

90
YEARS



Port of Olympia

Serving All of Thurston County

1922-2012

Capital Investment Plan

Proposed Amendment

&

Financing

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Agenda

- Benefits
- Proposed Amendment to:
 - Capital Investment Plan (CIP)
- Proposed Financing
 - Drivers
 - Amount
 - Need
 - Proposal
 - Timing
- Summary

2013 CIP Amendment & Financing - *Benefits*

Making investments over two years:

Strategic Target	Projects	Benefit
#1 Dredge, clean up and maintain depths in lower Budd Inlet	Dredging	Dock ships Create jobs
#6 Increase Port related direct jobs by 25%	Storm water conveyance & treatment facility	Clean water Create jobs Customer share costs
	Airport facilities	Safety Create jobs
#2 Increase rail activity at the Marine Terminal by 25%	Marine terminal storage facilities	Revenue generating Create jobs

2013 CIP Amendment

Drivers

- Consider new information regarding major projects:
 - Maintenance Dredge & Disposal
 - Storm Water Conveyance & Treatment Facility
 - Marine Terminal Warehouse

2013 CIP Amendment

Drivers (\$ in millions)

<u>Priority</u>	<u>Proposed Projects to be Financed</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>	<u>New Info</u>	<u>Best Estimates</u>
Planned	Dredging	\$2.0	\$6.0	\$ 8.0	\$ 1.0	\$ 9.0
Planned	Storm Water Conveyance & Treatment Facility	0.6	0.2	0.8	8.2	9.0
Planned	Airport Facilities	1.4	0.9	2.3	0.1	2.4
Planned	Marine Terminal Storage Facilities	0.1	-	0.1	-	0.1
Planned	All other planned projects	9.1	3.9	13.0	-	13.0
	Planned Totals	13.2	11.0	24.2	9.3	33.5
Projected	Marine Terminal Warehouse	0.7	-	0.7	1.9	2.6
	Revised Planned CIP	13.9	11.0	24.9	11.2	36.1

2013 CIP Amendment

Drivers (\$ in millions)

<u>Priority</u>	<u>Proposed Projects to be Financed</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
Planned	New Info	3.0	8.2	11.2
Planned	Change in year invested	6.0	(6.0)	-
Projected	Marine Terminal Storage Facilities	0.7	-	0.7
	Proposed Change to CIP	9.7	2.2	11.9
Planned	Original Planned CIP	13.2	11.0	24.2
	Total Amended CIP	22.9	13.2	36.1

2013 Financing

Drivers

- Major projects that must be completed:
 - Maintenance Dredge & Disposal
 - Sufficient depth to dock ships
 - U.S. Army Corp of Engineers may issue dredge permit this June so project may start.
 - Storm Water Treatment Facility
 - Comply with Permit Requirement
 - Customers pay for their share
 - Must be completed by fall 2014

2013 Financing

Amount (\$ in millions)

Fund capital investments for next two years:

Projects	Best Estimates
Dredging	\$9.0
Storm water conveyance & treatment facility	9.0
Airport facilities	2.4
Marine terminal storage facilities	2.7
Total Financing Projects	\$23.1

2013 Financing

Need (\$ in millions)

Needed investments greater than cash reserves:

Description	2013	2014
Beginning Cash	\$9.1	\$16.0
Earned from operations (<i>updated</i>)	2.4	3.0
Non-operating, net	2.7	-0.9
Tax levy	4.8	4.8
Bond debt payments	-4.0	-4.1
Amount available	15.0	18.8
Less: Capital investments	-22.9	-13.2
Equipment Financing	.8	.5
Issue Bond Debt	23.1	-
Ending Cash	\$16.0	\$6.1

2013 Financing

Proposal:

- Bond issue size
 - Par \$19.7 million + Premium \$3.6 million
 - Proceeds \$23.1 million, *net of issue cost*
- Expected terms
 - Total Interest Cost below 3.5%
 - Average life 12 years
 - Paid by 2029 – 16 years

2013 Financing

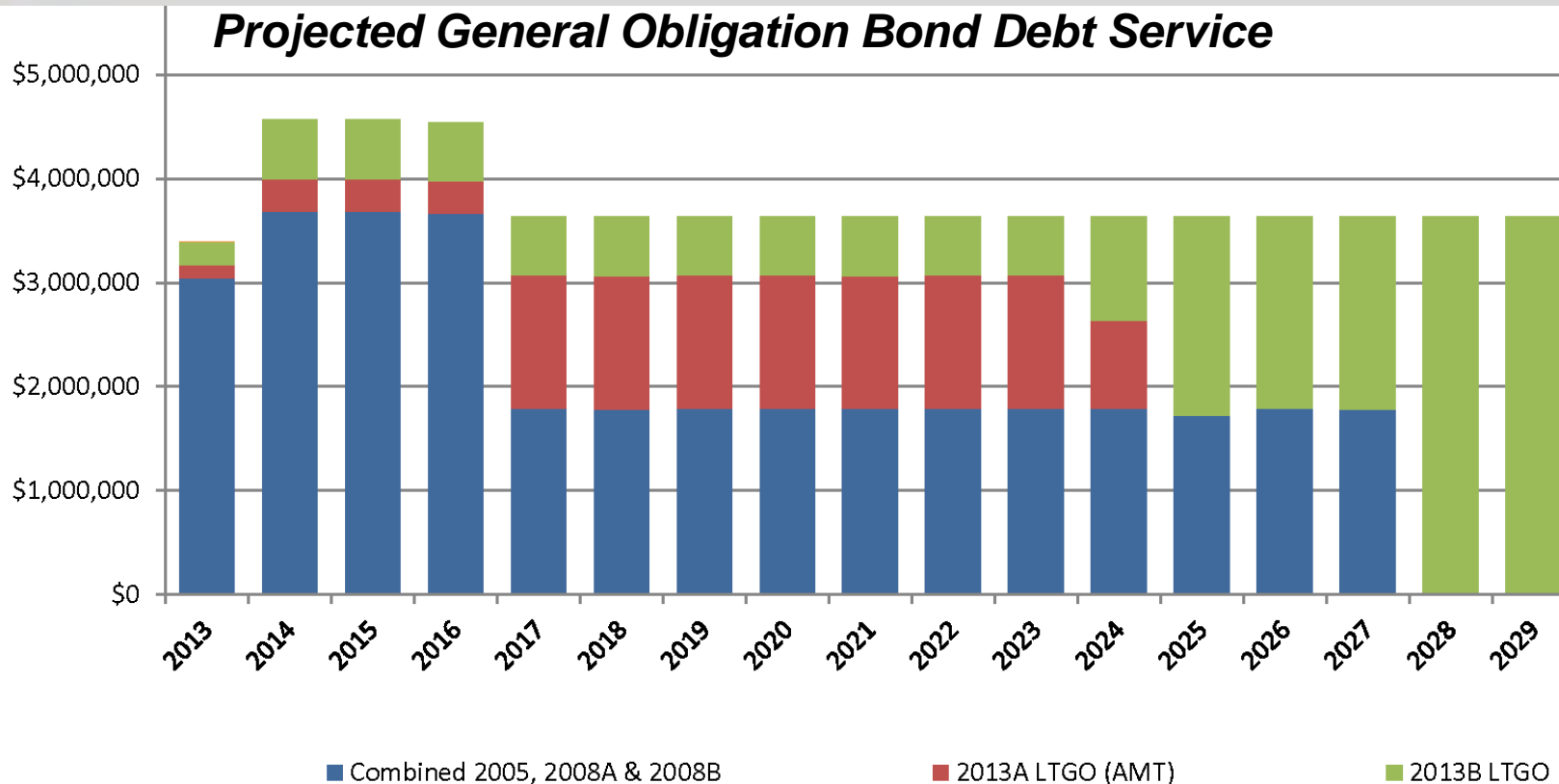
Proposal:

Estimate Legal G.O. Debt Capacity

Total Taxable Property Value		<u>\$ 23,803,208,509</u>
General Purpose Indebtedness Without A Vote (Legal Limit .25%)		59,508,021
G.O. Bond Indebtedness Incurred		25,655,000
Margin of Indebtedness Available	12/31/2012	<u>33,853,021</u>
Equipment Financing	2013	755,463
New G.O. Bond Debt	2013	19,705,000
Margin of Indebtedness Available	12/31/2013	<u>\$ 13,392,558</u>

2013 Financing

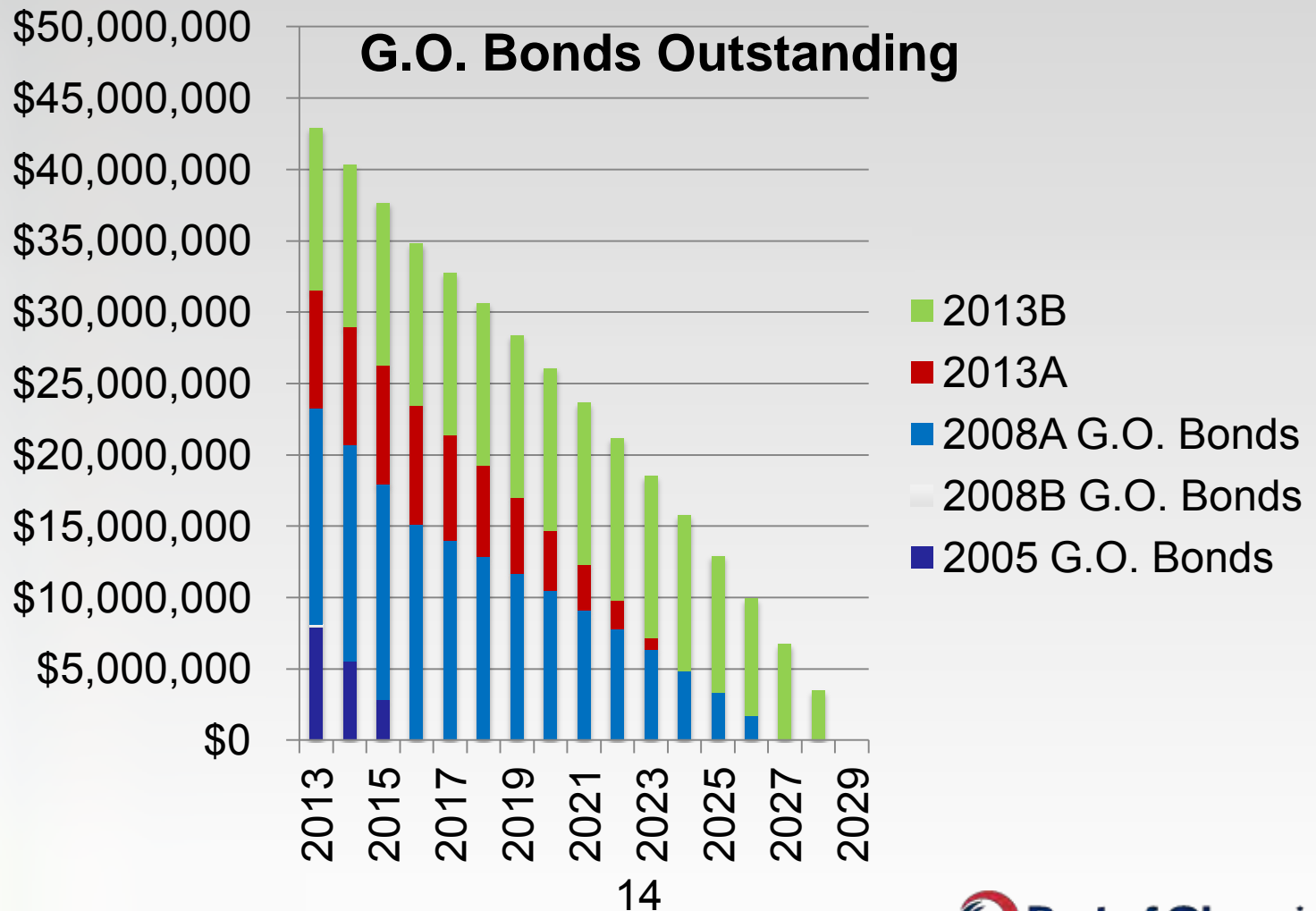
Proposal:



2013 Tax Levy = \$4.8 million

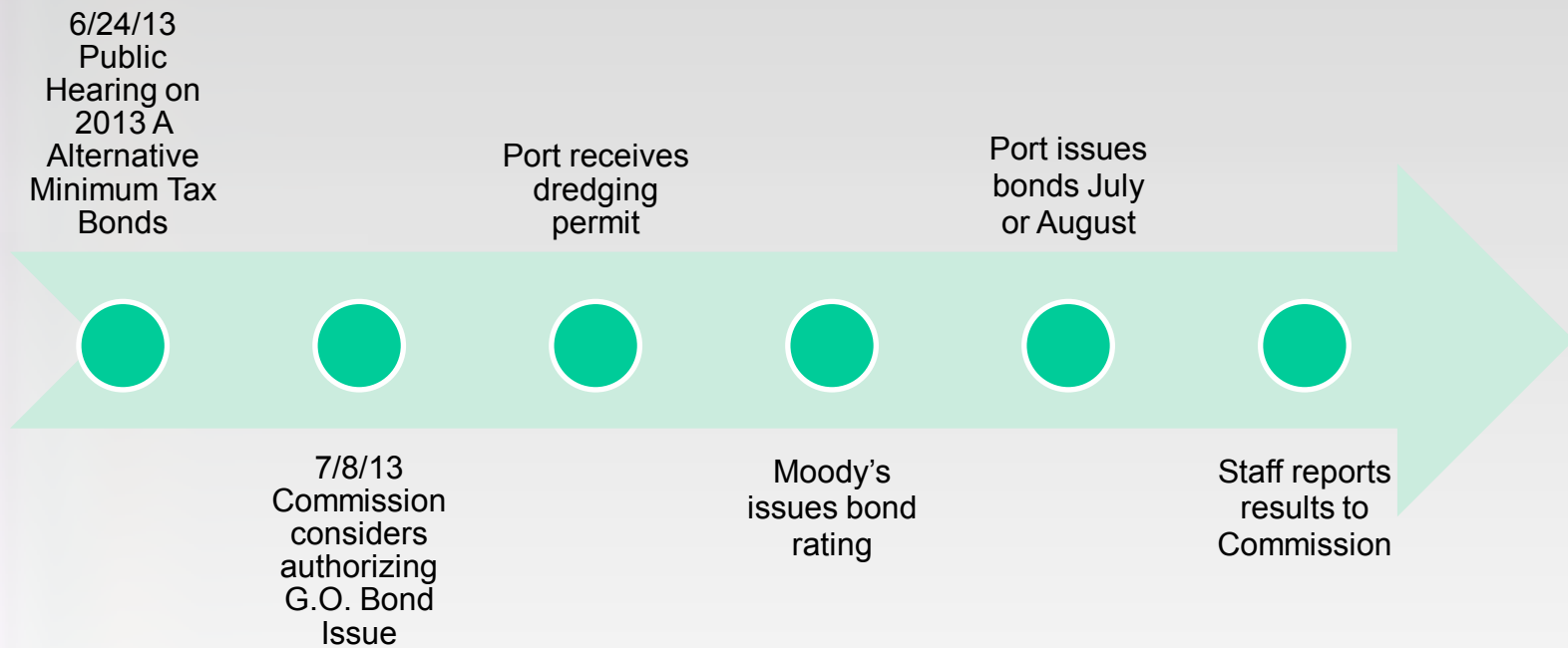
2013 Financing

Proposal:



2013 Financing

Timing



Summary

- Proposed Capital Investment Plan Amendment
 - \$11.9 million
- Proposed Financing
 - Amount: \$19.7 million
 - Need: Begin dredging fall 2013
 - Timing: Issue July or August 2013
- Benefits:
 - Create jobs
 - Environment
 - Meet strategic targets

