



Port of Woodland

Business is better here.

2018 BUDGET OPERATIONS & CAPITAL PROJECTS AND MAINTENANCE PLAN



The Port of Woodland will be finalizing the 2018 Budget on November 14, 2017. The Final Budget is a communication tool and the Commission’s effort to engage the public and provide a transparent budgeting process. This is key to communicating with the Port District good stewardship and leadership towards their mission “To support job creation through economic growth and recreational opportunities in a diverse array of businesses, industries, and services that enhance the District.”

The Port of Woodland has completed the required public outreach and notifications of the Preliminary Budget process, holding a public hearing and notifying local media. The Port Commission held several workshops as well, to discuss budget items. The Port Commission will review and finalize the 2018 Budget in a Regular Meeting and the public is invited to provide comment prior to the meeting or at the meeting on November 14, 2017 at 5 PM.

Budget information will be posted online at www.portofwoodland.com under Port Business and hard copies available at the Port Office Monday through Friday 8 A.M. to 5 P.M. (closed 12 to 1 P.M.). For an email version of the budget, please contact jkeene@portofwoodland.com.

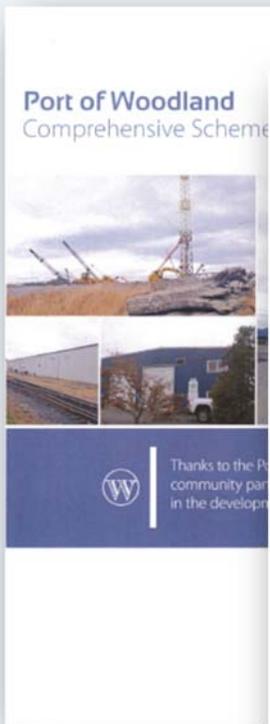
Commission President, Paul Cline <i>pcline@portofwoodland.com</i> 360.904.4592	Commission Secretary, Dale Boon <i>dboon@portofwoodland.com</i> 360.904.3267	Commissioner, Gerald Peterson <i>jpeterson@portofwoodland.com</i> 360.904.4445
---	---	---

INTRODUCTION

The Port of Woodland general budget is broken into two categories: Operations and Capital. Operations refers to the day-to-day operations of the Port of Woodland to maintain current properties and projects. Capital refers to incoming and potential projects and planning development on the horizon for the Port.

The Executive Director prepares the Operations Budget for the Commission. This budget takes into account all revenues from land and building leases, contracts, taxes, and other revenues anticipated for the upcoming year. It also takes into account all expenses ranging from approved projects by the Commission to be undertaken in the upcoming year, operating expenses for buildings and properties, staff and compensation as well as contracts.

The Port Commission determines the Capital Projects as part of the Comprehensive Scheme of Harbor Improvements, the overall planning document for the Port that is developed and approved every six years. The Port Commission examines current projects and planning developments and determines the projected course of action over several years. Projects may be dictated by several factors including the economy, need of project, cost of project, and capacity of the Port to take on the project and/or debt. The Port Commission has determined that the millage rate (tax rate) will be set to the need of the Port for Capital Projects and Debt Payments. All debt payments are within the operating budget for 2018 and can be met through current revenues. The 2018 millage rate will remain flat at \$0.15 per \$1,000 assessed value. All current 2018 projects within operations and capital are met by current fund balances and millage rate. The Commission has identified Capital Projects and Maintenance over the next five years subject to change due to availability of grants, project preparedness (i.e. permits) and new information.



financial impacts to the Port (as a potential developer), it determined that job growth and industrial building demand in the area justify the need for more industrial space in the Southwest Washington region and suggested that the project could be a success.

3.1.4 Target Market Opportunities
The industrial clusters within the Port district that appear most viable for long-term expansion are based on the market analysis prepared for this comprehensive scheme, as well as an analysis of existing enterprises that are already concentrated in the region. The recommended target industries for the Port include:

- Light manufacturing, including supply-chain businesses that support major mill or fabricated metal operations
- Miscellaneous manufacturing and processing, including emerging value-added industries related to agricultural products
- Stone product manufacturing
- Technical training programs (e.g., construction-related occupations)
- Regional warehousing and distribution
- Wholesale warehouse/showrooms
- Transportation and logistics firms
- Motor vehicle repair and parts recycling businesses

3.2 Project Opportunities
Based on the target industries discussed above, as well as input provided by the Port Commission and stakeholders throughout the development of this comprehensive scheme, the Port identified the following project opportunities. Table 9 lists the Port's priority projects, describes them briefly, and provides information about existing zoning designations and potential conflicts with land use and development regulations. Additional details related to capital costs and action items are included in the capital improvement plan, Table 10 in section 4.L.

Table 9. Project Opportunities

Project and Description	Existing Zoning Designation	Potential Conflicts with Land Use and/or Development Regulations
Austin Point Development – acquisition of rail property, permitting, and infrastructure improvements	<ul style="list-style-type: none"> • Heavy Manufacturing/ • Agriculture-2h (proposed rail line parcels) • Forestry/ Recreation (southernmost tip of Austin Point) 	No conflicts anticipated with Heavy Manufacturing zone, most manufacturing and industrial uses allowed in zone. Development of rail in Ag-2h zone may require special use permit per County code 18.10.021 C(4). Shoreline permit required for development within 200 feet of Columbia River. State and federal permits may be required.
Martin's Bar North Development – potential development with deep-draft access (see Figure 5 below for concept image)	<ul style="list-style-type: none"> • Heavy Manufacturing 	No zoning conflicts anticipated. Shoreline permit required for development within 200 feet of Columbia River. State and federal permits may be required.

Port of Woodland Comprehensive Scheme of Harbor Improvements 2016 18

Project and Description	Existing Zoning Designation	Potential Conflicts with Land Use and/or Development Regulations
Property Acquisitions – acquire properties adjacent to existing Port holdings as opportunities arise	• Various	No land use or development regulation conflicts anticipated.
Property Acquisition Planning – assess current land holdings and develop criteria for acquiring additional properties based on quality of current reserves. Consider sites 50 acres and larger with good road access (only limited sites of this size currently available in Portland Metro area and this could fit market niches)	• Various	No land use or development regulation conflicts anticipated.
Infrastructure Development/ Planning – provide infrastructure for Guild Road Industrial Park II properties; develop shovel-ready sites to increase marketability (specifically in Schuman Way Industrial Park); assess need for infrastructure development on all Port properties	• Light and Heavy Industrial	No land use or development regulation conflicts anticipated.
Recreational Facilities Planning – develop recreational facilities under these conditions: revenue is available, Port tax levy is eliminated, real estate is available, community dividend criteria are defined, and project is deemed necessary	• Various	Some recreational uses allowed in Industrial/Manufacturing zones, special use permit may be required in Clallam County. Potential land use and zoning conflicts should be assessed in conjunction with facility planning.
Port Office Feasibility Study – conduct feasibility study identifying potential locations and estimate cost estimates for acquiring (if necessary), designing, engineering, and permitting new Port office	• Various	Land use and zoning conflicts should be assessed in conjunction with site selection.
Partnerships – pursue partnership opportunities with public and private entities that enhance and further Port mission and offer internship/ scholarship opportunities	N/A	No land use or zoning conflicts anticipated.
Access and Rail Development – acquire properties for industrial park development and rail access to meet market demand. Look for opportunity for 100-acre site near rail	• Various	No land use or zoning conflicts anticipated – additional analysis should be conducted in conjunction with site selection.
Property Management Planning – determine criteria for leasing or selling property; consider number of family-wage jobs, investment site and its community, and type of industry Austin Point and Martin's Bar are lease-only properties	N/A	No land use or zoning conflicts anticipated.
DevOps Marketing Strategy – identify specific target businesses (e.g. spinoffs related to existing leases and/or regional industries) and develop marketing strategy to attract them. Consider grant opportunities and need to support mix of businesses	N/A	No land use or zoning conflicts anticipated.

GENERAL REVENUES

Land Leases

The Port owns over 450 acres of industrial land. Land The Port anticipates the acquisition from the Department of Natural Resource (DNR) for the Kuhnis Road property of an additional 153.3 acres of property. The parcel currently has a lease with Donald's Farm and would continue to honor the conditions of the Donald's lease (Kuhnis Property) until it expires in 2020. Much of the Port land is undeveloped especially Columbia River properties. Two sites that account for a total of 28 acres is currently under development stages (Guild I and II). Additional information about Guild I and II on pages 9 and 10. There are several land leases that are subject to approval, that the Commission wishes to note including West Rail and Donald's Farm.

Building Leases

The Port currently has two industrial parks– Down River Drive and Schurman Way. The Port does not anticipate any changes in tenants at either parks. There are no leases up for renewal in 2018. Leases are set to a market rate and continue to be on course with the regional Port building lease rate for comparable size, age and condition. The Port will undergo a market survey in 2018 for leases in 2019.

Operations

Operations includes non-lease revenues including taxes, Port passes, grants and other fees received. The Port, over the last several years, has had significant revenue generation from dredge spoils at Martin Bar and Austin Point. The Port has surplussed all the sand from Martin Bar and removed a significant amount from Austin Point. The Martin Bar South and Austin Point dredge disposal sites will contribute no income from sand sales in 2018. The US Corps of Engineers anticipates placement at both dredge disposal sites during the dredging window in fall 2018. Surveying for sand will be required prior to surplus. Surplus and contracting will occur prior to the close of 2018. Concerns with Dike Road have required the Port to further examine options for Austin Point removal of dredge spoils in the future.

Port millage net value will remain flat with the overall millage rate will be \$0.15 per \$1,000 assessed value unless based on Capital Projects and Maintenance investments. The Port has significant projects on the horizon which are identified in further detail under Capital Projects and Maintenance Investments.

Hay Maintenance

Port properties within the Woodland City limits that are not developed are currently maintained through hay contracts. Hay maintenance fields include two parcels at Schurman Way Industrial Park including the 25 acres and 2 acres. It is anticipated that due to the upcoming lease of West Rail's trans-load operation, the hay maintenance lease may no longer be needed on the 25 acres but will for the 2 acres. The 13 acres on Guild Industrial Park II is anticipated through the end of 2018.

Revenue Source	Revenue Income
Land Leases	\$312,373.04
Building Leases	\$475,552.69
Operations	\$77,500
Hay Maintenance	\$1,900
Other	\$96,329.06

GENERAL EXPENDITURES

Expenditures will overall, remain flat for 2018 given the reduction of overall revenue with some specific line items being reduced.

Salaries and benefits should remain flat for non-exempt employees. The Port received data in August that a Cost of Living

Adjustment (COLA) in 2018 will be an increase of four point four (4.4%) percent rate based on 12-month average is 4.4% from the CPI Portland-Seattle report. Health insurance and other benefits should increase slightly in 2018. Also, the Port will be entering into the Cowlitz County Mosquito Control District, a new district fee will be assessed based on parcel size. Several line items were increased ranging from postage to utilities and public notices due to general cost trends over the budgeted years. In general, memberships were increased by two (2) percent. The Port of Woodland will be reducing expenditures in operations overall. The Port will maintain general operations and does not anticipate any significant maintenance projects in 2018. In 2018, it is anticipated the closure of the acquisition of the DNR will be complete and debt from that property has been included into the debt services line item.

For Other Expenses, Commissioners approved the final development of the Capital Community Development Project (CCDP) and will need to allocate funding for this project through the Capital Budget. In 2017, the Commission allocated \$20,000 to the CCDP funds. In January, the Port received five applications and two were vetted through the process— Woodland Historic Museum for \$2,500 and Woodland Middle School Lego Robotics Team for \$7,200. In July, the Commission will receive applications for potential disbursement in August.

Expenditures Source	Expenditure Cost
Salaries & Benefits	\$259,151.75
General Operations	\$604,807.02
Other	\$96,329.06

2018 BUDGET OVERVIEW	
Revenue	
Land Leases	\$312,373.04
Building Leases	\$475,552.69
Hay Maintenance	\$1,900.00
Operations	\$77,500.00
OPERATIONS REVENUE TOTAL	\$867,325.73
EXPENDITURES	
Salaries and Benefits	\$259,151.75
Operations	\$604,807.02
OPERATIONS EXPENDITURE TOTAL	\$863,958.77
OTHER	
Other Revenue	\$96,329.06
Other Expenditures	\$96,329.06

CAPITAL IMPROVEMENTS/MAINTENANCE & INVESTMENTS

MAINTENANCE PROJECTS							
Location	Project	Estimated Cost	2018	2019	2020	2021	2022
			Year 1	Year 2	Year 3	Year 4	Year 5
Parking Lots- Cowlitz County	Parking Lot Maintenance	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$15,000.00
Martin Bar North (Lions Day)	Access road Maintenance		x	x	x	x	x
Martin Bar South (RV/Bong)	Access road Maintenance		x	x	x	x	x
Austin Point	Access road Maintenance		x	x	x	x	x
Cougar Restrooms							
1670 Schurman Way	Sealant Striping	\$0		\$1,000.00			\$1,000.00
Austin Point/ Martin Bar	Spraying/ Noxious Weed Control	\$2,500	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
DRD Parking Lots	Sealant Striping	\$15,000			\$15,000.00		
Total Maintenance			\$12,500.00	\$13,500.00	\$27,500.00	\$12,500.00	\$33,500.00

Parking Lots and Access Roads: The Port has an interlocal contract that it annually enters with Cowlitz County for Public Works. The rocking, grading and leveling of the access roads and parking lot for Cougar are completed by Public Works per their availability. Depending on wear and tear, costs can fluctuate for each site. Austin Point will have some initial changes in late 2017 and into 2018, pending permits, with the restructuring of the public access at the Point. The public will have limited access to the south Point with entrance accessible by foot traffic only. The north Point, the site which handled the trucks for the dredge spoils, will now become a public access road. This will include a primitive parking area that will be maintained through rocking. The rocking for 2018 of Austin Point assumes the public access road at the north entrance.

Sealant and Striping: It is anticipated that the parking lot at 1670 Schurman will be in need of striping at a minimum in 2018 with the possibility of sealing and will be further examined after the winter months. It is not anticipated that DRD will require further work this coming year but touch ups by the maintenance department will occur with annual building work.

Noxious weeds: The Port is required to ensure noxious weed control is maintained on all port properties even those under leases. Due to weather and seasonal fluctuations these costs could increase if a second spraying is required through the summer months.

Maintenance: General maintenance on existing buildings is under general operations. Projects that must go out to public works roster or be advertised per state requirements are identified for the budget process. These large scale maintenance like roof replacements, HVAC system replacement, and other such projects would be anticipated and on the capital maintenance plan.

CAPITAL IMPROVEMENTS/MAINTENANCE & INVESTMENTS

CAPITAL INVESTMENTS							
Location	Project	Estimated Cost	2018	2019	2020	2021	2022
			Year 1	Year 2	Year 3	Year 4	Year 5
1608 Guild Rd	Remodel Port office	\$315,000	\$315,000				
Schurman Rail Spur	Construction (minus \$100k grant \$100k loan)	\$300,000	\$300,000				
Schurman Way Industrial Park	Road Design, Engineering and Permitting	\$100,000	?	?	?	?	?
	Road Construction	client driven					
Guild Road I	Master Site Infrastructure Construction	approx. \$4m	x x x	x x x			
Howard Way	Water and Sewer Lines	see above					
Guild Road II	Infrastructure Construction	see above					
Guild Road I	Building #1			x	x x x x		
Aust in Point Sand Site	Site Expansion South	cancelled					
Aust in Point South Mitigation		approx \$10,000	\$10,000				
Aust in Point North Public Access Improvement		approx \$5,000					
Property Acquisition(s)							
WDFW Recreation Land		TBD approx \$50,000		\$50,000			
Dark Fiber Route 1: Cougar			?	?	?	?	?
Dark Fiber Route 2: Woodland Bottoms			?	?	?	?	?
Capital Community Development Project (CCDP)			\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Total Projects			\$645,000	\$70,000	\$20,000	\$120,000	20000
Total Capital and Maintenance			\$657,500	\$83,500	\$47,500	\$132,500	\$53,500
	Investment Pool(minus 500k and 990k)/ Millage Rate Funds		1200000	\$742,500	\$1,159,000	\$1,611,500	\$1,679,000
	Sand Sales projected (Martin Bar only)		\$0.00	\$300,000	\$300,000	\$0.00	\$300,000
Balance			\$542,500	\$959,000	\$1,411,500	\$1,479,000	\$1,925,500

Capital Projects– The Port Commission has prepared a 5-year forecast of Capital Projects to identify the financial needs of the Port. Based on current projections, the Port Commission anticipates the millage rate to remain flat at \$.15 per \$1,000 assessed value over the next five years.

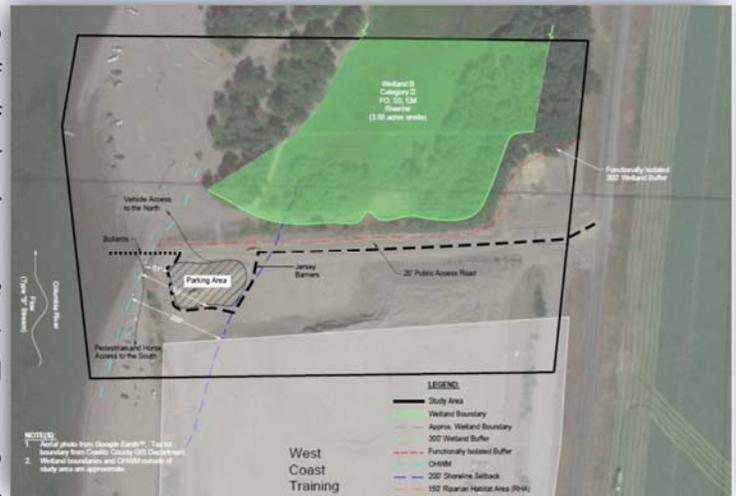
Port Office (1608 Guild Rd): In 2016, the Commission voted to approve the use of the 1608 house to be the new site for a potential Port Administrative Office. Several approvals have occurred to ensure the structure is sound including HVAC, electrical work, water and sewer connections and internal work by Port maintenance. The Port hired Collins Architecture to develop a design concept known as the “Preferred Alternative” for the site and completed the design and engineering documents for permits.

Schurman Way: As development of the transload facility occur in 2017, the remaining parcels could be leased out in the near future and may require the Port to complete initially conceptualized road improvements to access specific lots. These have yet to be designed or engineered beyond the binding site plan requirements. In addition, the Port will be constructing the rail spur and the existing line outside the leased area of the transload facility. The Port has already received a loan/grant from Cowlitz County for a portion of the construction project. The Port and company are awaiting final approvals from BNSF.

Guild I and II Industrial Parks: Both parks will have documents ready to proceed for the Port in 2018 to move forward on the master infrastructure construction. The Port will extend services from Howard Way through to Guild Road and then restructure and extend services along the side of Guild I. The Port will seek local, state and federal grants to meet some of the funding needs for the project. The estimates have yet to be prepared for this phase of the Port’s budget but may receive some initial numbers before the final budget is approved in November. The Port received funding from U.S. Department of Commerce (EDA), Washington State CERB, and Cowlitz County (.09 Rural Economic Funds) for earlier portions of the project. Guild I will be a industrial park with Port constructed buildings, approximately 6 buildings total with approximate sizes in the 25,000 SF range. The port anticipates buildings to be under construction beginning in 2019. Guild II will be a ground lease site with a binding site plan of established lot areas to accommodate buildings from 6,000 SF to up to 100,000 SF. The Port is exploring options of building smaller start up facilities (6,000-8,000 SF) and the remaining will be tenant build.

CAPITAL IMPROVEMENTS/MAINTENANCE & INVESTMENTS

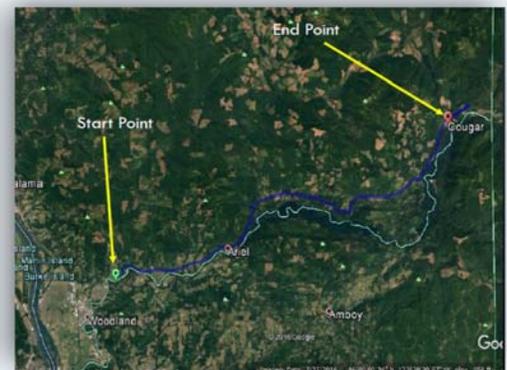
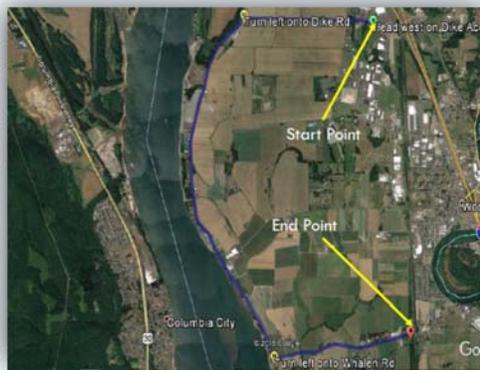
Austin Point: The Port has been working with ELS to develop a plan and submit permits for the expansion of the dredge disposal site to the south for the relocation of West Coast Training cranes and specific operations. WCT has determined it is best for their company to relocate for long-term operations. The Port continues to work with ELS on the closure of the South Access Road and the relocation of the public access to the North due to ongoing and historic destructive actions within the wetland areas. In addition, further planning on the repairs and improvements for public access for pedestrian access to the south Point are included. Potential grants are being researched as well as partners on the project. North Point improvements could include signage and education of flora and fauna within the area, a platform for portable toilets at the site, public structures like tables or benches and parking area will be explored.



Property Acquisitions: The Port will continue to research opportunities for available properties that are near or connected to existing Port properties. The Port has notified the Washington Department of Fish and Wildlife of their potential interest in the property in between Martin Bar North and South. The site is used as a recreation area and the Port would like to improve the recreational area through onsite improvements including rockering the parking area, cleaning and clearing trails, and structures like benches and tables.

Dark Fiber: The Port will be selecting a consultant to complete the Dark Fiber Feasibility and Market Analysis. Once completed, the Commission will review the information and determine if any, any route they wish to further explore.

The two routes being researched are from the Woodland City Limits to cougar along State Route 503/ Lewis River Road and the Woodland Bottoms from Dike Access Road along the Dike Road river route along to Kuhn Road and Whalen Road.



Capital Community Development Project (CCDP):

The Commission developed a funding mechanism to allow organizations, agencies, nonprofits, and others to request funding from the Port that furthers the Port's mission statement through capital projects that the Port itself is unable to undertake. The CCDP includes an application process and presentation to the Commission two times per year. It is the sole discretion of the Commission on the allocations of such funding for projects. The Port's initial year successfully funded Woodland Middle School Lego Robotics, Museum's HVAC system, High School Robotics, PR equipment for Rotary, Restoration of Chamber building and remodeling for Love Street Playhouse.