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**FOR IMMEDIATE RELEASE**  
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## **Port of Olympia Proposed 2007 Operating and Capital Budget Available for Review**

The Port of Olympia's proposed 2007 operating and capital budget is now available for review. There will be a public hearing and discussion of the proposed budget by Port Commissioners at the regularly scheduled meeting November 13. At the Commission's November 27<sup>th</sup> meeting, there will be another public hearing after which Port staff will ask for the Commission's consideration to adopt the 2007 budget. Public comments are welcome at each of these sessions.

All meetings will be held at 5:30 p.m. at the LOTT Boardroom, 2<sup>nd</sup> Floor, Market Centre Building, 111 Market St. NE, in Olympia.

Copies of the proposed budget are available at the Port Main Office at 915 Washington St. NE, Olympia, by calling the Port at 360-528-8000, or electronically from the Port's website at [www.portolympia.com](http://www.portolympia.com).

Port Commissioners met with staff at a public workshop held October 25 to engage in a preliminary dialogue concerning Port priorities, strategies and direction.

"We have had a good initial dialogue on this year's budget," said Port Commission President Steve Pottle. "Throughout the budget process, we welcome public input as we review and prioritize Port projects and activities."

The 2007 proposed budget strives to maximize Port business enterprise revenues, contain expenses and provide funding for capital improvements that drive economic development. The Port owns and operates four enterprise centers, including the marine terminal, the Olympia Regional Airport, Swantown Marina & Boatworks and a property development division.

"Delivering on the Port's mission to provide jobs, opportunities for economic growth and improvements to the quality of life for Thurston County residents is a long-term process," said Port Executive Director Ed Galligan. "2006 has been a year of significant beginnings of investment in Port programs and projects that will produce long-term value."

Galligan added that the on-going management challenge is to maximize the Port's near-term financial performance while achieving continuous progress and results on long-term development and

construction programs, all which require years of planning, development, community outreach and participation before they can be brought to fruition.

## **2007 Budget Highlights**

**Operating Surplus.** Overall, the Port should see improved revenues and a positive cash flow from operations in 2007. A positive operating surplus of \$110,000 is projected for 2007. The surplus represents revenues generated by Port enterprises (airport, marine terminal, marina, boatyard, and property development) less enterprise expenses and Port-wide general and administrative costs.

**Proposed Operating Revenues.** For 2007, revenues from Port businesses are projected at \$7.5 million, representing an increase over 2006 projected results (\$6.3 million). 2006 revenues are projected to be less than expected primarily due to a delay in realizing revenues from the Weyerhaeuser log export operation at the marine terminal and decreases in other marine terminal cargoes. Revenues are expected to increase in 2007 due to new cargo opportunities, the log facility coming on line later in the year, and added revenues from other Port enterprises.

**Proposed Operating Expenses.** Port operating expenses are expected to decline to \$4.2 million in 2007 from \$4.4 million projected in 2006. This reduction represents cost efficiencies planned to be achieved by Port businesses and continuous improvement of administrative processes.

**Property Tax Levy.** The tax levy proposed for 2007 is \$4.35 million, an increase of \$253,000 over the 2006 projected number. This addition represents taxes generated by the value of new construction plus one percent. This increase is estimated to have no impact on the average homeowner who now pays about \$41 per year for a home valued at \$200,000. Overall, the Port receives just under 2 percent, or 2 cents, of every property tax dollar paid countywide. The goal for use of levy revenues is to pay debt service on general obligation bonds issued to fund long-term capital improvements, such as utilities and roads, environmental clean-up costs, and some specific capital improvements.

**Capital Budget.** The Port is proposing to spend about \$5.6 million for capital projects in 2007. Of this amount, \$1.6 million represents new capital spending; the remainder was previously approved for projects that are underway. Projects for 2007 include completion of runway safety improvements at the Airport; refurbishing Swantown Marina docks and expanding Swantown Boatworks; construction of new rail track and completion of cargo yard improvements at the Marine Terminal; utility improvements to support future retail/commercial development of NorthPoint at the tip of the Port Peninsula; and site planning for the mixed use development envisioned for the East Bay district in Olympia.

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