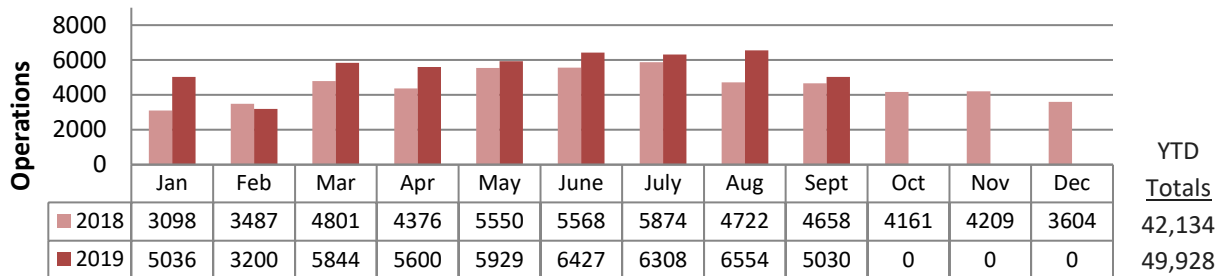


Quarterly Activity Report: 3rd Quarter 2019

Olympia Regional Airport

2019 YTD operations are 18% higher than 2018 YTD. Jet fuel deliveries are 15% lower, however aviation gas deliveries are 13% higher than YTD 2018. YTD landing fees are 15% lower than YTD 2018.

**2019 Airport Operations
with Prior Year Comparison**



¹Air traffic counts are recorded by the Control Tower during its operating hours of 8:00am to 8:00pm daily. Operations occurring outside these hours are not monitored and are in addition to these recorded traffic counts.

Hangar Occupancy – 100%

63 Hangars Total
0 Vacant

Landing Fees Collected

2018 YTD \$ 7,993
2019 YTD \$ 6,809

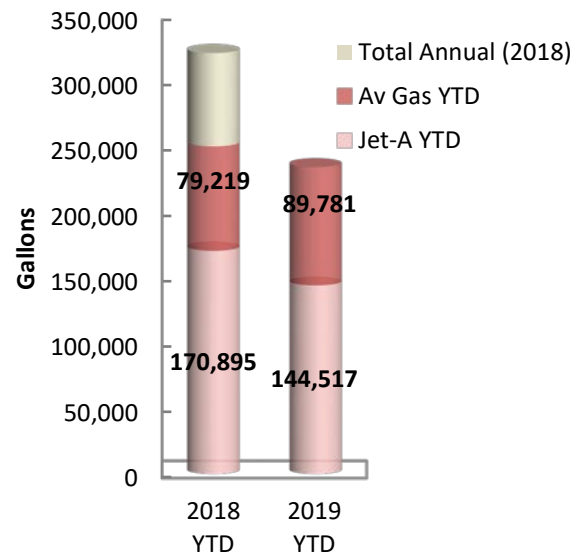
FAA Grant Funding Received

1993 to 2018 \$27,317,597
Received 2019 \$ 0
Total FAA Grants \$27,317,597

WSDOT-Aviation Grants Received

2005 to 2018 \$ 382,780
Received 2019 \$ 0
Total WSDOT Grants \$ 382,780

Fuel Deliveries

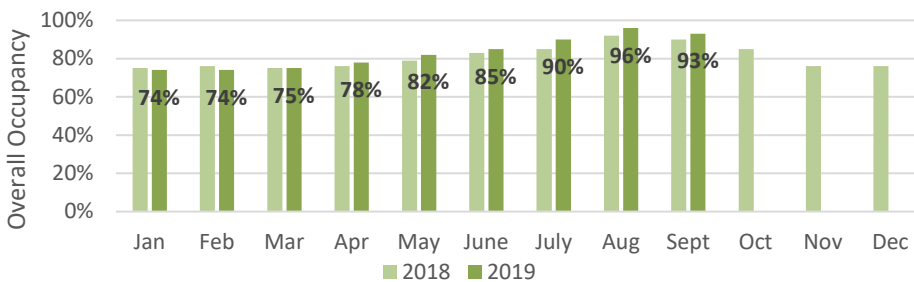


YTD = Cumulative, January to month of report

Swantown Marina & Boatworks

The trend of increased occupancy at the marina continued into the third quarter of this year with revenues for permanent moorage, guest moorage, dry boat storage and mini storage rentals all showing substantial increases over 2018. Permanent moorage increases were led by the higher than normal demand for smaller boat slips. Fuel sales continue to be strong compared to 2018. Dry trailer boat storage demand remains strong and the temporary overflow area remains full. Another mini storage building was added and its four storage units were quickly rented out. Boatyard haulouts continue to struggle with decreased usage experienced throughout the year.

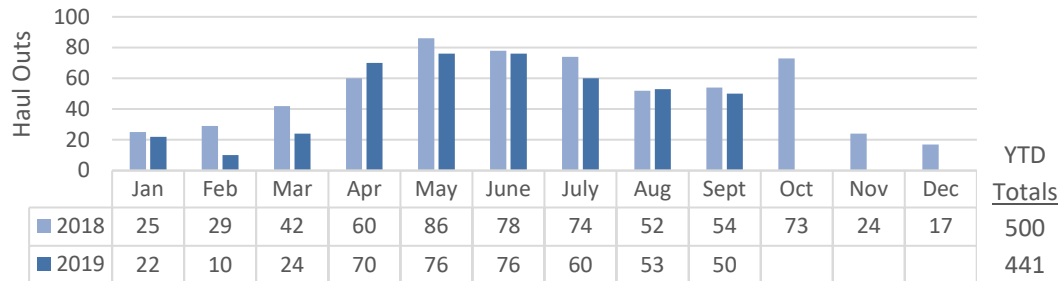
2019 Marina Total Occupancy
with Prior Year Comparison



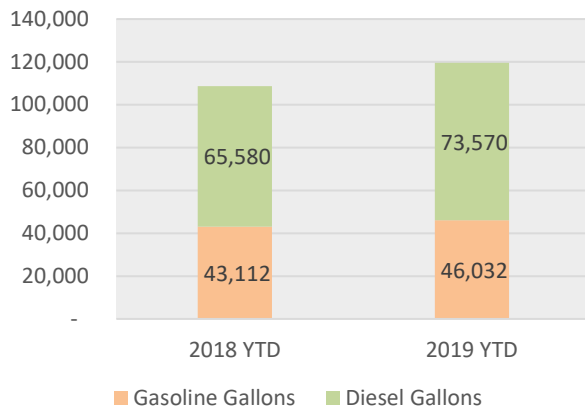
Occupancy for September:

Slips 20’-24’	66%
Slips 28’+	98%
Dry Storage	159%
Mini Storage	100%

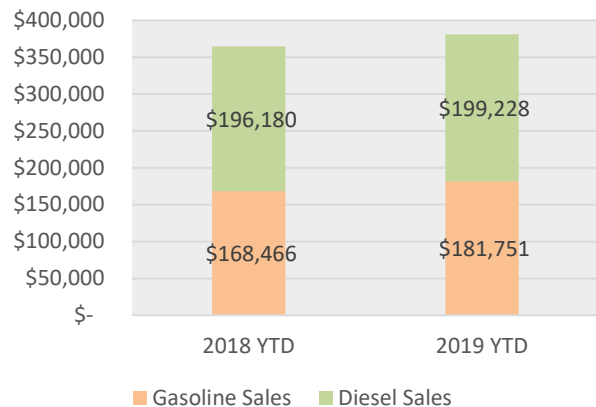
2019 Boatworks Haul Outs
with Prior Year Comparison



Fuel Dock Gallons Sold



Fuel Dock Sales



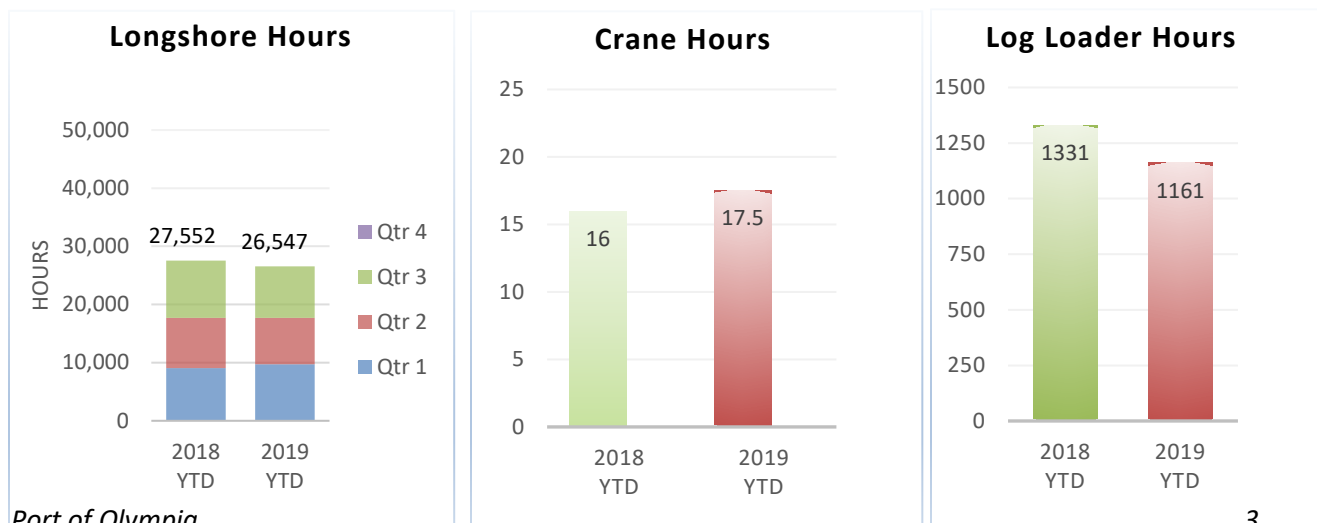
Marine Terminal

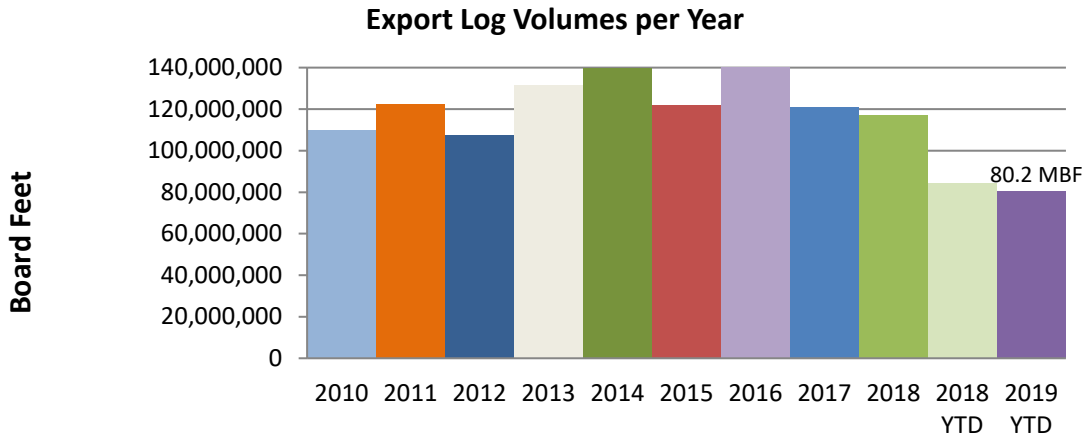
Third quarter activity at the Marine Terminal included the loading of 24.1 MBF of logs onto four vessels. The challenge across the log export market remains the ongoing tariff on Chinese imports and subsequent retaliatory tariffs targeted on agricultural products such as logs on U.S. exports to China. Regional log ports have felt this severely as operations in Bellingham and Tacoma have been shut down completely, Everett has seen no volume, and the ports of Grays Harbor and Port Angeles have seen sharp declines. Many smaller exporters have stopped shipping in favor of moving product into the domestic market. Weyerhaeuser has continued to maintain its market share and as such, the Port of Olympia's Chinese log decline has been less than in other ports. In comparison, Pacific Lumber and Shipping (PLS) has not chartered their own ship through Olympia in 2019 and has only contributed volume already loading for Japan. The market sentiment is that the export decline has hit the bottom, but nobody is certain on the turnaround time to normalcy. In regards to other cargo, increases in cargo shipments for bulk and breakbulk in Q3 have mostly centered around the Canadian spillover cargo, which had been held out of Canada due to insufficient port capacity and was shifted to the closest U.S. ports. In this case, that cargo, mostly pipe and steel, was absorbed by Everett. Project cargo continues to remain quiet through the summer as the uncertainty from the trade war plays out while regional military cargo continues to move through several new options including Grays Harbor. Several west coast container ports wrote a joint letter to President Trump urging him to negotiate an end of the current trade war standoff. In the meantime, the Port of Olympia was able to generate additional revenue from rail car storage and continues to actively bid on various cargo inquiries as they become available. Marketing trips included attendance at the annual breakbulk conference as well as at the pellet conference with the focus on long-term growth opportunities.

Vessel Activity YTD

		2018	2019
Log Vessels			
Japan	Full Vessel	7	9
	Partial Vessel	0	0
China	Full Vessel	4	4
	Partial Vessel	1	0
Korea	Partial Vessel	0	0
China/Japan	Full Vessel	0	0
China/Korea	Full Vessel	3	1
Total Log Vessels		15	14
General Cargo Vessels*		1	1
Barges	Breakbulk/Machinery	0	0
Layberths	Tugs, Barge, Ferry	3	2
YTD Total All Vessels		19	17

*General cargo may include steel, pipe, bulk corn, proppants, livestock, wind and energy components and/or other cargo.

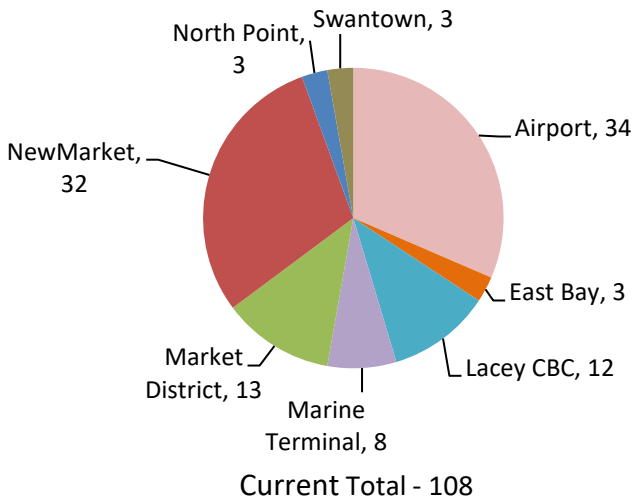




Properties/Real Estate

Third quarter 2019 real estate activity included the execution of three lease agreements, fifteen lease amendments, and three license agreements for use of Port properties. YTD 2019 lease revenue is slightly higher than same period 2018. Revenue growth was affected by lease expirations and vacancies that occurred throughout 2018 and early 2019.

Number of Leases by Location*



* See map of leasing locations on page 7.

Cleanwater Centre Campus:

- 76,140 sf Leasable Space
- 16% occupancy (12,000 sf)
- 2 Tenants

Lacey Commerce Business Center:

- Bldg 1 – 12,500 sf, ILA with City of Lacey
- Bldgs 2 & 3 – 47,289 sf
75% occupancy
25% vacancy
- 12 Tenants

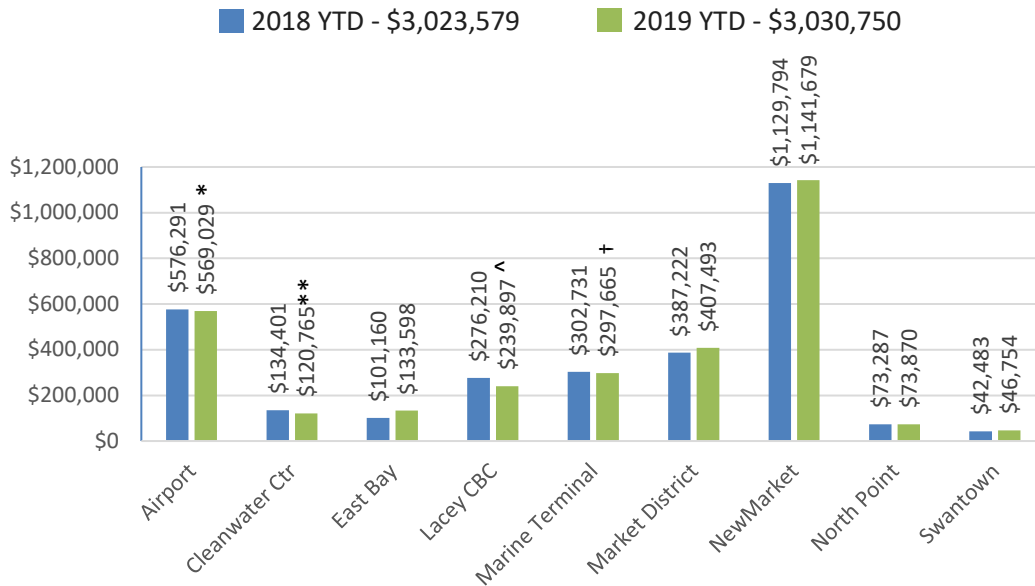
Rent Adjustments YTD: 35

Port Plaza Uses YTD: 15

Uses to date: Olympia Yacht Club Events, Olympia Musical Theater Performances, Music on the Plaza Events, Harbor Days, Olympia Brewfest, OLY ARTS Performances, 3 Weddings and 2 other private events.

0 reservations pending for 2019.

Lease Revenues YTD



*Airport – Vacate of space lease

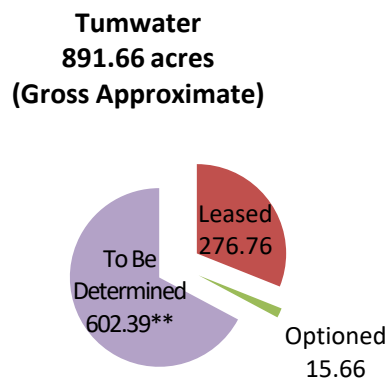
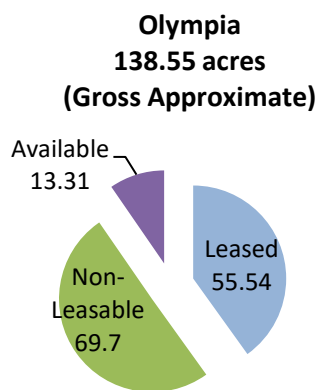
**Cleanwater Center – Vacate of temporary parking

^ Lacey CBC – Vacate of 16,298 s.f.

† Marine Terminal – Vacate of flex space

Summary of Leasable Land

The charts below show current total leased, optioned and available land in the Olympia and Tumwater properties. The master planning process is ongoing for the Port's Tumwater properties.



Planning, Public Works and Environmental Programs

Environmental Clean-up/Remediation Efforts	
East Bay Redevelopment Site	Construction is underway on the site. Most earth work is complete and the building that fronts State Street is being constructed.
Budd Inlet Remediation	Remediation alternatives maps were submitted to Ecology upon their request. Ecology later requested text describing, which was also submitted. Ecology is currently reviewing the documents.
Airport (Pearson Air) Remediation	The Port received Ecology comments on the RI/FS. Requisite additional testing, well decommissioning, and well installation are underway.
Cascade Pole Site	All documentation and waste disposal is moving forward as required. All DMR's have been submitted on time. Marine Terminal and Planning, Public Works and Environmental staff are working to ensure the plant continues to operate compliantly during the Cascade Pole Site Manager's absence.
Sustainability	
Sea Level Rise	ILA regarding Sea Level Rise governance is being drafted and reviewed by parties.
Climate Change & Sustainability Action Team	Staff is participating in the regional Climate Change Mitigation effort led by TRPC. The Sustainability Action Plan has been put on hold.
Green Marine Certification	Nothing to report.
SEPA/Environmental Review	
New Market Industrial Campus	Commission authorized staff to move forward with SEPA on the NMIC plan. Contract RFQ is being drafted in order to initiate this effort.
CSHI & Design Guidelines	Nothing to report.
Environmental Permits	
Marine Terminal Air Permits	Nothing to report.
Industrial Stormwater Permit	The Port has met ISGP benchmarks for 2019 Q1, Q2, and Q3. Performance sampling continues in an effort to identify system modifications necessary to address 2017 Level 3 Corrective Action in accordance with the Agreed Order.
Habitat Conservation Plan	Process continues to move forward as per the schedule.
Capital Projects & Asset Management	
Contracts & Public Works	2019 Capital Projects are moving forward with all anticipating to be completed by the end of the year.
Long-term Asset Management Plan	Phase 2 of the long-term asset management plan has been completed. OAC is currently working on combining data from Phases 1 and 2. Final, comprehensive assessment will be completed by the end of October.

Property Leasing Locations

Olympia



Tumwater

