port Plaza Uses, YTD: 2

Uses to date: Dragon Boat Festival, Olympia Yacht Club Event.  
10 reservations pending for 2018.

\* See map of leasing locations on page 7.

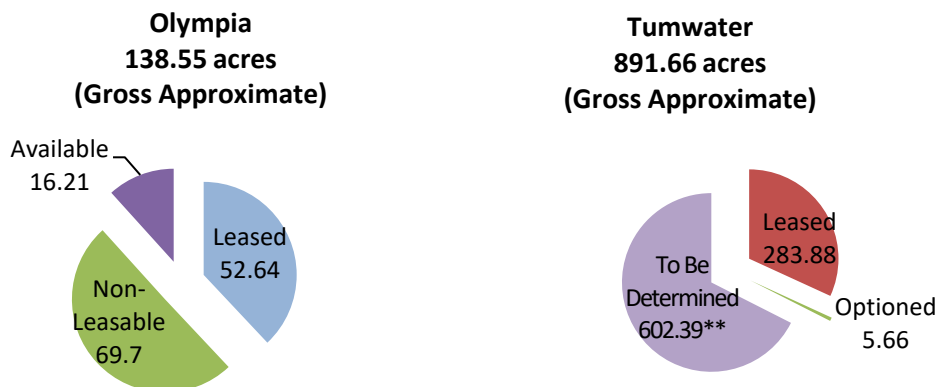
**Lease Revenues YTD**



\*2<sup>nd</sup> Qtr 2017 revenue included a one-time payment of a retroactive rent adjustment.

**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 second quarter, the landscape crew focused on seasonal maintenance, including their annual start up maintenance and repair on the irrigation system. They introduced new native perennial species to their downtown pollinator garden, planted a new black walnut tree for Arbor Day, and converted almost exclusively to mulch mowing. Additionally, they assisted the local Olympia Mountaineers in installing a bench viewing the Olympics at the boat launch parking area. Staff have picked up and safely disposed of 75 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. Construction of Walker John's Westman Mill project is scheduled to start in mid-August.
<b>Budd Inlet Remediation</b>	Received comments on the Alternatives Memo the Port submitted in the Fall of 2017. Met with Ecology to discuss next steps. We will be working collaboratively with Ecology to revise the Alternatives Memo. It was brought to our attention that the City of Olympia has been officially named a PLP in the Budd Inlet remediation effort.
<b>Airport (Pearson Air) Remediation</b>	RI/FS was submitted to Ecology. We are awaiting their response.
<b>Cascade Pole Site</b>	All documentation and waste disposal is moving forward as required. All DMR's have been submitted on time. Staff continues to train MT maintenance to provide back-up on plant operations.
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. Public workshop and joint electeds meeting has been scheduled for the end of September.
<b>Climate Change &amp; Sustainability Action Team</b>	Per direction from the Acting Executive Director, this project has been put on hold.
<b>Green Marine Certification</b>	Two staff attended the annual Green Marine conference. This provided an opportunity to weigh in on standard changes and share best practices with other Ports in the program.
SEPA/Environmental Review	
<b>New Market Industrial Campus</b>	Met with SCJ and TRPC to discuss next steps in the process. Anticipate having a strategy developed for moving forward on the effort by mid-August.
<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>	Annual emissions data report forms were received. Staff is working to complete.
<b>Industrial Stormwater Permit</b>	Anticipate hearing back on Permit Modification letter by July 19, 2018. This will determine next steps in working to address functionality of the system. We met COD benchmarks for COD Q2 18. We continue to work with WAP on negotiating a final agreement.
<b>Fueling Dock Air Permit</b>	Nothing to report.
<b>Habitat Conservation Plan</b>	Phase 2 Grant received. Currently reviewing contract with WDFW. RFQ going out for consultant assistance in Phase 2.

## Property Leasing Locations

### Olympia



### Tumwater

