PORT of OLYMPIA
Serving All of Thurston County

**Commission Meeting**
**Monday, November 9, 2026**
**4:00 PM**

Percival Plaza – Olympics Room
626 Columbia Street NW, Suite 1-B
Olympia, WA 98501

**The meeting agenda is available on the Port's website as of November 4, 2026.**
**https://www.portolympia.com/commission**

# AGENDA

A. Call to Order

B. Pledge

C. Approval of Agenda

D. Executive Director Report

E. Public Comment
This public comment period is the opportunity for public input on the agenda items on this evening's agenda, in addition to an opportunity for public comment on any other port business. Individual public comments are limited to 3 minutes per person.

*NOTE: All public comment specifically relevant to the Draft 2027 Proposed Operating Budget, Capital Investment Plan, and Tax Levy should be reserved and provided later in this meeting during the Public Testimony portion of the Public Hearing in Agenda Item K.3 below.*

NOTE: Guidelines for public comment can be found in the Commission Rules in Resolution 2026-02 Article VI.
*Comments should be directed to Commission*: Comments should be directed to the Commission as a whole and should not include comments about individual Port staff or members of the public.
*Courtesy*: All speakers (members of the public, Port staff, and Commissioners) shall be courteous in language and demeanor and shall confine remarks to those facts that are germane and relevant to the question or issue under discussion.

F. Commission Response to Public Comment / Follow-Up to Public Comment

G. Partner Spotlight:
   1. SeaPort Airlines: Kent Craford, CEO
   2. LOTT Clean Water Alliance: Matt Kennelly, P.E., Executive Director

H. Consent Calendar
   1. Washington State Department of Enterprise Services Printing Office Lease
   2. Bills and Vouchers for October 2026
      Warrants over $200,000:
      a. Dalton, Olmsted & Fugelvand: $620,720.58 for Budd Inlet Project
      b. Good News Group: $599,601.33 for Admin Building - Construction
   3. Approval of Minutes: October 13, 2026, Commission Meeting

I. Action Calendar
   1. None

J. Action/Other Calendar
   1. Appointment of Port of Olympia Community Advisory Committee (POCAC) Member to Fill Seat 9: Commissioner Unsoeld

K. Advisory Calendar
   1. 2027 Tax Levy: Jeff Gadman, Thurston County Treasurer
   2. Vesper Aviation, dba OLM Hangar and FBO LLC Lease: Mike Reid, Director of Community and Economic Development
   3. **PUBLIC HEARING** – Draft 2027 Proposed Operating Budget, Capital Investment Plan and Tax Levy: Alex Smith, Executive Director and Brent Barnes, Director of Enterprise Services

      *Pursuant to RCW 53.35.020, the Port of Olympia has prepared the Port's 2027 draft budget. The draft budget was presented in public work sessions on October 5th and 6th, 2026, and public meeting on October 26, 2026, and shall be considered during tonight's public hearing, on November 9, 2026, as needed, and at the regular public meeting on November 23, 2026. The Commission will meet on November 23, 2026, at 4:00 p.m. to adopt the Port's final 2027 budget for the 2027 calendar year. The draft budget is on file at the Port of Olympia offices at Percival Plaza, 606 Columbia Street NW, Suite 201, Olympia, Washington, and any member of the public may obtain a copy of the preliminary budget at this address during normal business hours. A summary of the budget is also available on the Port's website www.portolympia.com.*

      a) Open Public Hearing
      b) Accept Public Testimony
      c) Close Public Hearing

L. Commissioner Reports/Discussion

M. Other Business

N. Meeting Announcements

O. Executive Session pursuant to RCW 42.30.110(1)(c), RCW 42.30.110(1)(b), and RCW 42.30.110(1)(i)
*The executive session is expected to last approximately 60 minutes with no action to be made or decisions to follow.*

P. Adjourn

**Attendance and Public Comment Hybrid Meeting Information*

**Attend Remote or In-Person**
The public are welcome to attend the meeting in person, or may view or listen to the meeting using one of the following platforms:

| | |
|---|---|
| In-Person: | 626 Columbia Street NW, Olympia<br>Olympics Room, Suite 1-B |
| Zoom: | Go to http://www.zoom.us/join and enter the Webinar ID 839 8381 6183 and Passcode 961410. *Instructions and access details (a link to the meeting) will be emailed to you once a short registration form is complete. (Check Spam or Junk folder and move Zoom link email to your Inbox to view/access link.)* |
| YouTube: | www.youtube.com/@portofolympia1922 |
| Phone: | Call (253) 215-8782, listen for the prompts and enter the Webinar ID 839 8381 6183 and Passcode 961410. |

**Verbal Public Comment**
Those wishing to provide verbal public comment may do so in-person or by Zoom:

| | |
|---|---|
| In-Person: | Use the sign-up sheet located at the meeting location. |
| Virtual / via Zoom: | **Must pre-register** using the following Zoom link no later than 90 minutes prior to the meeting: https://us06web.zoom.us/webinar/register/WN_gAeNePSNSCOb-f8jkZDHHA *Instructions and access details (a link to the meeting) will be emailed to you once registration is complete. (Check Spam or Junk folder and move Zoom link email to your Inbox to view/access link.) Registration for remote/virtual verbal public comment closes at 4:00 p.m. on the day of the meeting.* |

**Written Public Comment**
Written public comment may be submitted to commissioncoordinator@portolympia.com by 12:00 p.m. on the date of the meeting. All written comments will be compiled and sent to the Commissioners prior to the meeting.

| COVER MEMO | |
|---|---|
| **Briefing Date:** | November 9, 2026 |
| **Staff Contact/Title:** | Mike Reid, Director of Community and Economic Development, 360.764.5395, MikeR@PortOlympia.com |
| **Subject:** | Washington State Department of Enterprise Services (DES) New Lease – 7510 New Market St SW |
| **Purpose:** | ☐ Information Only ☒ Decision Needed |

**Type of Agenda Item:**

- Consent

**Tenant Snapshot:**

- Lease Name: Washington State DES – Print Facility
- Leased Address: 7510 New Market St SW, Tumwater, WA
- Lease Type: Ground Lease
- Lease Effective Date: 1979 (Original); New lease proposed for 2026
- Original Term: 35 years + 15-year option
- Use: State Print, Mail, Fulfillment, and Logistics Operations
- Employees: Approx. 50 FTEs

**Background:**

The Port and the State of Washington entered a land and facility lease in 1979 for 12.7 acres at 7510 New Market St SW, currently occupied by the DES Print & Mail facility (formerly the Washington State Department of Printing).

DES approached the Port earlier this year requesting a new long-term lease. The State intends to undertake significant capital improvements to the building and requires a longer-term agreement to ensure it can recover the value of those investments. The projects, estimated at $22.5 million and $24.9 million include structural reinforcement, upgraded plumbing and electrical systems, and full HVAC modernization.

The Port and DES have negotiated a new 20-year lease with reduced acreage (from 12.7 to 10.16 acres) and a graduated rental increase over the first four years. Additional provisions require DES to make frontage improvements along the eastern, southern, and western boundaries of the premises, consistent with City of Tumwater engineering standards and to be completed within 60 months of the lease's effective date.

**Summary and Financial Impact:**

Current rent: $2,651.46 per month, $31,817.52 annually

The new lease will utilize a rent schedule that articulates the monthly and annual rate charges for each year for the full twenty-year term. The full rent schedule is attached to cover memo.

Upon execution of the new lease the new monthly rent will increase to $4,425.69 for the month of December of 2026.

The rent schedule for the lease will be:

- 2027: $8,851.38 monthly, $106, 216 annually.
- 2028: $13,277.07 monthly, $159,324.84 annually.
- 2029: $17,702.76 monthly, $212,433.12 annually.
- 2030 - 2034: $19,118.98, $229,427.77 annually.
- 2035 – 2039: $21,108.90, $253,306.80 annually.
- 2040 – 2045: $23,305.95, $279,671.17 annually.
- 2045-2046: $25,731.63, $308,779.57 annually.

**Alignment with Vision 2050:**

This long-term lease supports Vision 2050 goals by ensuring the continued presence of a major state operational facility within the Port's Tumwater campuses. The DES Print & Mail program provides statewide services and maintains approximately 50 full-time employees, reinforcing regional employment and economic stability. The required frontage improvements align with Vision 2050's emphasis on infrastructure modernization, sustainability, and community-benefit development.

**Environmental Considerations and Review:**

There is no increased impact as the State plans to continue operate the same functions on site as it has previously. Some of the building improvements that the State is going to be investing in are associated with improved electrical systems and HVAC modernization.

**Alternatives Considered:**

- **Approve the DES New Lease:** Ensures long-term operational stability for the State's Print & Mail services, supports coordination on substantial capital improvements, secures predictable revenue for the Port, and obtains frontage enhancements such as sidewalks for community benefit.

- **Do Not Approve the DES New Lease:** Lease with DES will expire on November 30, 2029 and the current lease does not contemplate any further ability to extend. DES may be unable to complete planned facility upgrades, reducing operational

efficiency and long-term viability of the Tumwater site. Building ownership would eventually revert to the Port or tenant would be required to remove all improvements.

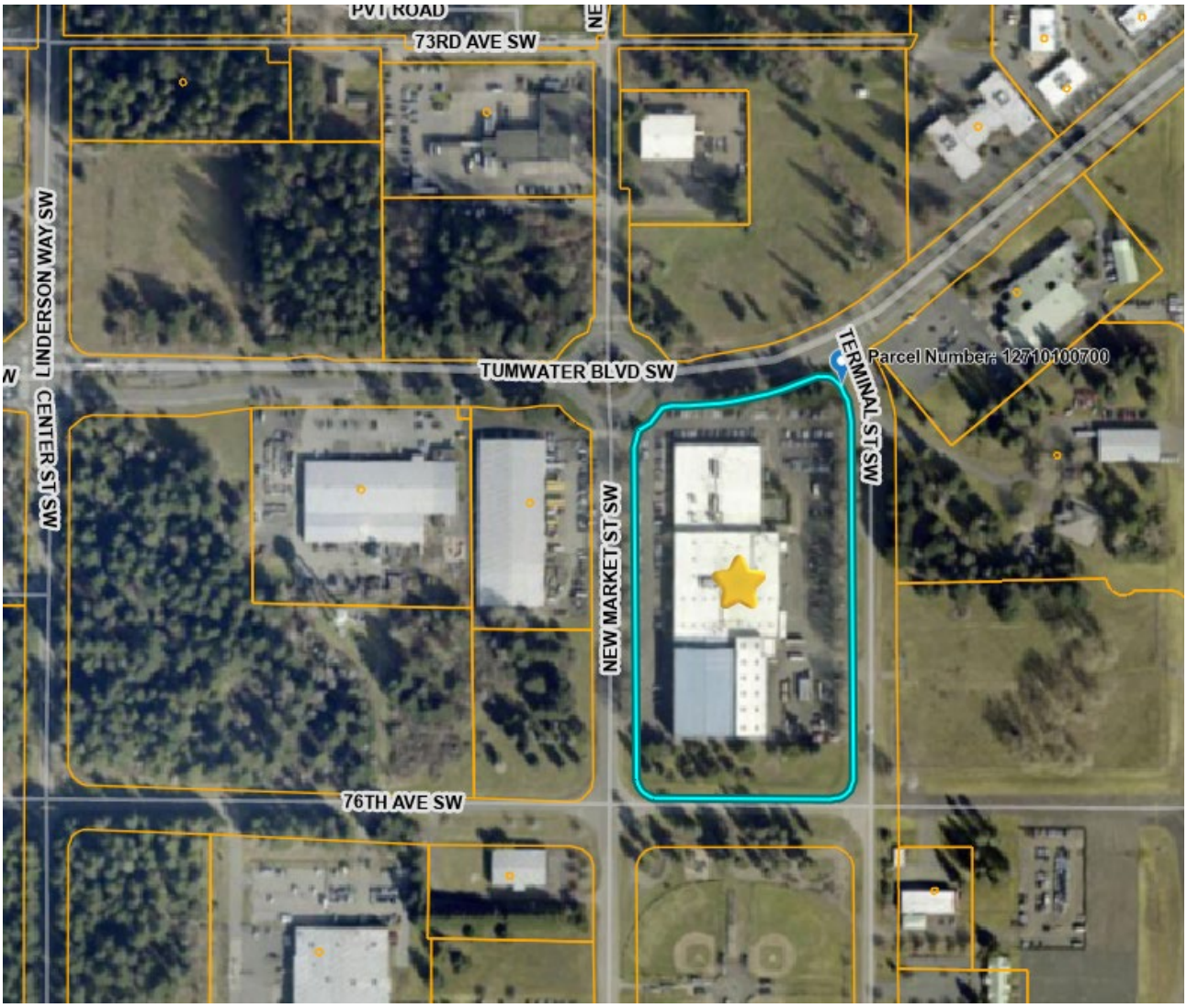
**Staff Recommendation:**
Staff is recommending the Commission approves the new lease with the Department of Enterprise Services as presented.

**Document(s) Attached/Below:**
Rate Schedule
Map
Lease

# 7510 New Market ST SW Rate Schedule

| Lease Year | | Rate Effective Date | Rate per SF | Rate Change Trigger Points | Parcel Size (SF) | Annual Gross Revenue | Monthly Payment Before LET |
|---|---|---|---|---|---|---|---|
| 0 | Lease Commencement Date | **Lease Execution in 2026** | **0.1200** | **Lease rate change effective & invoiced** | **442,569** | **TBD** | **$4,425.69** |
| 1 | | **1/1/2027** | **0.2400** | **Lease rate change effective & invoiced** | | **$106,216.56** | **$8,851.38** |
| 2 | | **1/1/2028** | **0.3600** | **Lease rate change effective & invoiced** | | **$159,324.84** | **$13,277.07** |
| 3 | | **1/1/2029** | **0.4800** | **Lease rate change effective & invoiced** | | **$212,433.12** | **$17,702.76** |
| 4 | | **1/1/2030** | **0.5184** | **8% increase of previous year. Lease rate change effective & invoiced** | | **$229,427.77** | **$19,118.98** |
| **5** | | 1/1/2031 | 0.5288 | | | $229,427.77 | $19,118.98 |
| 6 | | 1/1/2032 | 0.5393 | | | $229,427.77 | $19,118.98 |
| 7 | | 1/1/2033 | 0.5501 | | | $229,427.77 | $19,118.98 |
| 8 | | 1/1/2034 | 0.5611 | | | $229,427.77 | $19,118.98 |
| 9 | | **1/1/2035** | **0.5724** | **Lease rate change effective & invoiced** | | $253,306.80 | $21,108.90 |
| **10** | | 1/1/2036 | 0.5838 | | | **$253,306.80** | **$21,108.90** |
| 11 | | 1/1/2037 | 0.5955 | | | **$253,306.80** | **$21,108.90** |
| 12 | | 1/1/2038 | 0.6074 | | | **$253,306.80** | **$21,108.90** |
| 13 | | 1/1/2039 | 0.6195 | | | **$253,306.80** | **$21,108.90** |
| 14 | | **1/1/2040** | **0.6319** | **Lease rate change effective & invoiced** | | **$279,671.17** | **$23,305.93** |
| **15** | | 1/1/2041 | 0.6446 | | | **$279,671.17** | **$23,305.93** |
| 16 | | 1/1/2042 | 0.6575 | | | **$279,671.17** | **$23,305.93** |
| 17 | | 1/1/2043 | 0.6706 | | | **$279,671.17** | **$23,305.93** |
| 18 | | 1/1/2044 | 0.6840 | | | **$279,671.17** | **$23,305.93** |
| 19 | | **1/1/2045** | **0.6977** | **Lease rate change effective & invoiced** | | **$308,779.57** | **$25,731.63** |
| **20** | | 1/1/2046 | 0.7117 | | | **$308,779.57** | **$25,731.63** |

Map of Premises



**GROUND LEASE BETWEEN PORT OF OLYMPIA AND STATE OF WASHINGTON, THE DEPARTMENT OF ENTERPRISE SERVICES**

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EXHIBIT "A" – PREMISES /LEGAL DESCRIPTION

EXHIBIT "B" – REQUIREMENTS AS TO IMPROVEMENTS

EXHIBIT "C" – LESSOR'S CONSENT AND AGREEMENT

EXHIBIT "D" – TOXIC, DANGEROUS AND HAZARDOUS SUBSTANCES STORAGE LICENSE

EXHIBIT "E" – DEVELOPMENT GUIDELINES – Intentionally Deleted

EXHIBIT "F" – 7510 NEW MARKET RATE SCHEDULE

THIS LEASE is made by and between the PORT OF OLYMPIA, a Washington municipal corporation, hereinafter referred to as "Landlord" or "Port", and the STATE OF WASHINGTON, Department of Enterprise Services, hereinafter referred to as "Tenant" (collectively "Parties").

**THE PARTIES HEREBY AGREE AS FOLLOWS:**

**1. LEASE SUMMARY.** [Intentionally Deleted.]

**2. PREMISES.**

The Port hereby leases to Tenant, and Tenant hereby leases from the Port, the Premises, of approximately 10.16 acres, equal to 442,569.60 square feet, at Thurston County Tax Parcel Number 12710100700, legally described in Exhibit "A."

**3. TERM.**

3.1 The Term of this Lease shall be Twenty (20) years commencing October 1, 2026 (the "Lease Term Commencement Date") and ending September 30, 2046.

3.2 As of the Lease Term Commencement Date, the Port and Tenant hereby mutually agree to terminate the existing Ground Lease by and between the Parties dated September 6, 1979, as Amended (the "Current Lease") and neither party shall have any further rights or obligations thereunder accruing from and after the Lease Commencement Date with respect to the Premises.

3.3 The Port and Tenant further acknowledge and agree that this Lease completely supersedes and replaces the Current Lease, as Amended, and from and after the Lease Commencement Date, the parties' rights and obligations with respect to the Premises shall be governed solely by this Lease.

**4. RENT.**

4.1. All costs, expenses and obligations of every kind relating to Tenant's operation of the improvements on the Premises (except as otherwise, specifically provided in the Lease) which may arise or become due during the term of the Lease shall be paid by Tenant. All such costs, expenses, and obligations and payments coming due hereunder shall be deemed as "additional rent ".

a. Tenant agrees to pay ground rent for the use and occupancy of the Premises during the term of this Lease, without deduction or offset, in the amounts and with the adjustments identified in the table attached as Exhibit "F"

**5. LEASE SECURITY.** [Intentionally Deleted.]

**6. ACCEPTANCE OF PREMISES.**

Tenant has examined the Premises, and the adjoining premises of which the Premises are a part, and accepts them in their present condition. There are no warranties expressed or implied as to any condition apparent or unknown except as otherwise stated in this Lease. .

**7. POSSESSION.**

If the Port shall be unable for any reason to deliver possession of the Premises or any portion thereof at the time of the commencement of this Lease, the Port shall not be liable for any damage caused thereby to Tenant, nor shall this Lease thereby become void or voidable, nor shall the term specified herein be in any way extended, but in such event Tenant shall not be liable for any rent until such time as the Port can deliver possession; provided that if Tenant shall take possession of any portion of the Premises in the interim, it shall pay the full rent specified herein reduced pro rata for the portion of the Premises not available for possession by Tenant; and provided further, that if the Port shall be unable to deliver

possession of the Premises at the commencement of this Lease, Tenant shall have the option to terminate this Lease by giving at least thirty (30) days' written notice of such termination, and this Lease shall terminate unless the Port shall deliver possession of the Premises prior to the effective date of termination specified in such notice. Except for possession under a separate lease agreement, if Tenant shall, with the Port's consent, take possession of all or any part of the Premises prior to the commencement of the term of this Lease, all of the terms and conditions of this Lease shall immediately become applicable, with the exception that Tenant shall not be obligated to pay any rental for the period prior to the commencement of the term of this Lease unless otherwise mutually agreed.

**8. USE OF PREMISES.**

Tenant shall use the Premises for the operation of a multi-purpose office/light industrial warehouse type facility and shall not use them for any other purpose without the written consent of the Port, which consent shall not be unreasonably withheld. Tenant shall use the entire premises for the conduct of said business in a first-class manner continuously during the entire term of the lease, with the exception of temporary closures for such periods as may reasonably be necessary for repairs or redecorating or for reasons beyond Tenant's reasonable control. Tenant agrees that it will not disturb the Port or any other tenant of the Port by making or permitting any disturbance or any unusual noise, vibration or other condition on or in the premises.

**9. REQUIREMENTS AS TO IMPROVEMENTS.**

The specific requirements as to the planning, construction and completion of any major improvements planned by Tenant on the Premises are attached hereto as Exhibit "B" to this Lease, which by this reference is incorporated herein as if set forth in full. Prior to the submission of any plans for contemplated improvements on the Premises, Tenant shall furnish a survey of the appropriate Premises as prepared by a registered and licensed surveyor, all at Tenant's own expense.

**10. RIGHTS-OF-WAY.**

The Port agrees to grant others such right-of-way easements across the property of the Port reasonably available therefor, on reasonable terms and conditions, for the installation and maintenance of necessary and adequate services to the Premises, including but not limited to petroleum product pipelines, railroad spurs, railways and utility lines.

**11. RESERVATION OF RIGHTS.**

The Port reserves to itself from the Premises rights of way upon, over, across, onto or beneath the above-described lands for access ways, driveways, and other roads, pole and wire lines, gas, water and sewage pipes and mains, conduits, and other utilities, and industrial or business area facilities of all kinds now existing or to be constructed and maintained by it, either in addition to or in the substitution for those now existing from any point or points and in any direction and also reasonable rights of entry upon the Premises for the construction, repair, inspection and maintenance of them in efficient use and condition, providing such action by the Port shall not materially interfere with or interrupt Tenant's operation and shall be at the expense of the Port.

**12. AIR SPACE RESERVATIONS AND USE RESTRICTIONS.**

There is hereby reserved to the Port, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the air space above the surface of the Premises herein conveyed, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said air space or landing at, taking off from or operating on the Olympia Regional Airport. Tenant, its successors and assigns, will not erect or permit the erection of any structures nor permit the growth of any tree thereon which would exceed the height limitations set forth in the "Zoning Ordinance", Olympia Regional Airport, Master Plan Update, Thurston County, Washington, dated November, 1996, and as may be amended from time to time. Tenant,

its successors and assigns, will comply in all respects with said zoning ordinance, which is hereby made a part of this Lease.

Tenant expressly agrees for itself, its employees and agents, to prevent any use of the Premises described which would interfere with landing or taking off of aircraft at the Olympia Regional Airport or otherwise constitute an airport hazard as may be determined by the Port or the Federal Aviation Administration (FAA) or any similar agency having jurisdiction over operations at the Olympia Regional Airport. The prohibited use of the Premises referred to in this paragraph includes causing any visual obstruction or radio or similar emission that may tend to interfere with the operations at the Olympia Regional Airport. The Premises are not currently located within the approach zone to the Olympia Regional Airport. However, if in the future, the approach zone to the Olympia Regional Airport is adjusted or modified such that the Premises come within said approach zone, at that time, the Premises would be subject to substantial use restrictions for the benefit of such airport and its uses, including that Tenant would not be permitted to sublease the property until the potential sublessee has received written permission from the Port as to the nature and extent of the use to which such the sublessee intends to devote the property in order to ensure that such intended use will not in any way interfere with the operation of the Olympia Regional Airport.

Tenant acknowledges that noise from both flight and non-flight operations may be generated from activities at the Olympia Regional Airport and by other tenants of the Port. Tenant is taking the Premises subject to such condition, whether now existing or hereafter arising, and hereby waives all claims (including, without limitation, claims for damages, nuisance or injunctive relief) relating thereto; provided, however, that Tenant does not waive any right to have applicable statutes and regulations regarding noise enforced.

## 13. UTILITIES AND SERVICES.

Tenant shall be liable for and shall pay throughout the term of this lease all charges for all utility services furnished to the Premises, including but not limited to, light, heat, gas, janitorial services, garbage disposal, security, electricity, water, stormwater and sewerage, including any connection fees, and any fire protection, police protection, or emergency health services as furnished by local authorities and as may be the subject of a contract between the Port and such local authorities or as imposed by ordinance or statute.

## 14. INDEMNIFICATION/LIABILITY INSURANCE.

To the extent authorized by law, Tenant agrees to hold the Port harmless for claims, actions, costs, and damages incurred by the Port that were caused by the negligence of Tenant's employees and agents while acting within the scope of their employment or agency in connection with Tenant's use of the Premises. This obligation shall not include such claims, actions, costs, or damages that may be caused by the sole negligence of the Port or its principals, agents, contractors, servants or employees. If the claims, actions, costs, or damages are caused by the concurrent negligence of the Port and Tenant, this provision shall be valid and enforceable only to the extent of the negligence of Tenant's employees or agents while acting within the scope of their employment or agency in connection with Tenant's use of the Premises.

To the extent authorized by law, the Licensee agrees to waive its immunity under Title 51 RCW to the extent required for Tenant to hold the Port harmless for the negligence of Tenant's employees and agents while acting within the scope of their employment or agency in connection with Tenant's use of the Premises. This waiver was mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Lease.

The Port indemnifies, defends, and holds Tenant harmless from claims that are: (i)(a) for personal injury, death, or property damage or b) for incidents occurring in or about the Premises, building, common areas or project; and (ii) caused by the negligence or wrongful conduct of the Port, its principals, agents, contractors, or employees. This indemnification and hold harmless shall include reasonable attorney fees and court costs incurred by Tenant with respect to such claims.

Tenant shall maintain for the duration of this Lease self-insurance for exposure to general liability in connection with the Tenant's use of the Premises as provided in the Risk Management Act, Revised Code

of Washington (RCW) 43.19.766. It is recognized by the Port and Tenant that the Tort Claims Act, RCW 4.92 et seq., provides the fundamental remedy for all liability claims against the State, its agencies and departments and/or the actions of its officers, employees and volunteers while engaged in the performance of their official duties. Such claims must be filed with the Office of Financial Management, Office of Risk Management for processing according to statute.

**15. WAIVER OF SUBROGATION.** [Intentionally Deleted.]

**16. TAXES.** [Intentionally Deleted.]

**17. MAINTENANCE AND REPAIR.**

Tenant shall, at its own expense, keep the Premises and the buildings, structures and other improvements located on the Premises, and the adjoining roadways, sidewalks and areas, in a neat, clean, safe, sanitary, and good condition, reasonable wear and tear excepted, and to maintain the landscape and undeveloped areas (including ditches and shoulders of adjoining roadways) in a clean, sanitary, orderly and attractive condition, mowed and free from rubbish and debris.

Tenant shall also, at its own expense, at all times keep the Premises free from infestation of pests and conditions which might result in harborage for, or infestation of, pests (pests shall include, without limitation, rodents, insects, and birds in numbers to the extent that a nuisance is created). Tenant shall keep the glass of all windows and doors on the Premises clean and presentable, and shall maintain and keep the Premises in a good state of repair, and shall commit no waste of any kind, and, without limiting the generality of the foregoing, shall replace all cracked or broken glass in the Premises, and keep the electrical system and all drains clean and in a good state of repair, and shall protect all sprinkler systems and all pipes and drains so that they will not freeze or become clogged.

Tenant shall replace any and all improvements which become worn out, obsolescent, deteriorated, unsafe or unusable and shall replace such improvements with new fixtures and improvements of at least as good a quality as originally installed at the commencement of this Lease. If Tenant fails to properly maintain or repair the Premises or any improvements thereon, the Port shall be entitled, but shall not be obligated, to enter the Premises after notice to Tenant and the expiration of any applicable cure period, and perform such work as may be necessary to restore the Premises and improvements to the conditions set forth herein. The cost of such repairs shall be billed to Tenant by the Port and shall be payable upon receipt and subject to the same penalties for late payment as if such payment was additional rent. Tenant shall have no claim as deduction or offset any monies or charges against the rent paid to the Port for maintenance or repairs. Tenant has inspected the Premises and accepts the Premises "AS IS".

Tenant shall also keep the Premises free and clear of any liens and encumbrances arising or growing out of the use and occupancy of the Premises by Tenant. At the Port's request, Tenant shall furnish the Port with written proof of payment of any item which would or might constitute the basis for such a lien on the Premises if not paid. Any dispute under this section shall be subject to arbitration under paragraph 37, **ARBITRATION PROCEDURE**.

**18. ALTERATIONS AND IMPROVEMENTS -- SIGNAGE.**

**18.1 Alterations and Improvements.** Tenant shall make no alterations or improvements to or upon the Premises or install any fixtures (other than trade fixtures which can be removed without injury to the Premises) without first obtaining written approval of the Port. The Port's response to Tenant's requests for approval shall be prompt, and such approval shall not be unreasonably withheld. Upon installation, Tenant shall furnish the Port with a copy of the "as-built" drawings including utility installations and site plans detailing the nature of the additions, alterations or improvements. The Port reserves the right to have Tenant remove, at Tenant's sole expense, all or any of such alterations, additions or improvements at the end of the Lease term as provided in paragraph 19, **OWNERSHIP AND DISPOSITION OF IMPROVEMENTS**. Any dispute under this section shall be subject to arbitration under Paragraph 37,

**ARBITRATION PROCEDURE.**

**18.2 Signage.** Tenant shall have no right to install Tenant identification signs in any location in or about the Premises that are visible from the exterior of the building, without first obtaining written approval of the Port. The location, size, design, color and other physical aspects of permitted signs shall be subject to (i) Port's written approval prior to installation; (ii) any covenants, conditions or restriction encumbering the Premises and (iii) any applicable municipal permits and approvals.

## 19. OWNERSHIP AND DISPOSITION OF IMPROVEMENTS.

a. Landlord and Tenant agree that, except the Frontage Improvements described in Section 45 below, during the Term of this Lease, all improvements on the Premises, including all buildings, fixtures, etc., shall be the personal property of Tenant, and title to said improvements shall vest with Tenant.

b. Except as otherwise agreed to in writing by the Port, in its sole and absolute discretion, within one hundred and twenty (120) days after the expiration or earlier termination of this Lease (including any and all extensions or renewals thereof), the Tenant shall at Tenant's expense, remove, demolish or clear off from the Premises all improvements and all property owned by Tenant, and after such removal or clearance, Tenant shall restore the surface of the ground to a properly graded, filled, compacted, level, and uniform condition, free from all debris, and in accordance with all applicable law and all provisions of this Lease, including but not limited to Paragraph 27, **HAZARDOUS SUBSTANCES**.

c. If the Port, in its sole discretion, elects to have all or any portion of the improvements remain on the Premises, then title to the same shall pass to the Port, free of any right, title, or interest of Tenant therein, or its successors or assigns, without any allowance, compensation, or payment by the Port. Tenant hereby grants and conveys to the Port all of its right, title and interest in and to such improvements, to be effective for all purposes only upon the expiration or termination of this Lease and the Port's election to have such improvements remain upon the Premises. Upon such election by the Port, Tenant further agrees to execute, acknowledge and deliver to the Port contemporaneously with the expiration or termination of this Lease, a proper, recordable Bill of Sale conveying said improvements and releasing to the Port any right, title and interest of Tenant in and to all improvements remaining on the Premises pursuant to the election of the Port, and agrees to give such further assurances of title as may be required by the Port. In addition, upon such election by the Port, Tenant shall, upon expiration or termination of the lease, surrender and deliver the Premises and all improvements to remain on the Premises to the Port, without delay and in good order, condition and repair, ordinary wear and tear excepted, and in a neat and clean condition, excepting only Tenant's or any subtenant's movable trade fixtures, machinery, equipment and personal property that can be removed without injury to the Premises. Tenant shall also deliver to the Port all documents necessary or appropriate for the proper operation, maintenance and management of the Premises and remaining improvements.

d. Any dispute under this section shall be subject to arbitration under Paragraph 37, **ARBITRATION PROCEDURE.**

## 20. INSPECTION.

The Port reserves the right to inspect the Premises at any and all reasonable times throughout the term of this Lease, provided that it shall not interfere unduly with Tenant's operations. The right of inspection reserved to the Port hereunder shall impose no obligation on the Port to make inspections to ascertain the condition of the Premises, and shall impose no liability upon the Port for failure to make such inspections.

## 21. RESTORATION.

a. At all times during the term of this Lease, Tenant shall maintain in effect upon Tenant's improvements on the Premises, fire and extended coverage property insurance for physical loss and damage excluding earthquake insurance and flood insurance, written by companies authorized to do business in the

State of Washington and approved by the Port's insurance carrier. Such policy or policies (a) shall be written in the form of replacement cost insurance in an amount not less than 100% of the full replacement cost of Tenant's improvements on the Premises, which amount shall be adjusted not less frequently than annually, (b) shall contain an endorsement waiving any and all rights of subrogation against the Port and (c) shall provide that notice of cancellation of the policy or any endorsement shall be given to the Port and any other party designated by the Port at least 10 days prior to cancellation. The Port and each other party designated by the Port shall be named as additional insureds and loss payees on all such policies. Tenant shall provide the Port and each other party designated by the Port with certificates of insurance evidencing such coverage, and at the Port's request shall provide copies of the actual policies. Tenant shall provide evidence of renewal at least 30 days prior to the expiration of such policy or policies. Tenant will also take out and maintain policies of insurance to cover the loss, damage or destruction of Tenant's furniture, fixtures, equipment and other items owned by Tenant on the Premises, with limits based on the reasonable value thereof.

b. If any building or improvement erected by Tenant on the Premises or any part thereof shall be damaged or destroyed by fire or other casualty during the term of this Lease, Tenant shall have the option, to be exercised within thirty (30) days after such event, to repair or restore said building as provided in Section c below, or to terminate this Lease by written notice thereof to the Port as provided in Section d below.

c. If Tenant chooses to repair or restore, Tenant shall, at its own cost and expense, either (i) repair or restore the same according to the original plans thereof, or (ii) repair or restore the same according to such modified plans as shall be previously approved in writing by the Port. Tenant shall elect whether to proceed under (i) or (ii) above. Such work of repair or restoration shall be commenced within sixty (60) days after the damage or loss occurs and shall be completed with due diligence but no later than one (1) year after such work is commenced, and such work shall be otherwise done in accordance with the requirements of the provisions hereof pertaining to the construction of improvements upon the Premises. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration. If *(i)* there are no insurance proceeds, or *(ii)* the same shall be insufficient for said purpose, Tenant shall make up the deficiency out of its own funds.

d. If Tenant chooses to terminate this Lease, Tenant shall not be responsible for the cost of any repairs or restoration on the Premises, including the costs of any repairs or restoration the Port undertakes. Tenant shall pay to the Port all insurance proceeds received by Tenant for damage or casualty loss to any building or improvement erected by Tenant, or if not yet received, Tenant shall assign to the Port all rights and interest in such insurance proceeds.

e. Any dispute under this section shall be subject to arbitration under Paragraph 37 **ARBITRATION PROCEDURE**.

**22. DEFAULTS.**

Time is of the essence of this Lease, and in the event of the failure of Tenant to pay the rental or other charges provided in this Lease at the time and in the manner herein specified, or to keep any of Tenant's covenants or agreements herein, the Port may elect to terminate this Lease and reenter and take possession of the Premises with or without process of law, provided, however, that Tenant shall be given ninety (90) days' notice in writing, stating the nature of the default in order to permit such default to be remedied by Tenant within said 90-day period. If the Port issues a notice of default for the nonpayment of rent, in order to cure such default, Tenant must pay the overdue rent, plus a Fifty Dollar ($50.00) lease reinstatement fee. If during any consecutive twelve-month period, the Port has issued three notices of default, the Port shall not be required to accept the cure of any subsequent default by Tenant and may terminate this Lease or exercise any other rights or remedies available to it immediately by written notice to Tenant without the expiration of any otherwise applicable cure period.

If upon such reentry there remains any personal property of Tenant or of any other person upon the Premises, the Port may, but without the obligation to do so, remove said personal property and hold it for the

owners thereof or may place the same in a public garage or warehouse, all at the expense and risk of the owners thereof, and Tenant shall reimburse the Port for any expense incurred by the Port in connection with such removal and storage. The Port shall have the right to sell such stored property, without notice to Tenant, after it has been stored for a period of 120 days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, and third to the payment of any other amounts which may then be due from Tenant to the Port, and the balance, if any, shall be paid to Tenant. Notwithstanding any such reentry, the liability of Tenant for the full rental provided for herein shall not be extinguished for the balance of the term of this Lease, and Tenant shall make good to the Port any deficiency arising from a reletting of the Premises at a lesser rental than that chargeable to Tenant. Tenant shall pay such deficiency each month as the amount thereof is ascertained by the Port. After termination of this Lease by the Port for Tenant's default due to nonpayment of rent, payment by Tenant to the Port of any charges due and owing under this Lease shall not cure or excuse Lessee's default in connection with rents and/or other charges. All remedies of the Port hereunder are cumulative and not alternative.

**23. ADVANCES BY PORT FOR TENANT.** [Intentionally Deleted.]

**24. HOLDING OVER.**

If Tenant shall, without the consent of the Port, hold over after the expiration or sooner termination of this Lease, the resulting tenancy shall, unless otherwise mutually agreed, be on a month-to-month basis, terminable as provided by law. During such month-to-month tenancy, Tenant shall pay to the Port the rate of the then-current rental under the terms of the Lease, unless a different rate shall be agreed upon, and the Tenant shall be bound by all of the provisions of this Lease, except Term.

**25. ASSIGNMENT OR SUBLEASE.**

Except as provided below, Tenant shall not assign or transfer (including any assignment or transfer for security purposes) this Lease or any interest therein nor sublet the whole or any part of the Premises, nor shall this Lease or any interest hereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the advance written consent of the Port, whose consent shall not be unreasonably withheld. Upon any sublease of the Premises or any part thereof, Tenant shall include the following provision in the sublease:

> *Port Ground Lease. Sublessee understands, acknowledges, and agrees that Sublessor's right to the real property on which the Premises are located are pursuant to a Ground Lease between Sublessor and the Port of Olympia, a copy of which is attached as Exhibit _hereto. Sublessee understands, acknowledges, and agrees that it shall be bound by all provisions in the Ground Lease to which Sublessor is subject, including but not limited to provisions related to protection of air space, environmental provisions, and any limitation on use of the property and Premises. Sublessee acknowledges that it has had an opportunity to review the Ground Lease in its entirety and takes no exceptions to any provisions therein.*

Notwithstanding any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent pursuant to this paragraph. Tenant shall pay for the costs incurred by Landlord related to an assignment or sublease under this paragraph, including but not limited to the costs of surveys, obtaining third party consents, and attorneys' fees; provided that, Tenant's obligation to pay said costs only arises after Landlord provides detailed invoices and information to Tenant, showing that said costs were in fact incurred and were related to an assignment or sublease under this paragraph.

**26. COMPLIANCE WITH PORT REGULATIONS/ALL LAWS.**

Tenant agrees to comply with all applicable published rules and regulations of the Port pertaining to the building or other realty of which the Premises are a part now in existence or hereafter promulgated for the general health, welfare, safety and convenience of the Port, its various tenants, invitees, licensees

and the general public. Tenant further agrees to comply with all applicable federal, state and local laws, rules, regulations, ordinances, permits, orders, and decrees, including, without limitation, those relating to environmental matters, and Americans with Disabilities Act, as currently in effect or as may be hereafter amended or issued. Any fees for any federal, state or local inspections and/or certificates required for use and occupancy of the Premises during the Lease term shall be paid by Tenant.

**27. HAZARDOUS SUBSTANCES.**

Tenant certifies, represents, warrants, covenants and agrees that:

a. As used in this Section 27, "Hazardous Substances" means any chemical, substance, material, waste, vapor, or similar matter defined, classified, listed or designated as harmful, hazardous, extremely hazardous, dangerous, toxic, radioactive, or pollution, or as a contaminant or pollutant, or other similar term, by, and/or which are subject to regulation under, any federal, state or local environmental statute, rule, regulation, or ordinance presently in effect or that may be promulgated in the future, and as they may be amended from time to time.

b. As used in this Section 27, "Other Property" means any real or personal property other than the Premises (including, without limitation, surface or ground water) which becomes contaminated with Hazardous Substances as a result of operations or other activities on, or the contamination of, the Premises.

c. Tenant shall apply for and obtain all necessary federal, state, and local permits and approvals for Tenant's use of the Premises. Tenant shall not commence any activity on the Premises until all permits and approvals required for such activity have been issued, and shall conduct all activities on the Premises in compliance with such permits and approvals.

d. Tenant agrees and warrants for itself and its employees and agents, (collectively "Tenant's Representatives"), that Tenant and Tenant's Representatives will comply with all applicable federal, state, and local laws, rules, regulations, ordinances, permits, orders, and decrees relating to the generation, recycling, treatment, use, sale, storage, handling, transport, disposal, release, and cleanup of any Hazardous Substances by Tenant or any of Tenant's Representatives on the Premises (collectively "Environmental Laws"). In addition, Tenant and Tenant's Representatives will not, without the Port's prior written consent, keep on or around the Premises or any common areas, for use, disposal, treatment, generation, storage, or sale, any Hazardous Substances.

e. With respect to any Hazardous Substance, Tenant shall:

(i) Comply promptly, timely and completely with all applicable requirements for reporting, keeping and submitting manifests and obtaining and keeping current identification numbers;

(ii) Make available for the Port's review during normal business hours, true and correct copies of all reports, manifests and identification numbers retained by Tenant or submitted to appropriate governmental authorities, and all documents and communications received from any government agencies, and provide copies to the Port of all documents requested by the Port at no cost to the Port within five (5) business days of the Port's request;

(iii) Within five (5) business days of a written report from the Port, submit a written report to the Port regarding Tenant's use, storage, treatment, transportation, generation, disposal or sale of Hazardous Substances and provide evidence satisfactory to the Port of Tenant's compliance with applicable Environmental Laws;

(iv) Allow the Port or the Port's agents or representatives to come on the Premises at all reasonable times to check Tenant's compliance with all applicable Environmental Laws; and

(v) Comply with all applicable Environmental Laws, and all requirements and standards established by federal, state, or local governmental agencies responsible for or specifically charged with the regulation of Hazardous Substances.

f. Tenant has not and will not release or waive the liability of any party who may be potentially responsible for the presence or removal of Hazardous Substances on or from the Premises.

g. Tenant agrees to immediately notify the Port if Tenant becomes aware of (a) any release of any Hazardous Substances or any other environmental issue or liability with respect to the Premises or any Other Property; or (b) any lien, action or notice resulting from a violation of any Environmental Laws. At its own cost, Tenant will take all actions which are necessary to notify relevant and appropriate authorities of any release caused by Tenant or Tenant's representatives and to remediate any Hazardous Substances resulting from a release caused by Tenant or Tenant's representatives that affect the Premises, including removal, containment or any other remedial action required by governmental authorities.

h. If Tenant is in non-compliance with any Environmental Laws or is in non-compliance with this Section 27, it shall promptly take such action as is necessary to mitigate and correct the non-compliance. If Tenant fails to act in a prudent and prompt manner, the Port shall have the right, but not the obligation, to enter the Premises and act in place of the Tenant (with Tenant hereby appointing the Port as its agent for such purposes), and to take such action as the Port deems necessary to address or mitigate the non-compliance. All costs and expenses incurred by the Port in connection with any such action shall be payable by the Tenant and shall become immediately due and payable as additional rent upon presentation of an invoice therefor. Without limiting the foregoing, in the event of Tenant's non-compliance with any requirements in subsections (e)(i) – (v) above, any and all costs incurred by the Port with respect thereto, including but not limited to costs of inspections and monitoring, shall become immediately due and payable as additional rent upon presentation of an invoice therefor.

i. Tenant's obligations under this Section 27 are unconditional and shall not be limited by any other limitations of liability provided for in this Lease. The representations, warranties and covenants of Tenant set forth in this Section 27: (a) shall survive and continue in effect after any termination or expiration of this Lease for any reason.

j. Upon expiration or sooner termination of this Lease, Tenant shall have removed from the Premises any Hazardous Substances, contaminated soils or other contaminated or hazardous materials or substances deposited thereon by Tenant in a manner that complies with all applicable Environmental Laws. Any failure to complete such removal by the expiration or sooner termination of this Lease shall be deemed a holding over by Tenant subject to the provision of paragraph 24, **HOLDING OVER**. At the Port's request, within 30 days thereafter, Tenant shall deliver to the Port a certificate from the Thurston County Health Department certifying that the Premises comply with all applicable requirements of the Health Department concerning levels of the Hazardous Substances deposited on the Premises by Tenant. At such time, Tenant shall also reconfirm its representations and warranties contained herein and shall represent and warrant that, to Tenant's knowledge, upon termination of the Lease all Hazardous Substances caused by Tenant have been removed from the Premises and have been properly and lawfully disposed of.

**28. STORAGE TANK LICENSES.** [Intentionally Deleted.]

**29. INSPECTIONS AND NOTICE OF CHANGE.**

a. Tenant agrees that inspections may be required by the Port to assure compliance with paragraphs 27, **HAZARDOUS SUBSTANCES**. Such inspections shall be made at any time the Port has good cause to believe a problem may exist.

b. The Tenant shall annually identify any materials listed in Exhibit "D" used in the course of its ordinary business.

**30. EMINENT DOMAIN.**

If the Premises shall be taken or condemned for any public purpose, or for any reason whatsoever, to such an extent as to render the Premises untenantable, either Lessor or Tenant shall have the option to terminate this Lease effective as of the date of taking or condemnation, which shall be the earlier of the date

the final condemnation judgment or the date possession is taken by the condemning authority. If the taking or condemnation does not render the Premises untenantable, this Lease shall continue in effect, and Lessor shall, if the condemnation award is sufficient therefor, promptly restore the portion not taken to the extent possible to the condition existing prior to the taking. If, as a result of such restoration, the area of the Premises is reduced, the rental shall be reduced proportionately. All proceeds from any taking or condemnation shall be paid to Lessor and Tenant waives all claim against such proceeds; provided, however, that Tenant shall be entitled to any award separately designated for Tenant's relocation expenses or for damage or taking of Tenant's trade fixtures or other personal property. A voluntary sale or conveyance in lieu of but under the threat of condemnation shall be considered a taking or condemnation for public purpose, and shall include the Port's use of the Premises for any purpose for public use in connection with the operation of the business of the Port. If the Port so requires the use of the Premises, then this Lease may be terminated by the Port by written notice delivered or mailed by the Port to Tenant not less than six (6) months or more before the termination date specified in the notice, and damages to Tenant, if any resulting therefrom shall be determined by agreement between the parties hereto, or in the absence of agreement, by arbitration under Paragraph 37, **ARBITRATION PROCEDURE**. Damages or other compensation shall be determined in accordance with RCW 53.08.010 and Title 8 as appropriate.

**31. INSOLVENCY.** [Intentionally Deleted.]

**32. PROMOTION OF PORT COMMERCE.**

The purpose of the Port is to encourage the development of commerce within the Port district, and to every reasonable extent possible, increase the movement of passengers and freight through Port facilities. In furtherance of this purpose, Tenant agrees to cooperate with the Port in the promotion of these purposes during the term of this Lease, and wherever reasonably possible, to utilize the Port's facilities in the movement of freight and passengers as a part of Tenant's business activities. Nothing in this paragraph shall be construed to obligate Tenant to spend monies in the Port's promotional advertising, but Tenant does agree to supply such information and data for the Port's promotional and advertising activities.

**33. ATTORNEY'S FEES AND COSTS.** [Intentionally Deleted.]

**34. NONDISCRIMINATION - SERVICES.**

Tenant for itself, its agents and employees, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a federal Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

It is agreed that Tenant's noncompliance with the provisions of this clause shall constitute a material breach of this Lease. In the event of such noncompliance, the Port may take appropriate action to enforce compliance, may terminate this Lease, or may pursue such other remedies as may be provided by law.

**35. NONDISCRIMINATION – SERVICES, CONSTRUCTION, USE.**

Tenant for itself, its agents and employees, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of

Transportation, and as said Regulations may be amended.

The Port reserves the right to take such action as the appropriate governmental authority may direct to enforce these provisions.

**36. APPRAISAL PROCEDURE.** [Intentionally Deleted.]

**37. ARBITRATION PROCEDURE.**

In the event of a dispute between the Port and Tenant with respect to any issue specifically mentioned elsewhere in this Lease as a matter to be decided by arbitration, such dispute shall be determined by arbitration as provided in this paragraph. The party initiating arbitration shall serve a notice of arbitration upon the other party in the manner required for notices under Section 40 of this Lease. All disputes governed by this arbitration provision shall be resolved before a single arbitrator mutually agreed upon by the parties, or if the parties are unable to agree within thirty (30) days after the notice of arbitration is served, by an arbitrator selected in accordance with JAMS Comprehensive Arbitration Rules & Procedures ("JAMS Rules"). The arbitration shall take place in Olympia, Washington and apply Washington law in accordance with the JAMS Rules with the exception that Washington's Rules of Evidence shall apply in the arbitration hearing. The parties are not required to use JAMS to administrate the arbitration unless the arbitrator is selected under the JAMS Rules or the parties cannot agree on an arbitration administrator. The arbitrator shall have the authority to decide all issues between the parties that are governed by this provision, including, but not limited to whether the necessary procedures for arbitration have been followed. The arbitrator's decision shall be rendered within thirty (30) days the arbitration hearing, and such decision shall be in writing, with copies thereof delivered to each of the parties. The arbitration fees, including the cost of the arbitrator, shall be borne equally by the parties, and each party shall pay its own attorneys' fees and legal costs. The award rendered by the arbitrator shall be in accordance with applicable law and shall be final, binding, and conclusive on the parties. Judgment may be entered upon such award in Thurston County Superior Court.

**38. JOINT AND SEVERAL LIABILITY.** [Intentionally Deleted.]

**39. INVALIDITY OF PARTICULAR PROVISIONS.**

If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and shall continue in full force and effect.

**40. NOTICES.**

All default and other substantial notices required under the provisions of this Lease may be personally delivered or mailed. If mailed, they shall be sent by certified mail, return receipt requested, to the following addresses:

To the Port:
Port of Olympia
606 Columbia Street NW, Suite 300
Olympia, WA 98501

To the Tenant:
Washington State Department of Enterprise Services
Real Estate Services Division
1500 Jefferson Street
PO Box 41468
Olympia, WA 98504-1468

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices given by personal delivery shall be deemed given upon receipt. Notices sent by mail shall be deemed given three days after properly mailing, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

**41. WAIVER.**

No waiver by of any default hereunder by a Party shall be construed to be or act as a waiver of any subsequent default by the other Party. After any default shall have been cured by a Party, it shall not thereafter be used as a ground for the commencement of any action under the provisions of Paragraph 22, **DEFAULTS**.

**42. BINDER.**

Subject to Paragraph 25, **ASSIGNMENT OR SUBLEASE** above, this Lease is binding upon the parties hereto, their heirs, personal representatives, successors in interest and assigns when it has been executed by both parties, approved as to form by the Office of the Attorney General, and ratified by the Port of Olympia Commission ("Effective Date").

**43. RECORDING.** [Intentionally Deleted.]

**44. REAL ESTATE COMMISSIONS AND FEES.** [Intentionally Deleted.]

**45. FRONTAGE IMPROVEMENTS.**

Tenant shall provide frontage improvements along the eastern, southern, and western boundary lines of the Premises, consistent with the City of Tumwater's engineering and design standards. These frontage improvements must be completed by the last day of the 60th month after the Effective Date of the agreement.

**46. AMENDMENTS.**

This Lease and the exhibits and attachments herein may be altered, modified, amended, or revoked only by an instrument in writing signed by all parties, approved as to form by an Assistant Attorney General, and ratified by the Port of Olympia Commission.

[Signature Page Follows]

**LESSOR:**

**Port of Olympia**, a Washington municipal corporation

By: _____
Alexandra Smith
Executive Director
Date: _____

APPROVED AS TO FORM:

By: _____
Megan Lin
General Counsel

Date: _____

**TENANT:**

**Washington State Department of Enterprise Services**

By: _____
Richard J. Bushnell, Assistant Director
Real Estate Services
Date: 11-4-26

RECOMMENDED FOR APPROVAL:

By: James Hickman
Jim Hickman, Property and Acquisition Specialist
Real Estate Services
Date: 11-04-2026

APPROVED AS TO FORM:

By: Susan K Kaplan
Assistant Attorney General

Date: October 30, 2026

STATE OF WASHINGTON )
) ss
COUNTY OF THURSTON )

On this _____day of _____, 2026, personally appeared before me **ALEXANDRA SMITH** to me known to be the Executive Director at the Port of Olympia, the municipal corporation named in the within and foregoing **Lease Agreement,** and acknowledged to me that he signed the same on its behalf, as she is so authorized to do, as her free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

_____
(Print Name) _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My commission expires: _____

STATE OF WASHINGTON )
) ss
COUNTY OF THURSTON )

On this 4th day of November, 2026, personally appeared before me **RICHARD J. BUSHNELL**, to me known to be the Assistant Director, Real Estate Services, Department of Enterprise Services, State of Washington, the state agency named in the within and foregoing **Lease Agreement,** and acknowledged to me that he signed the same on its behalf, as he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Allison Lilly
(Print Name) Allison Lilly
NOTARY PUBLIC in and for the State of Washington,
residing at Thurston County
My commission expires: 11/24/26

ALLISON LILLY
Notary Public
State of Washington
Commission # 22031710
My Comm. Expires Nov 24, 2026

**AUTHORIZATION**

The undersigned confirms that this Lease was authorized by the Port of Olympia Commission on _____, 2026.

Port of Olympia Commission

By: _____

Its: _____

Date: _____

STATE OF WASHINGTON )
) ss
COUNTY OF THURSTON )

On this _____ day of _____, 2026, personally appeared before me _____, to me known to be the President of the Port of Olympia Commission, the municipal corporation named in the within and foregoing **Lease Agreement,** and acknowledged to me that s/he signed the same on its behalf, as s/he is so authorized to do, as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

_____
Print Name: _____
NOTARY PUBLIC in and for the State of Washington,
residing at _____
My commission expires: _____

**EXHIBIT A**

**LEGAL DESCRIPTION**

Land of approximately 10.16 acres situated in that portion of Section 10, Township 17 North, Range 2 West, W.M., Thurston County, Washington described as follows:

Commencing at the South Quarter Corner of said Section 10; Thence North 01°57'13" East, along the North-South Centerline of said Section, 3562.04 feet; Thence South 88°02'47" East, along the Centerline of 76th Avenue S.W., 1290.45 feet, to the intersection with New Market Street S.W.; Thence North 01°57'13" East, along the Centerline of New Market Street, 108.00 feet; Thence South 88°02'47" East 50.00 feet to the east right of way of said street and the Point of Beginning of this description; Thence North 01°57'13" East along said right of way, 777.00 feet to a curve, the radius point of which bears South 01°57'13" East 50.00 feet; Thence along said curve, through a central angle of 90°00'00" for an arc distance of 78.54 to a point on the south right of way of Airdustrial Way; Thence South 88°02'47" East, along said right of way 35.44 feet to a curve, the radius point of which bears North 01°57'13" East 868.51 feet; Thence, along said curve, through a central angle of 22°14'34" for an arc distance of 337.16 feet to a point of reverse curvation, the radius point of which bears South 20°14'59" East 50.00 feet; Thence, along said curve, through a central angle of 83°47'46" for an arc distance of 73.13 feet to a point of compound curvature, the radius point of which bears South 63°32'47" West 184.18 feet; Thence, along said curve, through a central angle of 28°24'26" for an arc distance of 91.32 feet to a point on the West right of way of Terminal Street; Thence South 01°57'13" West, along said right of way, 781.28 feet to a curve, the radius point of which bears North 88°02'47" West 50.00 feet; Thence, along said curve through a central angle of 90°00'00" for an arc distance of 78.54 feet, to a point on the north right of way of 76th Avenue; Thence North 88°02'47" West, along said right of way, 398.72 feet to a curve, the radius point of which bears North 01°57'13" East, 50.00 feet; Thence, along said curve, through a central angle of 90°00'00" for an arc distance of 78.54 feet to the point of beginning and the end of this description.

## EXHIBIT B
## REQUIREMENTS AS TO IMPROVEMENTS

These conditions relating to improvements in this Exhibit "B" shall control unless the Port and Tenant have otherwise separately agreed to more specific time periods for production and coordination of drawings, financing and commencement of construction. In the event such additional documentation becomes a part of this Lease, then the time periods set forth in such documents shall be logically coordinated, the intent being that the shorter time periods should control the parties' respective performances. To the extent any provision in this Exhibit B conflicts with Lease, the Lease shall prevail.

### 1. PORT APPROVAL OF TENANT IMPROVEMENTS.

As used herein, the terms "improvements" or "structures" shall mean and include without limitation all permanent buildings, and all other major structures or improvements of any kind located above the ground level of any site, plus any replacements, additions, repairs or alterations thereto. No improvement shall be constructed or maintained on the Premises until the Port has first approved the design, density, size, appearance and location thereof. Before commencing any work of improvement or applying for any governmental permit or approval, Tenant shall first deliver to the Port for approval two (2) sets of schematic plans and preliminary specifications, including grading and drainage plans, exterior elevations, floor plans, site plans, and showing in reasonable detail existing topography and proposed type of use, size, land coverage, shape, height, location, material and elevation of each proposed improvement, all proposed ingress and egress to public or private streets or roads, all utilities and service connections, and all proposed landscaping, exterior materials and fences, parking, exterior lighting, signs, cut and fill, finished grade, runoff and concentration points. Nothing in this paragraph shall imply a submission standard higher than that required for a building permit, except as it relates to land use(s), utilities, infrastructure and impact upon adjoining properties and use(s) of adjoining properties.

The Port shall then have twenty (20) days during which to accept and approve or reject such preliminary plans and specifications. Once the preliminary plans and specifications have been approved, but prior to commencing any such work, Tenant shall submit to the Port for approval of final plans and specifications for any proposed improvements in the same manner as provided above.

All plans and specifications for grading or improvements to be submitted to the Port hereunder shall be prepared by a licensed or registered architect or engineer, as the case may be. All grading, piling, footing and foundation work must be conducted under the supervision of an appropriate licensed engineer. At the Port's option, a final certification by a licensed soils engineer or geologist must be filed with the Port upon completion of the grading work. The Port shall not unreasonably withhold its approval of any such plans or specifications.

The Port shall be conclusively deemed to have given its approval unless, within thirty (30) days after all such plans and specifications have been received by the Port, the Port shall give Tenant written notice of each item of which the Port disapproves. Unless so disapproved, the Port shall endorse its approval on at least one set of plans and return the same to Tenant. The Port may disapprove any plans which are not in harmony or conformity with other existing or proposed improvements on or in the vicinity of the Premises, or with the Port Master Plan or other plans or criteria for the Premises in the general area in which the Premises are located, the sole discretion as to such adequacy remaining with the Port. Notwithstanding the foregoing, Tenant may, in accordance with the lease, repair, replace, alter or reconstruct any improvement on the Premises for which plans were previously approved by the Port as provided above, but only if such repair, replacement, alteration or reconstruction is substantially identical to the improvement previously approved.

Concerning utility installations, Tenant, at Tenant's sole cost, including any connection fees, assessments or changes, shall be responsible for the installation on the Premises of all utilities required by Tenant's use of the Premises, assuming such utility services are available to the Premises. Any contractual arrangements with any municipal supplier with respect to the improvements or utility installation shall not be

entered into by Tenant without first obtaining the Port's approval. In the event that such utility services are not readily available at the Premises, Tenant, at Tenant's sole cost, shall pay for the extension of such utilities to the Premises.

The Port shall not be liable for any damages in connection with the approval or disapproval of any plans or specifications, any construction or performance by Tenant on the Premises in connection with the erection of such improvements, any mistake in judgment, negligence or omissions in exercising its rights and responsibilities hereunder, or the enforcement or failure to enforce any provisions contained in the Lease. The Port's approval of plans and specifications shall not constitute the assumption of any responsibility by the Port or its representatives for the accuracy, efficacy or sufficiency thereof, and Tenant shall be solely responsible therefor.

2. **CERTIFICATES OF COMPLIANCE.**

Tenant shall obtain all necessary permits and shall send copies of same to the Port, as well as copies of Certificates of Completion/Occupancy associated with such permits and pay the cost thereof. Prior to commencement of any such work of improvements, Tenant shall supply to the Port a certificate from a licensed civil engineer or land surveyor verifying that the appropriate subdivision or binding site plan approval has been obtained, and that the proposed improvements will be located on the correct parcel and in accordance with plans previously approved by the Port. The Port may waive such requirement if the Port has already surveyed the proposed Premises. Upon completion of any such improvements, Tenant shall supply to the Port a further certification by Tenant's architect (including the landscape architect in the case of improvements consisting of landscaping) that the improvements, as designed by the architect, have been completed in accordance with the plans previously approved by the Port. Final landscaping as approved by the Port shall be completed within sixty (60) days after completion of the structure. Tenant shall also supply to the Port one (1) set of "as-built" grading plans showing all underground installations within sixty (60) days following completion of any substantial improvement within the Premises. Tenant shall also furnish the Port with a complete set of "as-built" building plans and an itemized statement of the actual construction cost of such improvements, not later than sixty (60) days after completion.

3. **DILIGENT COMPLETION AND COMPLIANCE.**

After commencement of construction, Tenant shall diligently complete the construction so that the improvements will not remain in a partly finished condition any longer than is reasonably necessary. Tenant shall comply with all applicable governmental laws, ordinances and other requirements or conditions and restrictions which may affect the Premises, (whether prior to, during or after construction) including, without limitation, the Americans With Disabilities Act, and shall make such corrections, alterations or other improvements which may be necessary to remedy any non-complying condition (subject to the reasonable approval of the Port), all at the sole cost and expense of Tenant.

**EXHIBIT C**
**LESSOR'S CONSENT AND AGREEMENT**
**(For Financing Purposes)**

Description of Ground Lease.

| | |
|---|---|
| "Lessor": | Port of Olympia |
| "Tenant": | Washinton State Department of Enterprise Services |
| "Lease": | Ground Lease dated _____ |
| "Leasehold": | Tenant's interest in the Lease and all Leasehold Improvements |
| "Lender(s)": | _____ |
| | _____ |
| | _____ |
| | _____ |

NOW, THEREFORE, Lessor represents, warrants, covenants and agrees as follows:

1. **Consents**. Lessor hereby consents to the assignment of Tenant's interest in the Leasehold to Lender for security purposes under the Lender's Deed of Trust upon closing of the loan. Herein the term "Deed of Trust" shall mean the Lender's Deed of Trust as may be applicable and the "Lender" shall mean _____, as its/their interests appear in the Deed of Trust.

2. **Status of Lease**. A true and correct copy of the Lease, together with all amendments, supplements, and modifications thereto, is attached as Schedule A to this Agreement. The Lease is presently in full force and effect, is valid and enforceable according to its terms and has not been modified or amended in any way except as shown on the copy of the Lease attached hereto.

3. **Non-Default**. Tenant is not in default (a) in the payment of rent or any other amounts due and payable by Tenant to Lessor under the Lease or (b) to the knowledge of Lessor, in the observance or performance of any other covenant or condition to be observed or performed by Tenant under the Lease. To the knowledge of Lessor, no event has occurred which now does or hereafter will authorize Lessor to terminate the Lease.

4. **Right to Foreclose Deed of Trust.** Lender recognizes that any Deed of Trust taken by Lender affects and applies only to Tenant's interest in the Leasehold and that Lessor will not permit any security interest to be taken in any of its land. In the event of default by Tenant under the terms of the Deed of Trust, Lender may enforce or foreclose the Deed of Trust including the acceptance of a Deed in Lieu of Foreclosure. Lessor agrees that in connection with any such foreclosure, Lender may:

a. acquire Tenant's interest in the Leasehold either by Deed in Lieu of Foreclosure or actual foreclosure without further consent of Lessor, subject to the requirements of paragraph 6.4 below.

b. rent the Premises pending foreclosure of the Leasehold by Lender without further consent of Lessor.

c. assign and sell the Leasehold in whole or in part to any person or entity, subject to the requirements set forth in paragraph 6.5 below.

5. **Surrender of the Premises.** No surrender of the Premises or any other act of Tenant shall be deemed to terminate the Lease and Lessor will not terminate voluntarily by agreement with Tenant unless Lender has been previously notified in writing and has consented to the termination in writing. The Lease shall not be amended or modified unless Lender has been previously notified in writing and has consented to such amendment or modification in writing.

6. **Notice of Default and Lender's Rights.**

6.1. **Notice of Default.** If Tenant defaults under the Lease or if any event occurs which would give Lessor the right to terminate, modify, amend or shorten the term of the Lease, Lessor shall take no steps to exercise any right it may have under the Lease without first giving Lender written notice of such default. A copy of each and every Notice of Default served or sent by Lessor or its agent to or upon Tenant pursuant to the Lease shall be sent contemporaneously to Lender in accordance with paragraph 13 below. Such Notice of Default shall specify the event or events of default then outstanding and the time period at the end of which the indicated action would become effective.

6.2. **Termination for Monetary Default.** If the Notice of Default given by Lessor to Lender relates to a monetary default and Tenant has not cured such monetary default within 15 days as provided in the Lease and Tenant's failure to cure results in Lessor desiring to terminate the Lease, Lessor may terminate the Lease if such monetary default is not cured by either Tenant or Lender within twenty (20) days of Lender's receipt of Notice, and kept current thereafter.

6.3. **Termination for Non-Monetary Default.** If the notice given by Lessor to Lender relates to a non-monetary default and Tenant has not cured such non-monetary default within the 30-day period specified in the Lease, Lessor shall take no action to terminate the Lease if:

(a) within 20 days after Lessor's notice to Lender to Tenant's failure to cure (or failure to diligently pursue a cure) Lender notifies Lessor of its intent to realize upon its security interest and commences realization within 60 days thereafter, and diligently pursues realization; and

(b) Lender notifies Lessor that it will assume the Lease when Lender is legally entitled to the ownership and/or possession of Tenant's interests in the Leasehold; and

(c) Lender pays Lessor at time of notification all back rent or other monies or performances due that may be in default up to the date Lender notifies Lessor of Lender's intent and further pays all rent that accrues during the period after Lender so notifies Lessor and completes such other performances that may be required or come due under the Lease.

6.3.1. Lessor shall not terminate the Lease because of Tenant's breach of any term(s) of the Lease relating to the solvency of Tenant or the institution of any bankruptcy, insolvency,

receivership or related action by or against tenant as long as Lender cures any default under the Lease by Tenant as provided in this Consent and Agreement. If the non-monetary default is of a nature which requires immediate abatement as a result of which Lender would not normally pursue realization on the collateral, and Tenant has not taken steps to immediately cure the default, then Lender must take immediate steps to cure such default within ten (10) days of receipt of notice or else the Lessor may terminate the Lease.

6.3.2. Upon termination of the Lease as provided herein, Lender will release its Deed of Trust within fifteen (15) days thereafter.

6.4. **Assumption of the Lease**. If Lender acquires the interest of Tenant at any time or takes possession of the collateral, then Lender shall formally assume the Lease within twenty (20) days thereafter. Failure to so assume the Lease shall give Lessor the right to immediately terminate the Lease.

6.5. **Right to Assign**. Lender shall not have the right to assign its interest in the Leasehold nor in the case of a foreclosure under the Deed of Trust shall the Trustee under the Deed of Trust transfer the Leasehold to any person or entity (other than Lender) without first obtaining the written consent of Lessor for such assignment or transfer, which consent will not be unreasonably withheld or delayed provided that Lender has disclosed to Lessor (a) the identity of the proposed purchaser, assignee or transferee;
(b) shown that the purchaser's, assignee's or transferee's credit standing would reasonably be acceptable to a commercially prudent lender; and (c) provided evidence to Lessor that the use of the property by such purchaser, assignee or transferee shall be consistent with the terms of the Lease or Tenant's prior use of the Leasehold. Upon the purchaser's, assignee's or transferee's assumption and agreement to perform and to be bound by all of the terms of the Lease, Lender shall be relieved of further liability under the Lease, however, if Lender finances the purchaser, assignee or transferee, Lender shall again be subject to all the obligations set forth in this Agreement.

7. **Disposition of Insurance and Condemnation Proceeds.** Lessor shall be named as an additional insured under any of Tenant's casualty policies on the Premises to the extent of the interests limited in this paragraph 7. Should the Premises suffer any loss which is covered by casualty insurance, and the insurance proceeds are used to restore any improvements made by Tenant, Lessor agrees that Tenant and Lender shall have the right to such proceeds so long as none of Lessor's property, utilities or other services therein are damaged or such damages are repaired. In the event the Premises are substantially damaged and Tenant's improvements have been repaired, Lessor shall only participate in the insurance proceeds to the extent necessary to repair and restore Lessor's ground and any of Lessor's or Tenant's improvements (excluding buildings and personal property) on or in the ground to the same condition the land was in at the commencement of the Lease, or in the same condition at the time of the casualty. Under the Lease, Lessor has the option of requiring Tenant to demolish the improvements at the end of the Lease term, or to have Tenant convey title to Lessor Tenant's interests in the Leasehold Improvements. In the event Premises and the Leasehold are so severely damaged that Tenant's and Lenders' decision is not to repair or restore the Premises, Lessor shall participate in the insurance proceeds to the extent necessary to remove the remainder of the damaged improvements and to restore the Premises and any utilities or other such improvements (excluding rebuilding the improvements or restoring other personal property of Tenant) to the same condition the land was in at the commencement of the Lease, or in the same condition at the time of the casualty. Other than as described herein, Lessor shall have no claim to insurance proceeds or condemnation proceeds that are attributable to Tenant's interest in the Leasehold, nor shall Lender have any interest in Lessor's condemnation proceeds, if any.

8. **Right to Participate in Litigation.** Lender shall have the right to participate in any

litigation, arbitration or dispute directly affecting the Premises or the interests of Tenant or Lender therein, including without limitation, any suit, action, arbitration proceeding, condemnation proceeding or insurance claim. Lessor, upon instituting or receiving notice of any such litigation, arbitration or dispute will promptly notify Lender of the same.

9. **Incorporation of Mortgagee Protection Provisions.** To the extent not inconsistent with this Agreement, all provisions of the Lease which by their terms are for the benefit of any leasehold mortgagee, are hereby incorporated herein for the benefit of Lender. Without limited the foregoing, Lender shall be a beneficiary of the warranty and indemnity provided in paragraph 6 of Paragraph 1, **LEASE SUMMARY**, of the Lease.

10. **Right to Remove Collateral.** In the event Lender exercises its rights under its collateral and realizes upon the collateral, Lessor agrees that Lender is entitled to remove Tenant's furniture, movable trade fixtures and equipment installed by Tenant from the Premises at any reasonable time and that the collateral shall remain personal property even though the trade fixtures may be affixed to or placed upon the Premises. "Trade fixtures" means the movable personal property of Tenant which is free standing or attached to floors, walls or ceiling, but does not include installed light fixtures, floor coverings, doors, windows, heating, plumbing or electrical systems or components thereof, including any roof-mounted HVAC equipment and/or units thereof, or permanent walls or partitions installed by Tenant. In the event Lender so realizes on its collateral, Lessor waives any right, title, claim, lien or interest in the above trade fixtures by reason of such fixtures being attached to or located on the Premises. Lender shall use reasonable care in removing the trade fixtures from the Premises and shall repair any damage that may result from such removal which shall be completed in accordance with the terms of the Lease.

11. **Interpretation of Agreement.** This Agreement sets forth the complete understanding of Lender with respect to this transaction; may be amended only in writing signed by the party against whom it is sought to be enforced; and, without limiting the generality of the foregoing shall not be deemed modified by any course of dealing. No provision in the Assignment of Tenant's Interest in Lease, Security Agreement and Deed of Trust shall vary, modify or expand the covenants herein contained. In the event of any conflict between the terms of this Agreement and the Lease, this Agreement shall control.

12. **Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its conflict-of-laws principles. The parties agree that any action, proceeding, or dispute arising out of or relating to this Lease shall be brought exclusively in the state or federal courts located in Olympia, Washington, and each party irrevocably submits to the exclusive jurisdiction and venue of such courts. In the event of litigation, the prevailing party in such litigation shall be awarded reasonable attorney's fee not to exceed twenty (20) percent of the amount in controversy, plus costs and costs of collection.

13. **Notices.** All notices, copies of notices, consents or other communications given under this Agreement must be in writing and shall be effective when received. Such communications shall be given in person to an officer of Lender or to Lessor or shall be delivered to one of such persons by registered or certified U.S. mail or by public or private courier or wire service or electronic mail addressed to the parties at their respective addresses set forth below, unless by such notice a different person or address shall have been designated in writing:

If to Lender: _____(Print)
_____(Print)
_____(Print

_____(Print)

If to Lessor: Port of Olympia
606 Columbia St. NW, Suite 300
Olympia, Washington 98501
Attn: Real Estate Operations

IN WITNESS WHEREOF, Lessor has executed these presents this _____day of _____, 20__.

LESSOR:
By: _____
Its: _____

TENANT:
By: _____
Its: _____

LENDER:
By: _____
Its: _____

**EXHIBIT A**

**To Lessor's Consent and Agreement (Lease Exhibit C)**

**Copy of Lease**

**EXHIBIT "E"**

**DEVELOPMENT GUIDELINES**

**[Intentionally Deleted]**

## EXHIBIT "F"

### 7510 New Market Rate Schedule

| Lease Year | | Rate Effective Date | Rate per SF | Rate Change Trigger Points | Parcel Size (SF) | Annual Gross Revenue | Monthly Payment Before LET |
|---|---|---|---|---|---|---|---|
| 0 | Lease Commencement Date | Lease Execution in 2026 | 0.1200 | Lease rate change effective & invoiced | 442,569 | TBD | $4,425.69 |
| 1 | | 1/1/2027 | 0.2400 | Lease rate change effective & invoiced | | $106,216.56 | $8,851.38 |
| 2 | | 1/1/2028 | 0.3600 | Lease rate change effective & invoiced | | $159,324.84 | $13,277.07 |
| 3 | | 1/1/2029 | 0.4800 | Lease rate change effective & invoiced | | $212,433.12 | $17,702.76 |
| 4 | | 1/1/2030 | 0.5184 | 8% increase of previous year. Lease rate change effective & invoiced | | $229,427.77 | $19,118.98 |
| 5 | | 1/1/2031 | 0.5288 | | | $229,427.77 | $19,118.98 |
| 6 | | 1/1/2032 | 0.5393 | | | $229,427.77 | $19,118.98 |
| 7 | | 1/1/2033 | 0.5501 | | | $229,427.77 | $19,118.98 |
| 8 | | 1/1/2034 | 0.5611 | | | $229,427.77 | $19,118.98 |
| 9 | | 1/1/2035 | 0.5724 | Lease rate change effective & invoiced | | $253,306.80 | $21,108.90 |
| 10 | | 1/1/2036 | 0.5838 | | | $253,306.80 | $21,108.90 |
| 11 | | 1/1/2037 | 0.5955 | | | $253,306.80 | $21,108.90 |
| 12 | | 1/1/2038 | 0.6074 | | | $253,306.80 | $21,108.90 |
| 13 | | 1/1/2039 | 0.6195 | | | $253,306.80 | $21,108.90 |
| 14 | | 1/1/2040 | 0.6319 | Lease rate change effective & invoiced | | $279,671.17 | $23,305.93 |
| 15 | | 1/1/2041 | 0.6446 | | | $279,671.17 | $23,305.93 |
| 16 | | 1/1/2042 | 0.6575 | | | $279,671.17 | $23,305.93 |
| 17 | | 1/1/2043 | 0.6706 | | | $279,671.17 | $23,305.93 |
| 18 | | 1/1/2044 | 0.6840 | | | $279,671.17 | $23,305.93 |
| 19 | | 1/1/2045 | 0.6977 | Lease rate change effective & invoiced | | $308,779.57 | $25,731.63 |
| 20 | | 1/1/2046 | 0.7117 | | | $308,779.57 | $25,731.63 |

PORT OF OLYMPIA
*Bills & Vouchers*
October 2026 Summary of Payments

GENERAL

| | |
|---|---|
| PREPRINTED WARRANTS | $ 878,545.19 |
| ELECTRONIC PAYMENTS | $ 1,482,934.88 |
| BOND DEBT PAYMENTS | NONE |
| VOIDED WARRANT(S)- 16 - processed unclaimed property | $ (23,385.72) |
| TOTAL PAYMENTS: | $ 2,338,094.35 |

| | |
|---|---|
| General Fund Warrants Issued: | CK# 095092-095311 |
| Electronic Payments Issued: | EP# 001836-001858 |
| Bond Debt Payments Issued: | NONE |
| Voided Warrant(s): | CK#090023,090285,090377, 090579,090624,090625,090654,090677,090737,091315,091408, 091849,091887, 091918, 091936, 092004 |
| Voided Electronic Payment(s): | NONE |

**Payments over $200,000:**

| Warrant # | Amount | Pay To | |
|---|---|---|---|
| 001847 | $620,720.58 | Dalton, Omlsted, & Fuglevand | Budd Inlet Project |
| 001850 | $599,601.33 | Good News Group | Admin Building- Construction |

We the undersigned Board of Commissioners of the Port of Olympia, Olympia Washington, do hereby authorize the issuance of the warrants described above.

Jasmine Vasavada, Commission President

Sarah Montano, Commission Vice-President

Joel Hansen, Commission Secretary

Jerry Toompas, Commissioner

Krag Unsoeld, Commissioner

Alexandra K. Smith, Executive Director

PORT OF OLYMPIA
*VOUCHER APPROVAL LISTING*
Oct-26
Issued 10-5-2026

| | | |
|---|---|---|
| WARRANTS ISSUED: | WARRANT NUMBERS: | |
| COMPUTER PREPARED | 095092 to 095092 | $ 167,717.03 |
| Voided Warrant(s) stub only | | |
| ELECTRONIC PAYMENTS: | ACH NUMBERS: | |
| COMPUTER PREPARED | | |
| PAYROLL DIRECT DEPOSIT DATE: | | |
| Voided Electronic Payment(s) | | |
| | TOTAL WARRANTS | $ 167,717.03 |

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Trisha Miller

PORT OF OLYMPIA
*VOUCHER APPROVAL LISTING*
Oct-26
Issued 10-8-2026

| | | |
|---|---|---|
| WARRANTS ISSUED: | WARRANT NUMBERS: | |
| COMPUTER PREPARED | 095093 to 095156 | $ 108,214.99 |
| Voided Warrant(s) stub only | | |
| ELECTRONIC PAYMENTS: | ACH NUMBERS: | |
| COMPUTER PREPARED | | |
| PAYROLL DIRECT DEPOSIT DATE: | | |
| Voided Electronic Payment(s) | | |
| | TOTAL WARRANTS | $ 108,214.99 |

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Trisha Miller

PORT OF OLYMPIA
*VOUCHER APPROVAL LISTING*
Oct-26
Issued 10-15-2026

| | | |
|---|---|---|
| WARRANTS ISSUED: | WARRANT NUMBERS: | |
| COMPUTER PREPARED | 095157 to 095200 | $ 216,336.04 |
| Voided Warrant(s) stub only | | |
| ELECTRONIC PAYMENTS: | ACH NUMBERS: | |
| COMPUTER PREPARED | | |
| PAYROLL DIRECT DEPOSIT DATE: | | |
| Voided Electronic Payment(s) | TOTAL WARRANTS | $ 216,336.04 |

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Brent Barnes

PORT OF OLYMPIA
*VOUCHER APPROVAL LISTING*
Oct-26
Issued 10-21-2026

| | | |
|---|---|---|
| WARRANTS ISSUED: | WARRANT NUMBERS: | |
| COMPUTER PREPARED | 095201 to 095201 | $ 38,562.76 |
| Voided Warrant(s) stub only | | |
| ELECTRONIC PAYMENTS: | ACH NUMBERS: | |
| COMPUTER PREPARED | | |
| PAYROLL DIRECT DEPOSIT DATE: | | |
| Voided Electronic Payment(s) | | |
| | TOTAL WARRANTS | $ 38,562.76 |

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Brent Barnes

PORT OF OLYMPIA
*VOUCHER APPROVAL LISTING*
Oct-26
Issued 10-22-2026

| | | |
|---|---|---|
| WARRANTS ISSUED: | WARRANT NUMBERS: | |
| COMPUTER PREPARED | 095202 to 095233 | $ 113,312.78 |
| Voided Warrant(s) stub only | av | |
| ELECTRONIC PAYMENTS: | ACH NUMBERS: | |
| COMPUTER PREPARED | | |
| PAYROLL DIRECT DEPOSIT DATE: | | |
| Voided Electronic Payment(s) | | |
| | TOTAL WARRANTS | $ 113,312.78 |

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims".

Brent Barnes

PORT OF OLYMPIA
*VOUCHER APPROVAL LISTING*
Oct-26
Issued 10-22-2026

| | | |
|---|---|---|
| WARRANTS ISSUED: | WARRANT NUMBERS: | |
| COMPUTER PREPARED | 095234 to 095311 | $ 234,401.59 |
| Voided Warrant(s) unclaimed property | 090285 090677<br>090625 090737<br>090654 | $ (1,204.94) |
| ELECTRONIC PAYMENTS: | ACH NUMBERS: | |
| COMPUTER PREPARED | | |
| PAYROLL DIRECT DEPOSIT DATE: | | |
| Voided Electronic Payment(s) | | |
| | TOTAL WARRANTS | $ 233,196.65 |

RCW 42.24.080: "I, the undersigned, do hereby certify under penalty of perjury, that the materials have been furnished the services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations of the Port of Olympia, and that I am authorized to authenticate and certify to said claims"

Brent Barnes

**Commission Meeting Minutes**
**Tuesday, October 13, 2026**

## Call to Order

Commission President Jasmine Vasavada called a regular meeting of the Port of Olympia Board of Commissioners to order and open to the public at 4:02 p.m., Tuesday, October 13, 2026, at the Percival Plaza at 626 Columbia Street NW, Suite 1B, Olympics Room, in Olympia, Washington 98501.

## Present

Commissioners: Jasmine Vasavada – President, Sarah Montano – Vice President, Joel Hansen – Secretary, Jerry Toompas and Krag Unsoeld.

Staff: Alex Smith, Executive Director, Megan Lin, General Counsel; Jon Wolf, Interim Director of Environmental Planning and Programs/Environmental Manager; Taber Lee, Marketing and Outreach Senior Manager; Spencer Battersby, IT Manager; and Missy Goodell, Commission Coordinator.

Guests: Megan Diment, Harbor Days; Bobbak Talebi, Director of Southwest Region, and Tessa Gardner Brown, Project Manager, Consulting Design Team, with the Washington State Department of Ecology.

## Approval of Agenda

Commissioner Hansen moved to approve the agenda; Commissioner Toompas seconded the motion. Commissioner Montano moved to amend the agenda, moving agenda items G1 and G2 to come after item D, Executive Director Report. Discussion followed. Commissioner Hansen called for the question. Amended motion passed unanimously.

## Executive Director Report

Alex Smith, Executive Director, reported on recent Port activities. She announced that in observance of Indigenous Peoples' Day yesterday, our regular Monday Commission meeting was rescheduled for today.

Last week, Mike Reid and Taber Lee attended the 2026 annual meeting hosted by our tourism partners at Experience Olympia & Beyond. The Port partnered with Thurston County (Thurston Solid Waste), the City of Tumwater, and GreenSheen Paint. Together, we hosted a free Paint Recycling Event on Port property in Tumwater near the Clean Water Center; it was a big success with a total of 438 cars coming from across the county, and 79,205 pounds of paint being collected.

Another successful SUP Witches event was held recently at the Ports' Northpoint Plaza. 5th graders throughout the Olympia School District continue to visit Swantown Marina for their field trips in partnership with the South Sound Estuarium. They are about halfway through their 14 scheduled field trip days, and last Thursday Commissioner Hansen had the opportunity to volunteer as a parent for his son's class.

In addition, Alex reminded everyone of the ways they can communicate with the Commission. She stated there is a great deal of information available on the Port's website and encouraged everyone to check it out.

**Partner Spotlights**

Harbor Days. Megan Diment, Event Organizer for Harbor Days, shared that the Olympia Harbor Days Festival, a free event offered in Olympia every Labor Day Weekend, is an award winning free and family friendly event that showcases many of the vintage tugboats of the Puget Sound with a walk aboard show at the docks and races in the bay. Visitors to the event may also find tall ships, steamships, other historic vessels of twentieth century commerce, tribal canoes, and current recreational small watercraft. Harbor cruises on Budd Bay are also offered.

On land, festival attendees enjoy great food, great music, great artisans, plus nautical and marine themed attractions, hands-on activities, including Olympia's tugboat heritage, tribal history and the working waterfront with Port of Olympia tours.

Funding sources, event costs, and challenges were shared. Future plans and goals were also communicated.

Deschutes Estuary Partners Project. Bobbak Talebi, Director of Southwest Region at Washington State Department of Ecology and Project Director for the Estuary Restoration Project, provided updates to the Deschutes Estuary project, the ongoing regional partnership and the Resolution of support.

Regional partners on this project are the Port of Olympia, the City of Olympia, the City of Tumwater, Thurston County, LOTT Clean Water Alliance, Squaxin Island Tribe, and the State of Washington (with multiple agencies from within the State participating: Washington State Department of Fish and Wildlife {WDFW}, Department of Enterprise Services {DES}, Department of Ecology, and the Department of Natural Resources {DNR}).

As directed by the legislature, project design is slated to be complete by June 2027. Construction is targeted to occur mid-2028. It was reported that the Department of Ecology submitted a capital project request to start construction of this project. Construction is anticipated to last six to seven years, meaning the dam removal would likely be in the early 2030s.

Ecology's cleanup team has been working closely with the Port to discuss and figure out what the next steps are for the cleanup of West Bay in association with this project. Even though the cleanup itself is being managed through Ecology's toxic cleanup program in coordination with the Port, this is seen as being highly linked to the Estuary project even though it's not part of construction costs in project designs. As grant and funding opportunities are being pursued at the federal level, opportunities for the Port's cleanup process are also being investigated.

The Regional Partners meet every other month to inform the project. A formal letter of support, a resolution, signed by the Regional Partners, was prepared and can be used to support capital project requests to the Governor's office but can also be used in ongoing pursuits of grant opportunities in funding at the federal level.

A separate letter of support, specifically supporting the Port's clean up efforts, will be discussed at the next Regional Partner meeting as there was interest from the partners.

**Public Comment**
Twenty individuals provided public comments:

- Regarding the NEPA and SEPA process, 17 individuals requested to keep existing policies in place and to not change the current NEPA and SEPA process. Preference was given to keeping the current administrative appeal process in place and to continue to allow public input to ensure transparency.
- Two individuals were against expanding the Olympia Regional Airport due to perceived air pollution and noise.
- One individual thanked the Commission for amending the POCAC Resolution and moving that process forward.

**Commission Response to Public Comment / Follow-Up to Public Comment**
None.

**Consent Calendar**
Commissioner Montano moved to approve the consent agenda as presented; Commissioner Hansen seconded the motion. Motion passed unanimously.

**Action Calendar**
Deschutes Estuary Joint Resolution of Support. Alex Smith, Executive Director, provided background information on the Deschutes Estuary Joint Resolution of Support, how it came to be, what the Resolution states, list of Regional Partners, and options moving forward.

In 2022, the State Department of Enterprise Services decided that restoring the free-flowing estuary was the best long-term option for Capitol Lake and Budd Inlet water quality. In 2024, the Port Commission approved the Deschutes Estuary Restoration Project Interlocal Agreement (ILA) that committed the Port and other jurisdictions to support the restoration.

Regional Funding Partners are the City of Olympia, the City of Tumwater, Thurston County, Squaxin Island Tribe, LOTT Clean Water Alliance and the Port of Olympia.

The Joint Resolution supports state and federal funding to implement the restoration project and confirms support for the project as a whole; for State funding and federal funding for the project; and for the Regional Partners' commitment to the project's success and continued support. The Port had requested language supporting funding for the Budd Inlet cleanup, which the ILA recognizes as a prerequisite. Because other Partners objected (they felt it dilutes estuary focus, gives mixed messages), the Resolution advanced without language amendments.

Two options for Commission consideration were shared. The first option, Option A, was to adopt the Resolution of Support as agreed by Partners, and the second option, Option B, was to adopt the

Resolution with two Port amendments (1. Budd Inlet cleanup first, per ILA; and 2. Ecology's management authority).

*Motion: Commissioner Unsoeld moved to adopt the Joint Resolution of Support for the Deschutes Estuary Restoration Project as agreed by the Regional Partners (Option A). Commissioner Montano seconded the motion. Motion passed unanimously.*

**Action/Other Calendar**
None.

**Advisory Calendar**
SEPA Policy Updates. Alex Smith, Executive Director, gave a presentation on proposed updates to the 2015 SEPA Resolution. Proposed changes to the SEPA Policy were presented since the SEPA and Ecology guidance have changed since 2015 and the Port is interested in aligning with governing law.

Suggested changes affect the process only.

Proposed edits follow state SEPA requirements step-by-step, reducing confusion by eliminating differing procedural timelines and making it easier for staff and the public to track.

Proposed changes:
- 14-day comment period for Determinations of Nonsignificance and Mitigated Determinations on Nonsignificance
- Give the Port discretion to respond in writing to comments
- List routine Port activities that are exempt from SEPA Review
- Simplify service on the Port
- Remove the Climate Appendix
- Eliminate Administrative Appeals
- Proposed Process Improvement: Use of a "notice of action" to establish a clear timeline for appeals
- Proposed Process Improvement: New informal reconsideration option to allow Port to fix issues through an informal process

In summary, the proposed changes align Port procedures with state law and other jurisdictions; they are based on current SEPA laws and guidance; they provide clarity for staff and the public; they recognize limits to staff capacity and Port resources; and they only change process – not the substantive requirements the Port is required to follow under SEPA.

It was reported that the proposed revisions reduce litigation risks for the Port by clarifying and simplifying aspects of the Port's SEPA process. The revisions should not have a negative financial impact, and they may save money over the long term by reducing litigation risks.

Discussion followed. Questions were raised regarding court fees and accessibility to the court system and the cost comparison of the judicial review process versus the administrative appeal process. And while the climate change document is no longer being used, is there an option where climate change can still be addressed.

It was requested that staff bring a process forward publicly with everyone at the same time, so a mechanism can be created the provides transparency to come to agreement, a process that helps to inform and adopt changes that have to be adopted. It was requested to push this topic to November to allow for more public comment.

**Commissioner Reports/Discussion**
Commissioner Hansen reported that he attended no Port meetings recently.

Commissioner Montano reported that she attended the Festival of the Sparks hosted by Lacey MakerSpace. Next week she will attend an EPA Greenhouse Gas Emissions online webinar.

Commissioner Vasavada reported that she joined a community Pride campaign planning kickoff. They are looking for an opportunity for us in Thurston County and in Olympia to take back pride in our communities.

Commissioner Toompas had nothing to report but thanked those who sent in public comment and engaged in the process.

Commissioner Unsoeld reported that he had many conversations with folks regarding the issues that were discussed today.

**Additional Public Comment**
None.

**Other Business**
None.

**Meeting Announcements**
A list of upcoming events was displayed on the screen for viewers to see upcoming Commission meetings. Executive Director Smith stated the next Commission Meeting will be held on Monday, October 26, at 4:00 p.m.

**Adjournment**
There being no further business to come before the Port of Olympia Board of Commissioners, the Tuesday, October 13, 2026, meeting was adjourned at 6:05 p.m.

PORT OF OLYMPIA COMMISSION

_____
Jasmine Vasavada, President

_____
Joel Hansen, Secretary

DRAFT

# COVER MEMO

**Briefing Date:** November 9, 2026

**Staff Contact/Title:** Alex Smith, 360.528.8001, alexs@portolympia.com)

**Subject:** POCAC Appointment

**Purpose:** ☐ Information Only ☒ Decision Needed

**Overview:**
This is an "Action Other" item requesting Commission action.

**Background:**
On September 28th, the Commission appointed 15 people to serve on the POCAC, which each commissioner nominating three members. The Commission also approved three alternates for the POCAC, as follows:

| POCAC Seat | Member | District | Term End |
|---|---|---|---|
| 1 | Bob Wubbena | 1 | December 2027 |
| 2 | Cami Jones | 4 | December 2028 |
| 3 | Sherrie Ilg | 1 | December 2029 |
| 4 | Jack Havens | 3 | December 2027 |
| 5 | Jim Thornton | 2 | December 2028 |
| 6 | Timothy Smith | 1 | December 2029 |
| 7 | Darlene Kemery | 3 | December 2027 |
| 8 | Dan Decker | 1 | December 2028 |
| 9 | Erin English | 1 | December 2029 |
| 10 | Debby Pattin | 3 | December 2027 |
| 11 | Edward Humble | 4 | December 2028 |
| 12 | Rose Gundersen | 4 | December 2029 |
| 13 | Sue Patnude | 3 | December 2027 |
| 14 | Heather Christenson | 1 | December 2028 |
| 15 | Dylan Stuwe | 5 | December 2029 |
| Alternate | David Lund | 1 | |
| Alternate | Jihan Grettenbrger | 1 | |

| | | | |
|---|---|---|---|
| **Alternate** | Paul McMurtry | 4 | |

We received notice that Erin English, appointed to Seat 9, is declining the appointment due to other conflicting priorities.

The Commission now needs to fill that seat. Commissioner Unsoeld has been selected to nominate a candidate to fill Seat 9, as he originally appointed Ms. English.

At the November 9th Meeting, the Commission needs to vote on whether to appoint Commissioner Unsoeld's nominee to the POCAC.

PORT of OLYMPIA

# COVER MEMO

| | |
|---|---|
| **Briefing Date:** | November 9, 2026 |
| **Staff Contact/Title:** | Alex Smith, Executive Director, alexs@portolympia.com, 360-528-8001 |
| **Subject:** | Thurston County Tax Levy |
| **Purpose:** | ☒Information Only ☐Decision Needed |

## Background/Overview:

Thurston County Treasurer Jeff Gadman will share an information presentation that gives an overview of the tax levy process.

## Documents Attached:

PowerPoint Presentation

## Summary and Financial Impact:

No financial impact, informational only.

# Thurston County Treasurer

Maintain the public's trust by managing their funds with integrity while utilizing best professional practices to provide excellent customer service with a staff that is responsive, knowledgeable, efficient, and courteous

1

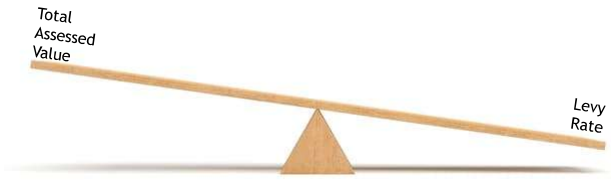
## Let's Review




- The amount of property tax levied is determined by the budget needs of each tax district.
  - The legislative authority of each tax district determines the budget of the district for the following year based on public expectations, desired service levels, and operational needs.
  - In addition to approving the budget, the legislative authority must authorize the levy of property taxes each budget cycle.

2

- The portion of the budget to be derived from property taxes is applied to the taxable assessed value within the boundaries of the tax district to determine the levy rate.
  - The Port of Olympia's district boundaries comprise all of Thurston County.
  - The budget determines the levy rate, not the other way around.
- As total taxable assessed value within the district boundaries increases, levy rates tend to decrease and vice versa.
- The assessed value of your property does not determine your taxes; it determines your share of a tax district budget.



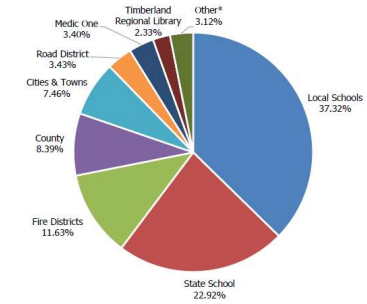

3

## Levy Rates Depend on Amount of Revenue

Revenue / Assessed Value = Levy Rate

- $8,210,033 / $66,383,581,952 = $0.123675662545*
  - Levy Rate = $0.123675662545 per $1,000 assessed value
    - This levy will be added to all other levies within a tax code area to determine the total levy rate for that area.

*Dollar amounts are for taxes collected in 2026




* Includes Park Districts (1.46%), Port of Olympia (1.29%), Conservation Futures (0.27%), P.U.D. #1 (0.06%), and Cemetery Districts (0.04%)

2025 Revenue Distribution

4

# Base Year

- Budget = $5,000,000
- Taxable Assessed Value = $30,000,000,000
- Levy Rate Calculation
  - $5,000,000/$30,000,000,000 =$0.16667/$1,000
  - In Washington State, levy rates are expressed as a rate per $1,000 of assessed value. So, for the calculation above, we say 0.16667 dollars per $1,000 of assessed value.



5

# Following Year, Scenario A

- In this year, the district elects to increase their revenue at the 1% limit, but assessed values remain the same.
  - Budget = $5,000,000 + $50,000 (1%) = $5,050,000
  - Taxable Assessed Value = $30,000,000,000
- Levy Rate
  - $5,050,000/$30,000,000,000 = $0.16833/$1,000
- Notice that the levy rate is slightly higher than last year. This is because the budget increased, but the assessed values remained the same.



6

# Following Year, Scenario B

- In this year, the district elects to increase their revenue at the 1% limit, and assessed values increased 5%.
  - Budget = $5,000,000 + $50,000 (1%) = $5,050,000
  - Taxable Assessed Value =

  $30,000,000,000 + $1,500,000,000 =$31,500,000,000
- Levy Rate
  - $5,050,000/$31,500,000,000 = $0.16032/$1,000
- Notice that the levy rate is lower in this scenario, even though the revenue level was increased. This is due to the offset from the increased assessed values.
- The most likely scenario from one year to the next is that both the budget and the assessed values will change.



7

# Second Following Year (Using Scenario B)

- In this year, the district elects to increase their revenue at the 1% limit for a consecutive time, and assessed values increased 7% over the previous year.
  - Budget = $5,050,000 + $50,500 (1%) = $5,100,500
  - Taxable Assessed Value =

  $31,500,000,000 + $2,205,000,000 = $33,705,000,000
- Levy Rate
  - $5,100,500/33,705,000,000 = $0.15133/$1,000
- The levy rate is significantly lower, again due to the offset of the increased assessed values.



8

# Revenue from New Construction

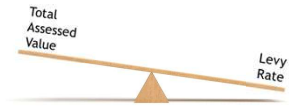
- In addition to the 1% increase to revenue, the Port of Olympia levy will be applied to any added value from new construction that has occurred within the district.
- The new revenue becomes part of the base revenue for the following year.



9

# Levies and Revenue

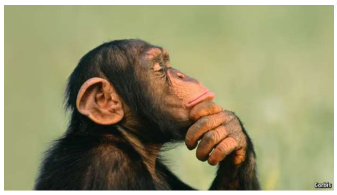
- Generally speaking, levy rates tend to rise and fall in opposite correlation with assessed values.
  - So, a corollary wisdom is that as assessed values fall, levy rates tend to rise
  - Since 1986, the average total levy rate in Thurston County has been as low as $9.50/$1,000 and as high as $18.00/$1,000.
    - For 2026, the total average levy rate is about $9.83/$1,000




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## Considerations for the 1% Limit

- Current revenue needs
  - Levy capacity can be banked to future years.
  - Potential loss of investment interest if the 1% is not taken.
- General economy
  - Is the economy moving up or down?
  - Recent and current inflation.
  - Inflation forecast.
- It is possible to exceed the 1% limit by asking the voters to pass a levy lid lift.



11

## Questions



12

| COVER MEMO | |
|---|---|
| **Briefing Date/Time:** | November 9, 2026 |
| **Staff Contact/Title:** | Mike Reid, Community and Economic Development Director, 360.764.5395, miker@portolympia.com) |
| **Subject:** | Vesper Aviation Ground Lease and FBO Building Purchase and Sale Agreement |
| **Purpose:** | ☒ Information Only ☐ Decision Needed |

**Type of Agenda Item:**

- Advisory

**Background:**

Glacier Aviation operates the Fixed Base Operator (FBO) at Olympia Regional Airport today. It occupies three Port leases, including the Airlift NW lease, which expired August 31, 2026 and is in month-to-month holdover. Glacier's leases include rights to own and operate Jet A and Avgas tanks at the Port's above-ground fuel farm. The Port owns the FBO building at 7645 Old Hwy 99 SE in Tumwater and the land under all of Glacier's operations.

Vesper Aviation (DBA OLM FBO LLC) is buying Glacier Aviation's business. This is a change in operator, not an increase in activity at the Port. Vesper would continue the FBO and related aviation services Glacier provides today, under one new ground lease that replaces Glacier's three leases. Vesper would also buy the FBO building itself.

The Port has negotiated a transaction to create a long term relationship with Vesper Aviation.

The transaction has three linked parts: a 30-year ground lease to Vesper, a sale of the FBO building improvements only, and the termination of Glacier's leases. The Port keeps fee title to all of the land.

**Summary and Financial Impact:**

This advisory briefing presents the negotiated terms of the proposed Ground Lease (Lease) and FBO Building Purchase and Sale Agreement (PSA) with Vesper Aviation, and the planned termination of the Glacier Aviation leases. Staff are asking for Commission feedback before bringing the final documents back for action.

**How the transition works**

- Glacier's three leases end on the day Vesper's Lease begins, which is when the Port has received Vesper's first month's rent, Lease Security, and proof of

insurance. If that never happens, Glacier's leases stay in force, so the airport is never without an FBO operator.

- On that date, Glacier surrenders its premises and releases its fuel tank rights to the Port, and those rights transfer to Vesper under the new Lease. Glacier also conveys its hangars to the Port or shows that it has conveyed them to Vesper.
- Before final settlement, the Port audits Glacier's rent, Leasehold Excise Tax, landing fees, and fuel flowage. Glacier's security deposit is returned only after any amounts owed are paid. Glacier's environmental, indemnity, and insurance obligations continue for conditions that arose during its occupancy.

**Key lease terms**

- **Premises:** About 124,000 square feet (2.85 acres). This includes Site 1, the Lease Area of about 114,000 square feet, and Site 2, a Stormwater Area of about 10,000 square feet. A professional survey is underway, and the Lease will be conformed to it.
- **Term:** Thirty years from the Effective Date, with two 10-year renewal options. At each renewal, ground rent resets to the then-current Commission-adopted rate.
- **Rent:** $67,260 per year ($5,605 per month), based on $0.59 per square foot on the Lease Area. Leasehold Excise Tax (currently 12.84%) is added on top. The Lease is triple-net, and rent begins when the Lease is executed.
- **Rent increases:** Every five years, rent rises by 3% for each of the prior five years, or 15% per adjustment. That takes annual rent to $77,349 in year six and about $135,284 in years 26 through 30.
- **Lease security:** $75,896.18 (one year of rent plus Leasehold Excise Tax), as required by RCW 53.08.085. It must be posted at execution and is adjusted whenever rent changes.
- **Use:** An aviation business campus where aeronautical activity is the primary use, covering the FBO and related aviation businesses. Special events are allowed without a separate agreement for each event. Vesper must report planned event dates a month in advance, and the Port may restrict any event that affects safety, security, or FAA compliance. Overflow event parking requires a separate license.
- **Near-term improvements:** Within 12 months of execution, Vesper must crack seal, sealcoat, and restripe the Airlift NW parking lot. In the same period, it must also install exterior lighting for the leasehold parking lots and access gate. The lighting must be shielded from ramp operations and comply with 14 CFR Part 77.
- **Fuel farm:** Glacier's fuel tank rights transfer to Vesper, along with full responsibility for operating, inspecting, and replacing the tanks. Vesper commits

to supply unleaded avgas and Sustainable Aviation Fuel and to serve electric and hydrogen aircraft once those operations begin.

- **End of term:** Improvements become Port property without compensation. Alternatively, the Port may require Vesper to remove them and restore the site at its own expense.

**Key purchase and sale terms**

- **Price:** $102,000 ($60 per square foot) for the FBO building improvements, including the backup generator and associated equipment. Vesper pays the full price when it signs the PSA. The Port holds the payment until closing, and 5% ($5,100) serves as earnest money.
- **Conveyance:** Quit Claim Deed for the improvements only, with a use restriction limiting the building to aeronautical, aviation-related, or complementary uses. The deed also reserves the Port's airspace and Part 77 rights. The sale is AS-IS, WHERE-IS and exempt from real estate excise tax.
- **Closing:** Within 30 days of the Lease's Rent Commencement Date. Closing is conditioned on Commission ratification and on a Commission resolution under RCW 53.08.090 declaring the building no longer needed for port district purposes. Sale proceeds are airport revenue under FAA rules.
- **If the sale fails to close:** The remedy is still being finalized. Under one option, the Lease terminates. Under the other, the building parcel is removed from the Premises and rent is reduced equitably. Staff would welcome Commission direction on which to pursue.

**Affected parties**

The parties most directly affected are Vesper Aviation and Glacier Aviation, whose three leases end under the termination agreement. Pilots and aircraft owners who rely on FBO and fueling services are also affected, though services continue without a break. Neighboring airport tenants share access and parking. On the Port side, airport operations staff are affected because the backup generator also serves the current airport office. The FAA's grant assurances govern the Lease and the sale.

**Business, economic development, and community benefits**

- FBO and fueling services continue without interruption under a new owner, and the existing aviation jobs stay at the airport.
- Three older leases, one of them in holdover, are replaced by a single lease on the Port's current template. The new lease has current insurance limits, environmental and fuel-farm requirements, FAA grant assurance provisions, and a defined rent escalation.

- The new operator commits to near-term improvements in its first year. Building ownership and its maintenance and capital costs move to an operator with a direct stake in the facility, while the Port keeps control of the land and of how the building is used.

**Financial impact**

- First-year ground rent is $67,260, replacing the rent Glacier pays today under its three leases. Leasehold Excise Tax of $8,636.18 is collected and remitted to the State.
- Base ground rent over the 30-year initial term totals about $2.94 million, assuming a 15% increase at each five-year adjustment. This figure excludes renewal terms and fees.
- The building sale produces one-time proceeds of $102,000 at closing.
- Landing fees, fuel throughput fees, and concession fees continue under the new Lease. Glacier's final fee and tax obligations are settled through the audit before its security is returned.
- The Port will no longer pay for maintaining the FBO building and generator, stormwater facilities, landscaping, striping, or snow and ice removal on the leasehold. Vesper also pays for the parking lot sealcoat and the new lighting. The transaction requires no Port capital outlay.

**Next steps and schedule**

- November 9, 2026: Commission feedback on the proposed terms.
- Walk all three Glacier premises, document any unapproved alterations or uses, and complete the audit of amounts Glacier owes.
- Finalize the Lease, PSA, and Glacier termination agreement with Port counsel and the Airport Senior Manager, including the survey, the remaining blanks, and confirmation of whether FAA concurrence is needed for the sale.
- Return to the Commission for action on the Lease, PSA, Glacier termination agreement, and the RCW 53.08.090 resolution.
- After execution, Vesper's Lease begins and Glacier's leases end on the same day. The sale closes within 30 days, and the parking lot and lighting improvements are due within 12 months.

**Alignment with Vision 2050:**

- **Goal 6, Maximize the economic and community value of the Olympia Regional Airport in accordance with airport master plan and FAA regulations.** The transaction keeps FBO services in place under a committed new

owner and puts the airport's main general aviation service area under a current lease with stronger FAA and operating provisions.

- **Goal 4, Leverage the Port's unique statutory authority to catalyze economic opportunities.** The Port's role as landlord lets a private sale of an existing aviation business go forward without losing the services or the jobs it supports.
- **Goal 9, Develop a long-term finance strategy.** The Lease provides escalating ground rent for 30 years and shifts building maintenance and capital costs to the tenant.

**Environmental Considerations and Review:**

This advisory briefing requires no environmental review. Because the transaction continues existing operations rather than adding new activity, it is not expected to change environmental impacts at the airport. Before bringing the documents for action, staff will confirm their SEPA status. Any future construction on the campus will need Port plan approval under Lease Exhibit C and City of Tumwater permits, including SEPA review where applicable.

A Phase I Environmental Site Assessment has been completed. It identified a possible former underground storage tank that served a National Weather Service generator at the FBO building address. Staff are evaluating a limited Phase II investigation at that location before closing. The results will set the environmental baseline and determine how responsibility is allocated among the Port, Glacier, and Vesper in the final Lease and PSA.

**Alternatives Considered:**

- **Proceed with the Lease, PSA, and Glacier termination (recommended).** This keeps FBO services in place, replaces three older leases with one current lease, moves building costs off the Port's books, and secures long-term ground rent.
- **Ground lease only, with the Port keeping the FBO building.** The Port would charge building rent and keep ownership of the building, but would also keep its maintenance and capital costs. Vesper would have less reason to reinvest in it.
- **Assign Glacier's existing leases to Vesper.** This would avoid a new lease but would carry forward older terms, including a lease already in holdover, without current insurance, environmental, or rent provisions.
- **Decline the transaction.** Glacier's sale of its business would likely not go forward, and the Port would still need to resolve the Airlift NW holdover with Glacier.

**Staff Recommendation:**

This is an advisory item, and no motion is requested. Staff recommend that the Commission review the proposed terms and give feedback, including direction on the remedy if the building sale does not close. Staff will incorporate that feedback and return with the final Ground Lease, PSA, Glacier termination agreement, and RCW 53.08.090 resolution for Commission action.

**Document(s) Attached:**

- Proposed Lease and Purchase Agreement Term Sheet, Vesper Aviation, with the Exhibit A site map and rent schedule

**PROSPECT TENANT: OLM Hangar and FBO LLC (Vesper Aviation)**

# Proposed Lease and Purchase Agreement Term Sheet

This Term Sheet does not constitute a legally binding contract of either party, and no binding agreement will arise or exist until the parties have both executed a written Lease Agreement.

## Contemplated Ground Lease Terms

| | |
|---|---|
| **Term:** | Thirty (30) years, commencing on the Effective Date of the Lease. |
| **Option to Renew:** | Two ten (10) year options<br>Each option is exercised by written notice to the Port at least 180 days before expiration of the then-current term, and only if Tenant is not in default beyond applicable notice and cure periods. Ground rent will be revised to the then-current Commission adopted rate per square foot at the time of execution of the renewal option. |
| **Premises:** | Approximately 124,000 square feet (2.85 acres), comprising Site 1 (Lease Area, approximately 114,000 square feet) and Site 2 (Stormwater Area, approximately 10,000 square feet), for the exclusive use of Tenant as an aeronautical business campus in the area identified in attached Exhibit A.<br><br>The Premises are currently being professionally surveyed, and the final square |

| | |
|---|---|
| | footage and legal description in the Lease will be conformed to the survey. |
| **Use:** | Operation of an aviation business campus, with aeronautical activities as the primary use, which will include a mix of offices and hangars hosting businesses such as a Fixed Base Operator, Helicopter/Flight Training School, Emergency Flight Services, special-event space, and other aeronautical related and aeronautically supported businesses, subject to the Port's Minimum Standards for Aeronautical Activities.<br><br>Special events: Tenant may use Hangar 51 and other portions of the Premises for special events without a separate agreement for each event, provided aeronautical use remains the primary use and event use remains subordinate to aeronautical operations. Tenant will give the Port reasonable notice of event dates and times and, within 90 days of the Effective Date, will provide the Port an event parking plan. The Port may condition or restrict any event that would affect airfield safety, security, or federal compliance, and may require a separate agreement for unusually large or higher-risk events. |
| **Rent Commencement Date:** | Rent commences on the Effective Date of the Lease. Commencement of the term is conditioned on the Port's receipt of the first month's rent, the Lease Security, and a certificate of insurance. |
| **Annual Rent:** | $67,260.00 per year ($5,605.00 per month), based on $0.59 per square foot per year on the 114,000 square foot Lease Area, with the Stormwater Area at $0.00, as shown in the schedule in Exhibit A. Rent is payable monthly in advance, plus Washington State Leasehold Excise Tax (currently 12.84%). The Lease is triple-net: Tenant also pays all insurance, utilities, maintenance, and other property expenses. |

| | |
|---|---|
| **Rent Revisions:** | The rental rate shall be increased every five years, effective on each fifth anniversary of the Rent Commencement Date, based on a 3 percent increase of the annual rent for each of the previous five years. No adjustment will decrease the rent. |
| **Additional Fees:** | Tenant will collect and remit transient aircraft landing fees at the Port-adopted rate (retaining an administrative fee, with the percentage still under negotiation), pay a fuel throughput fee at the Commission-adopted per-gallon rate on all fuel sold or dispensed from the Premises, and pay applicable concession fees and charges under the Minimum Standards. Landing fees and throughput fees are reported and paid monthly. |
| **Costs:** | Tenant is responsible for all the costs associated with the development of the parcel, and such development will meet all local, city, and state code as required. |
| **Lease Agreement Security:** | The surety is equal to one year of rent plus Washington State Leasehold Excise Tax, initially $75,896.18 ($67,260.00 plus 12.84%). It may be provided as a bond, letter of credit, or cash deposit, must be posted no later than the Effective Date of the Lease, and will be adjusted as the rent is adjusted. This is a requirement of RCW 53.08.085 and cannot be waived or reduced. |
| **Insurance:** | Tenant will carry the coverages specified in the Lease for each activity conducted on the Premises (for example, fueling, maintenance, aircraft storage, flight training, and charter operations), plus Pollution Legal Liability and Umbrella/Excess Liability, with the Port named as additional insured. Final coverage limits are under negotiation. Subtenants must carry comparable coverage. |
| **Fuel Farm:** | The Lease transfers the existing tenant's rights to own and operate the specified Jet A and Avgas tanks at the Port's above-ground fuel |

farm. Tenant is responsible for their operation, maintenance, inspection, and replacement in compliance with applicable regulations, and will cooperate with the Port on the transition to unleaded avgas and Sustainable Aviation Fuel. Tenant is not required to incur material capital costs for that transition unless the Port requires the same of similarly situated tenants. Tenant also commits to serve electric and hydrogen aircraft when those operations begin.

**Assignment and Financing:** Assignment or sublease requires the Port's prior written consent, which will not be unreasonably withheld; a transfer of more than 50% of the ownership of Tenant is treated as an assignment. Tenant may assign the leasehold as security to an institutional lender under the Port's form of Consent to Financing. Each request to assign, sublease, or amend the Lease is subject to a $650 minimum fee plus the Port's actual review costs, up to $2,500.

**Disposition of Improvements:** At expiration or earlier termination, title to all improvements (excluding personal property, trade fixtures, and Tenant-installed fuel storage tanks) passes to the Port without compensation, unless the Port elects, with at least 180 days' notice, to require removal and site restoration at Tenant's expense. Treatment of the FBO Building at the end of the term is under negotiation.

**Holdover:** If Tenant remains after the Lease ends without Port consent, the tenancy is month-to-month at 150% of the then-current rent.

**Environmental:** The Port will fund an environmental baseline of the Premises within 90 days of the Effective Date. A Phase I Environmental Site Assessment has been completed, and a limited Phase II at a possible former underground tank location is under evaluation. Tenant's environmental responsibility is measured against the baseline. Final indemnity language,

including Tenant's obligations for the Stormwater Area, is under negotiation.

## Contemplated Purchase and Sale Agreement Terms

| | |
|---|---|
| **Properties:** | *Building address*: 7645 Old Hwy 99 SE, Tumwater, WA 98501<br>The sale is of the FBO Building improvements only, including the backup generator facility and all associated equipment. The Port retains fee title to the underlying land. The generator also provides backup power to the current airport office, which will become future Port leasehold property. |
| **Purchase Price:** | $102,000<br>Calculated at $60 per sq ft<br>The building is approximately 1,700 square feet. The $60 rate is based on the Thurston County Assessor's 2026/2027 assessed value per square foot of the comparable FBO office building at 7825 Old Hwy 99 SE, because the Assessor does not separately assess the Port-owned FBO building. |
| **Payment:** | Tenant pays the full purchase price when it signs the Purchase and Sale Agreement. The Port holds the funds until closing, and 5% ($5,100) serves as earnest money. |
| **Use Restriction:** | Title will be conveyed by Quit Claim Deed (Improvements Only), which will have a use restriction limiting the building to aeronautical or aviation related or complementary uses and will reserve the Port's airspace and 14 CFR Part 77 rights. |
| **Closing:** | The Purchase and Sale Agreement will be executed concurrently with the Lease. Closing to occur within 30 days of the Rent Commencement Date of the underlying ground lease, subject to ratification by the Port Commission and a Commission resolution under RCW 53.08.090 declaring the building no longer needed for port district purposes. |

| | |
|---|---|
| | Tenant takes possession of the building on the Lease Commencement Date. Conveyance is AS-IS, WHERE-IS, and the transfer is exempt from real estate excise tax. FAA approval is not required because the land remains with the Port, and sale proceeds are airport revenue. |
| **Failure to Close:** | If the Purchase and Sale Agreement fails to close, the Lease terminates. |

**Additional Provisions**

- **Expenses**: Upon execution of the Lease Agreement, Vesper shall be responsible for all expenses related to the property during its development and remainder of the term, this includes the maintenance of all stormwater facilities, campus landscaping, and striping of drive lanes, parking lots, and access points.

- **Parking Lot Sealcoat**: Within twelve (12) months of lease execution, Vesper shall crack seal, sealcoat, and restripe the Airlift NW leasehold parking lot.

- **Exterior Lighting**: Within twelve (12) months of lease execution, Vesper shall install exterior lighting to safely illuminate the parking lots within the leasehold, including the leasehold electric gate and keycard access control. Lighting shall be shielded to avoid distracting adjacent ramp aircraft operations and shall comply with 14 CFR Part 77 and the City of Tumwater Municipal Code.

- **Port Cooperation**: Port shall cooperate with Vesper and related business partners necessary to obtain any permits and related due diligence to finalize transaction and proceed with contemplated site activity.

- **Lease Negotiations**: Vesper shall also have the rights to negotiate with potential tenants with regard to leasing and/or assigning portions of this project, subject to the assignment and sublease provisions of the Lease and Port consent.

- **Glacier Aviation Leases**: Glacier Aviation's three existing leases, including the Airlift NW lease in holdover, terminate on the Lease Effective Date under a separate termination agreement. Glacier's fuel tank rights transfer to Vesper, and Glacier's obligations for conditions arising during its occupancy survive.

- **Event Parking**: Event parking that exceeds the amount capable of fitting inside the leased Premises will require an additional license agreement.

An annual license agreement for overflow parking can be obtained by contacting the Port's Property Manager.

- **Commission Approval – Public Record**: Upon execution of the Lease Agreement and Purchase and Sale Agreements by Vesper and Port, and subsequent Ratification by Port Commission, such documents, reports, studies, and Lease Agreement will become public records.

- **Use of Port Standard Lease Template** – The contemplated lease has been drafted on the Port's standard lease template, provided as Exhibit B.




| Site ID | Parcel | Size (SQFT) | Rent: Annual | Rent: Monthly | PPSQFT |
|---|---|---|---|---|---|
| **1** | Lease area | 114000 | $67,260.00 | $5,605.00 | $0.59 |
| **2** | Stormwater Area | 10000 | $0.00 | $0.00 | $0.00 |
| | Total | 124000 | $67,260.00 | $5,605.00 | $0.54 |

# COVER MEMO

| | |
|---|---|
| **Briefing Date:** | November 9, 2026 |
| **Staff Contact/Title:** | Alex Smith, Executive Director, 360.528.8001, alexs@portolympia.com) |
| **Subject:** | 2026 Draft Budget and Capital Investment Plan |
| **Purpose:** | ☒ Information Only ☐ Decision Needed |

**Overview:**
This is an advisory presentation with no action requested.

This is part of the 2026 Budget development schedule and is designed to present a third review of the Port Budget and second review of the proposed 2027 Capital Investment Plan (CIP), followed by a public hearing.

**Background:**
The 2027 Budget cycle is designed to ensure opportunity for Commission review and feedback and opportunities for public comment on the draft budget prior to it being presented to the Commission for adoption. This presentation is the third review of the draft operating and non-operating budgets, and the second review of the proposed CIP.

**Documents Attached:**

- Draft Budget Resolutions

**Next Steps/Timeframe:** The remaining steps include:

- **November 23, 2026:** Regular Commission Business Meeting where the 2027 budget, CIP, and budget resolutions will be presented for adoption.



PORT of OLYMPIA

# 2027 OPERATING BUDGET & CAPITAL INVESTMENT PLAN

Preliminary budget for the public hearing, Nov. 9, 2026

Serving all of Thurston County since 1922

Figures as of Oct. 27, 2026

PORT of OLYMPIA

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# 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 Nov. 9, or reach me at 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 (RCW). 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 International Longshore and Warehouse Union (ILWU) Local 47A.
- **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 as a special purpose local government, supporting the publicly elected Port Commission, supporting economic development efforts throughout Thurston County, maintaining public facilities and amenities, regional partnerships and a Foreign Trade Zone.
- **Environmental:** environmental cleanup of Budd Inlet, operation of the Cascade Pole pump and treat facility, and participation in environmental stewardship initiatives such as the Green Marine, Clean Marina and Clean Boatyard programs.

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

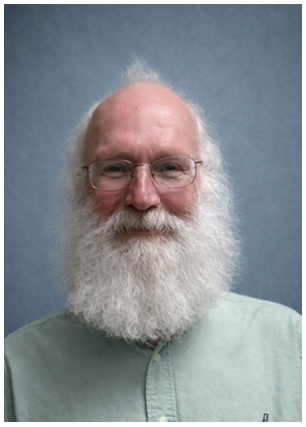
The Port is governed by five commissioners, each elected from a district within Thurston County to a four-year term. The Commission sets policy, adopts the budget, sets the tax levy, approves every agreement longer than one year and appoints the executive director.



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



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



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



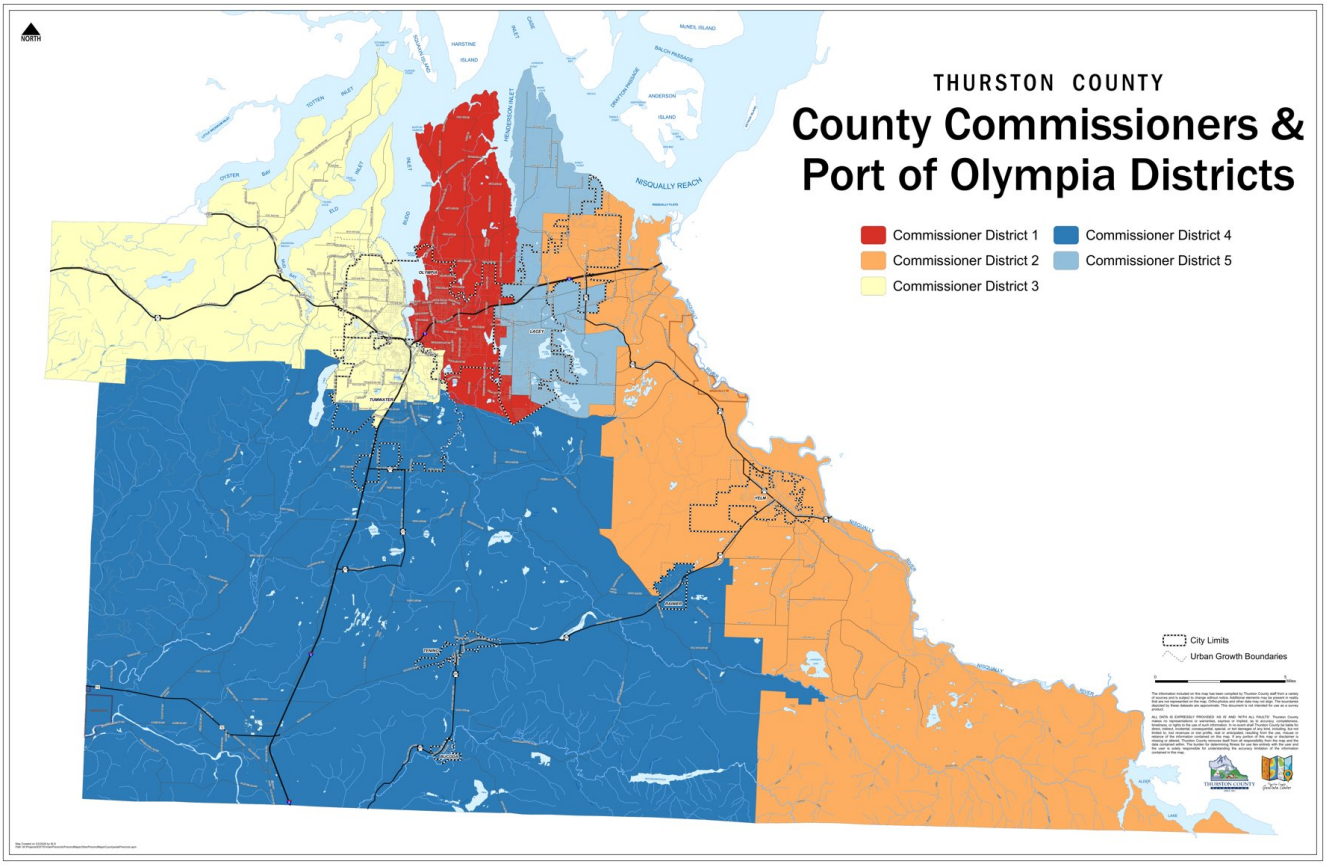
**DISTRICT FOUR**
**Joel Hansen**
Secretary · Term 2026–2029



**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 |
|---|---|
| Aug. 12 | Commission retreat sets 2027 goals |
| Oct. 5–6 | Commission budget retreat: non-operating budgets (Day 1); business units and capital (Day 2) |
| Oct. 12 | Updated Finance draft |
| Oct. 19 | Work session: Peninsula Master Plan |
| Oct. 25 | First hearing notice published in *The Olympian* |
| Oct. 26 | Second review: COLA decision and tax levy direction |
| Nov. 1 | Second hearing notice published |
| Nov. 9 | Public hearing; budget and levy resolutions introduced |
| Nov. 23 | Budget and tax levy adoption |



*Olympia Farmers Market in the Market District.*

# 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 7.7% from 2026, the business lines together return a net margin of $37,000. After $3.58 million in non-cash depreciation, operations show a $3.54 million deficit.

## NON-OPERATING

Non-operating revenue of $19.75 million includes an $8.30 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 $9.04 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 $7.18 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.

## HOW A PUBLIC PORT MEASURES SUCCESS

A private business measures success mainly by profit. A public port uses two measures: whether its business lines cover their own operating costs, and whether the public gets a return in jobs, environmental cleanup and public access.

| | A private business | The Port of Olympia |
|---|---|---|
| **Why it exists** | Return value to its owners | Economic development and public benefit for Thurston County |
| **Where money comes from** | Customers | Customers, plus property tax and grants |
| **How success is measured** | Profit | Business lines cover their operating costs, plus public outcomes: jobs, cleanup and access |

By the first measure, the 2027 budget is on track. The business lines earn a $4.57 million operating surplus before general and administrative (G&A) costs and a $37,000 net margin after G&A support. Property tax and grants pay for the public work the business lines are not expected to cover: environmental cleanup, Government Services, debt service and capital investment.

# 2027 BUDGET SUMMARY INCOME STATEMENT

| 2027 Budget Summary | 2027 Proposed |
|---|---|
| **Operating Revenues** | |
| 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 |
| **Total Operating Revenues** | **$16,447,749** |
| **Direct Operating & Maintenance Expenses** | |
| Airport | (2,509,816) |
| Swantown | (3,792,297) |
| Marine Terminal | (4,911,056) |
| Peninsula Properties | (664,236) |
| **Total Direct Expenses** | **$(11,877,405)** |
| **Operating Surplus** | **$4,570,344** |
| General & Administrative Support | (4,533,129) |
| **Net Margin** | **$37,215** |
| Depreciation | (3,576,335) |
| **Operations Deficit** | **$(3,539,120)** |
| **Non-Operating Activity** | |
| Property Tax Revenue | 8,301,749 |
| Capital Grant Revenue | 8,211,049 |
| Environmental Remediation Grant Revenue | 2,000,000 |
| Investment, Tax Sharing & Other Revenue | 1,240,000 |
| Environmental Programs | (5,723,995) |
| Government Services | (2,181,988) |
| Bond Interest | (700,000) |
| Other Non-Operating Expenses | (430,000) |
| **Net Non-Operating** | **$10,716,815** |
| **Total Net Income** | **$7,177,695** |

*Source: Port of Olympia 2027 Budget Draft as of Oct. 27, 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.

Federal Aviation Administration (FAA) grants come from the federal Airport and Airway Trust Fund, paid by aviation user taxes, and Washington State Department of Transportation (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 |
|---|---|
| **Operating Revenues** | |
| 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 |
| **Total Operating Revenues** | **$3,784,165** |
| **Operating Expenses** | |
| 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 | 1,304,541 |
| **Total Operating Expenses** | **$3,814,357** |
| **Net Operating Loss Before Depreciation** | **$(30,192)** |
| Depreciation Expense | (978,203) |
| **Net Operating Loss** | **$(1,008,395)** |

# 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 Consumer Price Index (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 $114,000 margin, and after $602,000 of depreciation a net loss of $489,000, an improvement of $36,000 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 Washington State 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 |
|---|---|
| **Operating Revenues** | |
| 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 |
| **Total Operating Revenues** | **$5,210,010** |
| **Operating Expenses** | |
| 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 | 1,304,037 |
| **Total Operating Expenses** | **$5,096,334** |
| **Net Operating Income Before Depreciation** | **$113,676** |
| Depreciation Expense | (602,232) |
| **Net Operating Loss** | **$(488,556)** |

# 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 $100,000; both are set port-wide. After G&A support the terminal returns a $92,000 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 projects funded through the U.S. Maritime Administration (MARAD) are in design: Berth 1 repairs, a maintenance facility and asphalt paving. Each is 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.

Beyond its capital projects, the Port is pursuing three initiatives that will shape the terminal’s future. It is moving toward a clean-energy terminal, with a solar and energy storage microgrid on the terminal warehouse, LED high-mast lighting and groundwork for future shore power. It will continue building its relationship with Joint Base Lewis-McChord (JBLM). Through the Washington Public Ports Association (WPPA) Maritime Industrial Base Coalition, the Port is also working to make Washington more competitive in ship repair, shipbuilding and maritime manufacturing.



*ILWU longshore crew loading a vessel.*



*Marine Terminal warehouse and cargo yard.*

| Marine Terminal | 2027 Budget |
|---|---|
| **Operating Revenues** | |
| 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 |
| **Total Operating Revenues** | **$6,408,601** |
| **Operating Expenses** | |
| 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 | 1,405,356 |
| **Total Operating Expenses** | **$6,316,412** |
| **Net Operating Income Before Depreciation** | **$92,189** |
| Depreciation Expense | (1,783,700) |
| **Net Operating Loss** | **$(1,691,511)** |

# 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 business and occupation (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 $351,000.

## 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 |
|---|---|
| **Operating Revenues** | |
| Land Rents | $900,882 |
| Space Rentals | 142,591 |
| Other | 1,500 |
| **Total Operating Revenues** | **$1,044,973** |
| **Operating Expenses** | |
| 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 | 519,195 |
| **Total Operating Expenses** | **$1,183,431** |
| **Net Operating Loss Before Depreciation** | **$(138,458)** |
| Depreciation Expense | (212,200) |
| **Net Operating Loss** | **$(350,658)** |

# 2027 COMBINED OPERATING BUDGET

| | Airport | Swantown | Marine Terminal | Peninsula | Total |
|---|---|---|---|---|---|
| Operating Revenues | $3,784,165 | $5,210,010 | $6,408,601 | $1,044,973 | $16,447,749 |
| Direct O&M Expenses | (2,509,816) | (3,792,297) | (4,911,056) | (664,236) | (11,877,405) |
| **Operating Surplus** | **1,274,349** | **1,417,713** | **1,497,545** | **380,737** | **4,570,344** |
| G&A Support | (1,304,541) | (1,304,037) | (1,405,356) | (519,195) | (4,533,129) |
| **Net Margin** | **(30,192)** | **113,676** | **92,189** | **(138,458)** | **37,215** |
| Depreciation | (978,203) | (602,232) | (1,783,700) | (212,200) | (3,576,335) |
| **Operations Surplus (Deficit)** | **$(1,008,395)** | **$(488,556)** | **$(1,691,511)** | **$(350,658)** | **$(3,539,120)** |

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

# 2027 NON-OPERATING BUDGET

## OVERVIEW

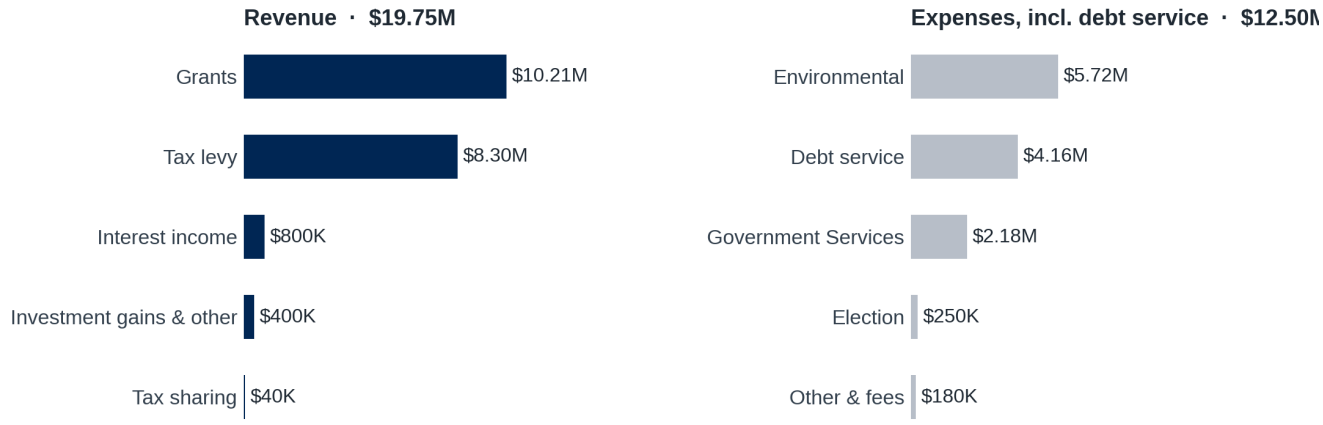
Non-operating activity carries the Port's public responsibilities: the work business lines are not expected to pay for. For 2027, non-operating revenue of $19.75 million exceeds non-operating expenses of $9.04 million, for net non-operating income of $10.72 million. That more than offsets the $3.54 million operations deficit after depreciation.

**Revenues.** The property tax levy is budgeted at $8.30 million, the Option 1 amount (1% plus new construction), up $92,000 (1.1%) from the 2026 levy of $8.21 million. 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 $19.75M vs. expenses including debt service $12.50M; net $7.26M





*Public amenity: interpretive signage on the Port Peninsula.*

| Non-Operating Budget | 2027 Budget |
|---|---|
| **Non-Operating Revenues** | |
| Property Tax Levy | $8,301,749 |
| 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 |
| **Total Non-Operating Revenues** | **$19,752,798** |
| **Non-Operating Expenses** | |
| Environmental Programs | 5,723,995 |
| Government Services | 2,181,988 |
| Bond Interest | 700,000 |
| Election Expense | 250,000 |
| Other Non-Operating Expenses | 150,000 |
| Banking & Investment Fees | 30,000 |
| **Total Non-Operating Expenses** | **$9,035,983** |
| **Net Non-Operating Income** | **$10,716,815** |

# 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) | – | – | – |
| **Total for All Projects** | **$16,214,488** | **$7,911,939** | **$8,302,549** |

## 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) |
| **Total Airport** | **$2,257,488** | **$355,749** | **$1,901,739** | |



*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 point-of-sale system |
| Gator utility vehicle | 10,000 | 10,000 | Grounds equipment |
| **Total Swantown** | **$802,000** | **$802,000** | |

## 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) |
| **Total Marine Terminal** | **$11,250,000** | **$4,849,190** | **$6,400,810** | |

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 | Retrofits required by LOTT Clean Water Alliance |
| HQ Commission room build-out | 40,000 | A/V technology; costs being researched |
| HQ parking lot security | 20,000 | Security fencing for back lot |
| **Total Non-Operating / Administration** | **$1,905,000** | **All Port-funded** |

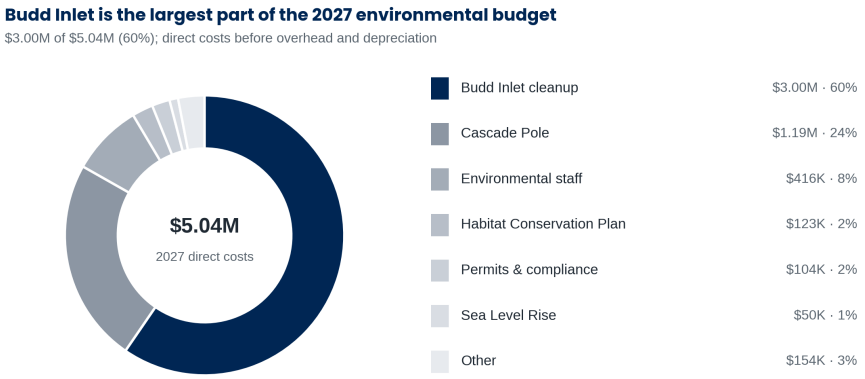
No Peninsula Properties (real estate) capital projects are planned for 2027.

*Source: 2027 Proposed Capital Budget (updated Aug. 17, 2026) and Oct. 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.




| 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 |
| **Total** | **$5,035,366** |

## 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.

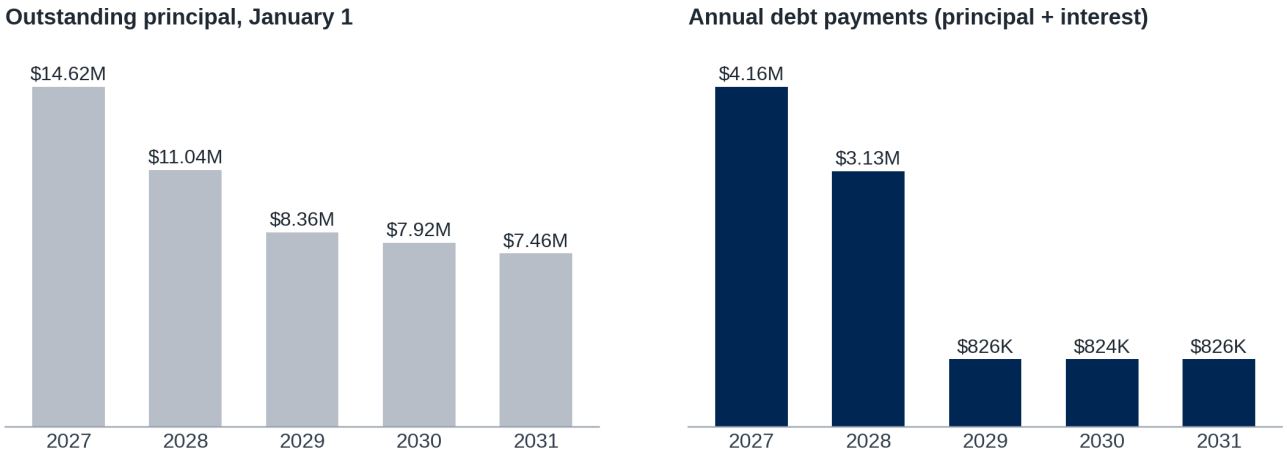
# LONG-TERM DEBT

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 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

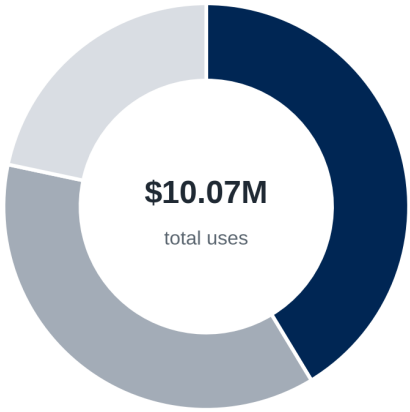
The Thurston County Treasurer collects property taxes for the Port, based on values set by the County Assessor. Ports may levy up to $0.45 per $1,000 of assessed value for general purposes. State law (RCW 84.55.010) limits growth in regular levies to 1% a year plus new construction; when values rise 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 Oct. 27 draft, these uses total about $10.07 million in 2027, so about $1.76 million comes from operations and reserves on top of the $8.30 million levy. The retreat presentation showed $9.93 million using earlier figures.

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

$10.07M of levy-supported uses under Policy 1201




| | |
|---|---|
| Debt service | $4.16M · 41% |
| Environmental (net of Budd Inlet grant) | $3.72M · 37% |
| Government Services | $2.18M · 22% |

Levy $8.30M covers 82%

$1.76M from operations and reserves

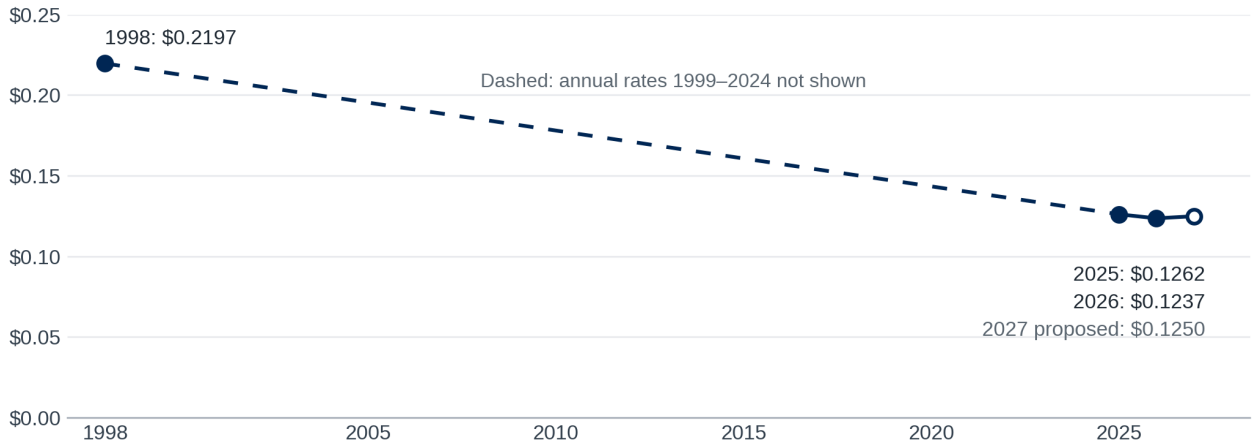
*Environmental shown at its budgeted cost ($5.72 million) less the $2.0 million Budd Inlet grant.*

### 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 Oct. 27 draft carries $8.30 million in levy revenue, the Option 1 amount (1% plus new construction). The levy resolution will be introduced at the Nov. 9 public hearing.

| 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 levy is $8.21 million, the amount Thurston County will collect after correcting the Port's original calculation of $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 |
|---|---|
| **Beginning Cash & Investments** | **$25,080,360** |
| **Sources of Funds** | |
| Funds Provided by Operations | 37,215 |
| Property Tax Revenue | 8,301,749 |
| Grant Revenue – Capital Projects | 8,211,049 |
| Grant Revenue – Budd Inlet | 2,000,000 |
| Non-Operating Revenue | 1,240,000 |
| **Total Sources of Funds** | **$19,790,013** |
| **Uses of Funds** | |
| Capital Investments – Planned Projects | (16,214,408) |
| Environmental Remediation | (5,723,995) |
| Debt Service Payments | (4,160,000) |
| Government Services | (2,181,988) |
| Other Non-Operating Expenses | (430,000) |
| **Total Uses of Funds** | **$(28,710,391)** |
| Projected Borrowing | – |
| **Projected Ending Cash & Investments** | **$16,159,982** |

*Preliminary and subject to change. Notice of the public hearing will be published in The Olympian on Oct. 25 and Nov. 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 | $17,599,719 | $16,447,749 |
| Total Operating & Maintenance | (10,640,381) | (12,204,607) | (11,820,066) | (11,877,405) |
| **Operations Gross Profit** | **4,389,597** | **4,989,640** | **5,779,653** | **4,570,344** |
| G&A Allocation to Operations | (3,134,711) | (4,210,241) | (4,047,421) | (4,533,129) |
| **Net Profit After G&A** | **1,254,886** | **779,399** | **1,732,232** | **37,215** |
| Depreciation | (3,498,601) | (3,443,552) | (3,469,450) | (3,576,335) |
| **Net Operating Loss** | **(2,243,715)** | **(2,664,153)** | **(1,737,218)** | **(3,539,120)** |
| Non-Operating Revenues | 14,053,198 | 16,745,427 | 19,324,242 | 19,752,798 |
| Non-Operating Expenses | (7,169,528) | (8,550,686) | (7,701,428) | (9,035,983) |
| **Net Non-Operating** | **6,883,670** | **8,194,741** | **11,622,814** | **10,716,815** |
| **TOTAL NET INCOME** | **$4,639,955** | **$5,530,588** | **$9,885,596** | **$7,177,695** |

## BY BUSINESS LINE

| Business Line | | 2025 Unaudited | 2026 Adopted | 2026 Projected | 2027 Proposed |
|---|---|---|---|---|---|
| **Airport** | Revenue | $4,114,345 | $3,495,810 | $3,513,811 | $3,784,165 |
| | Net income (loss) | 727,526 | (986,516) | (711,835) | (1,008,395) |
| **Swantown** | Revenue | 4,630,377 | 5,258,994 | 5,018,753 | 5,210,010 |
| | Net income (loss) | (336,528) | (524,939) | (554,052) | (488,556) |
| **Marine Terminal** | Revenue | 7,828,467 | 7,416,880 | 7,935,731 | 6,408,601 |
| | Net income (loss) | 229,548 | (930,817) | (358,873) | (1,691,511) |
| **Peninsula Properties** | Revenue | 1,306,695 | 1,022,883 | 1,131,424 | 1,044,973 |
| | Net income (loss) | (35,107) | (221,561) | (112,458) | (350,658) |

*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 (Oct. 27, 2026); 2027 Proposed Capital Budget (Aug. 17, 2026); ADP labor allocations (July 23, 2026); Commission budget retreat decks (Oct. 5 and 6, 2026); Commission follow-up deck (Oct. 26, 2026); 2016 Adopted Budget (background facts).*

# APPENDIX A: 2027 STATUTORY BUDGET

| 2027 Statutory Budget | 2027 Budget |
|---|---|
| **Beginning Cash & Investments** | **$25,080,360** |
| **Projected Sources of Funds** | |
| Operating Revenues | 16,447,749 |
| Operating Expense | (8,643,149) |
| Maintenance Expense | (3,234,256) |
| Administration Expense | (4,533,129) |
| **Funds Provided by Operations** | **37,215** |
| Property Tax Revenue | 8,301,749 |
| Grant Revenue – Budd Inlet | 2,000,000 |
| Grant Revenue – Capital Projects | 8,211,049 |
| Non-Operating Revenue | 1,240,000 |
| **Projected Sources of Funds** | **$19,790,013** |
| **Projected Uses of Funds** | |
| Debt Service Payments | (4,160,000) |
| Capital Investments – Planned Projects | (16,214,408) |
| Government Services | (2,181,988) |
| Environmental Remediation | (5,723,995) |
| Other Non-Operating Expenses | (430,000) |
| **Projected Uses of Funds** | **$(28,710,391)** |
| Projected Borrowing | None |
| **Projected Ending Cash & Investments** | **$16,159,982** |

The Port prepared a cash budget estimating receipts and disbursements in accordance with RCW 53.35.010. The preliminary 2027 statutory budget is made available to the public and the Port Commission as required by RCW 53.35.010 and RCW 53.35.045. Notice of the public hearing, with an announcement that copies of the preliminary budget are available, will be published Oct. 25 and Nov. 1, 2026, in *The Olympian* as required by law (RCW 53.35.020 and RCW 53.35.045).

*These numbers are preliminary and subject to change. Figures reflect the Oct. 27, 2026 draft.*

# APPENDIX B: SCHEDULE OF PROPRIETARY TYPE USER CHARGES

## Schedule of Proprietary Type User Charges – Marina · Effective Jan. 1, 2027

MARINA CHARGES

Monthly moorage fee is based on overall slip length. Vessel overhang is not permissible. Permanent moorage and live-aboard rates include 12.84% leasehold excise tax.

| Permanent Moorage | |
|---|---|
| Rate for 20-28 ft. slip | $12.43 per foot per month |
| Rate for 32-36 ft. slip | $13.90 per foot per month |
| Rate for 40-44 ft. slip | $14.70 per foot per month |
| Rate for 50 ft. slip | $15.15 per foot per month |
| Rate for over 50 ft. | $15.73 per foot per month |
| Limited Access | $10.80 per foot per month |

| | |
|---|---|
| Live Aboard Charge & Limits | $150.00 per vessel min. per month |

| Boat (Includes crew) | |
|---|---|
| Scheduled towing | $190.00/hr – 1 hour minimum |
| Unscheduled towing | $250.00/hr – 1 hour minimum |

| Utilities Charges<br>As metered or allocated, not subject to leasehold tax. | |
|---|---|
| Rates | $16.50 utility fee all tenants |
| | $35.00 flat monthly fee for non-metered slips |
| | Metered electric KWH charged as pass thru rate |

| Labor | |
|---|---|
| Administration | $110.00/hr |
| Supervisor | $90.00/hr |
| General Labor | $90.00/hr |
| Standby | $90.00/hr |
| Pump out | $55.00 flat fee + Labor Rate |
| Specialty Labor (Equipment Operator) | $250.00 |

| Miscellaneous Fees | |
|---|---|
| Waitlist | $50.00 |
| Reservation Fee | $10.00 per slip |
| Passenger Fee | $2.00 per passenger |

| | |
|---|---|
| Guest Moorage Rate | $1.50 per ft per day ($30.00 minimum) |
| Winter Guest Monthly (Oct 1-Mar 31) | Permanent moorage + 15% |
| Summer Guest Monthly (Apr 1-Sep 30) | Permanent moorage + 30% |
| Guest Electric | $6.00 nightly Electric - 30 amp<br>$12.00 nightly Electric - 50 amp |

| Storage | |
|---|---|
| Mini Storage unit | $120.00/month<br>12.84% Leasehold Tax included |
| Dinghy Rack Fee | $10.00/month (tenants only) |
| Kayak Rack - Upland | $22.00/month |
| Kayak Rack - Dockside | $38.50/month |

## Schedule of Proprietary Type User Charges – Marina (cont'd) · Effective Jan. 1, 2027

MARINA CHARGES

| Plaza Moorage | |
|---|---|
| Rate | $1.25 per ft per day<br>Minimum $25.00<br>Utilities and amenities not available |

| Other Charges | |
|---|---|
| Delinquency, Sale, & Impound Fee | $250.00 plus actual costs incurred by the Port |
| Pump Out Fee | $55.00 + Labor Rate min/hour |

| Launch Ramp Charge | |
|---|---|
| Rate – General Public (recreational) | $12.00 per launch or haul |
| Rate – Annual (recreational) | $90.00 unlimited launches for one year |
| Rate – Commercial Operator | $90.00 per launch or haul |
| Rate – Annual Commercial Operator | $300.00 unlimited launches for one year |

| Marine Fuel Dock | |
|---|---|
| Fuel Rates | Executive Director or designee will set rates based on market conditions taking into consideration local and regional markets, cost of fuel purchased, maximization of sales, and rate of return to the Port. |

| Events | |
|---|---|
| Pavilion Reservation Fee | $75.00 |
| Utility Charge | $50.00 minimum (4 hour event)<br>$100.00 minimum (8 hour event) |
| Spider Box Rental | $75.00 per day |
| Tent – 10'x10' | $50.00 per day |
| Picnic Tables | $10.00 each per day |
| Banquet Tables | $6.00 each per day |
| Folding Chairs | $2.50 each per day |
| Sign Boards | $3.00 each per day |
| Traffic cones | $1.00 each per day |
| Propane/Charcoal Grill | $75.00 each per day |

| Party Package | |
|---|---|
| Includes: Reservation Fee, 2 propane grills, 8 picnic tables, 1 spider box. | $300.00 per day |

| Dry Storage | |
|---|---|
| Rate | $5.00 per foot per month |
| Parking | $11.00 per day |
| Weekly Parking | $50.00 per week |

## Schedule of Proprietary Type User Charges – Boatworks · Effective Jan. 1, 2027

BOATWORKS CHARGES

| Roundtrip Haul Out & Launch To/From Blocks | |
|---|---|
| Up to 32 ft. vessel | $11.25 per ft. per haul + launch |
| 33 – 39 ft. vessel | $12.50 per ft. per haul + launch |
| 40 – 49 ft. vessel | $14.00 per ft. per haul + launch |
| 50 – 59 ft. vessel | $16.25 per ft. per haul + launch |
| Over 60 ft. vessel | $18.00 per ft. per haul + launch |
| Includes hauling, blocking, ground tarp, electricity, and launching. No lay time charge on the day of haul out. | |

| Environmental Fees | |
|---|---|
| Environmental Fee | $2.00 per foot (Without Wash) |

| Laytime - Summer Rate (Apr 1 - Sep 30) | |
|---|---|
| Daily Rate | $1.75 per foot per day |
| Charge does not apply on day in and/or day out. | |

| Laytime - Winter Rate (Oct 1 - Mar 31) | |
|---|---|
| Daily Rate | $1.25 per foot per day |
| Charge does not apply on day in and/or day out. | |

| Labor Rates | |
|---|---|
| General Labor | $90.00 per hour |
| Forklift with operator | $120.00 per hour, ½ hour minimum |
| Specialized Labor (Crane, TraveLift, Heavy Equipment) | $250.00 per hour, ½ hour minimum |
| Delinquency, Sale & Impound Fee | $250.00 plus actual costs incurred by the Port |

| Pressure Wash Bottom | |
|---|---|
| Rate | $5.50 per foot (Enviro Fee Incl.) |
| Add'l Cleanup/Excess Growth | General Labor Rate |

| Waste Collection and Disposal | |
|---|---|
| Dumpster Rental | |
| Dumpster Delivery/Pickup (30 yd) | |
| Landfill Cost | |
| Based on waste management pass thru fees and General Labor rates. | |

| | |
|---|---|
| Daily Work Dock Moorage | $1.60 per ft per day<br>$40.00 minimum |
| Nightly Electric | $6.00 per night - 30 amp<br>$12.00 per night - 50 amp |
| Environmental Violation Fee (cleanup cost additional) | 1st violation - $500.00<br>2nd violation - $1,000.00<br>3rd violation - Termination |

## Schedule of Proprietary Type User Charges – Boatworks (cont'd) · Effective Jan. 1, 2027

BOATWORKS CHARGES

| One-Way Haul to Commercial Truck (Includes 1/2 hour sling time; minimum $150.00 charge) | |
|---|---|
| Up to 32 ft. vessel | $7.88 per ft. per haul |
| 33 – 39 ft. vessel | $8.75 per ft. per haul |
| 40 – 49 ft. vessel | $9.80 per ft. per haul |
| 50 – 59 ft. vessel | $11.38 per ft. per haul |
| Over 60 ft. vessel | $12.60 per ft. per haul |
| Additional time in sling | $250.00 per hour (prorated) |

| One-Way Haul to Survey or Trailer (Includes 1/2 hour sling time; minimum $150.00 charge) | |
|---|---|
| Up to 32 ft. vessel | $9.56 per ft. per haul |
| 33 – 39 ft. vessel | $10.63 per ft. per haul |
| 40 – 49 ft. vessel | $11.90 per ft. per haul |
| 50 – 59 ft. vessel | $13.81 per ft. per haul |
| Over 60 ft. vessel | $15.30 per ft. per haul |
| Additional time in sling | $250.00 per hour (prorated) |

| Towing | |
|---|---|
| Scheduled towing | $195.00/hr – 1 hour minimum |
| Unscheduled towing | $250.00/hr – 1 hour minimum |

| Marine Trade Contractors/Vendors License Agreement | |
|---|---|
| Annual | $315.00 per year |
| Project/Monthly | $105.00 per project and/or per month |
| All Contractors must supply a business license, current insurance, and be approved thru the Port's application process. | |

| Monthly Work Dock Moorage (Limited availability; management approval required.) | |
|---|---|
| Rate for under 32 ft | $10.66 per foot per month |
| Rate for 32 - 36 ft | $11.92 per foot per month |
| Rate for 36 - 44 ft | $12.61 per foot per month |
| Rate for 44 - 50 ft | $12.99 per foot per month |
| Rate for over 50 ft | $13.49 per foot per month |

| Storage | |
|---|---|
| Mast Storage | $12.00 per day or $75.00 per week |
| Boat on Trailer Storage (limited availability) | $1.50 per foot per day at length overall of vessel and trailer |
| 12.84% leasehold excise tax applicable on vessels and masts stored for 30 days or more. | |

| Miscellaneous Fees | |
|---|---|
| Hazardous Haulout | Additional $4.00 per ft. per haul |
| Hazardous Laytime | Additional $1.00 per ft. per day |
| Stand Move | $65 per occurrence |
| Scheduling Fee | $10.00 |
| Late Fee (if more than 15 minutes late for scheduled haul time) | $100 (If more than 30 minutes late for scheduled haul time you will be rescheduled.) |
| No Show/Cancellation within 1 hour of schedule haul time | $200 |

## Schedule of Proprietary Type User Charges – Airport · Effective Jan. 1, 2027

AIRPORT CHARGES

| "Long-Term" Space Rental – amounts include leasehold excise tax | |
|---|---|
| Open Hangar Planeports 40 x 28 ft. | $308.84 per hangar/month |
| T-Hangars 40 x 32 ft. | $396.54 per hangar/month |
| T-Hangars 45 x 40 ft. | $573.78 per hangar/month |
| Executive Hangars 60 x 46 ft. | $984.01 per hangar/month |
| Executive Hangar E7 w/office & restroom | $1,594.45 per month |
| Tie–Downs, Large | $126.23 per tie–down/month |
| Tie–Downs, Small | $77.87 per tie–down/month |
| G-Storage | $283.50 per space/month |

| Overnight Apron Fees – Commercial/Itinerant | |
|---|---|
| Gross Weight | Daily |
| 0 to 12,500 lbs. | $12 |
| 12,501 to 26,000 lbs. | $25 |
| 26,001 to 54,000 lbs. | $35 |
| 54,001 to 117,000 lbs. | $50 |

| Key and Security Cards | |
|---|---|
| Key Deposit | $25 (refundable when key returned) |
| Security Card Deposit | $25 (refundable when card returned) |
| Security Card Replacement | $25 |

| "Short-Term" Space Rental – amounts include leasehold excise tax when appropriate | |
|---|---|
| Open Hangar Planeports | $20 daily |

| Licenses and Agreements | |
|---|---|
| Sub-tenant Aeronautical Activity License | $300 Minimum plus leasehold excise tax |
| Commercial Aeronautical Activity License (non sub-tenant) | $600 Minimum plus leasehold excise tax |
| Temporary Access Agreement | $300 Minimum plus leasehold excise tax |

| Fuel Flowage | |
|---|---|
| Licensed dealer for FBO line service | Jet A Rate $0.09 per gallon<br>100LL Rate $0.08 per gallon |
| Other | Rate $0.14 per gallon |
| Fuel Farm Pad License Fee | $1,200 per year plus tax (LET) |

| Landing Fees | |
|---|---|
| Aircraft 12,500 lbs & greater | $2.00 per 1,000 pounds maximum certificated landing weight ($25.00 minimum) |

| Other Rates | |
|---|---|
| FOD-Boss Rental | $50 per hour |
| Lift truck | $90 per hour – one half hour minimum |
| Labor | $90.00 per hour - one hour minimum |
| Landside Aircraft Launch Fee | $100 per day |

## Schedule of Proprietary Type User Charges – Marine Terminal · Effective Jan. 1, 2027

MARINE TERMINAL CHARGES

| | |
|---|---|
| Basic Rate | Port of Olympia Marine Terminal Tariff as published on the 28th of June, 2005 or as later amended (reference Terminal Tariff at https://seaport.portolympia.com/) |
| Other Rates | As negotiated with terminal customers |

## Schedule of Proprietary Type User Charges – Properties · Effective Jan. 1, 2027

PROPERTY LEASE CHARGES

| Rents* | |
|---|---|
| Ground Rent – Airport Land-Aeronautical | $0.48 per square foot per year |
| Ground Rent – Airport Land-Non-Aeronautical | Port Policy 1101 / Appraisal (Initial Ground Rent) |
| Ground Rent - Port Properties | Port Policy 1101 / Appraisal (Initial Ground Rent) |
| Ground Rent - Special Event, Temporary | Minimum $350 per day (not to exceed 2 weeks). Beyond 2 weeks FMV of land per square foot. |
| Space Rent | Port Policy 1101 / Appraisal (Initial Space Rent) |
| Port Plaza Rental Charges | Non-Profit Organization -- $350 per event<br>Other -- $600 per event (Minimum)<br>Deposit -- $250 required |

| Surety Requirements** | |
|---|---|
| Lease, over one year | One year rent plus leasehold excise tax plus CAM charges if applicable. |
| Lease, one year or less | Three months rent plus leasehold excise tax plus CAM charges if applicable. |
| Retail and/or Flex Space | Two months rent plus leasehold excise tax plus CAM charges if applicable. |

| Service & Other Charges | |
|---|---|
| Labor, Maintenance & Other Services | $90.00 per hour (2 hour minimum) |
| Holdover / CAM / Late Charges | Per lease agreement |
| Insurance | 100% allocated premiums to Port |
| Keys | $20 deposit per key |
| Lease Reinstatement | $500 |
| Lease Modification | $650 or as stated within lease agreement |
| Fees & Taxes | 100% imposed by other jurisdictions |
| Audit Fees | 100% pass through of costs |
| Payments by Port for Tenant | 100% pass through of costs |
| Interest Charges | Per lease agreement or 18% per annum |
| SEPA Appeal Fee | $750 |

* All leases, other than those with tax exempt entities, are subject to leasehold excise tax.
** Surety waived for government/public agencies.

## Schedule of Proprietary Type User Charges · Effective Jan. 1, 2027

FOREIGN TRADE ZONE, PORT EDC, AND ADMINISTRATIVE FEES

| Foreign Trade Zone Charges | |
|---|---|
| Rates | In accordance with the Port of Olympia published tariff for the South Puget Sound Foreign Trade Zone (FTZ #216) in compliance with the Department of Commerce Foreign Trade Zones Board and effective as amended February 28, 2014. |

| Port of Olympia Economic Development Corporation Fees | |
|---|---|
| Application for Industrial Revenue Bond | $750 |
| On Bond Issuance | ¼ of 1% of the principal amount of the bond issue |

| Administrative Fees | |
|---|---|
| Copies, paper | $0.15 per page |
| Copies, scanned | $0.10 per page |
| Electronic files | $0.05 per 4 files |
| Electronic files | $0.10 per gig of records |
| 8GB USB Flash Drive | Actual Cost |
| 16GB USB Flash Drive | Actual Cost |
| CD's & DVD's | Actual Cost |
| 8½x11 Color | $0.50 per page |
| 8½x14 Color | $0.75 per page |
| 11x17 Color | $1.00 per page |
| Outside Vendors | Actual Cost |
| The Port will waive charges under $2.00. Fees will not be waived if multiple requests are made by the same requestor regarding the same topic within a reasonable period of time for the intent to qualify for the waiver. | |

# APPENDIX C: MEMBERSHIPS

| Membership | 2027 Budget |
|---|---|
| **Government Services** | **$174,670** |
| Intercity Transit - Amtrak Station | 6,000 |
| Lacey Chamber of Commerce | 820 |
| Lacey MakerSpace | 25,000 |
| Olympia Downtown Alliance | 2,000 |
| Roundtable of Thurston County | 150 |
| Thurston County Chamber of Commerce | 21,000 |
| Thurston Regional Planning Council | 43,000 |
| Thurston County Economic Development Council | 40,000 |
| Tumwater Chamber of Commerce | 600 |
| Washington Public Ports Association | 29,300 |
| Yelm Area Chamber of Commerce | 600 |
| Washington State Dept. of Enterprise Services (purchasing coop) | 1,000 |
| Pacific Northwest Waterways Association | 4,200 |
| Thurston County Treasurer | 1,000 |
| **FTZ** | **$1,800** |
| National Association of Foreign-Trade Zones (FTZ) | 1,800 |
| **Marine Terminal** | **$1,677** |
| Northwest Marine Terminal Association | 1,277 |
| Marine Exchange of Puget Sound | 400 |
| **Airport** | **$4,140** |
| American Assoc of Airport Executives (AAAE) | 300 |
| AAAE Contract Tower Association | 3,000 |
| Northwest AAAE | 95 |
| WA Airport Management Assoc | 605 |
| WA Community Airports Assoc | 75 |
| WA Pilots Assoc | 65 |
| **G & A (Exec, Marketing, Public Works, Finance)** | **$10,410** |
| SHRM/HRCI | 1,000 |
| MISC (Executive/Business Development) | 4,000 |
| Communications | 500 |
| Finance | 1,000 |
| Public Works | 910 |
| Environmental | 3,000 |
| **Marina** | **$2,000** |
| 020 - 2000 | 2,000 |
| **Grand Total** | **$194,697** |

*Source: Appendix C – Memberships, draft as of Oct. 7, 2026, with staff updates.*

# APPENDIX D: PROMOTIONAL HOSTING

## Appendix D - Promotional Hosting

RCW 53.36.140: Port commissions shall adopt, in writing, rules and regulations governing promotional hosting expenditures by port employees or agents. Such rules shall identify officials and agents authorized to make such expenditures and the approved objectives of such spending, which are part of Policy number 604. Port commissioners shall not personally make such expenditures, or seek reimbursement therefore, except where specific authorization of such expenditures has been approved by the port commission. All payments and reimbursements shall be identified and supported appropriately.

RCW 53.36.130: Promotional Hosting - Source and Amount of Funds- Only from Gross Operating revenues and shall not exceed one percent thereof upon the first $2,500,000 of such gross operating revenues, one-half of one percent upon the next $2,500,000 of such operating gross revenues, and 1/4 of one percent on the excess over $5,000,000 of such operating revenues.

Calculations of an estimated promotional hosting limit for the budget year 2027 (2025 unaudited revenues as of 12/31/25 are used.):

| **Total Gross Operating Revenues** | **$17,879,885** |
|---|---|
| 1% of the 1st $2,500,000 | $ 25,000 |
| 1/2 of 1% of 2nd $2,500,000 | 12,500 |
| 1/4 of 1% of excess over $5,000,000 | 32,200 |
| **Promotional Hosting Limit** | **$ 69,700** |

RCW 53.36.120: Under the authority of Article VIII, section 8, of the state Constitution, port district expenditures for industrial development, trade promotion or promotional hosting shall be pursuant to specific budget items as approved by the port commission at the annual public hearings on the port district budget.

| Department | 2027 Budget |
|---|---|
| Marine Terminal | $ 5,000 |
| Marketing | 2,000 |
| Executive | 3,000 |
| Administrative | 2,000 |
| **Total Budgeted** | **$ 12,000** |

# APPENDIX E: 2027 TAX LEVY

## 2027 TAX LEVY CALCULATION

| Item | Basis | Amount |
|---|---|---|
| 2026 levy amount | | $8,210,033 |
| Tax levy “banked” capacity | | 0 |
| 1% increase on prior-year levy | 1.00% | 82,100 |
| Levy increase for new construction | $728,250,993 at $0.1237 per $1,000 | 90,067 |
| Levy increase for assessed property value | | 0 |
| Administrative refund re-levy | | 81,341 |
| **Calculated 2027 tax levy** | | **$8,463,540** |

## ESTIMATED 2027 TAX LEVY

| Item | Basis | Amount |
|---|---|---|
| Highest lawful levy since 1985 | | $8,301,749 |
| Administrative refund re-levy | | 81,341 |
| **Estimated 2027 tax levy** | | **$8,383,090** |

The calculation starts with the 2026 levy and adds the 1% increase, new construction and the administrative refund re-levy. The levy may not exceed the highest lawful levy since 1985, $8,301,749, which is the Option 1 amount (1% plus new construction) carried in the budget. The $81,341 administrative refund re-levy is collected on top of it to recover property tax refunds.

With a 2027 preliminary assessed valuation of $66,405,361,759, the estimated levy of $8,383,090 equals a rate of $0.1262 per $1,000 of assessed value. Without the refund re-levy, the $8,301,749 budgeted levy equals $0.1250 per $1,000, the rate shown elsewhere in this book.

*Source: 2027 Tax Levy Calculation, draft as of Oct. 7, 2026. The 2026 levy amount is from the Thurston County 2026 Tax Levy Book. Figures are preliminary until the county certifies assessed values.*

# APPENDIX F: BOND DEBT

## Appendix F - Bond Debt

### Outstanding Long Term General Obligation Bond Debt

Includes Series: 2013B, 2015, 2016A, 2018A, 2018B

As of January 1, 2027

| Fiscal Year(s) | Principal | Interest | Annual Debt Service |
|---|---|---|---|
| 2027 | 3,580,000 | 578,932 | 4,158,932 |
| 2028 | 2,680,000 | 447,154 | 3,127,154 |
| 2029 | 440,000 | 386,050 | 826,050 |
| 2030 | 460,000 | 364,050 | 824,050 |
| 2031 | 485,000 | 341,050 | 826,050 |
| 2032 | 510,000 | 316,800 | 826,800 |
| 2033-2042 | 6,460,000 | 1,803,100 | 8,263,100 |
| **Grand Total** | **14,615,000** | **4,237,136** | **18,852,136** |

### Outstanding Financed Equipment Debt with Key Bank

As of January 1, 2027

| Fiscal Year(s) | Principal | Interest | Annual Debt Service |
|---|---|---|---|
| 2027 | - | - | - |
| **Grand Total** | **-** | **-** | **-** |

*Financed Equipment Debt paid off 05/2026

# APPENDIX G: 2027 PROPOSED CAPITAL BUDGET DETAIL

| 2027 Proposed Capital Budget (Updated 8.17.26) | | | | | 2027 | | | | 2028 | 2029 | 2030 | 2031 | Notes, Comments, Assumptions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Business Unit | Item # | Project Name | Project Status | Project Number | Project to Date Spending (Estimate for 12/31/26) | 2027 Project Funding | Port Funds | Grant Funds | Anticipated Funds for ONLY multi-year capital projects approved in 2027 | | | | |
| Airport | 1 | AP: Electric Aircraft Charging | Projected | AP2701 | TBD | $1,300,000 | $260,000 | $1,040,000 | N/A | N/A | N/A | N/A | This is contingent on grant funding |
| | 2 | AP: Taxiway "W" crack seal, fog seal, and striping | Planned | AP2702 | TBD | $957,488 | $95,749 | $861,739 | N/A | N/A | N/A | N/A | 90-95% grant funding. This assumes 90%. |
| Marina & Boatworks | 1 | MAR: Trail Fencing | Projected | MB2701 | N/A | $15,000 | $15,000 | N/A | N/A | N/A | N/A | N/A | DOE requirement for fencing |
| | 2 | MAR: Control / POS System | Projected | MB2702 | N/A | $10,000 | $10,000 | N/A | N/A | N/A | N/A | N/A | Replacement of POS |
| | 3 | MAR: EQ Grounds Keeping | Planned | MB2703 | N/A | $17,000 | $17,000 | N/A | N/A | N/A | N/A | N/A | Aging equipment |
| | 4 | MAR: EQ Gator | Planned | MB2704 | N/A | $10,000 | $10,000 | N/A | N/A | N/A | N/A | N/A | Ground equipment |
| | 5 | BW: Boatworks Expansion | Planned | MB2509 | TBD | $750,000 | $750,000 | N/A | N/A | N/A | N/A | N/A | Carry over project. Finish permitting in 2026 |
| | | | | | | | | | | | | | |
| Marine Terminal | 1 | MT: Berth Dredging | Projected | MT2701 | TBD | $150,000 | $58,500 | $91,500 | $0 | $7,750,000 | $0 | $0 | Contingent on grant award. Grant funding ~$5,094,190 for this component. |
| | 2 | MT: Dewatering Facility | Projected | MT2601 | TBD | $500,000 | $500,000 | N/A | N/A | N/A | N/A | N/A | Contingent on business case |
| | 3 | MT: Storage Facility | Planned | MT2516 | TBD | $10,000,000 | $3,840,690 | $6,159,310 | N/A | N/A | N/A | N/A | Contingent on grant award. Grant funding ~6,159,310 for this component. |
| | 4 | MT: Asphalt Paving - MARAD | Projected | MT2311 | TBD | $200,000 | $150,000 | $50,000 | $0 | $0 | $6,000,000 | $0 | Design Phase. Expected to completed in 2030. Total grant funding is approximately 75% of cost in every year of project. |
| | 5 | MT: Berth 1 Repairs - MARAD | Projected | MT2309 | TBD | $200,000 | $150,000 | $50,000 | $3,000,000 | $0 | $0 | $0 | Design Phase. Expected to completed in 2028.Total grant funding is approximately 75% of cost in every year of project. |
| | 6 | MT: Maintenance Facility - MARAD | Projected | MT2310 | TBD | $200,000 | $150,000 | $50,000 | $0 | $3,750,000 | $0 | $0 | Design Phase. Expected to completed in 2029. Total grant funding is approximately 75% of cost in every year of project. |
| Real Estate | 1 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | No projects currently antipcated in 2027. |
| Non-Ops \| Admin | 1 | NON: HQ Parking Lot Security | Projected | NON2701 | N/A | $20,000 | $20,000 | N/A | N/A | N/A | N/A | N/A | Security fencing for back lot |
| | 2 | NON: HQ Commission Room Build Out | Projected | NON2702 | N/A | $40,000 | $40,000 | N/A | N/A | N/A | N/A | N/A | Full A/V technology build out. Researching costs. |
| | 3 | NON: HQ Building Low Volt Systems | Projected | NON2703 | N/A | $100,000 | $100,000 | N/A | N/A | N/A | N/A | N/A | Cameras, badge readers, interconnectivity. |
| | 4 | NON: Reclaimed Water Irrigation Code Updates | Projected | NON2704 | N/A | $45,000 | $45,000 | N/A | N/A | N/A | N/A | N/A | LOTT required retrofits of reclaimed water to continue use. Researching cost. |
| | 5 | NON: Building TI | Planned | PR2523 | $3,800,000 | $1,500,000 | $1,500,000 | N/A | N/A | N/A | N/A | N/A | Carryover project from 2026 to complete construction. |
| | 6 | Contingency | N/A | N/A | N/A | $200,000 | $200,000 | N/A | N/A | N/A | N/A | N/A | |
| | | | | | | Total Project Funding | Total Port Funding | Total Grant Funding | Total Yearly Anticpated Funds for approved multi year projects | | | | |
| | | | | | | $16,214,488 | $7,911,939 | $8,302,549 | $3,000,000 | $11,500,000 | $6,000,000 | $0 | |

*Project Status Labels: Compatible with Port Policy 1204 - Capital Investment*

1. Planned projects are ready to proceed, have internal customer commitments, and are likely to progress this budget year. The Port has reviewed these projects and they meet or exceed its "3 Es" requirements, i.e., Economic Development, Environmental Stewardship, and Earnings.

2. Projected projects identify a business need or opportunity; however these projects have not been fully developed in scope, cost, or permits.

PORT of OLYMPIA

# PORT OF OLYMPIA
# Resolution 2026-08

**A Resolution of the Port of Olympia Commission authorizing, providing for acceptance, approval, and adoption of the Final 2027 Annual Operating Budget including annual User Rates and Fees and Capital Investment Plan pursuant to RCW 53.35.045.**

**WHEREAS**, a Preliminary 2027 Annual Operating Budget and Capital Investment Plan was prepared and presented in a public meeting of the Port of Olympia Commission on October 5 & 6, October 26, November 9, November 16 and November 23, 2026.

**WHEREAS**, public notices were published in a newspaper of general circulation in Thurston County on October 25, and November 1, 2026, proclaiming the availability of the Preliminary 2027 Annual Operating Budget and Capital Investment Plan to taxpayers at the Port office and announcing a public hearing on the Final Budget on November 9, 2026, all in accordance with RCW 53.35.020 and 53.35.045; and

**WHEREAS**, a public hearing was held on November 9, 2026, at 4:00 P.M., in person and virtually after proper notice for a regular meeting of the Port Commission in the newspaper of general circulation in Thurston County was given, and the Port Commission heard from all persons desiring to be heard on the matter of the Final Budget all in accordance with RCW 53.35.030 and RCW 53.35.045.

**NOW, THEREFORE, IT IS RESOLVED** by the Port of Olympia Commission as follows:

1. The Final Annual Budget for Port Operations & Capital Investment Plan for 2027, appended hereto as part of this Resolution, is accepted and approved.

2. The Port's 2027 Final Annual Budget for Port Operations & Capital Investment Plan shall include schedules of all user rates and fees charged by the Port; and further,

3. The Port Commission's adoption of the Final Annual Budget for Port Operations & Capital Investment Plan shall serve as the 2027 annual update to the Port's user rates and fees.

4. The Port Commission's adoption of the Final Capital Investment Plan shall allow for the use and expenditure of any unused 2026 capital funds for projects carried over into and appropriated in the 2027 Capital Investment Plan.

This resolution shall become effective immediately upon its adoption and repeals any prior resolutions inconsistent herewith.

DRAFT

**ADOPTED** by a majority of the members of the Port Commission of the Port of Olympia, a majority being present and voting on this Resolution at a regular Commission meeting on November 23, 2026, as attested to by the signatures below of the Commissioners physically present this 23rd day of November 2026.

PORT OF OLYMPIA COMMISSION

_____
Jasmine Vasavada, President

_____
Sarah Montano, Vice President

_____
Joel Hansen, Secretary

_____
Jerry Toompas, Commissioner

_____
Krag Unsoeld, Commissioner

DRAFT

Department of Revenue
Washington State

# Ordinance / Resolution No. 2026-09

**RCW 84.55.120**

**WHEREAS**, the Commission (Governing body of the taxing district) of Port of Olympia (Name of the taxing district) has met and considered its budget for the calendar year 2027; and,

**WHEREAS**, the districts actual levy amount from the previous year was $ 8,210,033.00 (Previous year's levy amount); and,

**WHEREAS**, the population of this district is ☒ more than or ☐ less than 10,000; and now, therefore, (Check one)

**BE IT RESOLVED** by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2027 (Year of collection) tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be $ 82,100.33 which is a percentage increase of 1.000 (Percentage increase)% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 23 day of November, 2026.

**If additional signatures are necessary, please attach additional page.**

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc.

To ask about the availability of this publication in an alternate format, please call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711. For tax assistance, call (360) 534-1400.