



Draft 2026 Budget and Capital Investment Plan

November 10, 2025

Today's Presentation

Advisory Only

- Public Hearing
- Budget and Capital Investment Plan
- Public Comment



Agenda

- Commission IOUs
- Review Schedule
- Budget Assumptions
- 2026 Draft Budget
- Tax Levy
- Bond Debt
- Non-Operations
- Capital Investment Plan
- Environmental
- Questions and Comments



Commission IOU – Port Headquarters

Background

- Current Cost Estimate for Renovations
 - \$4.02M to \$5.07M
 - \$206 to \$260 per square foot
- Costs spread over two years:
 - \$3.8M in 2025
 - Up to \$1.3M in 2026

Commission IOUs

- Cost for ADA Compliance Only:
 - Without Commission Meeting Room \$42,000
 - With Commission Meeting Room \$251,600
- Cost for Building Code Compliance: \$1,900,000

Commission IOU – Port Headquarters (cont.)

Commission IOUs

- Rental Savings Over Time: Current rent is \$450,000/yr
 - At a 3% per year rent increase, costs to rent over time are:
 - 10 Years \$5,158,745.69
 - 25 Years \$16,406,668.94
 - 30 Years \$21,408,937.07
- Options:
 - Continue to Rent
 - Buy an Existing Building Elsewhere
 - Proceed with Proposed Renovations

Commission IOU – Miscellaneous

- **State Employee Wage Increases:**

- 2025 3%
- 2026: 2%

- **Environmental Spending 2016-2025:**

• Budd Inlet	\$12,000,000
• Cascade Pole	\$6,000,000
• East Bay Cleanup	\$2,000,000
• Stormwater Compliance	\$7,000,000
• Other Environmental Compliance	\$2,200,000
• Staff	\$2,800,000
▪ Total	\$32,000,000

Commission IOU – Miscellaneous

▪ Environmental Income 2016-2025:	
• Budd Inlet Grants	\$5,000,000
• Budd Inlet Appropriations	\$3,000,000
• East Bay Site Settlement	\$3,000,000
• Stormwater Fees	\$7,000,000
• HCP Grants	\$500,000
▪ Total	\$18,500,000
▪ Total Port Expenditure	\$13,500,000

Remaining 2026 Budget Timeline

November 10, 2025

Commission Meeting – Tax Levy Presentation, Budget Presentation and Public Hearing

November 17, 2025

Final Adjustments (if necessary)

November 24, 2025

Commission Meeting – Budget Adoption: Resolutions 2025-XX and 2025-XX

2026 Budget Assumptions

- Overall Ops Revenues \$17,194,567 Decrease of 3%
- Overall Ops Expenses \$16,306,000 Increase of 2.8%

- Grants \$7.494M

- Levy 1% increase + new construction


- Staffing
 - 3% COLA ILWU 47A
 - 2.7% COLA ILWU 47B
 - 2.7% COLA non-represented staff

2026 Cash Budget

(in 000's)

Beginning Cash & Investments	\$	24,694
Operating Revenues		17,195
Operating Expense		(16,306)
Income from Operations		889
Property tax revenue		8,175
Grant Revenue- Budd Inlet		3,900
Non-Operating Revenue		926
Non-Operating Expenses		(8,486)
Debt Service Payments		(4,194)
Non-Operations Income		321
Grant Revenue- Capital Projects		3,594
Capital Investments - Planned Projects		(15,678)
Ending Cash & Investments	\$	13,820

Tax Levy Uses – Policy 1201

 PORT of OLYMPIA POLICIES & PROCEDURES MANUAL		Page:	2 of 2
Section:	1200 FINANCIAL	Revision Date:	9/2015
Policy:	TAXATION	Policy No.	1201
Approver:	COMMISSION	Resolution	Yes

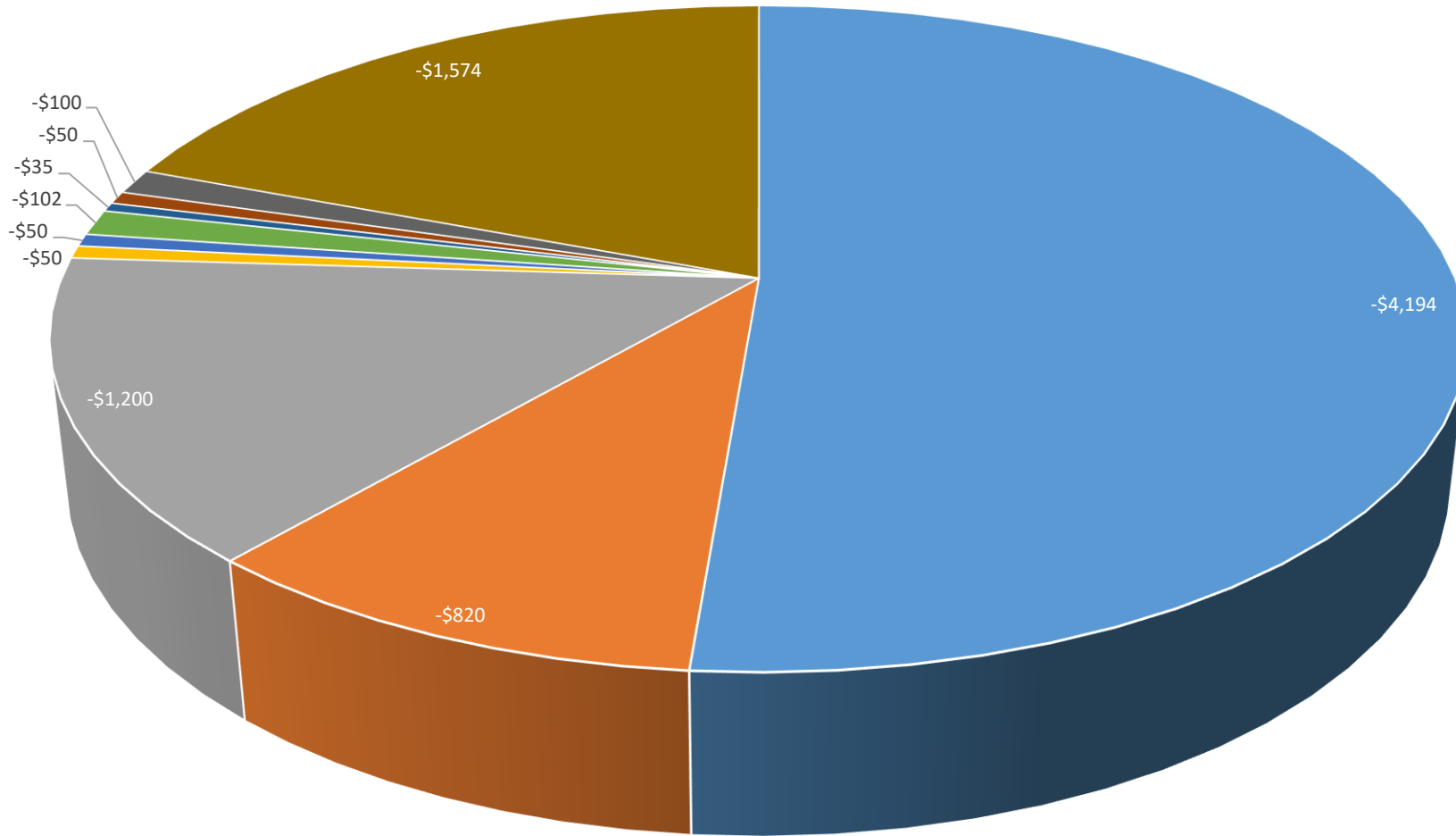
- B. Authorized Uses: The Port plans to use the levy revenues to provide for any or all of the following, together with such other purposes as shall be provided for in such budget as is adopted by the Commission:
1. General obligation bond principal and interest payments;
 2. Environmental costs;
 3. Capital asset acquisitions such as Port facilities, public facilities, roads, and infrastructure;
 4. Operation and maintenance of public facilities where user fees are set below cost (such as the Port Pavilion);
 5. Operation and maintenance of public spaces and roads such as East Bay waterfront trail, Marine Drive;
 6. Real estate acquisition fund; and
 7. Special projects as established by the Commission.

Tax Levy Uses – Policy 1201

Estimated 2026 Tax Levy Revenues	\$8,096,000
Uses of Taxes:	
Debt, Principal and Interest	(4,616,000)
Environmental Expense:	
Cascade Pole	(817,740)
Environmental Administration	(1,200,000)
Budd Inlet Remediation (Port Share Only)	(50,000)
Government Services	(1,853,776)
Community Events	(57,000)
Small Cities Program	(100,000)
Special Projects	(100,000)
Harbor Patrol	(35,000)
Membership and Partner Costs	(175,000)
Total Use of Taxes	(9,004,516)
Net Levy Funds	(908,516)
Funds from Operations/Reserves	\$908,516

Tax Levy Uses

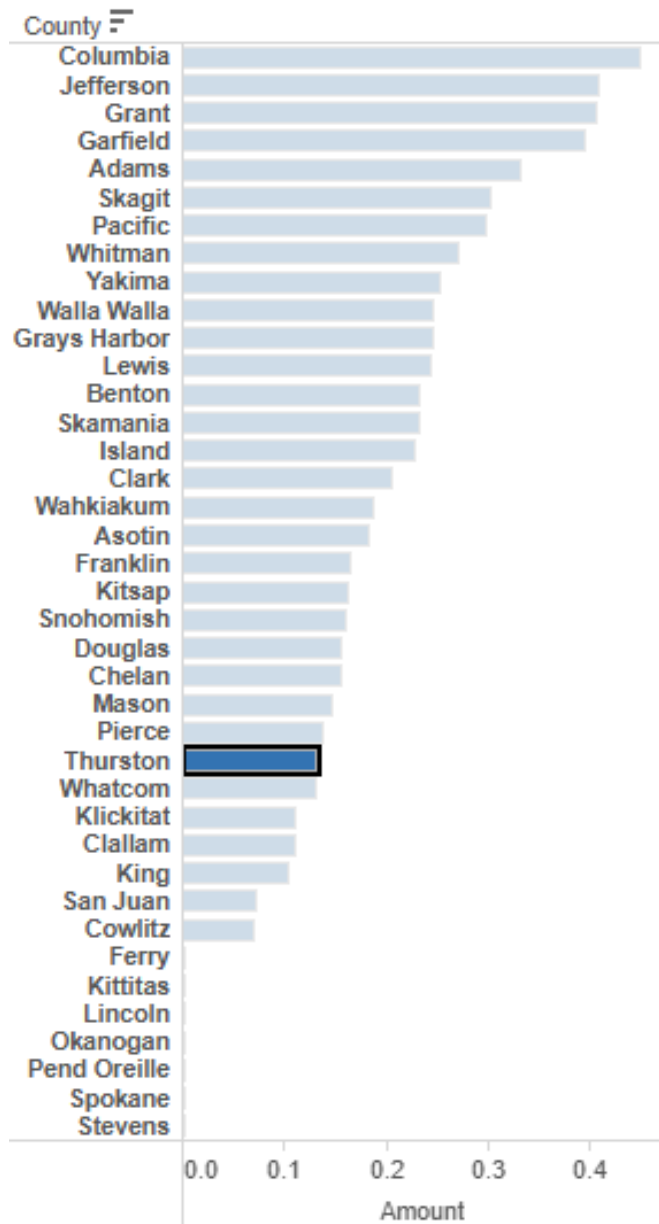
(in 000's)



- 2026 Estimated Levy \$8.096M
- Includes 1% and new construction increase
- Average levy per property-\$68
- Levy funds used per Policy 1201

- Principle & Interest Expense, Debt
- Environmental Administration
- Community Events
- Harbor Patrol
- Special Projects
- Cascade Pole
- Budd Inlet Remediation (Port Share Only)
- Public Amenities
- Small Cities
- Commission Expense

Tax Levy Rate



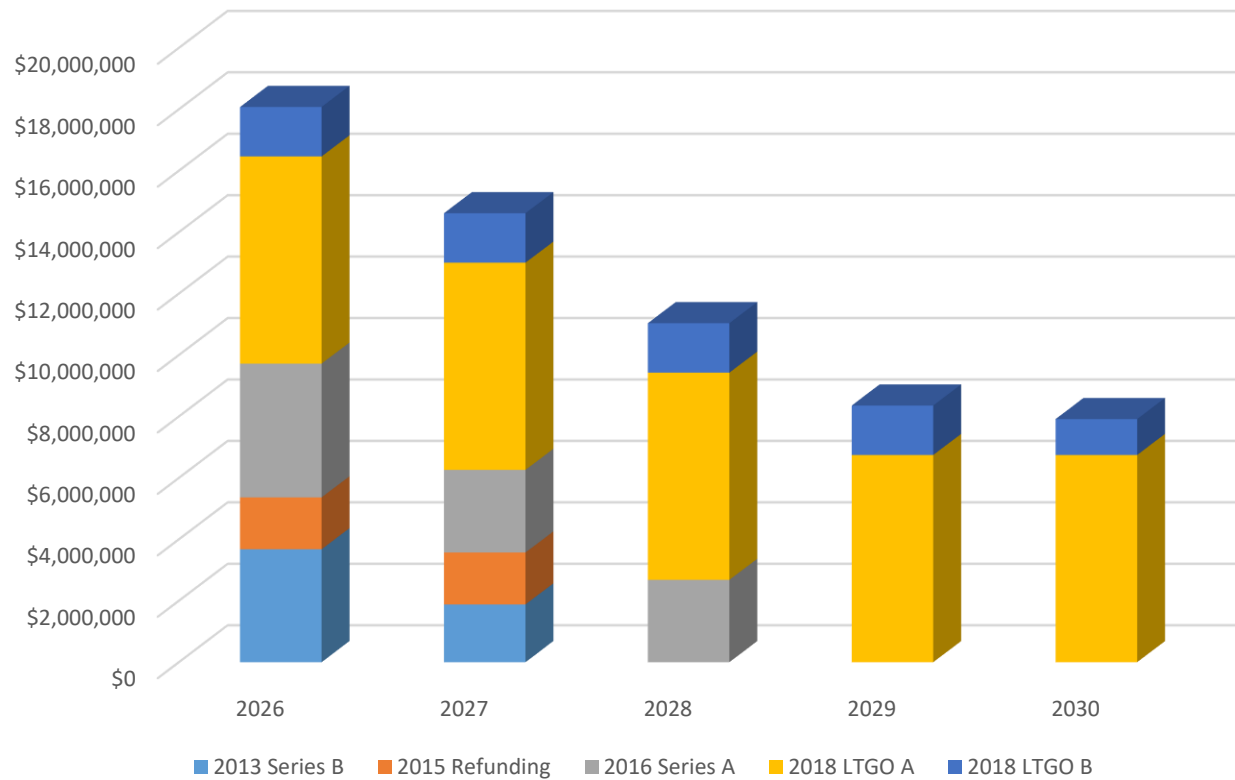
Port's Levy Rate Over Time



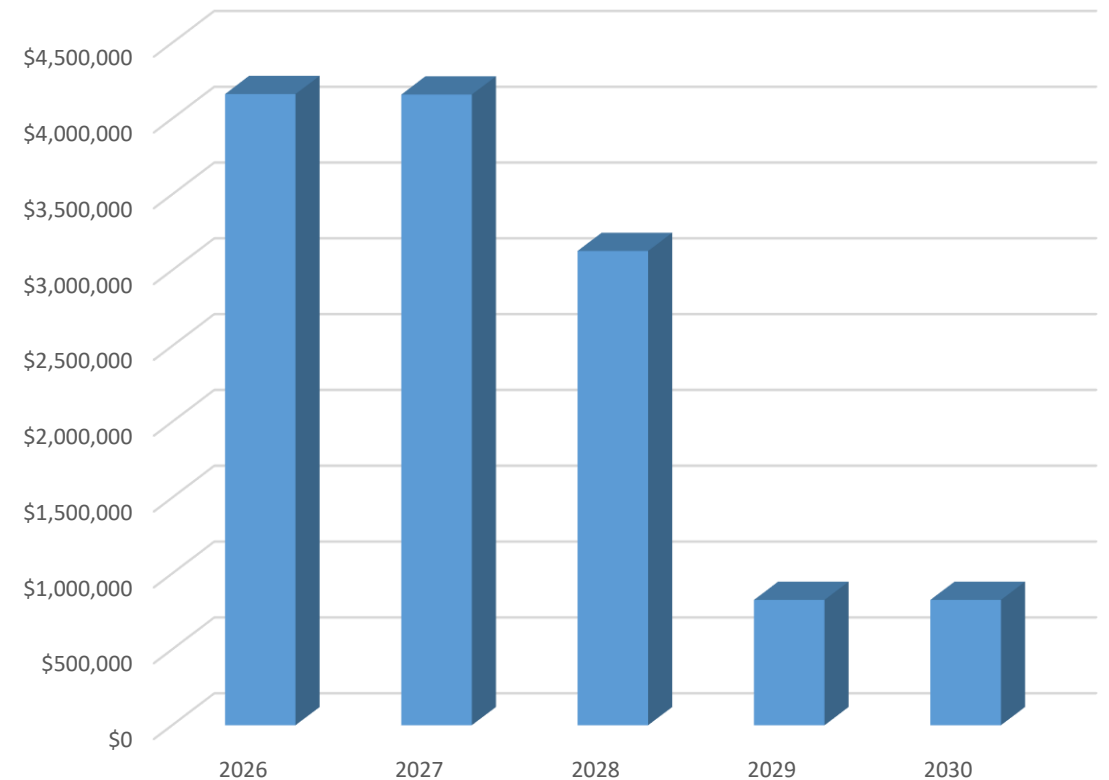
Maximum levy rate for ports is \$.45 per \$1000 assessed property value;
 Port of Olympia's 2026 anticipated levy rate is \$.1217

Bond Debt

Bond Debt Outstanding



Bond Debt Payments



Bond Debt Sources

2013B LTGO Bond*

- Stormwater Treatment Facility
- East Bay Cleanup- Dredging
- Taxiway and Hanger Improvements

2015 Refunding Bond*

- East Bay Redevelopment
- Marine Terminal Berth Dredge
- Marina Dock Rehab
- Cascade Pole Site Capping – Environmental

- Will be paid off in 2027

** Will be paid off in 2028

2016A LTGO Bond and Refunding Bond**

- East Bay Redevelopment
- Marine Terminal Berth Dredge
- Marina Dock Rehab
- Cascade Pole Site Capping – Environmental

2018A LTGO Bond and Refunding Bond

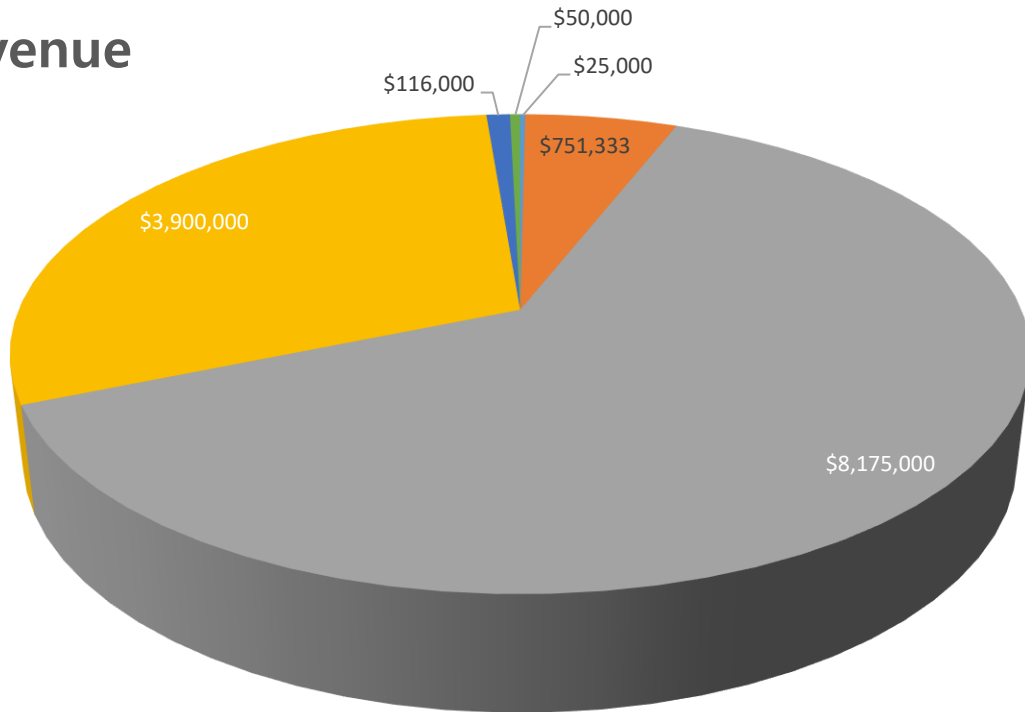
- Marina Fuel Dock
- Stormwater Treatment Facility
- Cascade Pole Site Improvements

2018B LTGO Bond and Refunding Bond

- Marine Terminal Equipment

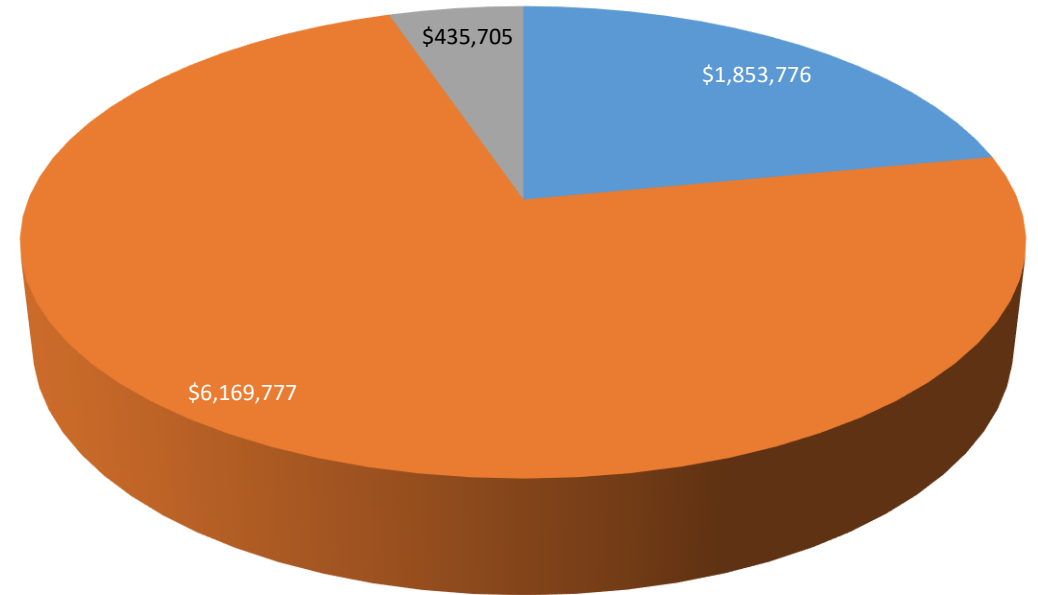
2026 Non-Operations

Revenue



■ Misc. ■ Interest Income ■ Levy ■ Grants ■ Tax Sharing ■ Investment Gain/Loss

Expenses



■ Government Services ■ Environmental ■ Other



Capital Budget

*2026 Proposed
Capital Investments*

Total Proposed Capital Investments	\$15,678,485
Grant-Funded	\$3,593,972
Port-Funded	\$12,084,513

2026 Capital Investment Plan

2026 Proposed Capital Budget (Updated 10.13.25)				2026				2027	2028	2029	2030
Business Unit	Description	Project Status	Project Number	Project to Date Spending (Est 12/31/25)	2026 Project Funding	Port Funds	Grant Funds	Anticipated Funds as of 2026 for approved projects			
Airport	A: Runway 17-35 (South) Pavement and Electrical Rehabilitation	Planned	AP240301	\$1,650,873	\$1,098,537	\$27,464	\$1,071,073	N/A	N/A	N/A	N/A
	A: Apron & Taxiway Repair and Striping	Planned	AP2502	\$110,000	\$1,561,948	\$39,049	\$1,522,899	N/A	N/A	N/A	N/A
	A: Equipment - Scissor Lift	Projected	AP2506	N/A	\$23,000	\$23,000	N/A	N/A	N/A	N/A	N/A
Marina & Boatworks	BW: Boatworks Yard Expansion	Planned	MB2509	\$150,000	\$625,000	\$625,000	N/A	N/A	N/A	N/A	N/A
	BW: Stormwater Treatment System	Planned	MB2306	\$116,000	\$850,000	\$300,000	\$550,000	N/A	N/A	N/A	N/A
Marine Terminal	MT: Berth 1 Repairs - MARAD	Projected	MT2309	\$260,000	\$200,000	\$50,000	\$150,000	\$66,000	\$2,700,000	N/A	N/A
	MT: Maintenance Facility - MARAD	Projected	MT2310	\$260,000	\$200,000	\$50,000	\$150,000	\$66,000	N/A	\$3,500,000	N/A
	MT: Asphalt Paving - MARAD	Projected	MT2311	\$260,000	\$200,000	\$50,000	\$150,000	\$66,000	N/A	N/A	\$5,400,000
	MT: Dewatering Facility	Projected	MT2607	N/A	\$500,000	\$500,000	N/A	N/A	N/A	N/A	N/A
	MT: Storage Facility	Projected	MT2516	\$500,000	\$6,500,000	\$6,500,000	N/A	N/A	N/A	N/A	N/A
Real Estate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Ops	Building T1 (Port HQ)	Planned	PR2523	\$375,000	\$3,800,000	\$3,800,000	N/A	\$2,000,000	N/A	N/A	N/A
	Contingency	N/A	N/A	N/A	\$120,000	\$120,000	N/A	N/A	N/A	N/A	N/A
					Total Project Funding	Total Port Funds	Total Grant Funds	Total Anticipated Funds for approved projects			
					\$15,678,485	\$12,084,513	\$3,593,972	\$2,198,000	\$2,700,000	\$3,500,000	\$5,400,000

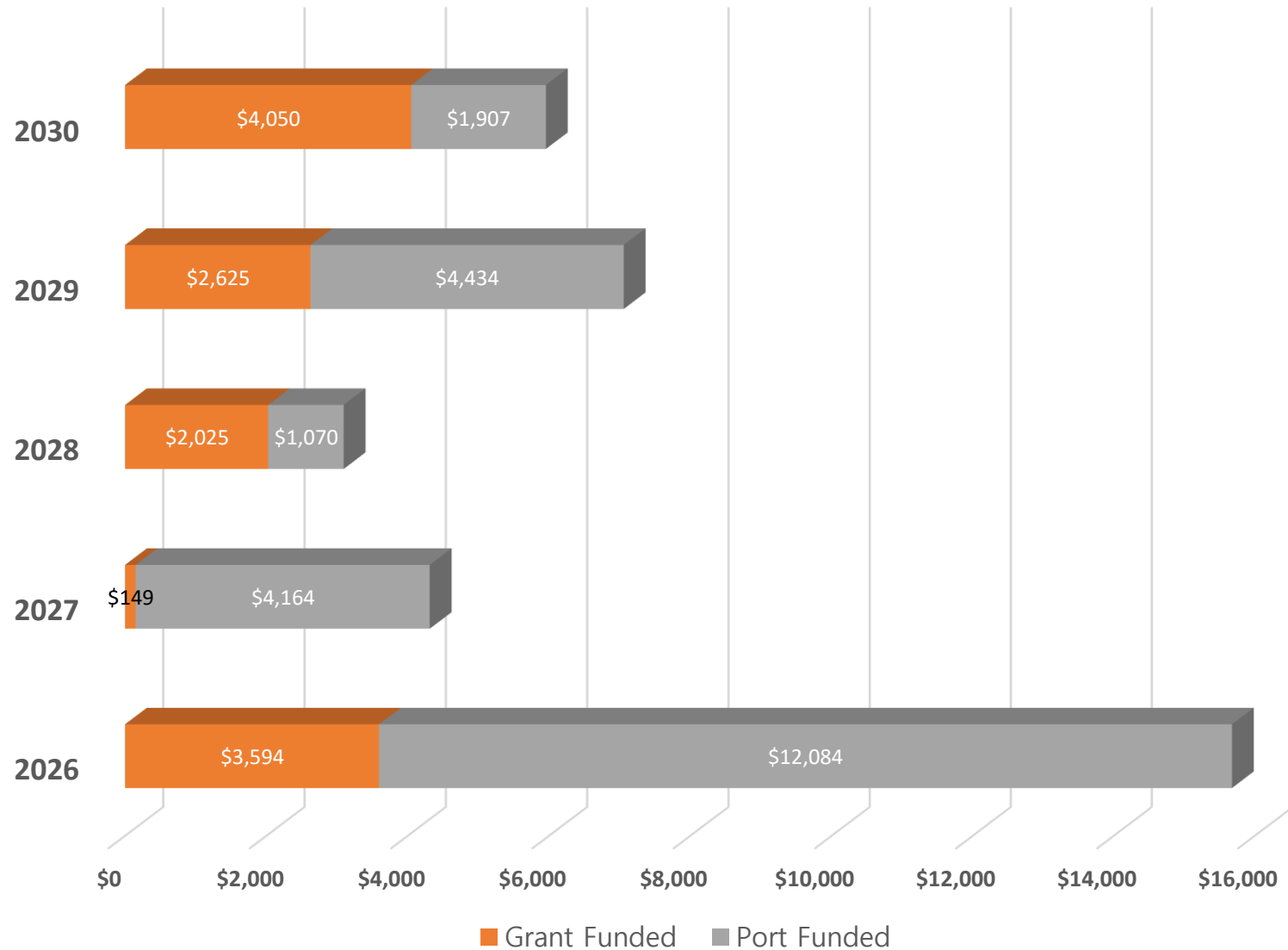
2026 Capital Investment Plan Highlighted Projects

	Port	Grant
<ul style="list-style-type: none"> ▪ Airport <ul style="list-style-type: none"> • Runway 17-35 (South) Pavement and Electrical Rehabilitation • Apron & Taxiway Repair and Striping 	\$27,464 \$39,049	\$1,071,073 \$1,522,899
<ul style="list-style-type: none"> ▪ Boatworks <ul style="list-style-type: none"> • Boatyard Expansion • Stormwater Treatment System 	\$625,000 \$300,000	\$550,000
<ul style="list-style-type: none"> ▪ Marine Terminal <ul style="list-style-type: none"> • Berth 1 Repairs- planning • Maintenance Facility- planning and preparation • Asphalt Paving- planning • Warehouse B • Dewatering Facility 	\$50,000 \$50,000 \$50,000 \$6,500,000 \$500,000	\$150,000 \$150,000 \$150,000
<ul style="list-style-type: none"> ▪ Port Headquarters Building Improvements 	\$3,800,000	

2026 Capital Investment Plan Goals

- **Invest in Revenue-Producing Projects**
 - Boatworks Expansion
 - Marine Terminal Warehouse
- **Invest in Projects that Reduce Long-Term Expenses**
 - Port Headquarters Building Renovation
- **Invest in Environmental Stewardship**
 - LED Lighting for Airport Runways
 - Improved Stormwater Treatment at Boatworks
- **Take Advantage of Grant Opportunities**
 - Berth Repairs, Airport Improvements, Stormwater Treatment

Capital Budget Five-Year Projection *(in 000's)*



* Based on current identified capital needs

2026 Environmental

- **Budd Inlet Cleanup** – \$4M
 - \$2M Ecology Remedial Action Grant
 - \$2M Port match paid by State legislative appropriation
- **Environmental Administration** – \$1.2M includes
 - Salaries/Benefits for Environmental Staff
 - Budd Inlet Remediation
 - Sea Level Rise Collaborative
 - Habitat Conservation Plan
 - Environmental Monitoring
 - Permit Fees
- **Cascade Pole** – \$820,000 (funded with tax levy proceeds)
- **Boatworks Stormwater Treatment** – \$850,000 covered under capital projects

Budget Goals

- **Increase Revenues**
- **Avoid Taking on Additional Debt**
- **Reduce Expenses**
 - **2027:** \$225,000 rent from new Headquarters
 - **2028:** \$1,150,000 reduction from 2025 expenses:
 - \$450,000 reduction in rents
 - \$700,000 reduction in bond payments
 - **2029 and beyond:** \$3,950,000 reduction from 2025 expenses:
 - Debt obligation reduced by \$3,500,000 per year
 - Continue rent savings of more than \$450,000 per year

Sample Motion(s)

For the November 24th Meeting

Budget adoption:

“...move to adopt Resolution 2025-XX for the Adoption of the 2026 Tax Levy and move to adopt Resolution 2025-XX for the Adoption of the Budget and Capital Investment Plan.”

Questions and Comments