Q1-Q2 2026 Financial Summary – Airport

Warren Hendrickson
Director of Operations/Acting Airport Senior Manager
July 20, 2026

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Olympia Regional Airport - Overview

Description of Business Lines

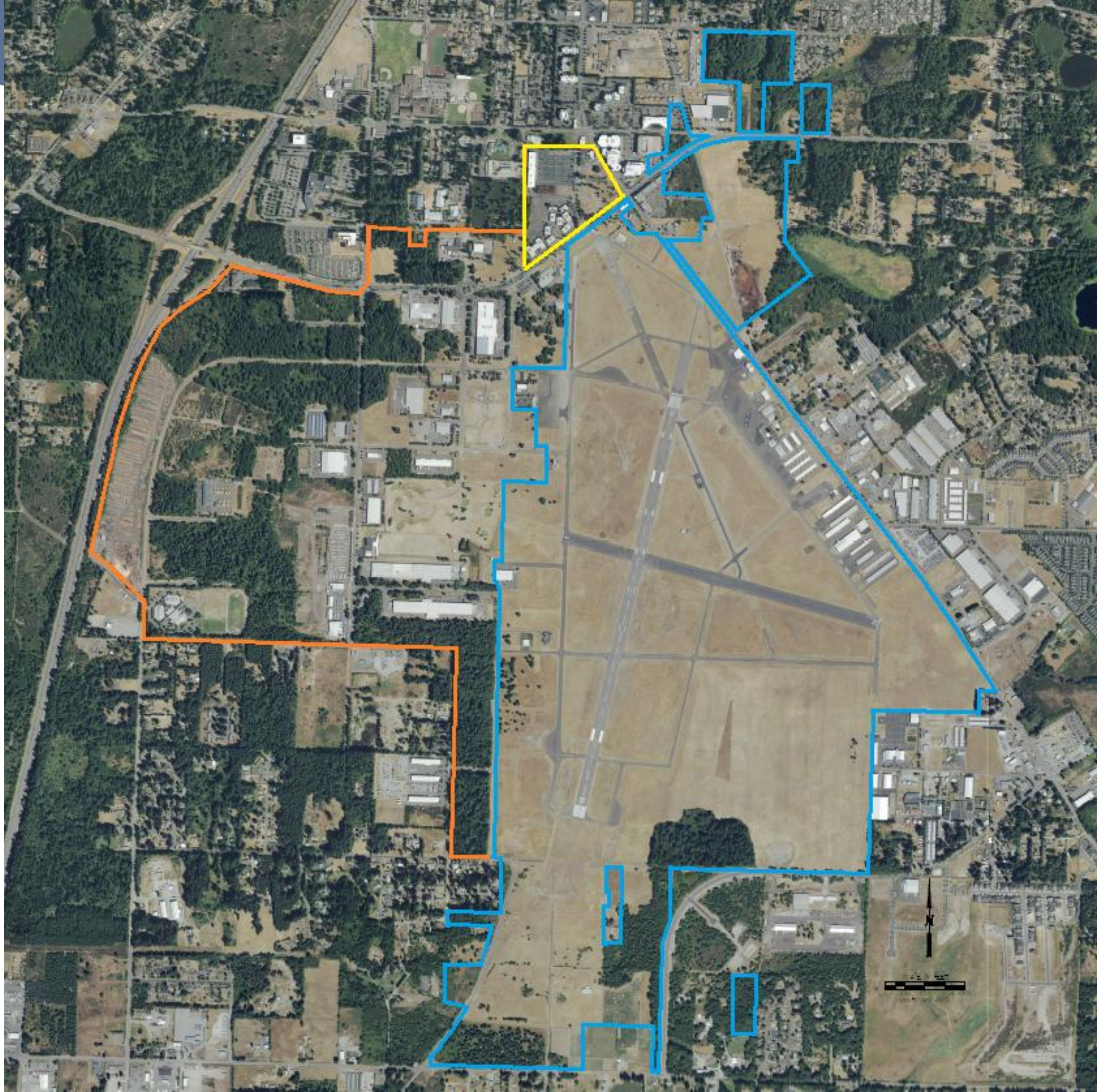
- Each department located on airport-owned property
  - Dept. 010 – Airport – Aeronautical use
  - Dept. 012 – Airport – New Market Industrial Campus
  - Dept. 014 – Airport – Cleanwater Center
- Types of Revenue
  - Aviation – Hangar, space, office, and land leases. Fuel flowage and landing fees.
  - Non-Aviation – Industrial Park land leases, industrial and retail space leases.

Business Line Property Area Limits

010 – Airport – Aeronautical use

012 – Airport – New Market Industrial Campus

014 – Airport – Cleanwater Centre



Airport Team Structure

Number of Staff to Support Unit

- Airport properties supported by full-time Port employees allocated 100% to the airport (identified as FTE) and full-time Port employees allocated less than 100% to the airport (identified as PTE), plus seasonal workers.
  - FTE: 5 Port employees
    - Airport Senior Manager, Airport Operations & Administration Specialist, Maintenance Foreperson, & two Maintenance Technicians.
  - PTE: 4 Port employees
    - Real Estate Business Development Manager (vacant), Property Manager, Lease Administrator, Director of Operations.
  - Seasonal: 1 temporary employee

Airport Team Structure

Position	Payroll Allocation %			% of employee allocated to airport properties
	010-Airport	012-NMIC	014-Cleanwater	
Airport Senior Manager	100%	0%	0%	100%
Airport Ops/Admin Specialist	100%	0%	0%	100%
Maintenance Foreman	34%	33%	33%	100%
Maintenance Tech II	34%	33%	33%	100%
Maintenance Tech I	34%	33%	33%	100%
Seasonal staff (1):	34%	33%	33%	100%
Real Estate Bus Devlpmnt Mgr:	---	---	---	---
Property Manager:	8%	30%	10%	48%
Lease Administrator:	8%	30%	10%	48%
Director of Operations:	25%	0%	0%	25%

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Operating Revenue & Expenses

Capital projects Not Included

Airport Consolidated Overview

What & Where…

Airport – 010

2026 YTD Revenue Breakdown

Land Leases:	$ 322,312
Hangar & Office Rental:	$ 318,997
Fuel Flowage:	$ 3,497
Landing Fees:	$ 2,989
License & Misc:	$ 1,842
Pass-Through:	$ 3,349
Total:	**$ 652,986**

NMIC – 012

2026 YTD Revenue Breakdown

Land leases:	$ 781,293
Space & office rental:	$ 135,491
Total:	**$ 916,784**

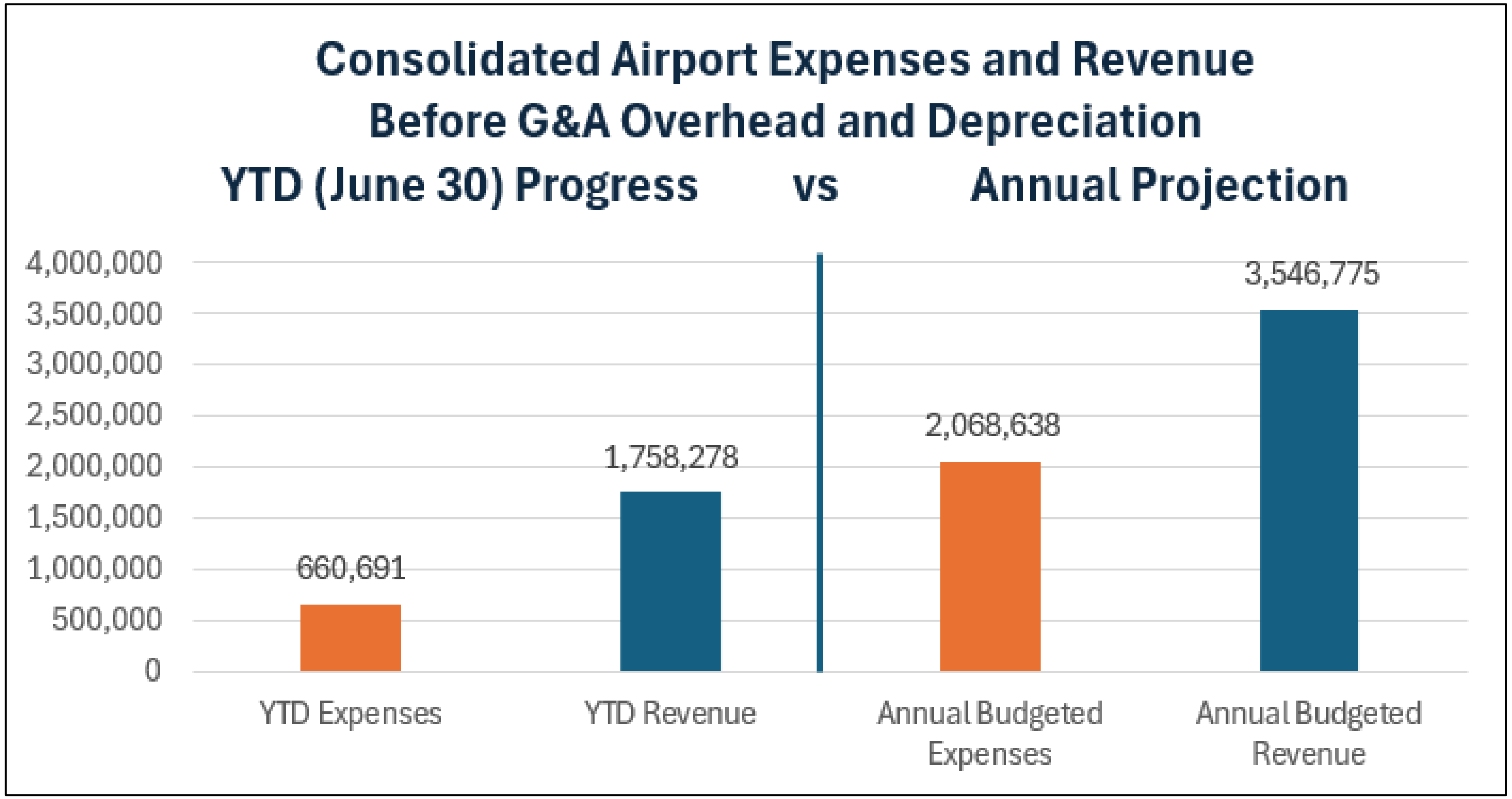
CWC – 014

2026 YTD Revenue Breakdown

Space & Office rental:	$ 102,087
Land Leases:	$ 92,238
Pass-Thru:	$ 24,679
Total:	**$ 219, 004**

Airport Consolidated Overview

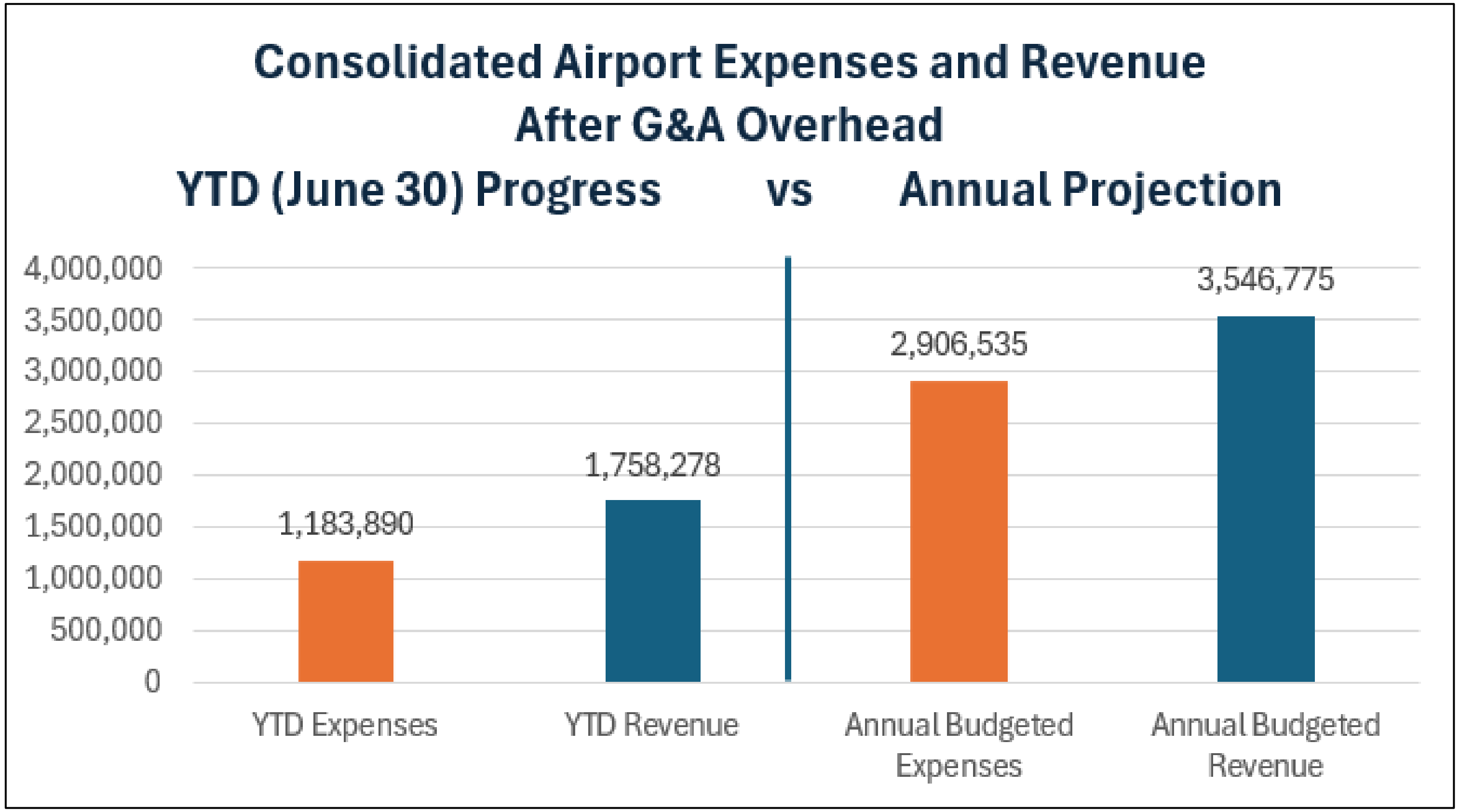
Six-month Snapshot ***Before*** *G&A and Depreciation*



Year-to-date net revenue *before* G&A and depreciation: $1,097,587

Airport Consolidated Overview

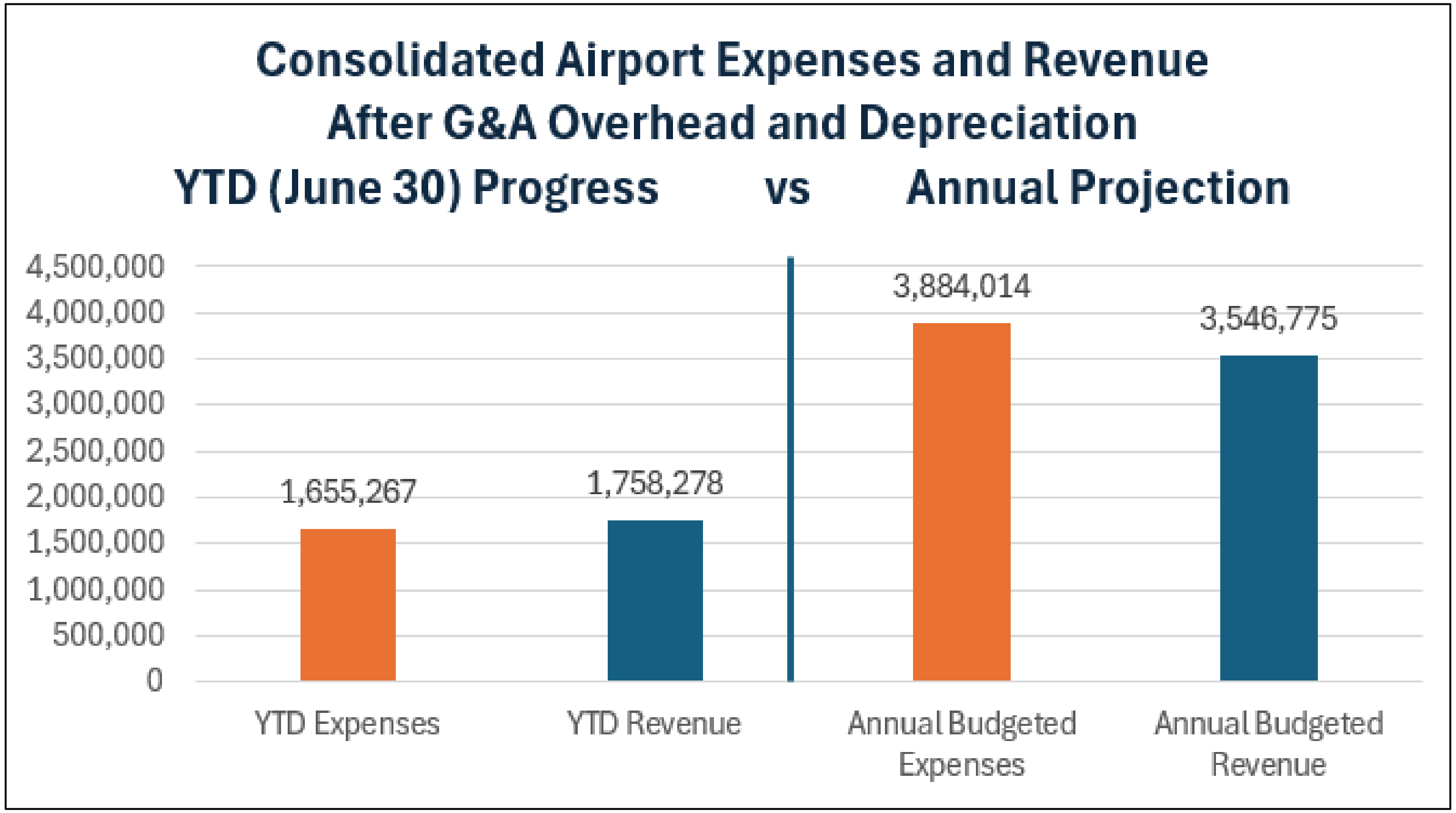
Six-month Snapshot After G&A and Before Depreciation



Year-to-date net revenue *after* G&A and *before* depreciation: $574,388

Airport Consolidated Overview

Six-month Snapshot <u>After</u> G&A and Depreciation



Year-to-date net revenue *<u>after</u>* G&A and depreciation: $103,011

G&A plus depreciation consumed 56.6% of first half revenue.

Airport Financial Summary

What do we know so far?

- Revenue is expected to remain consistent through remainder of 2026.
- Operating expenses expected to be under budget for the year.
  - Fifth FTE did not start until May 1.
- Maintenance expenses expected to be at or under budget based on current projected needs, scope, and estimates.

Airport Financial Summary

What do we know so far ? (cont'd)

- Challenges
  - The lack of an HCP restricts new development/revenue opportunities; revenue growth is therefore constrained by existing lease rate provisions and Commission-set annual Rates and Charges.
  - Revenue is sensitive to vacancy rates and tenant turnover.
  - Current rate of annual revenue growth is slower than increase in operating and maintenance costs.
- Seasonality
  - Revenue generally not affected.
  - Maintenance expenses however are quite seasonal due to need for consistently dry weather conditions.

Fee Setting

2027 Rates and Charges TBD

- Current leases:
  - Rate increases as specified within each lease.
- Hangar rates:
  - Annual increases set by Commission budget approval.
    - Recent annual increases:
      - 2024 – 5%
      - 2025 – 4%
      - 2026 – 5%
  - WSDOT Aviation statewide market rate analysis pending.

Fee Setting

2027 Rates and Charges TBD (cont'd)

- Aeronautical land lease rate:
  - Recent annual increases:
    - 2024 – 11%
    - 2025 – 0%
    - 2026 – 18%
- NMIC land lease rate:
  - Set by appraisal per policy 1101.

Key Performance Indicators

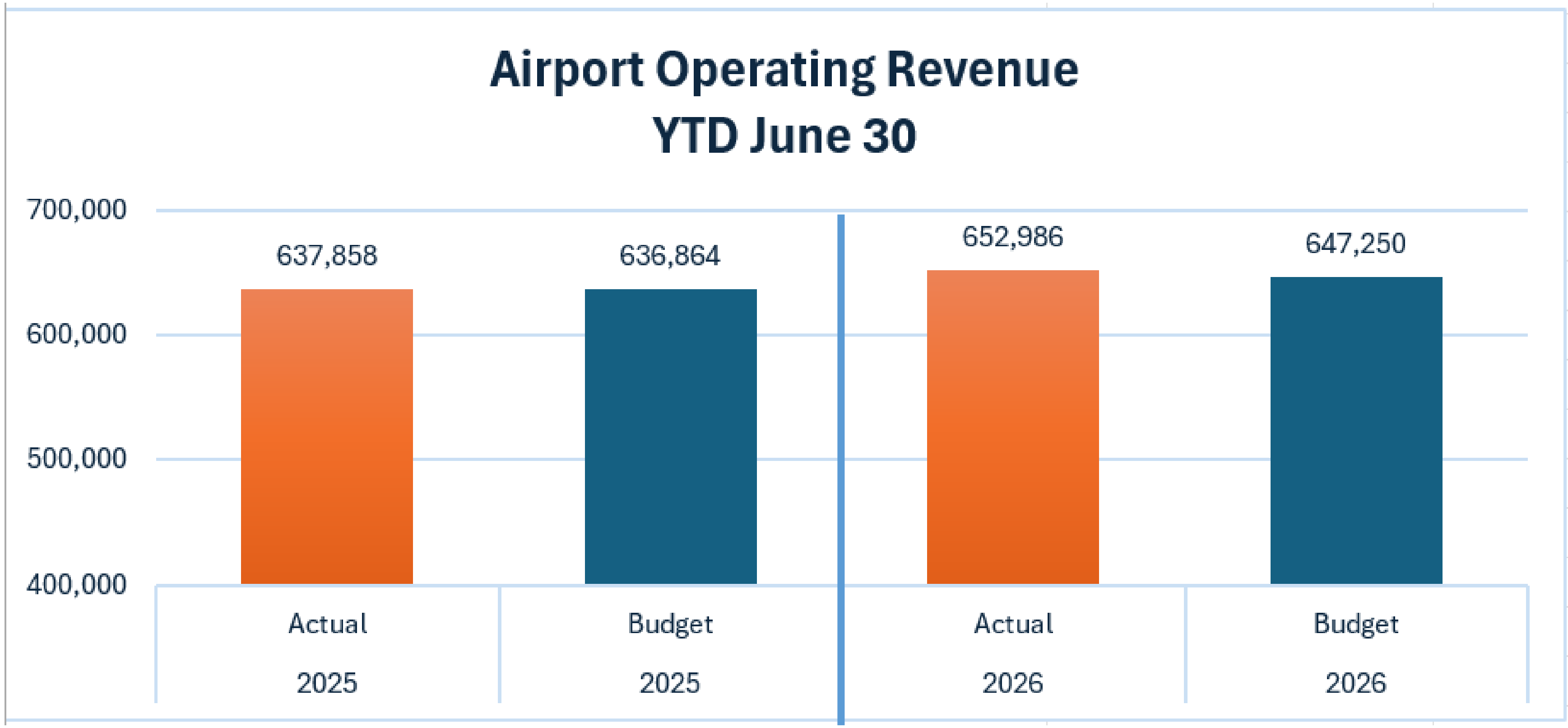
Best metrics that demonstrate success

- Occupancy rate.
- Hangar lease rate proportionate to future asset replacement cost.
  - With proportionate contribution to annual airfield operating costs.
- Ability to fund an ongoing preventive maintenance program.

Questions and Comments

Airport Revenues

010 – Aeronautical Revenues

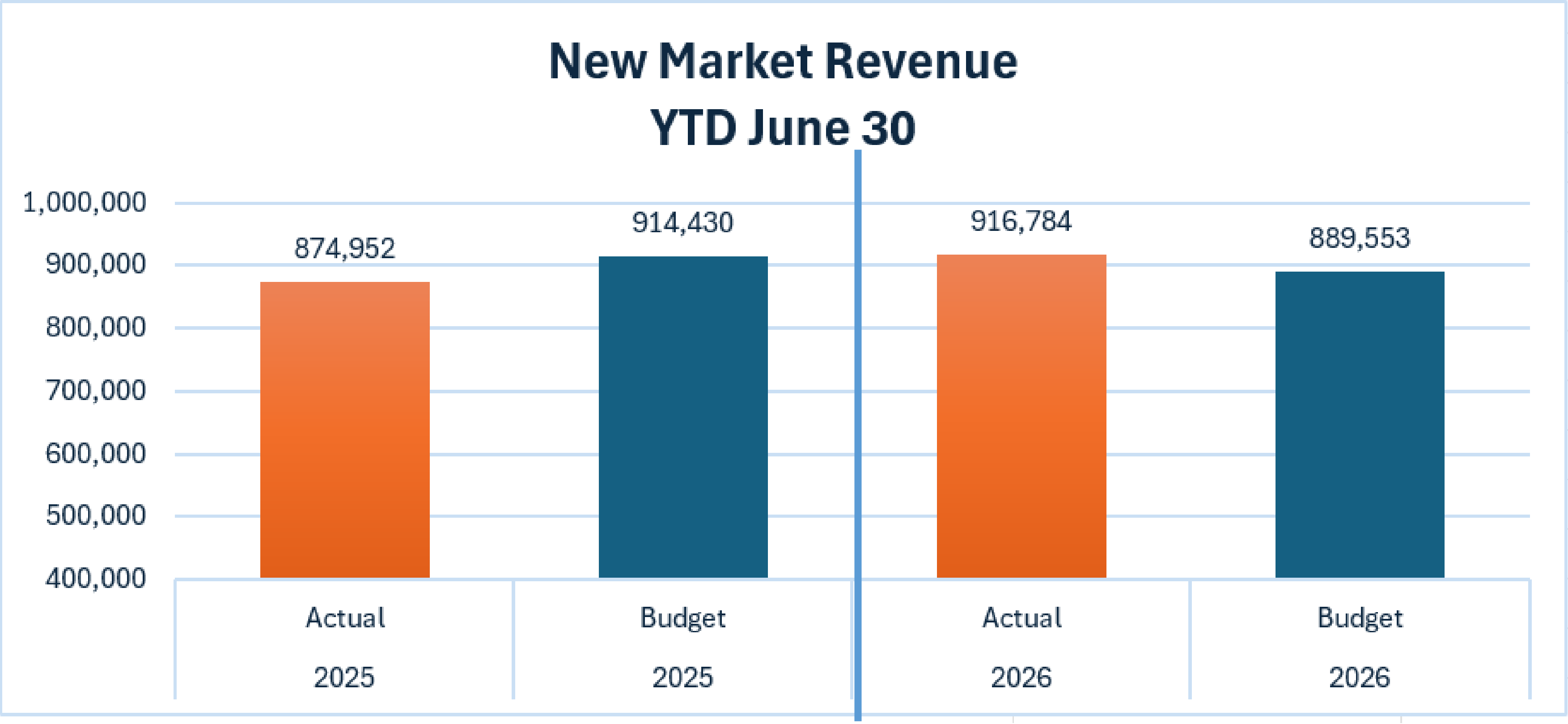


<u>2026 YTD Revenue Breakdown</u>

Hangar & Office Rental:	$318,997
Land Leases:	$322,312
Fuel Flowage:	$ 3,497
Landing Fees:	$ 2,989
License & Misc:	$ 1,842
Pass-Thru:	$ 3,349

Airport Revenues

012 – NMIC Revenues



2026 YTD Revenue Breakdown

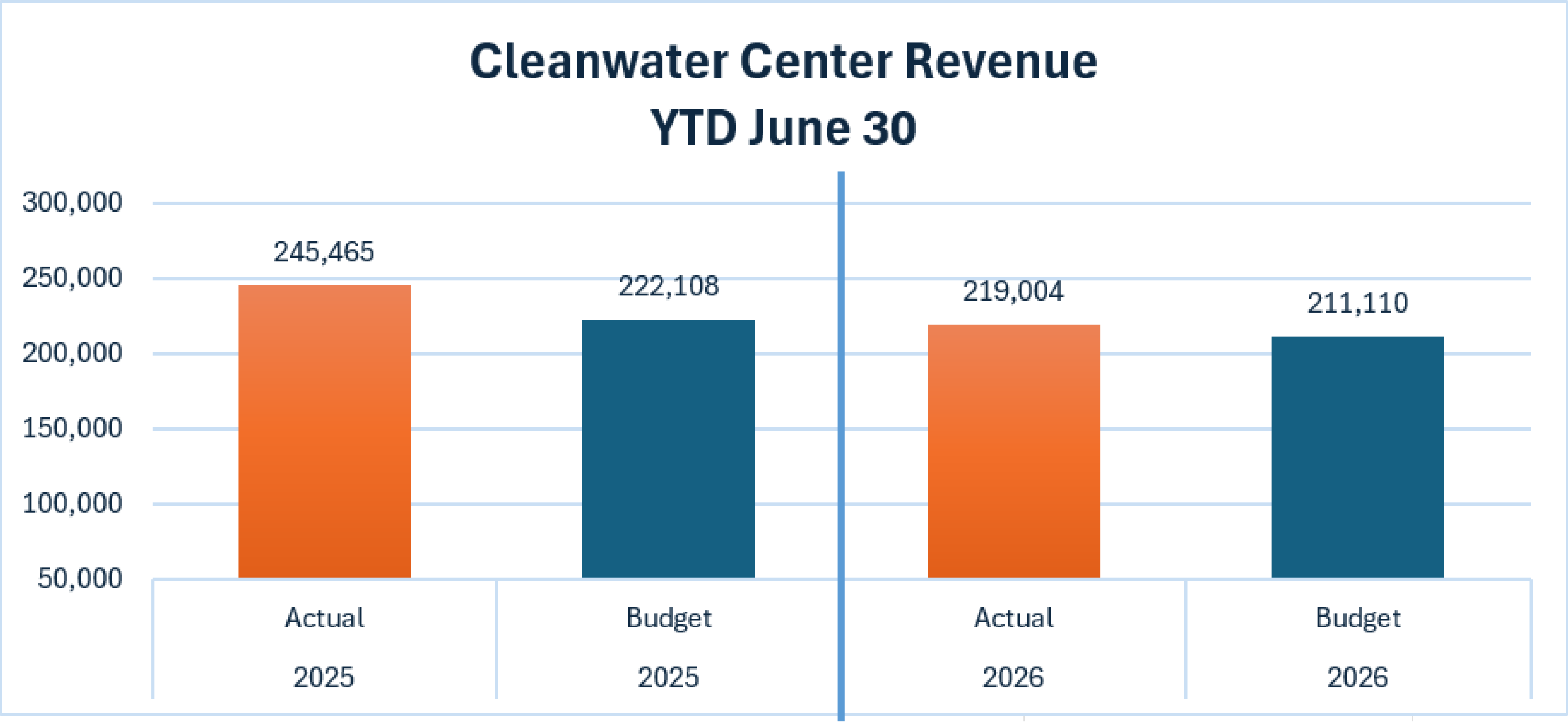
Land leases: $781,293

Space & office rental: $135,491

Variances:

Airport Revenues

014 – Cleanwater Centre Revenues



2026 YTD Revenue Breakdown

Space & Office rental: $102,087

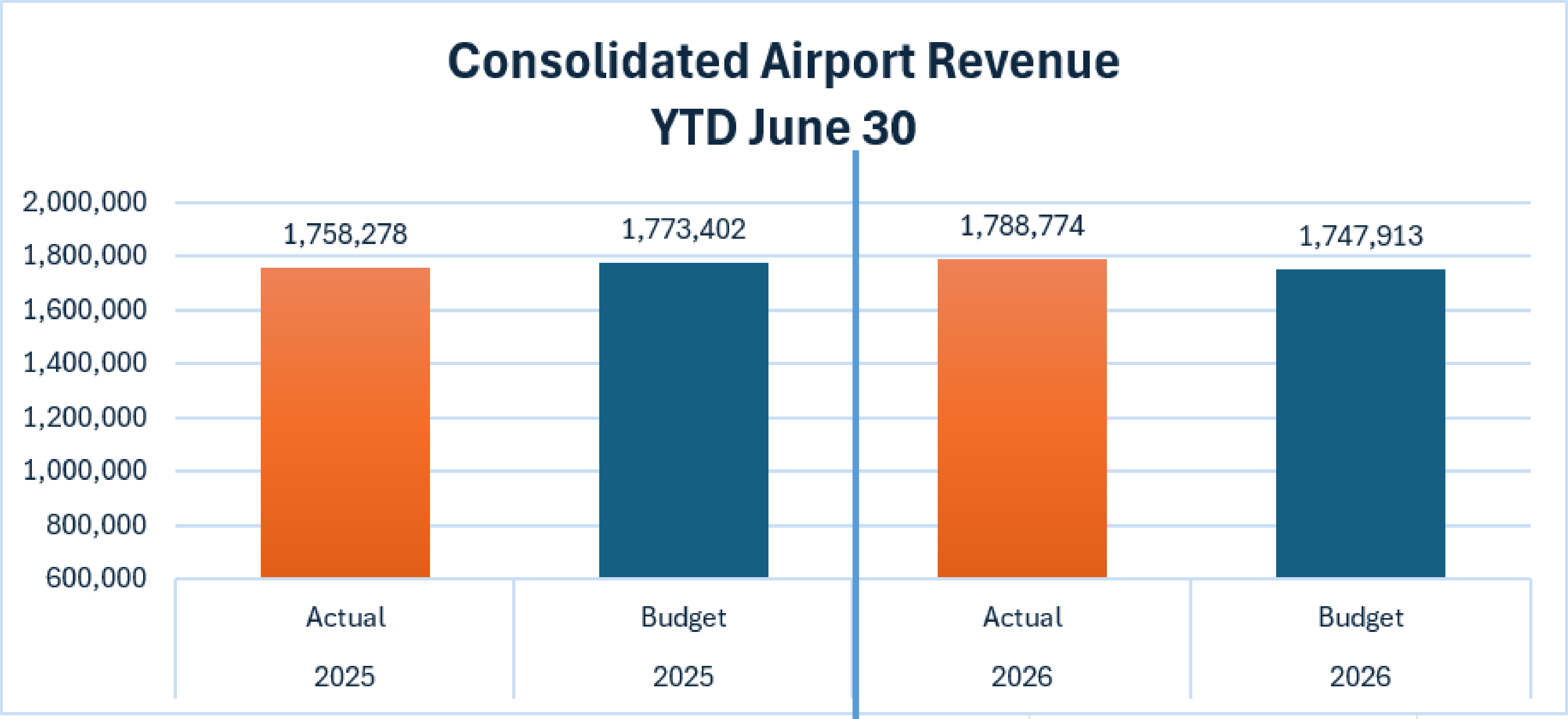
Land Leases: $ 92,238

Pass-Thru: $ 24,679

Variances:

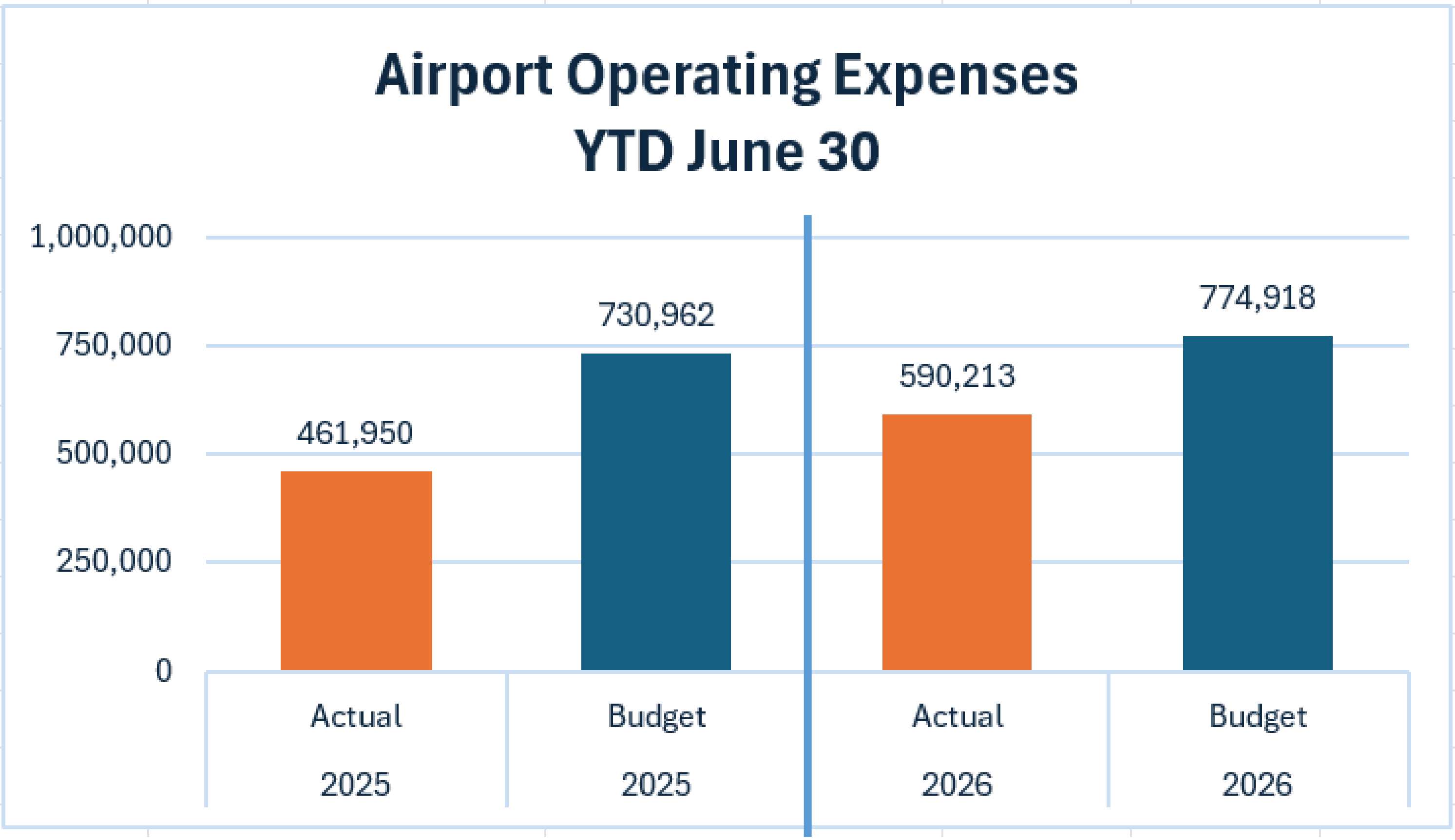
Airport Revenues

010, 012, 014 Revenue Consolidated



Airport Expenses

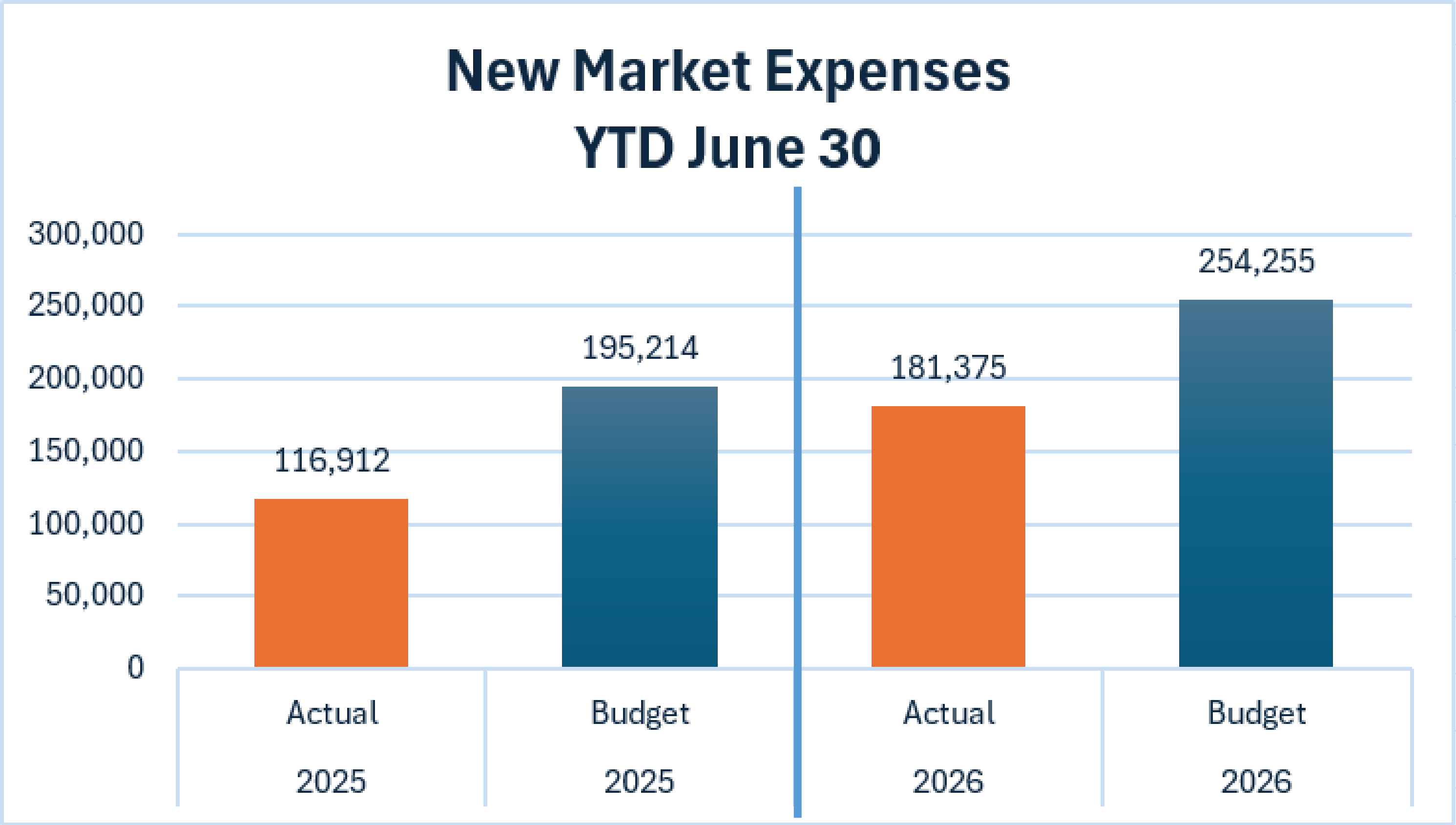
010 – Aeronautical Expenses (does not include G&A or Depreciation)



Variances:

Airport Expenses

012 – NMIC Expenses (does not include G&A or Depreciation)



Variances:

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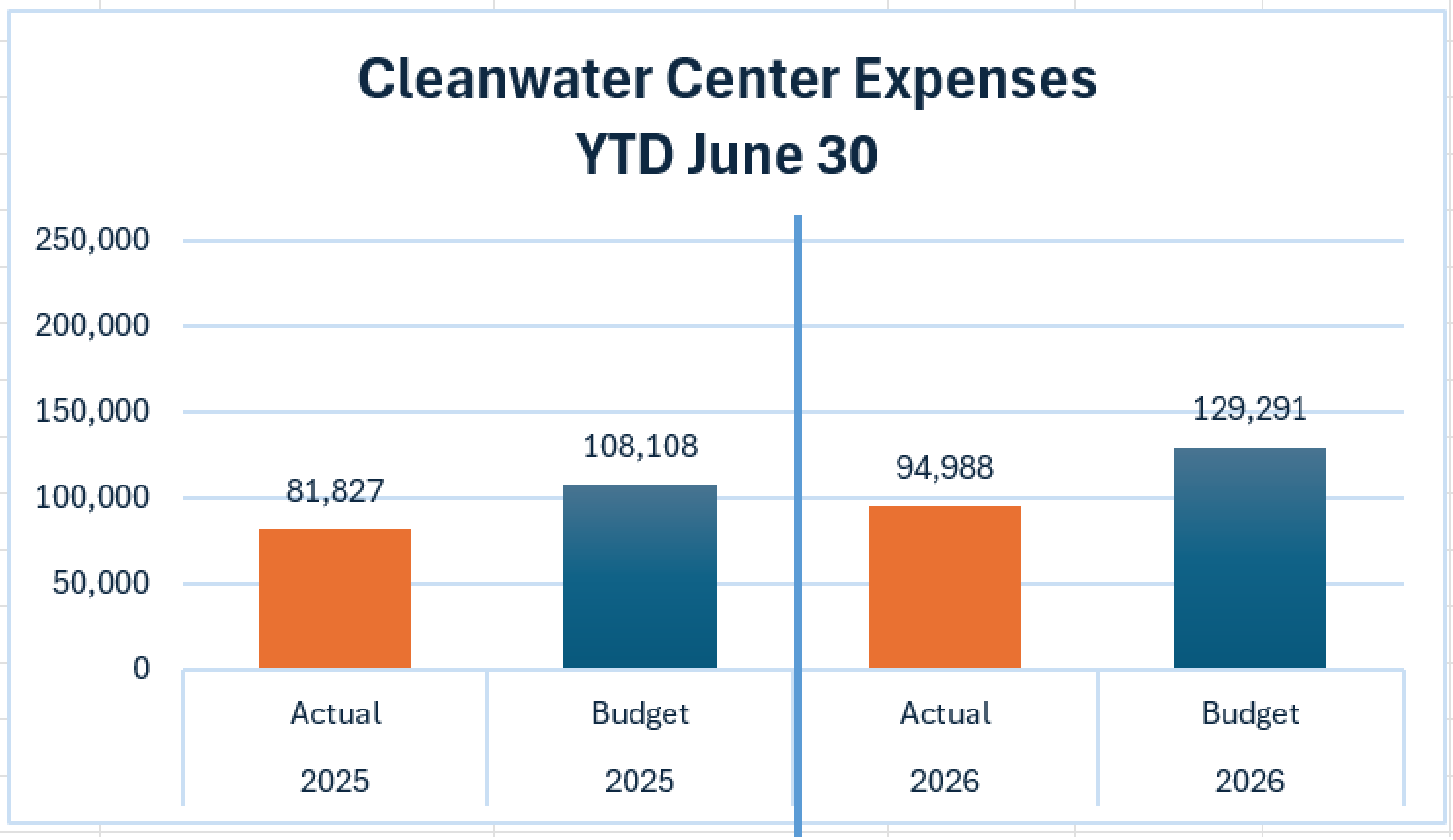
Airport Expenses

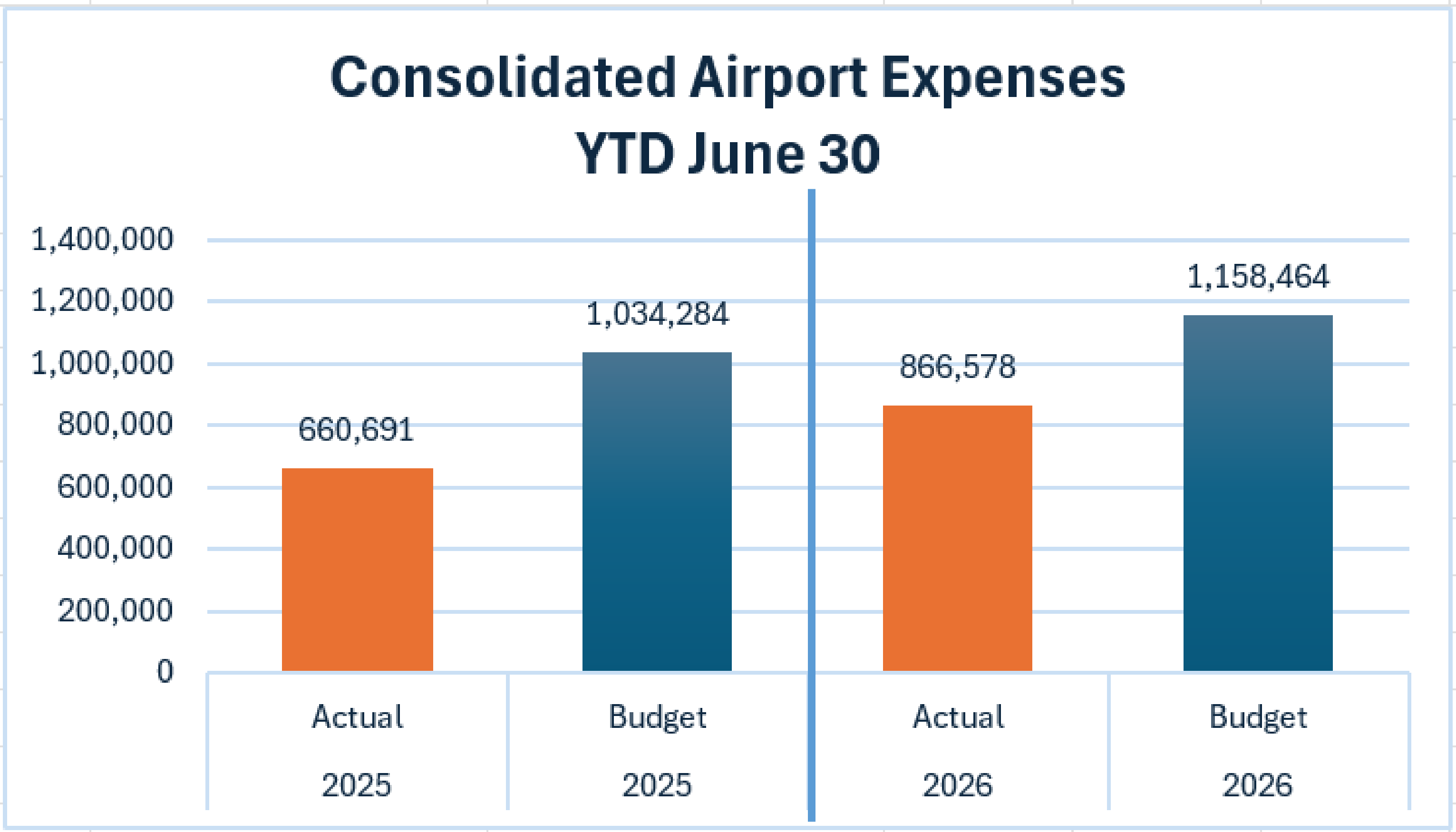
014 – Cleanwater Centre Expenses (does not include G&A or Depreciation)



Variances:

Airport Expenses

010, 012, 014 – Total Airport Expenses (does not include G&A or Depreciation)



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