

COVER MEMO

Briefing Date/Time: August 10, 2026

Staff Contact/Title: Warren Hendrickson, Director of Operations/Acting Airport Senior Manager, 360.528.8074, warrenh@portolympia.com

Subject: New Market Skills Center Lease Agreement

Purpose: ☐ Information Only ☒ Decision Needed

Type of Agenda Item:

- Consent Calendar

Background:

In June 2025, Port staff connected with the Executive Director of the New Market Skills Center (NMSC) to explore the feasibility of a partnership with the Port to create a new high school aviation program. The response was extremely positive, leading to further discussions on what that program would look like, how the Port might support such a program, and what new career opportunities could be made available to local high school students.

NMSC has now created and will provide an aviation class for high school students from 12 regional school districts in Thurston County and beyond, with a start date of September 2, 2026. This class will introduce high school students to aviation career opportunities within the Science, Technology, Engineering, and Mathematics (STEM) fields, including introductions to aircraft airframe and powerplant mechanics, interactions with aviation professionals including helicopter and fixed wing airplane pilots, airport design and planning, airport management and operations, and more. The hands-on component will also include use of flight simulators, one or more of which will meet the technical requirements for Federal Aviation Administration (FAA) approval.

NMSC does not have sufficient space to initiate this new program at its existing campus. Therefore, NMSC proposes to lease a portion of the airport's terminal building that can support both its office and classroom needs in an aviation environment. The terminal building, located at 7702 Terminal Street, is currently unoccupied and is closely located to NMSC's existing campus.

Lease Terms:

Premises: 1,610 square feet dedicated internal building space
1,396 square feet shared common area
Term: Initial term of two (2) years
Options: Three (3) additional one (1) year extensions
Rent: \$2,334.50 per month plus pro-rated utilities
Future Adjustments: Annually, based on CPI-U rate of change
Effectivity: Upon Commission approval

Summary and Financial Impact:

In addition to the direct airport revenue benefit, this lease provides an important Port partnership opportunity to support NMSC and the wider community, offering a new high school program that introduces students to several career paths in the aviation industry.

Annual rent revenue will be \$28,014.00 and anticipated total annual revenue, including utility and maintenance fees, will be \$39,404.76.

Alignment with Vision 2050:

This lease aligns with the following Vision 2050 focus areas, goals, and action items:

Focus Area: Countywide Economic Development and Real Estate Framework

- Goal: Leverage the Port's unique statutory authority to catalyze economic opportunities in partnership with local jurisdictions and economic development organizations.
- Action Item #25: Participate in workforce training partnerships with K-12 and higher education institutions, Pac Mtn Workforce Development Council, local chambers and the Thurston Economic Development Council.

Focus Area: Airport Functions

- Goal: Maximize the economic and community value of the Olympia Regional Airport in accordance with FAA Master Plan regulations.
- Action item #30: Research strategies used by other airports of similar size to determine best practices and opportunities.

Environmental Considerations and Review:

There are no environmental impacts resulting from this lease.

Staff Recommendation:

Approval as presented.

Document Attached:

New Market Skills Center Lease Agreement.