



PORT OF OLYMPIA

# 2027 Operating Budget & Capital Investment Plan

Preliminary Budget · Commission Second Review, October 26, 2026

# Contents

---

Message from the Executive Director . . . . . 3

Who We Are / What We Do . . . . . 4

Commissioners . . . . . 5

Commissioner District Map . . . . . 6

The Budget Process . . . . . 7

Financial Overview . . . . . 8

2027 Budget Summary Income Statement . . . . . 9

2027 Operating Budget: Olympia Regional Airport . . . . . 10

2027 Operating Budget: Swantown Marina, Boatworks and Fuel Dock . . . . . 12

2027 Operating Budget: Marine Terminal . . . . . 14

2027 Operating Budget: Peninsula Properties . . . . . 16

2027 Combined Operating Budget . . . . . 17

2027 Non-Operating Budget . . . . . 18

Capital Investment Plan . . . . . 20

Environmental Program . . . . . 23

Long-Term Debt . . . . . 25

Tax Levy: Types & Uses . . . . . 26

2027 Tax at a Glance . . . . . 27

Cash Flow & Financial Management . . . . . 28

Supplemental Comparisons . . . . . 29

# Message from the Executive Director

---



The Port of Olympia's 2027 budget is a plan built for a year of economic uncertainty. Global trade is unsettled and high tariffs and rising fuel costs are increasing our customers' cost of doing business. As a result, we expect fewer vessel calls at our Marine Terminal in 2027. Our budget therefore plans conservatively to prepare for lower revenues, rather than planning optimistically for revenues we are not certain will materialize. The 2027 budget plans for operating revenue at \$16.45 million, about 4% below the revenue target in the 2026 adopted budget.

Even with a challenging economy, we anticipate that each of our four business lines will cover its direct operating costs in 2027. Together they are expected to earn a \$4.57 million operating surplus before administrative expenses, and to provide a positive margin after it. We rely on non-operating revenues, such as property taxes and grants to fund the governmental work that business lines are not expected to pay for: environmental cleanup, Government Services, debt service and capital investments in our publicly-owned infrastructure. That is how a public port measures success: business units pay their way, and other revenue sources help fund the Port's work in community and economic development and environmental stewardship.

The proposed 2027 budget also supports the three themes the Commission articulated at an August retreat:

- **Planning What's Next** funding for the Peninsula Master Plan, an Economic Benefit Study and a Ferry Demand Study.
- **Taking Care of What We Have** commits \$5.04 million to environmental obligations, led by Budd Inlet and Cascade Pole cleanups, plus maintaining public amenities and spaces.
- **Strengthening Our Foundation** moves the Port into its new headquarters, retires two bonds, and funds positions in-house for key needs rather than contracting outside for those services.

Our \$16.21 million capital plan leverages Port funds to gain outside investment in our infrastructure and facilities. More than half of the proposed capital budget, \$8.30 million, is expected to come from grants, including grants for a new Marine Terminal storage facility and electric aircraft charging at the Airport. The Port continues to focus on investments that do not require going into debt. None of the capital investments the Port is planning in 2027 involve issuing bonds, and the Port continues to make progress paying down outstanding bond debt. In 2028, annual debt payments fall from \$4.16 million to \$3.13 million and in 2029 and beyond, the payments fall to \$0.83 million.

Thank you for your interest in your Port. Please join us at the public hearing on November 9, or reach me at [alexs@portolympia.com](mailto:alexs@portolympia.com).

**Alex Smith**  
Executive Director

# Who We Are / What We Do

---

## Who We Are

The Port of Olympia is a special purpose district: a municipal corporation formed by Thurston County voters in 1922 under Title 53 of the Revised Code of Washington. Its district covers all of Thurston County. Unlike cities and counties, which provide a broad range of government services, Washington ports have a mission set by state law, centered on developing and operating marine, air and other transportation facilities, putting public land to work for jobs and industry, and supporting tourism and public access connected to port facilities. As a public agency, the Port operates in the open: Commission meetings are public, records are available on request, and our finances are audited by the State of Washington. A five-member Commission, elected by district voters, sets policy and delegates day-to-day operations to the Executive Director. The Thurston County Treasurer collects the Port's property tax levy and serves as its treasurer.



*A vessel berths at the Marine Terminal with tug assist.*

## What We Do

The Port carries out its state-authorized mission in two ways. Its four business lines operate facilities that earn revenue from customers and tenants, and each covers its direct operating costs. Its public responsibilities, such as environmental cleanup, public spaces and regional planning, are work no business line is expected to pay for. These are funded mainly by property taxes and grants. The budget that follows is organized the same way.

### Business Lines:

- **Olympia Regional Airport**, including the New Market Industrial Campus (NMIC) and Cleanwater Centre in Tumwater: a general aviation airport of about 835 acres with hangars, ground leases and industrial land.
- **Swantown Marina, Boatworks and Fuel Dock** on East Bay: 656 permanent and 70+ guest moorage slips, a full-service boatyard and a fuel dock.
- **Marine Terminal**: a deepwater terminal of 66 acres with three berths, serving breakbulk and forest-product customers with labor supplied by ILWU Locals 47A and 47B.
- **Peninsula Properties**: the Market District, East Bay and NorthPoint, home to the Olympia Farmers Market, restaurants, offices and retail.

### Public Responsibilities:

- **Public agency work**: operation of the publicly elected Port Commission, projects that don't have a business line nexus, public amenities on the Peninsula, regional partnerships, and a Foreign Trade Zone.
- **Environmental**: environmental cleanup of Budd Inlet and operation of Cascade Pole pump and treat facility.

Real estate runs through all four lines. In 2027 the Port manages 105 leases, licenses and easements: 76 in Tumwater (\$3.27 million) and 29 in Olympia (\$1.51 million). These agreements produce \$4.78 million, or 29% of operating revenue.

# Commissioners

---

The Port is governed by five commissioners, each elected from a district within Thurston County to a four-year term. The Commission sets policy, adopts the budget, sets the tax levy, approves every agreement longer than one year, and appoints the Executive Director.



**DISTRICT ONE**  
**Jasmine Vasavada**  
President • Term 2024–2027



**DISTRICT TWO**  
**Jerry Toompas**  
• Term 2026–2029



**DISTRICT THREE**  
**Krag Unsoeld**  
• Term 2026–2029



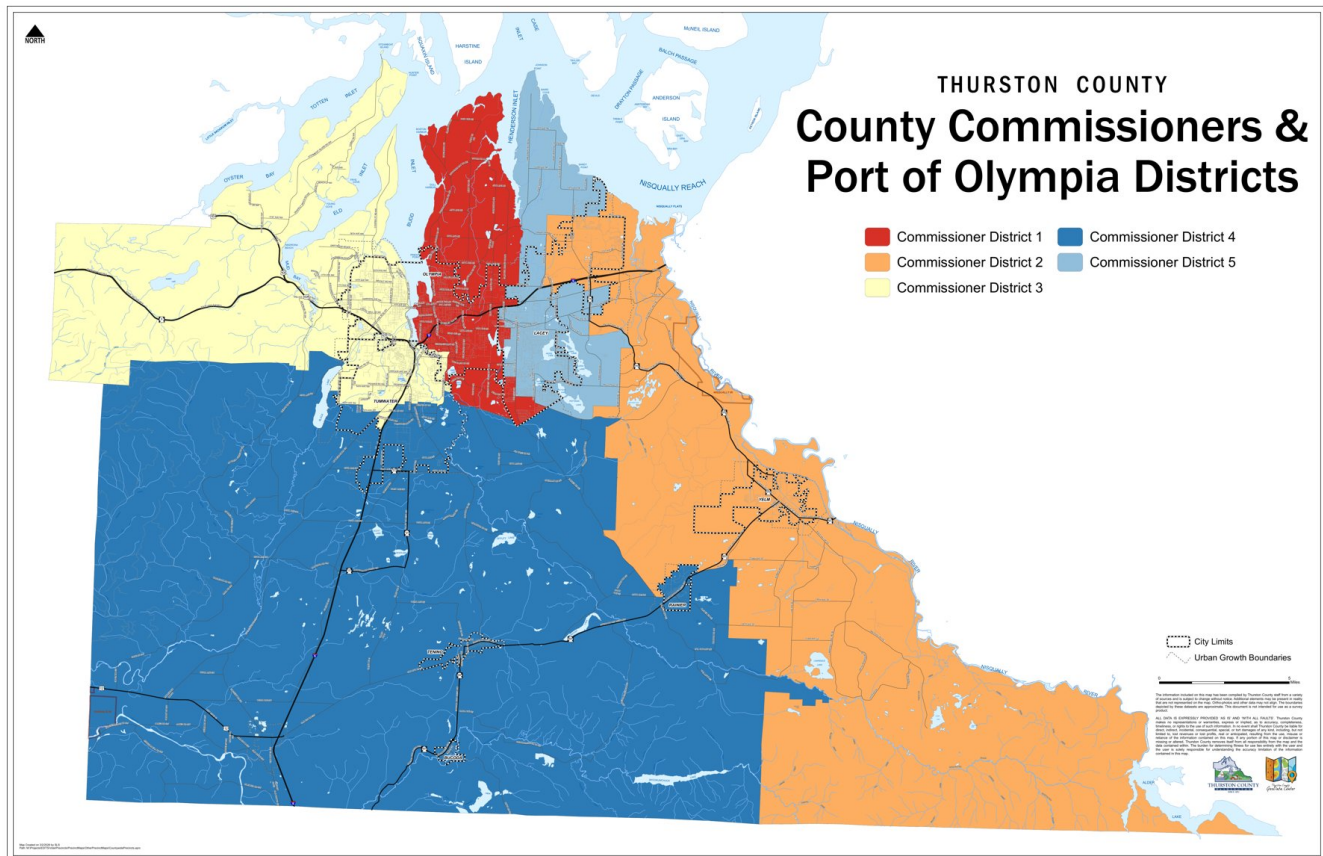
**DISTRICT FOUR**  
**Joel Hansen**  
Secretary • Term 2026–2029



**DISTRICT FIVE**  
**Sarah Montano**  
Vice President • Term 2024–2027

# Commissioner District Map

Port commissioner districts match the Thurston County commissioner districts. District 4 covers most of southern Thurston County; Districts 1, 3 and 5 meet in the Olympia, Lacey and Tumwater urban area; District 2 runs along the Nisqually River to Yelm.



Port of Olympia Commissioner Districts 1–5 within Thurston County. Map: Thurston County, created March 2, 2026.

# The Budget Process

The budget turns the Commission's goals into the services, programs and projects the community will see. Once adopted, it becomes the Port's work plan for the year. Washington law (RCW 53.35) requires a preliminary budget, two published hearing notices and a public hearing before adoption.

Staff build the 2027 budget from the ground up. Every lease is reviewed for its scheduled increase, slip and hangar occupancy is multiplied by proposed rates, and vessel calls are forecast with Marine Terminal customers. Assumptions are conservative: operating revenue is expected to fall because global trade is uncertain, tariffs and fuel costs are rising, and Swantown and the Airport face limits until dock reconfiguration and the Airport Habitat Conservation Plan (HCP) are complete. Insurance, health care, utilities and environmental compliance costs keep climbing.

Public participation keeps the process open. The calendar below lists the opportunities to review and comment.

| Date (2026) | Milestone                                                                                    |
|-------------|----------------------------------------------------------------------------------------------|
| August 12   | Commission retreat sets 2027 goals                                                           |
| October 5-6 | Commission budget retreat: non-operating budgets (Day 1); business units and capital (Day 2) |
| October 12  | Updated Finance draft                                                                        |
| October 19  | Work session: Peninsula Master Plan                                                          |
| October 25  | First hearing notice published in <i>The Olympian</i>                                        |
| October 26  | Second review: COLA decision and tax levy direction                                          |
| November 1  | Second hearing notice published                                                              |
| November 9  | Public hearing; budget and levy resolutions introduced                                       |
| November 16 | Work session on requested changes                                                            |
| November 23 | Budget and tax levy adoption                                                                 |

# Financial Overview

---

## Operating Revenues and Expenses

The Port plans 2027 operating revenue of \$16.45 million, down \$746,000 (4.3%) from the 2026 adopted budget and \$1.15 million below the 2026 year-end projection. Almost all of the decline is at the Marine Terminal, where vessel-driven revenue is budgeted 31% lower for a reduced vessel schedule. The Airport grows 8% on lease and hangar rents; Swantown and Peninsula Properties hold steady.

Direct operating and maintenance expenses fall 2.7% to \$11.88 million, led by lower longshore labor due to decreased vessel calls. That leaves a \$4.57 million operating surplus. After \$4.53 million in administrative (G&A) support, up 7.5% from 2026, the business lines together return a net margin of \$43,000. After \$3.58 million in non-cash depreciation, operations show a \$3.53 million deficit.

## Non-Operating

Non-operating revenue of \$19.56 million includes an \$8.11 million property tax levy, \$10.21 million in grants (\$8.21 million for capital and \$2.0 million for Budd Inlet), and \$0.8 million in interest. Non-operating expenses of \$9.03 million cover environmental programs (\$5.72 million), Government Services (\$2.18 million), bond interest (\$0.70 million) and a \$250,000 election expense.

## Net Income and Cash

Total net income is projected at \$7.00 million, compared with \$5.53 million budgeted for 2026. Cash and investments are expected to fall from \$25.08 million to \$16.16 million as the Port spends \$16.21 million on capital and \$4.16 million on debt service. No new borrowing is planned.



*Olympia Farmers Market in the Market District.*

# 2027 Budget Summary Income Statement

| 2027 Budget Summary                                | 2027 Proposed         |
|----------------------------------------------------|-----------------------|
| <b>Operating Revenues</b>                          |                       |
| Olympia Regional Airport (incl. NMIC, Cleanwater)  | \$3,784,165           |
| Swantown Marina, Boatworks & Fuel                  | 5,210,010             |
| Marine Terminal                                    | 6,408,601             |
| Peninsula Properties                               | 1,044,973             |
| <b>Total Operating Revenues</b>                    | <b>\$16,447,749</b>   |
| <b>Direct Operating &amp; Maintenance Expenses</b> |                       |
| Airport                                            | (2,509,816)           |
| Swantown                                           | (3,792,297)           |
| Marine Terminal                                    | (4,911,056)           |
| Peninsula Properties                               | (664,236)             |
| <b>Total Direct Expenses</b>                       | <b>\$(11,877,405)</b> |
| <b>Operating Surplus</b>                           | <b>\$4,570,344</b>    |
| General & Administrative Support                   | (4,527,138)           |
| <b>Net Margin</b>                                  | <b>\$43,206</b>       |
| Depreciation                                       | (3,576,335)           |
| <b>Operations Deficit</b>                          | <b>\$(3,533,129)</b>  |
| <b>Non-Operating Activity</b>                      |                       |
| Property Tax Revenue                               | 8,110,900             |
| Capital Grant Revenue                              | 8,211,049             |
| Environmental Remediation Grant Revenue            | 2,000,000             |
| Investment, Tax Sharing & Other Revenue            | 1,240,000             |
| Environmental Programs                             | (5,723,324)           |
| Government Services                                | (2,179,768)           |
| Bond Interest                                      | (700,000)             |
| Other Non-Operating Expenses                       | (430,000)             |
| <b>Net Non-Operating</b>                           | <b>\$10,528,857</b>   |
| <b>Total Net Income</b>                            | <b>\$6,995,728</b>    |

Source: Port of Olympia 2027 Budget Draft as of October 12, 2026.

# 2027 Operating Budget: Olympia Regional Airport

## Overview

Olympia Regional Airport, the New Market Industrial Campus (NMIC) and Cleanwater Centre together form the Port's Tumwater operations. The Airport hosts general aviation, state agency flight operations and aviation businesses, and supports regional disaster response through the Disaster Airlift Response Team. NMIC is the Port's largest single source of lease income.

Revenue is almost entirely contractual. Leases and land rents provide 87% of 2027 revenue, hangar rentals 11%, and fuel flowage, landing fees and pass-throughs 2%. Staff review every ground and building lease and apply its scheduled increase, then multiply hangar occupancy by user-fee rates. The budget assumes 100% occupancy of buildings and hangars.

Revenue for 2027 is \$3.78 million, up \$288,000 (8.3%) over the 2026 budget, driven by land and hangar rents. Proposed rates rise 5% for hangars, planeports and tie-downs, 14% for fuel flowage and 33% for landing fees; land lease rates do not change. Operating and maintenance costs rise \$193,000 to \$2.51 million on higher staffing, utilities, insurance and contract costs. After G&A support and \$978,000 of depreciation, the net operating loss is \$1.01 million, in line with 2026.

FAA grants come from the federal Airport and Airway Trust Fund, paid by aviation user taxes, and WSDOT grants from the state Aeronautics Account.

## 2027 Significant Initiatives

The 2027 budget focuses on keeping the airfield safe and competitive for federal funding. Staff will crack seal, fog seal and restripe Taxiway W, about 90% grant-funded, and pursue an electric aircraft charging station if WSDOT funding is awarded. Other priorities are completing the Habitat Conservation Plan and its mitigation offsets, a Part 139 gap analysis, the transition to unleaded avgas, pavement and facility maintenance across 154 acres, and expansion of the New Market Skills Center.



*Olympia Regional Airport.*



*New Market Industrial Campus.*

| Olympia Regional Airport                      |  | 2027 Budget          |
|-----------------------------------------------|--|----------------------|
| <b>Operating Revenues</b>                     |  |                      |
| Land Rents                                    |  | \$2,416,058          |
| Space & Hangar Rental                         |  | 1,172,640            |
| Fuel Flowage Fees                             |  | 23,500               |
| Landing Fees                                  |  | 15,000               |
| Utility Pass-Through                          |  | 54,007               |
| Other                                         |  | 102,960              |
| <b>Total Operating Revenues</b>               |  | <b>\$3,784,165</b>   |
| <b>Operating Expenses</b>                     |  |                      |
| Wages & Benefits                              |  | 997,614              |
| Outside Professional Services                 |  | 114,800              |
| Supplies & Equipment Rentals                  |  | 34,700               |
| Utilities                                     |  | 173,600              |
| Direct Operating Overhead                     |  | 172,987              |
| Maintenance & Repairs                         |  | 740,500              |
| Other Operating Expenses                      |  | 275,615              |
| G&A Allocation                                |  | 1,302,817            |
| <b>Total Operating Expenses</b>               |  | <b>\$3,812,633</b>   |
| <b>Net Operating Loss Before Depreciation</b> |  | <b>\$(28,468)</b>    |
| Depreciation Expense                          |  | (978,203)            |
| <b>Net Operating Loss</b>                     |  | <b>\$(1,006,671)</b> |

# 2027 Operating Budget: Swantown Marina, Boatworks and Fuel Dock

---

## Overview

Swantown combines permanent and guest moorage, a full-service boatyard and a fuel dock. Permanent moorage provides 59% of revenue, Boatworks 21%, fuel sales 10%, guest moorage, launch and other fees 5%, and utility pass-throughs 5%.

Revenue for 2027 is \$5.21 million, 3.8% above the 2026 projection and essentially flat against the 2026 budget. Moorage rises 6% (a combination of CPI of 4.5% and 1.5% market rate bump) with occupancy held steady. A 2026 rate study found Swantown's rates were 12–24% (depending on slip length) below the Puget Sound marina average, tracking the market's 25th percentile; a 40-foot slip is \$555 a month against a \$632 average. User fees and launch fees do not change. Boatworks moves to a new haul-out structure by type, and an off-season rate replaces winter storage. Guest moorage and boatyard activity are budgeted conservatively because higher fuel prices are expected to reduce boating.

Operating and maintenance costs fall 5.6% to \$3.79 million. After G&A support Swantown returns a \$115,000 margin, and after \$602,000 of depreciation a net loss of \$487,000, an improvement of \$38,000 over the 2026 budget.

## 2027 Significant Initiatives

The Boatworks Expansion, a carryover project now finishing permitting, is the centerpiece of Swantown's \$802,000 capital plan. Smaller purchases replace trail fencing required by the Department of Ecology, the point-of-sale system and aging grounds equipment. Strategic priorities include Destination Waterfront, events and tourism, Boatyard General Permit and stormwater compliance, derelict vessel removal partnerships, asset assessments and deferred maintenance, and workforce development. A key long-term challenge is funding future dock replacement, which depends on upland development.



Swantown Marina.



Swantown Boatworks travel lift.

| Swantown Marina, Boatworks & Fuel               |  | 2027 Budget        |
|-------------------------------------------------|--|--------------------|
| <b>Operating Revenues</b>                       |  |                    |
| Moorage                                         |  | \$3,518,150        |
| Fuel Sales                                      |  | 511,000            |
| Collected Fees                                  |  | 482,460            |
| Space Rentals                                   |  | 336,000            |
| Utility Pass-Through                            |  | 256,400            |
| Property & Land Rents                           |  | 65,000             |
| Other                                           |  | 41,000             |
| <b>Total Operating Revenues</b>                 |  | <b>\$5,210,010</b> |
| <b>Operating Expenses</b>                       |  |                    |
| Wages & Benefits                                |  | 1,632,091          |
| Outside Professional Services                   |  | 347,000            |
| Supplies & Equipment Rentals                    |  | 395,650            |
| Utilities                                       |  | 433,500            |
| Direct Operating Overhead                       |  | 514,798            |
| Maintenance & Repairs                           |  | 243,600            |
| Other Operating Expenses                        |  | 225,658            |
| G&A Allocation                                  |  | 1,302,313          |
| <b>Total Operating Expenses</b>                 |  | <b>\$5,094,610</b> |
| <b>Net Operating Income Before Depreciation</b> |  | <b>\$115,400</b>   |
| Depreciation Expense                            |  | (602,232)          |
| <b>Net Operating Loss</b>                       |  | <b>\$(486,832)</b> |

# 2027 Operating Budget: Marine Terminal

## Overview

The Marine Terminal earns revenue in two ways. Tenant revenue comes from contracts, leases and the terminal's flex areas. Vessel revenue comes from dockage, wharfage, loading, handling and related services, forecast call by call with shipping customers Suzano and Weyerhaeuser and priced at tariff and contract rates. The terminal also collects stormwater fees that fund its stormwater system.

For 2027 the Port has budgeted conservatively for fewer vessel calls. Revenue is \$6.41 million, down \$1.01 million (13.6%) from the 2026 budget and \$1.53 million from the 2026 projection. Vessel-driven revenue falls about 31%, led by handling (down \$689,000) and loading and unloading (down \$275,000). Contracted and base revenue rises about \$240,000, led by a new Weyerhaeuser service fee. Additional calls would be upside, partly offset by the ILWU labor that comes with them.

Operating and maintenance costs fall \$384,000 (7.3%) to \$4.91 million. Savings come from ILWU labor, fuel usage, security and equipment rentals. Terminal insurance rises about \$206,000, and the G&A allocation rises \$98,000; both are set port-wide. After G&A support the terminal returns a \$94,000 cash margin to the Port. The \$1.69 million net loss reflects \$1.78 million of non-cash depreciation.

## 2027 Significant Initiatives

The terminal carries the largest share of the 2027 capital plan, \$11.25 million. A second storage warehouse (\$10.0 million) is in permitting and depends on a \$6.16 million grant award. Three MARAD-funded projects (Berth 1 repairs, a maintenance facility and asphalt paving) are in design, each about 75% grant-funded, with construction planned for 2028–2030. Phase 1 berth dredging and a dewatering facility are also budgeted, contingent on a grant and a business case.



*ILWU longshore crew loading a vessel.*



*Marine Terminal warehouse and cargo yard.*

| Marine Terminal                                 | 2027 Budget          |
|-------------------------------------------------|----------------------|
| <b>Operating Revenues</b>                       |                      |
| Service & Facilities                            | \$2,206,938          |
| Loading & Unloading                             | 926,332              |
| Handling                                        | 671,328              |
| Land Rents                                      | 665,450              |
| Dockage                                         | 660,348              |
| Stormwater Fees                                 | 589,368              |
| Equipment Rental                                | 178,420              |
| Utility Pass-Through                            | 139,050              |
| Wharfage                                        | 127,852              |
| Other                                           | 243,515              |
| <b>Total Operating Revenues</b>                 | <b>\$6,408,601</b>   |
| <b>Operating Expenses</b>                       |                      |
| Wages & Benefits                                | 1,615,731            |
| Outside Services (incl. ILWU longshore labor)   | 1,591,759            |
| Supplies & Equipment Rentals                    | 363,752              |
| Utilities                                       | 458,030              |
| Direct Operating Overhead                       | 524,641              |
| Maintenance & Repairs                           | 321,468              |
| Other Operating Expenses                        | 35,675               |
| G&A Allocation                                  | 1,403,499            |
| <b>Total Operating Expenses</b>                 | <b>\$6,314,555</b>   |
| <b>Net Operating Income Before Depreciation</b> | <b>\$94,046</b>      |
| Depreciation Expense                            | (1,783,700)          |
| <b>Net Operating Loss</b>                       | <b>\$(1,689,654)</b> |

# 2027 Operating Budget: Peninsula Properties

---

## Overview

Peninsula Properties covers the Port's downtown Olympia districts: the Market District, East Bay and NorthPoint. All of its revenue comes from leases, including percentage rent from the Olympia Farmers Market, which is budgeted at prior-year levels even though 2026 is running ahead. Ground leases in Olympia can run up to 80 years.

Revenue for 2027 is \$1.04 million, up \$22,000 over the 2026 budget. Scheduled 10% rent step-ups at Market Centre, the Market Place Building and the Market Centre parking lot, plus 2-3% escalators on most other leases, more than offset two losses: the KGY tower lease moved to Swantown (down \$20,000), and the Batdorf & Bronson land lease ended when the Port bought that building for its new headquarters (down \$50,000).

Operating and maintenance costs rise to \$664,000. Staff time is now charged directly to each district, insurance rises \$24,000 (mostly East Bay), and a new \$24,000 B&O excise tax applies in the Market District. Security, signage repairs and a Marine Drive seal coat are now budgeted by district. The net operating loss after G&A and depreciation is \$350,000.

## 2027 Significant Initiatives

The Peninsula Master Plan, rescoped to \$450,000 and funded through Government Services, will guide the future of the Port Peninsula as a destination. Hotel negotiations, district signage, public amenities and community events support the same goal.



*East Bay and downtown Olympia.*

| Peninsula Properties                          |  | 2027 Budget        |
|-----------------------------------------------|--|--------------------|
| <b>Operating Revenues</b>                     |  |                    |
| Land Rents                                    |  | \$900,882          |
| Space Rentals                                 |  | 142,591            |
| Other                                         |  | 1,500              |
| <b>Total Operating Revenues</b>               |  | <b>\$1,044,973</b> |
| <b>Operating Expenses</b>                     |  |                    |
| Wages & Benefits                              |  | 362,067            |
| Outside Professional Services                 |  | 44,250             |
| Supplies & Equipment Rentals                  |  | 2,350              |
| Utilities                                     |  | 84,070             |
| Direct Operating Overhead                     |  | 142,999            |
| Maintenance & Repairs                         |  | 26,500             |
| Other Operating Expenses                      |  | 2,000              |
| G&A Allocation                                |  | 518,509            |
| <b>Total Operating Expenses</b>               |  | <b>\$1,182,745</b> |
| <b>Net Operating Loss Before Depreciation</b> |  | <b>\$(137,772)</b> |
| Depreciation Expense                          |  | (212,200)          |
| <b>Net Operating Loss</b>                     |  | <b>\$(349,972)</b> |

## 2027 Combined Operating Budget

|                                     | Airport              | Swantown           | Marine Terminal      | Peninsula          | Total                |
|-------------------------------------|----------------------|--------------------|----------------------|--------------------|----------------------|
| Operating Revenues                  | \$3,784,165          | \$5,210,010        | \$6,408,601          | \$1,044,973        | \$16,447,749         |
| Direct O&M Expenses                 | (2,509,816)          | (3,792,297)        | (4,911,056)          | (664,236)          | (11,877,405)         |
| <b>Operating Surplus</b>            | <b>1,274,349</b>     | <b>1,417,713</b>   | <b>1,497,545</b>     | <b>380,737</b>     | <b>4,570,344</b>     |
| G&A Support                         | (1,302,817)          | (1,302,313)        | (1,403,499)          | (518,509)          | (4,527,138)          |
| <b>Net Margin</b>                   | <b>(28,468)</b>      | <b>115,400</b>     | <b>94,046</b>        | <b>(137,772)</b>   | <b>43,206</b>        |
| Depreciation                        | (978,203)            | (602,232)          | (1,783,700)          | (212,200)          | (3,576,335)          |
| <b>Operations Surplus (Deficit)</b> | <b>\$(1,006,671)</b> | <b>\$(486,832)</b> | <b>\$(1,689,654)</b> | <b>\$(349,972)</b> | <b>\$(3,533,129)</b> |

G&A support is shared 28% Marine Terminal, 26% Airport, 26% Swantown, 10% Peninsula Properties and 10% Environmental.

# 2027 Non-Operating Budget

## Overview

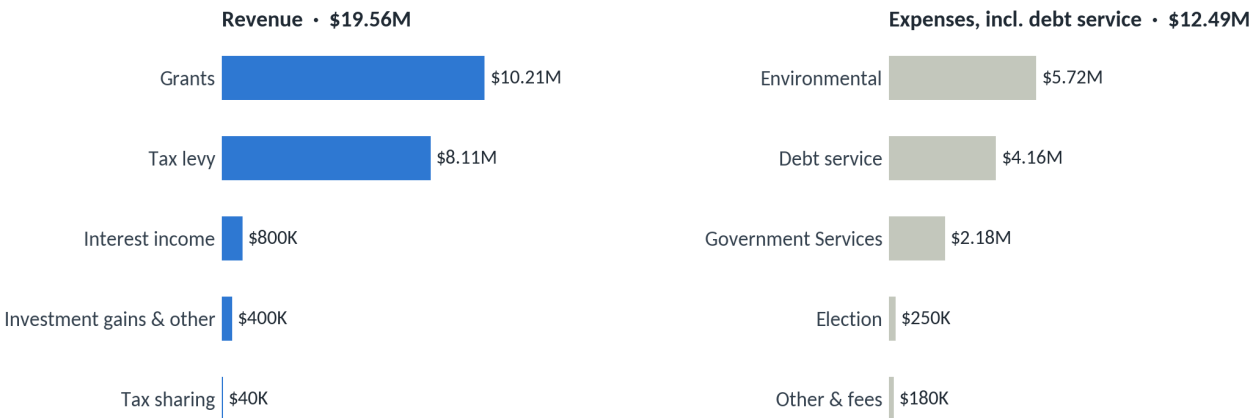
Non-operating activity carries the Port's public responsibilities: the work business lines are not expected to pay for. For 2027, non-operating revenue of \$19.56 million exceeds non-operating expenses of \$9.03 million, for net non-operating income of \$10.53 million. That more than offsets the \$3.53 million operations deficit after depreciation.

**Revenues.** The property tax levy is budgeted conservatively at \$8.11 million, below the 2026 adopted \$8.33 million, pending the Commission's levy decision. Under Policy 1201 the levy pays for: general obligation debt service, environmental cleanup, Government Services, capital asset acquisition and real estate purchases. Grants total \$10.21 million: \$8.21 million for capital projects and \$2.0 million for Budd Inlet cleanup. Interest and investment income adds \$1.0 million.

**Expenses.** Environmental programs are the largest cost at \$5.72 million, including G&A support and depreciation, led by Budd Inlet and Cascade Pole (see Environmental Program). Government Services, the costs the Port carries as a public agency, total \$2.18 million. These cover the Commission, memberships and partnerships, public amenities, the Peninsula Master Plan and a new \$50,000 South County investment line. Bond interest is \$700,000 as two bonds retire in 2027, and a \$250,000 election expense is budgeted.

### 2027 non-operating revenue and expenses

Revenue \$19.56M vs. expenses including debt service \$12.49M; net \$7.07M





Public amenity: interpretive signage on the Port Peninsula.

| Non-Operating Budget                          | 2027 Budget         |
|-----------------------------------------------|---------------------|
| <b>Non-Operating Revenues</b>                 |                     |
| Property Tax Levy                             | \$8,110,900         |
| Capital Grants                                | 8,211,049           |
| Environmental Remediation Grants (Budd Inlet) | 2,000,000           |
| Interest Income                               | 800,000             |
| Gain on Investments                           | 200,000             |
| Other Non-Operating Revenue                   | 150,000             |
| Gain on Disposal of Assets                    | 50,000              |
| Tax Sharing (Timber/Other)                    | 40,000              |
| <b>Total Non-Operating Revenues</b>           | <b>\$19,561,949</b> |
| <b>Non-Operating Expenses</b>                 |                     |
| Environmental Programs                        | 5,723,324           |
| Government Services                           | 2,179,768           |
| Bond Interest                                 | 700,000             |
| Election Expense                              | 250,000             |
| Other Non-Operating Expenses                  | 150,000             |
| Banking & Investment Fees                     | 30,000              |
| <b>Total Non-Operating Expenses</b>           | <b>\$9,033,092</b>  |
| <b>Net Non-Operating Income</b>               | <b>\$10,528,857</b> |

# Capital Investment Plan

The 2027 Capital Investment Plan (CIP) proposes \$16.21 million of work, with \$8.30 million (51%) expected from grants and \$7.91 million from Port funds. About \$7.63 million continues projects already underway in 2026; \$8.59 million is new work, including a \$200,000 contingency. No new borrowing is needed.

The plan follows three priorities. **Revenue-generating projects** include the Boatworks Expansion, a second Marine Terminal storage warehouse and a dewatering facility. **Maximizing grant opportunities** funds MARAD-backed berth repairs, a maintenance facility and paving at the terminal, plus Airport taxiway work and electric aircraft charging. **Environmental stewardship** covers trail fencing for the remediation cap and reclaimed water code updates.

Most grant funding is still pending. The storage facility (\$6.16 million in grants) and aircraft charging (\$1.04 million) depend on awards; the dewatering facility depends on a business case. Approved multi-year projects will also need about \$3.0 million in 2028, \$11.5 million in 2029 and \$6.0 million in 2030.

## 2027 CIP Consolidated Summary

| Business Unit                      | 2027 Project Funding | Port Funds         | Grant Funds        |
|------------------------------------|----------------------|--------------------|--------------------|
| Marine Terminal                    | \$11,250,000         | \$4,849,190        | \$6,400,810        |
| Airport                            | 2,257,488            | 355,749            | 1,901,739          |
| Non-Operating / Administration     | 1,905,000            | 1,905,000          | -                  |
| Swantown Marina & Boatworks        | 802,000              | 802,000            | -                  |
| Peninsula Properties (Real Estate) | -                    | -                  | -                  |
| <b>Total for All Projects</b>      | <b>\$16,214,488</b>  | <b>\$7,911,939</b> | <b>\$8,302,549</b> |

## 2027 Airport CIP

| Project                                   | 2027 Funding       | Port             | Grant              | Notes                               |
|-------------------------------------------|--------------------|------------------|--------------------|-------------------------------------|
| Electric Aircraft Charging                | \$1,300,000        | \$260,000        | \$1,040,000        | Contingent on WSDOT grant           |
| Taxiway W crack seal, fog seal & striping | 957,488            | 95,749           | 861,739            | Assumes 90% grant (90-95% expected) |
| <b>Total Airport</b>                      | <b>\$2,257,488</b> | <b>\$355,749</b> | <b>\$1,901,739</b> |                                     |



Olympia Regional Airport taxiways.

## 2027 Swantown Marina & Boatworks CIP

| Project                        | 2027 Funding     | Port             | Notes                               |
|--------------------------------|------------------|------------------|-------------------------------------|
| Boatworks Expansion            | \$750,000        | \$750,000        | Carryover; permitting finishes 2026 |
| Grounds-keeping equipment      | 17,000           | 17,000           | Aging equipment                     |
| Trail fencing                  | 15,000           | 15,000           | Department of Ecology requirement   |
| Control / point-of-sale system | 10,000           | 10,000           | Replaces POS                        |
| Gator utility vehicle          | 10,000           | 10,000           | Grounds equipment                   |
| <b>Total Swantown</b>          | <b>\$802,000</b> | <b>\$802,000</b> |                                     |

## 2027 Marine Terminal CIP

| Project                      | 2027 Funding        | Port               | Grant              | Future Years                           |
|------------------------------|---------------------|--------------------|--------------------|----------------------------------------|
| Storage Facility (warehouse) | \$10,000,000        | \$3,840,690        | \$6,159,310        | Carryover; contingent on grant award   |
| Dewatering Facility          | 500,000             | 500,000            | -                  | Carryover; contingent on business case |
| Berth 1 Repairs – MARAD      | 200,000             | 150,000            | 50,000             | \$3.0M in 2028                         |
| Maintenance Facility – MARAD | 200,000             | 150,000            | 50,000             | \$3.75M in 2029                        |
| Asphalt Paving – MARAD       | 200,000             | 150,000            | 50,000             | \$6.0M in 2030                         |
| Berth Dredging, Phase 1      | 150,000             | 58,500             | 91,500             | \$7.75M in 2029 (~\$5.09M grant)       |
| <b>Total Marine Terminal</b> | <b>\$11,250,000</b> | <b>\$4,849,190</b> | <b>\$6,400,810</b> |                                        |

MARAD projects are about 75% grant-funded over their lives.



Marine Terminal Berth 1.

## 2027 Non-Operating / Administration CIP

| Project                                     | 2027 Funding       | Notes                                           |
|---------------------------------------------|--------------------|-------------------------------------------------|
| Port HQ Tenant Improvements                 | \$1,500,000        | Carryover; completes construction begun in 2026 |
| Capital contingency                         | 200,000            |                                                 |
| HQ low-voltage systems                      | 100,000            | Cameras, badge readers, connectivity            |
| Reclaimed water irrigation code updates     | 45,000             | LOTT-required retrofits                         |
| HQ Commission room build-out                | 40,000             | A/V technology; costs being researched          |
| HQ parking lot security                     | 20,000             | Security fencing for back lot                   |
| <b>Total Non-Operating / Administration</b> | <b>\$1,905,000</b> | <b>All Port-funded</b>                          |

No Peninsula Properties (real estate) capital projects are planned for 2027.

Source: 2027 Proposed Capital Budget (updated August 17, 2026) and October 12 draft.

# Environmental Program

## Environmental Stewardship

The Port commits \$5.04 million in direct costs to environmental obligations in 2027, down from \$5.58 million in 2026 as Budd Inlet work shifts phases. Including G&A support and depreciation, the program totals \$5.72 million, with \$2.0 million expected back in Budd Inlet grant revenue. Costs outside Budd Inlet are rising as regulations become more stringent.

**Budd Inlet is the largest part of the 2027 environmental budget**  
\$3.00M of \$5.04M (60%); direct costs before overhead and depreciation



| Program (direct cost)        | 2027 Proposed      |
|------------------------------|--------------------|
| Budd Inlet cleanup           | \$3,000,000        |
| Cascade Pole                 | 1,188,846          |
| Environmental staff          | 416,238            |
| Habitat Conservation Plan    | 122,554            |
| Permits & compliance         | 104,012            |
| Sea Level Rise Collaborative | 50,000             |
| Other                        | 153,716            |
| <b>Total</b>                 | <b>\$5,035,366</b> |

## Budd Inlet

Budd Inlet cleanup is budgeted at \$3.0 million for engineering design and work with other potentially liable persons, down from \$4.0 million budgeted in 2026 (\$2.7 million projected).

## Cascade Pole

Cascade Pole rises \$364,000 (44%) to \$1.19 million to meet updated Department of Ecology requirements. Marine sediment monitoring rises from \$5,000 to \$195,000 and groundwater monitoring from \$130,000 to \$190,000; added pumps raise electricity costs. A deeper Commission debrief is planned within six months.

## Habitat Conservation Plan and Voluntary Programs

Consultant fees for the Airport Habitat Conservation Plan rise from \$20,000 to \$123,000, the largest increase after Cascade Pole. The HCP and its mitigation credits are needed to support future Airport revenue growth. The Port continues voluntary participation in Green Marine (\$8,400) and the regional Sea Level Rise Collaborative.

# Long-Term Debt

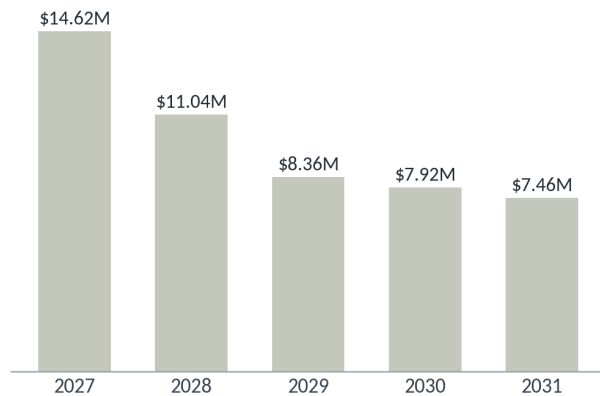
The Port pays \$4.16 million in debt service in 2027: \$3.46 million principal and \$0.70 million interest. Two bonds retire in 2027 and a third in 2028, after which annual payments fall to about \$0.83 million from 2029. No new borrowing is planned for 2027.

| Bond                   | What It Funded                                              | Paid Off |
|------------------------|-------------------------------------------------------------|----------|
| 2013B LTGO             | Mobile harbor crane, East Bay dredging, taxiway and hangars | 2027     |
| 2015 Refunding         | East Bay, berth dredge, marina docks, Cascade Pole capping  | 2027     |
| 2016A LTGO & Refunding | East Bay, berth dredge, marina docks, Cascade Pole capping  | 2028     |
| 2018A LTGO & Refunding | Marina fuel dock, stormwater facility, Cascade Pole         | 2042     |
| 2018B LTGO & Refunding | Marine Terminal equipment                                   | 2042     |

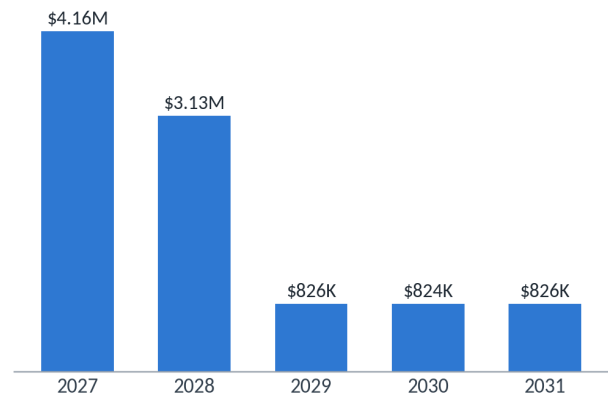
## Bond debt payments fall after 2028 as three bonds retire

General obligation bonds, 2027–2031

Outstanding principal, January 1



Annual debt payments (principal + interest)



Outstanding general obligation principal is \$14.62 million at the start of 2027 and falls to \$7.46 million by January 2031. Remaining payments run through 2042.

# Tax Levy: Types & Uses

## Regular Tax Levy

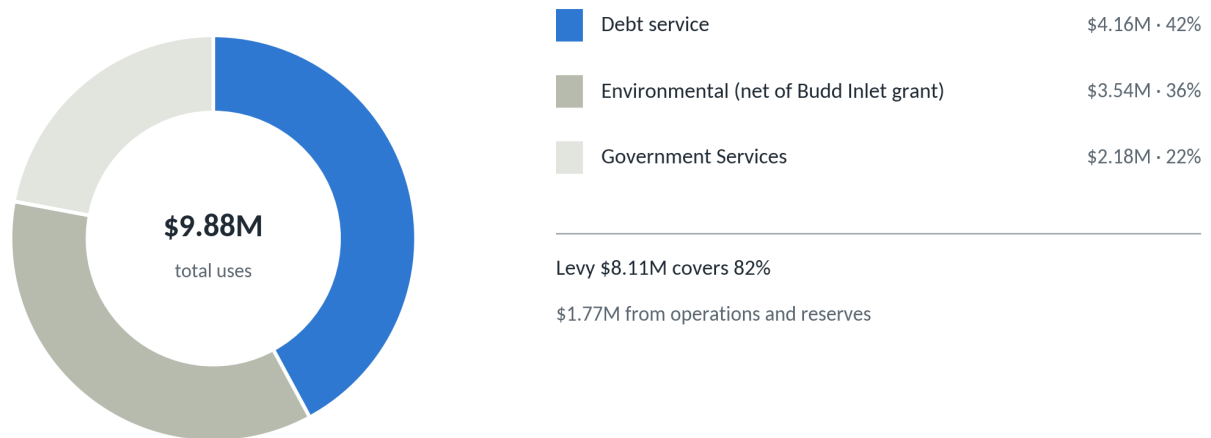
The Thurston County Treasurer collects property taxes for the Port, based on values set by the County Assessor. Ports may levy up to \$0.45 per \$1,000 of assessed value for general purposes. State law (RCW 84.55.010) limits growth in regular levies to 1% a year plus new construction; when values rise faster, the rate falls. Unused capacity can generally be banked for future years. Voter-approved levy lid lifts and Industrial Development District levies are separate tools outside the 2027 decision.

## Tax Levy Uses (Policy 1201)

Under Commission Policy 1201, the levy pays for debt service on general obligation bonds; environmental work, including Cascade Pole, environmental administration and the Port's budgeted costs for Budd Inlet; and Government Services. Using the October 12 draft, these uses total about \$9.88 million in 2027, so about \$1.77 million comes from operations and reserves on top of the \$8.11 million levy. The retreat presentation showed \$9.93 million using earlier figures.

### Debt service is the largest use of the 2027 levy

\$9.88M of levy-supported uses under Policy 1201



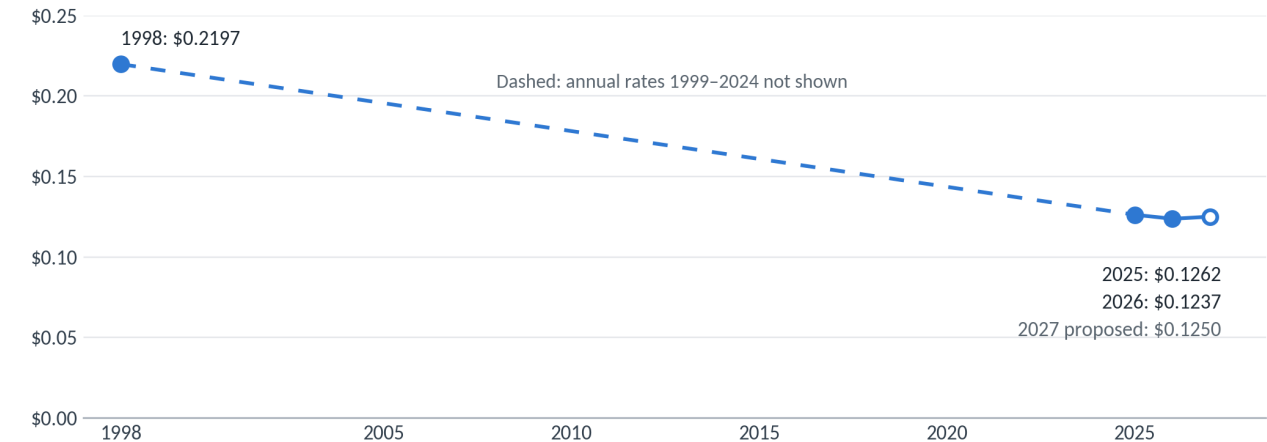
Environmental shown as cash costs (\$5.54 million) less the \$2.0 million Budd Inlet grant.

## How Our Levy Rate Compares

The Port's levy rate has fallen 43% since 1998, from \$0.2197 to \$0.1262 per \$1,000 in 2025. In 2025 it ranked 27th of 32 Washington counties with a port levy, from highest to lowest.

### Port levy rate has fallen since 1998

Rate per \$1,000 of assessed value, down 43% from 1998 to 2025; legal maximum \$0.45



2025 rate ranked 27th of 32 Washington counties with a port levy (WA Department of Revenue).

## 2027 Tax at a Glance

The draft budget conservatively carries \$8.11 million in levy revenue. The Commission is asked on October 26 to choose the option for the November 9 resolution.

| Option                                                              | 2027 Levy         | Rate per \$1,000    |
|---------------------------------------------------------------------|-------------------|---------------------|
| 1. 1% plus new construction (maximum without a vote; taken in 2026) | \$8,301,000       | \$0.1250            |
| 3. New construction only                                            | 8,220,000         | 0.1238              |
| 2. 1% only                                                          | 8,211,000         | 0.1237              |
| 4. No increase                                                      | 8,130,000         | 0.1224              |
| 5. Decrease                                                         | Below \$8,130,000 | Estimate on request |

For comparison, the 2026 adopted levy was \$8.33 million. Olympia, Lacey and Thurston County are taking or modeling the full 1%; Tumwater is likely to as well.

# Cash Flow & Financial Management

## 2027 Statutory Budget (Sources and Uses of Funds)

The Port prepares a cash budget of expected receipts and disbursements under RCW 53.35.010. Cash and investments are projected to fall \$8.92 million in 2027, from \$25.08 million to \$16.16 million, as the Port funds capital work, environmental cleanup and the final payments on two bonds from reserves rather than new debt.

| 2027 Statutory Budget                          | 2027 Budget           |
|------------------------------------------------|-----------------------|
| <b>Beginning Cash &amp; Investments</b>        | <b>\$25,080,360</b>   |
| <b>Sources of Funds</b>                        |                       |
| Funds Provided by Operations                   | 43,206                |
| Property Tax Revenue                           | 8,110,900             |
| Grant Revenue – Capital Projects               | 8,211,049             |
| Grant Revenue – Budd Inlet                     | 2,000,000             |
| Non-Operating Revenue                          | 1,240,000             |
| <b>Total Sources of Funds</b>                  | <b>\$19,605,155</b>   |
| <b>Uses of Funds</b>                           |                       |
| Capital Investments – Planned Projects         | (16,214,408)          |
| Environmental Remediation                      | (5,539,824)           |
| Debt Service Payments                          | (4,160,000)           |
| Government Services                            | (2,179,768)           |
| Other Non-Operating Expenses                   | (430,000)             |
| <b>Total Uses of Funds</b>                     | <b>\$(28,524,000)</b> |
| Projected Borrowing                            | -                     |
| <b>Projected Ending Cash &amp; Investments</b> | <b>\$16,161,515</b>   |

*Preliminary and subject to change. Notice of the public hearing will be published in The Olympian on October 25 and November 1, 2026 (RCW 53.35.020 and 53.35.045).*

# Supplemental Comparisons

## Combined

|                                 | 2025 Unaudited     | 2026 Adopted       | 2026 Projected     | 2027 Proposed      |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| Total Operating Revenues        | \$15,029,978       | \$17,194,247       | \$17,599,478       | \$16,447,749       |
| Total Operating & Maintenance   | (10,640,381)       | (12,204,607)       | (11,820,867)       | (11,877,405)       |
| <b>Operations Gross Profit</b>  | <b>4,389,597</b>   | <b>4,989,640</b>   | <b>5,778,611</b>   | <b>4,570,344</b>   |
| G&A Allocation to Operations    | (3,134,711)        | (4,210,241)        | (4,049,256)        | (4,527,138)        |
| <b>Net Profit After G&amp;A</b> | <b>1,254,886</b>   | <b>779,399</b>     | <b>1,729,355</b>   | <b>43,206</b>      |
| Depreciation                    | (3,498,601)        | (3,443,552)        | (3,469,441)        | (3,576,335)        |
| <b>Net Operating Loss</b>       | <b>(2,243,715)</b> | <b>(2,664,153)</b> | <b>(1,740,086)</b> | <b>(3,533,129)</b> |
| Non-Operating Revenues          | 14,053,198         | 16,745,427         | 19,324,242         | 19,561,949         |
| Non-Operating Expenses          | (7,169,528)        | (8,550,686)        | (7,701,482)        | (9,033,092)        |
| <b>Net Non-Operating</b>        | <b>6,883,670</b>   | <b>8,194,741</b>   | <b>11,622,760</b>  | <b>10,528,857</b>  |
| <b>TOTAL NET INCOME</b>         | <b>\$4,639,955</b> | <b>\$5,530,588</b> | <b>\$9,882,674</b> | <b>\$6,995,728</b> |

## By Business Line

| Business Line               |                   | 2025 Unaudited | 2026 Adopted | 2026 Projected | 2027 Proposed |
|-----------------------------|-------------------|----------------|--------------|----------------|---------------|
| <b>Airport</b>              | Revenue           | \$4,114,345    | \$3,495,810  | \$3,513,811    | \$3,784,165   |
|                             | Net income (loss) | 727,526        | (986,516)    | (711,835)      | (1,006,671)   |
| <b>Swantown</b>             | Revenue           | 4,630,377      | 5,258,994    | 5,018,753      | 5,210,010     |
|                             | Net income (loss) | (336,528)      | (524,939)    | (554,599)      | (486,832)     |
| <b>Marine Terminal</b>      | Revenue           | 7,828,467      | 7,416,880    | 7,935,731      | 6,408,601     |
|                             | Net income (loss) | 229,548        | (930,817)    | (358,927)      | (1,689,654)   |
| <b>Peninsula Properties</b> | Revenue           | 1,306,695      | 1,022,883    | 1,131,424      | 1,044,973     |
|                             | Net income (loss) | (35,107)       | (221,561)    | (112,651)      | (349,972)     |

Net income is after G&A support and depreciation. 2025 business-line revenue includes about \$2.85 million of interest income booked to the business lines, which later years record as non-operating.

Sources: Port of Olympia 2027 Budget Draft (October 12, 2026); 2027 Proposed Capital Budget (August 17, 2026); ADP labor allocations (July 23, 2026); Commission budget retreat decks (October 5 and 6, 2026); Commission follow-up deck (October 26, 2026); 2016 Adopted Budget (background facts).