



Informed Decision Making

- *Making Strategic Capital Investments*
- *Maximizing your Real Estate Return on Investments*

Washington Public Ports Association

Small Ports Seminar

Thursday October 26th 2023

Summary of Presentation

Budget Retreat

- **Budget Outlook (11 Indicators)**
- **Establishing and/or Reaffirming Capital Investment Philosophy of the Board (Prior to Determining Capital Projects)**

365 Focus

- **Best Management Practices (Maximize ROI)**

Budget Outlook

Cash Carry Forward Projections

Chelan Douglas Regional Port Authority
Projected Carryforward Balances
December 31, 2022

Chelan Douglas Regional Port Authority Funds

Banner Bank - Checking	\$	51,500
Banner Bank - Savings		10,050,000
Banner Bank - Small Checking		1,000
U.S. Bank - Checking		214,020
U.S. Bank - Investments		4,079,570
		14,396,090
Less: Tenant Deposits		(287,500)
Retainage Payable		(54,500)
Total Chelan Douglas Regional Port Authority Funds	\$	14,054,090

Chelan Douglas Regional Port Authority Restricted Funds

Irrigation Trust Account	\$	8,395
Air Service Investment Account		340,275
Passenger Facility Charges Holding		53,555
Total CDRPA Restricted Funds	\$	402,225

Port of Chelan County Funds

Banner Bank - Checking	\$	3,500
Banner Bank - Savings		3,869,085
Total Port of Chelan County Funds	\$	3,872,585

Port of Douglas County Funds

Banner Bank - Checking	\$	3,250
Banner Bank - Savings		20,175
Treasurers Office - M&O Fund		9,750
Total Port of Douglas County Funds	\$	33,175

Comments:

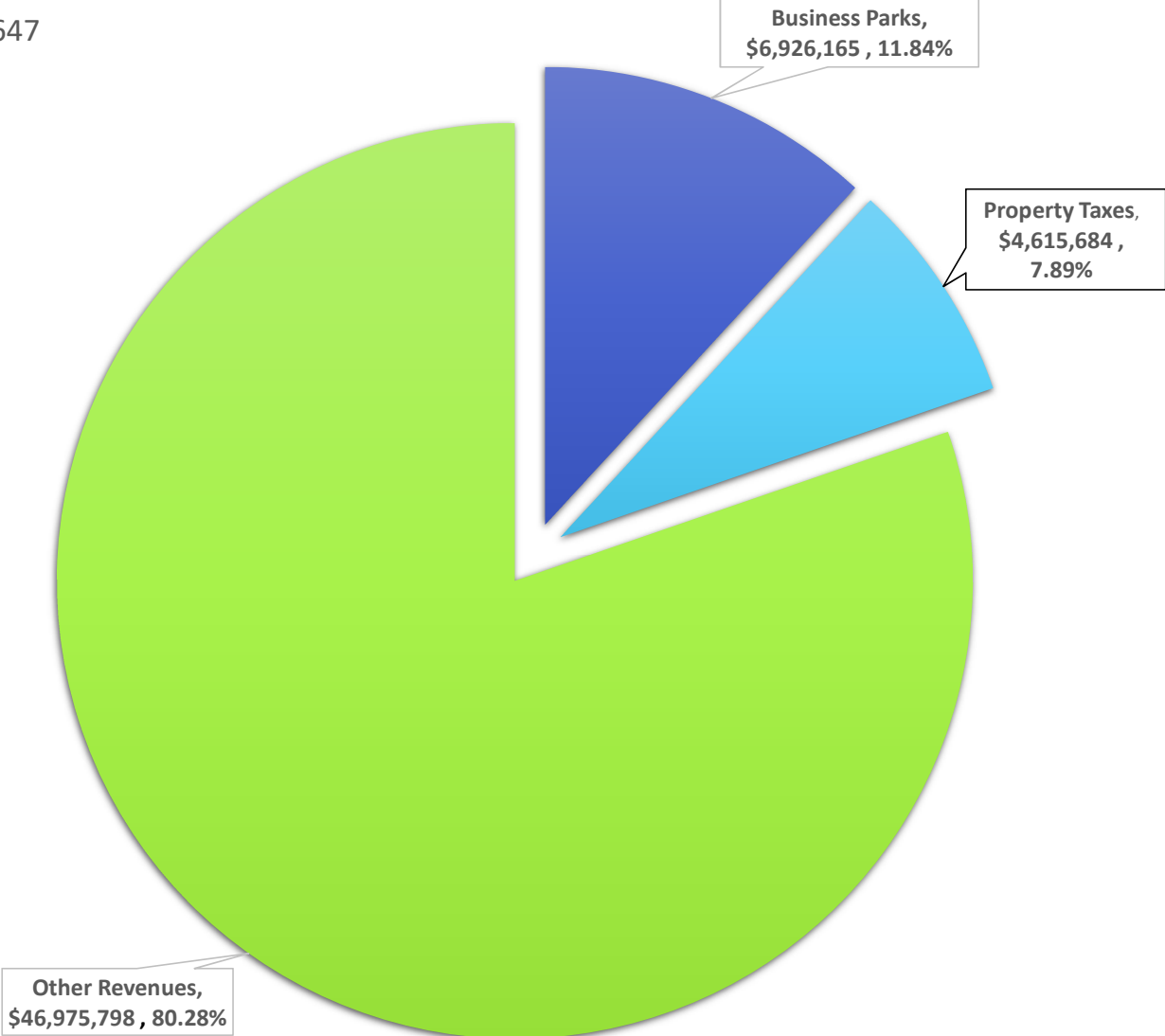
- Potential future \$2,200,000 grant receivable from the FAA for MALSR land purchases.

Budget Outlook

Budgeted Revenues – Pie Chart

**Chelan Douglas Regional Port Authority
2023 Budgeted Revenues**

Total:
\$58,517,647

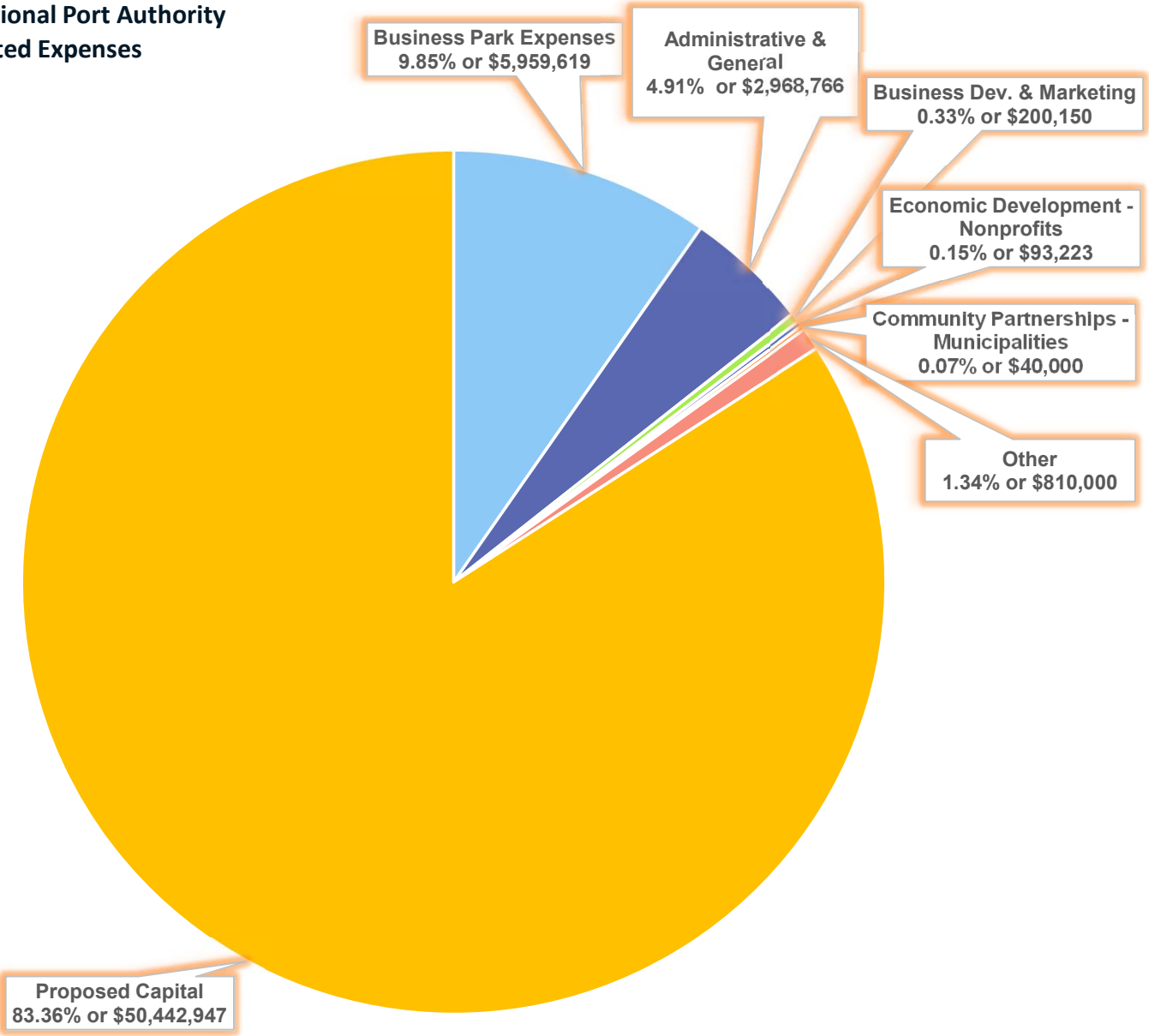


Budget Outlook

Budgeted Expenses – Pie Chart

**Chelan Douglas Regional Port Authority
2023 Budgeted Expenses**

Total:
\$60,514,705



- Business Park Expenses
- Business Dev. & Marketing
- Community Partnerships - Municipalities
- Proposed Capital
- Administrative & General
- Economic Development - Nonprofits
- Other

Budget Outlook – Cash Reserve Policy

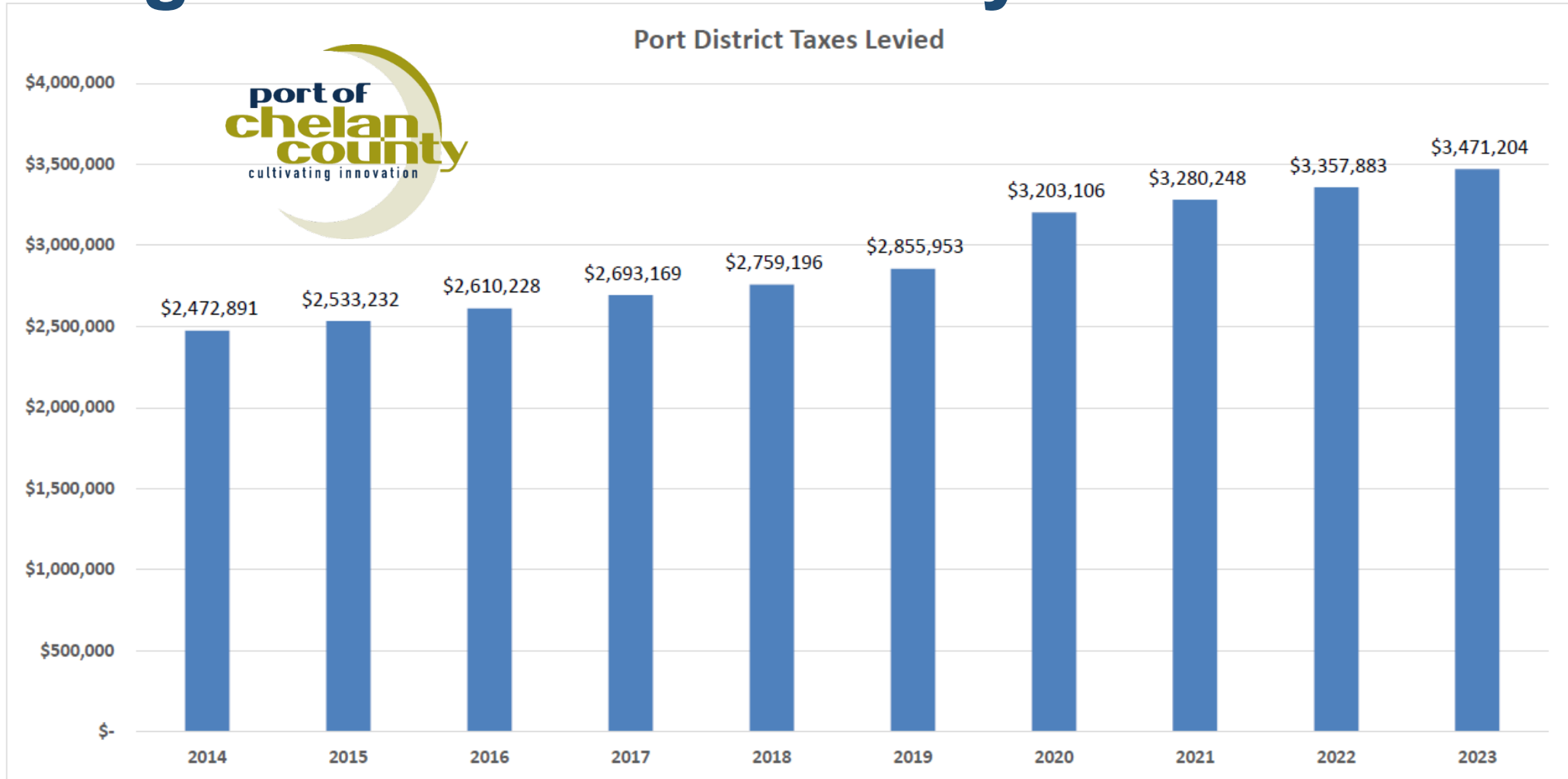
As a general practice, the CDRPA will maintain sufficient cash reserves to assure payment of an average of six months operating expenses (not including capital expenditures).

Projected 2023 Total Operating Expenditures = \$10,071,758

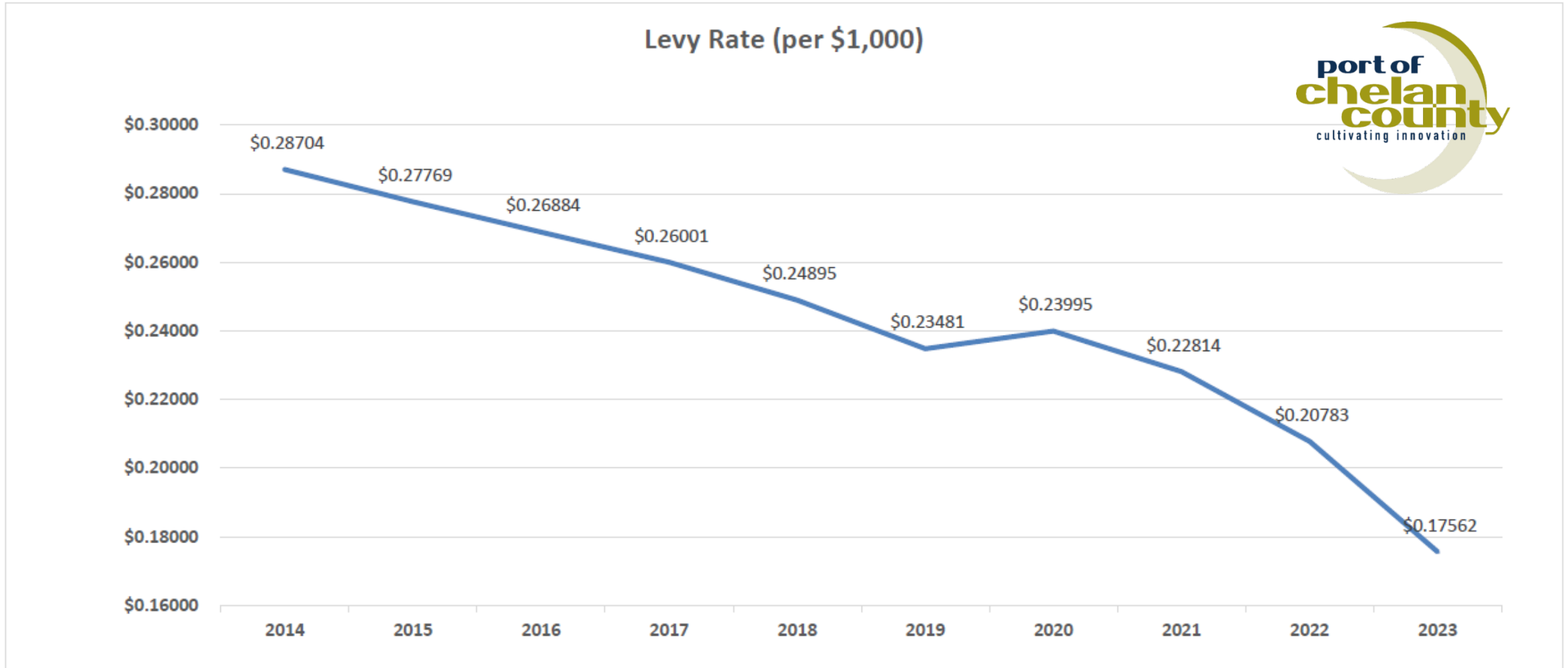
2023 Cash Reserve Minimum = \$5,035,880

For large capital projects that require the CDRPA to make the initial payment and then seek reimbursement of FAA or other grant funds, cash reserves may drop below the minimums temporarily subject to receipt of grant funds. In such event, the Board of Directors will be informed.

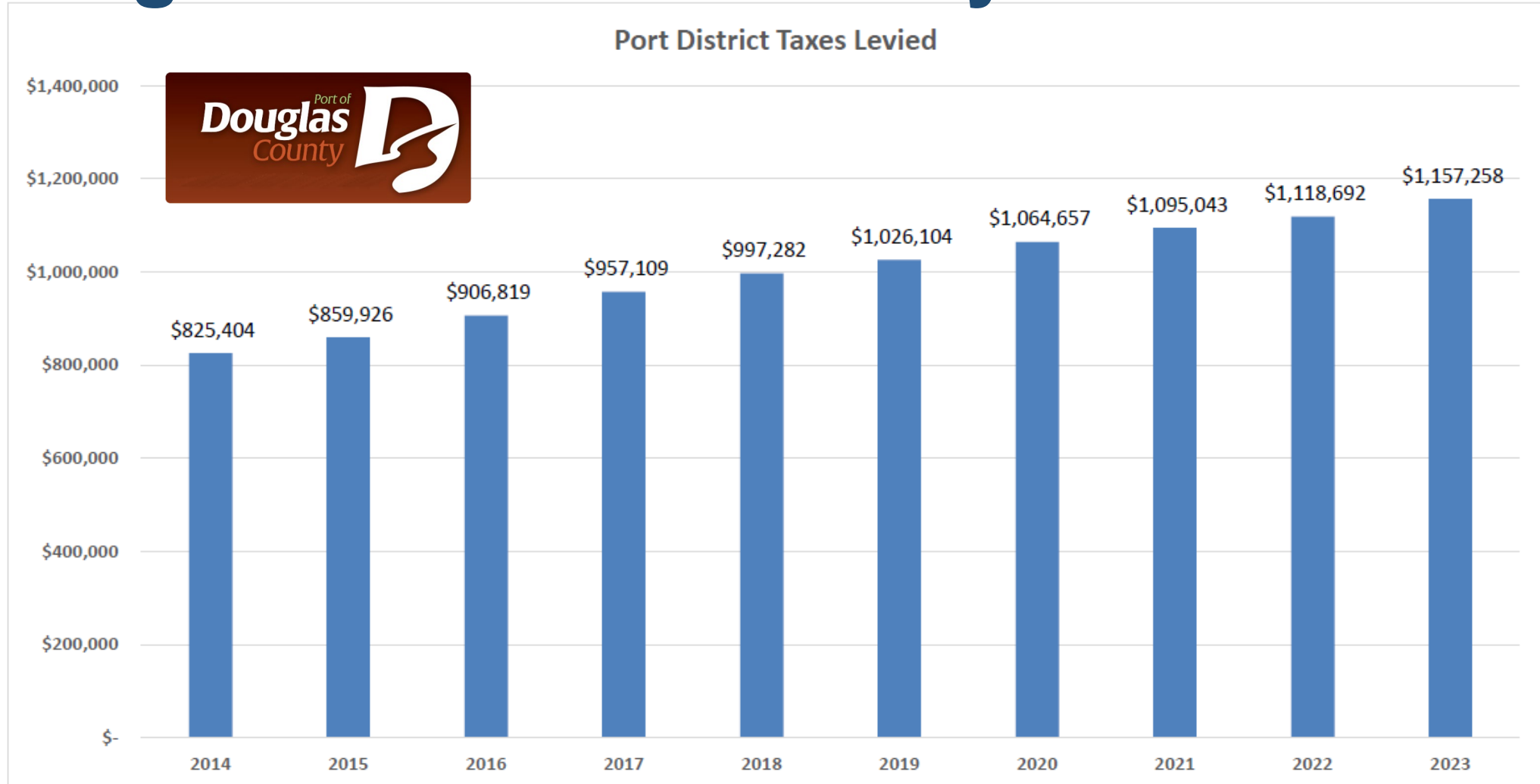
Budget Outlook – Tax Levy Rate Review



Budget Outlook – Tax Levy Rate Review



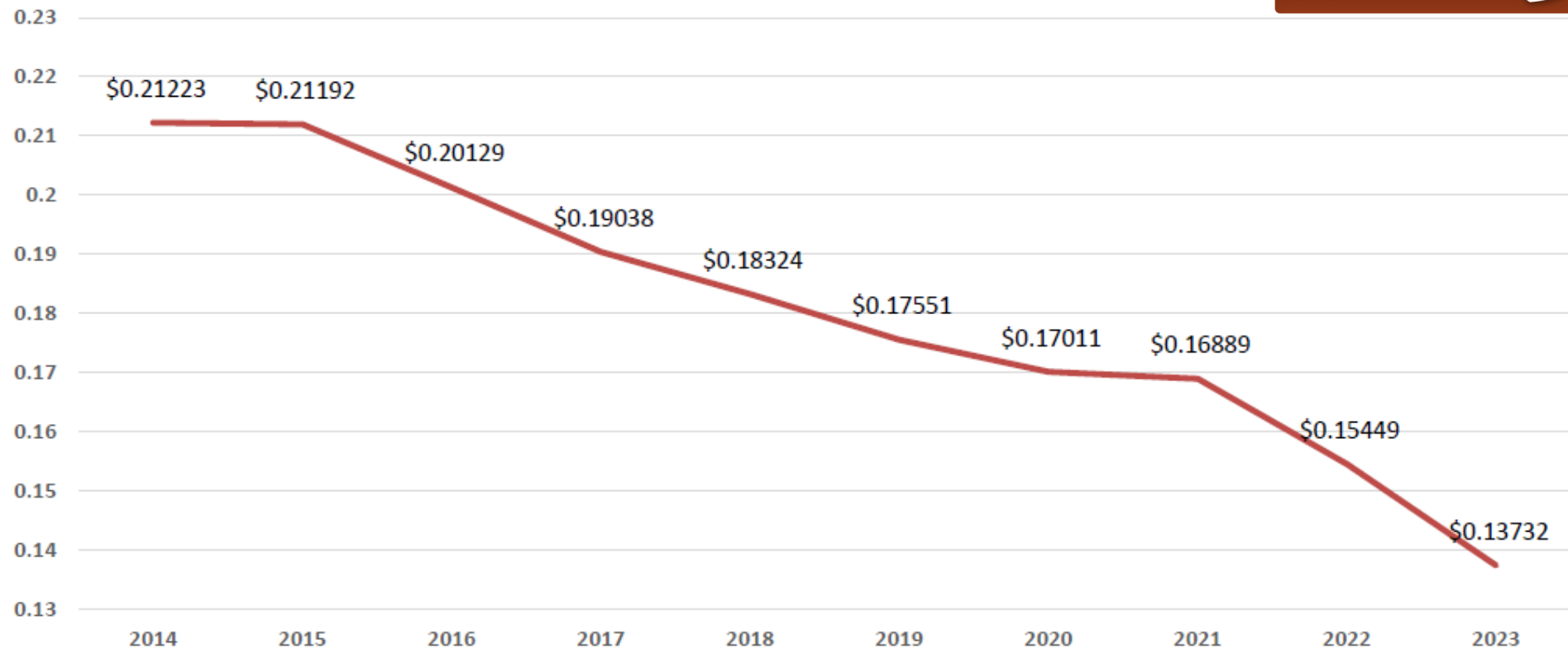
Budget Outlook – Tax Levy Rate Review



Budget Outlook – Tax Levy Rate Review



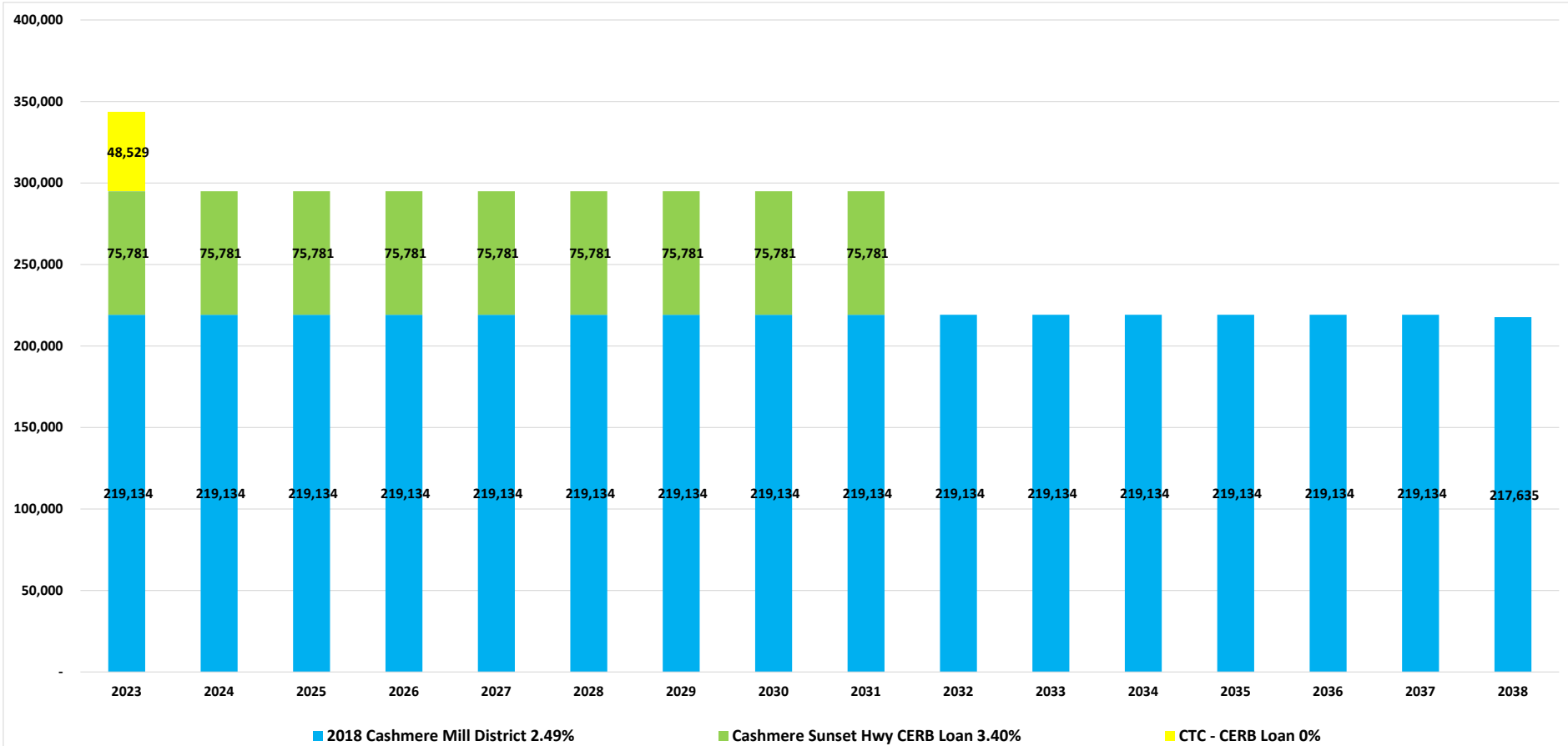
Levy Rate (per \$1,000)



Budget Outlook

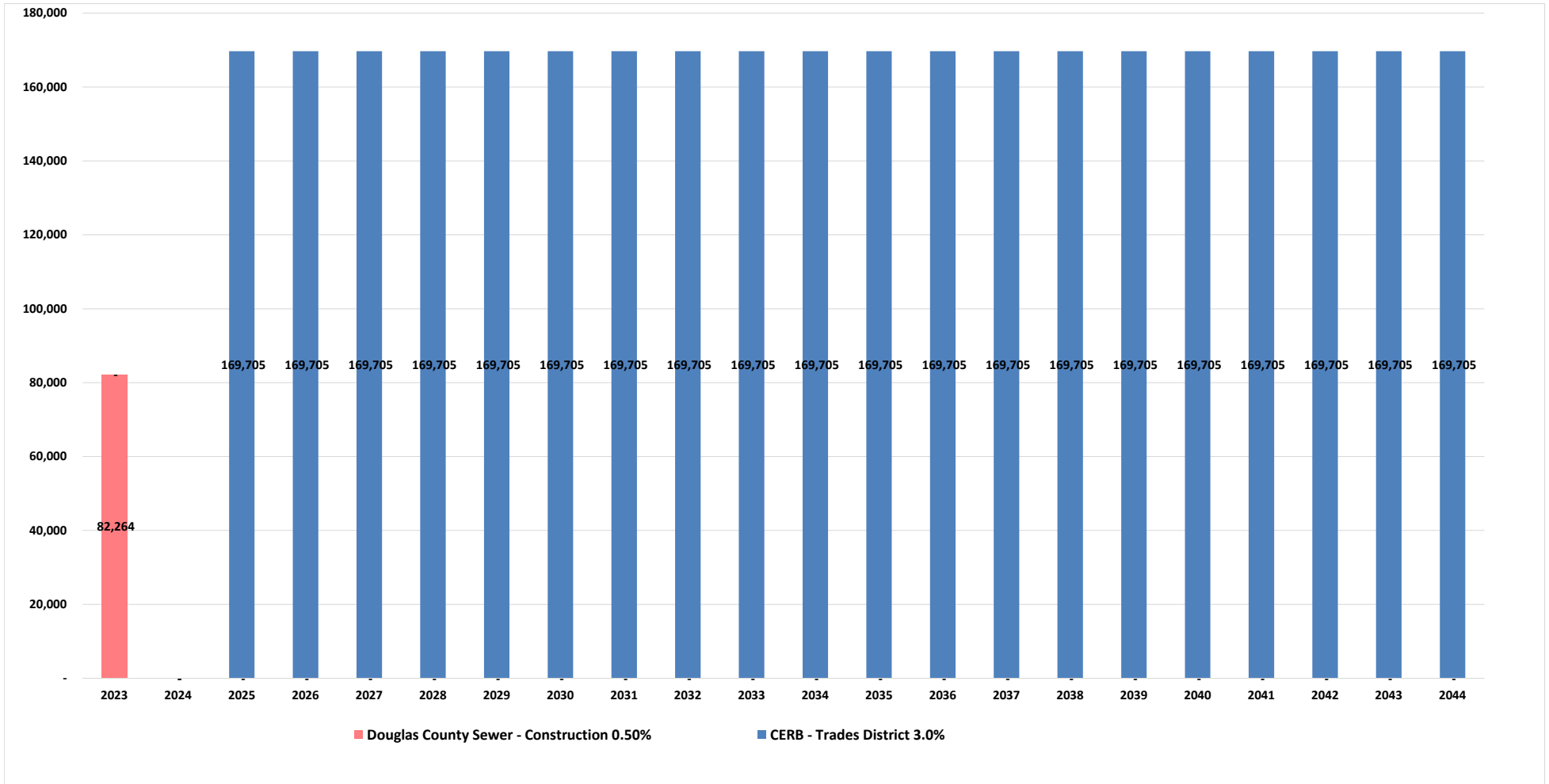
Debt Service Capacity

**Chelan Douglas Regional Port Authority
Port of Chelan County
2023 Total Debt Service (Principal and Interest)**



Note: Chart does not include any potential debt related to the GA Terminal Remodel.

Chelan Douglas Regional Port Authority
Port of Douglas County
2023 Total Debt Service (Principal and Interest)



Note: Chart does not include any potential debt related to the GA Terminal Remodel.

**Port of Chelan County
Debt Capacity
December 31, 2023**

2023-24 Assessed Value		\$ 22,168,436,105
used for 2024 tax levy		
Times Debt Limit Percentage		0.25%
2024 Total Debt Limit		\$ 55,421,090

Less: applicable debt		
G.O. Bonds		\$ 2,251,510
Discount on bonds payable	-	
Premium on bonds payable	-	
CERB Loans	① -	
Accounts payable	-	
Retainage payable	-	
Accrued compensatory time	-	
Accrued taxes	-	
Lessee deposits	-	
Total	-	
		\$ 2,251,510
Add: funds available		
Bond redemption fund	-	
Total	-	
Debt Reserve		\$ 53,169,580

Comments:

① Per the BARS guide, other obligations do not include loan agreements with agencies of the state of Washington or the U.S. of America dated on or after April 3, 1987 (RCW 39.36.060 and 39.69.020)

**Port of Douglas County
Debt Capacity
December 31, 2023**

2023-24 Assessed Value		\$ 9,156,950,141
used for 2024 tax levy		
Times Debt Limit Percentage		0.25%
2024 Total Debt Limit		\$ 22,892,375
Less: applicable debt		
G.O. Bonds	\$	-
Discount on bonds payable	-	
Premium on bonds payable	-	
CERB Loans	① -	
Accounts payable	-	
Retainage payable	-	
Accrued compensatory time	-	
Accrued taxes	-	
Lessee deposits	-	
Total	<hr style="width: 100%;"/>	-
Add: funds available		
Bond redemption fund	-	
Total	<hr style="width: 100%;"/>	-
Debt Reserve		\$ 22,892,375

Comments:

① Per the BARS guide, other obligations do not include loan agreements with agencies of the state of Washington or the U.S. of America dated on or after April 3, 1987 (RCW 39.36.060 and 39.69.020)

Budget Outlook

Levy Allocation Per Community

**Chelan Douglas Regional Port Authority
Port of Chelan County
2021-22 Levy Allocation**

	<u>Taxable Value</u>	<u>Levy Rate per \$1,000</u>	<u>Total Taxes</u>
Port General	\$ 16,157,112,432	0.207827	\$ 3,357,883
Unincorporated	\$ 8,911,684,841	0.207827	\$ 1,852,088
Wenatchee	4,402,820,511	0.207827	915,025
Chelan	1,590,644,529	0.207827	330,579
Leavenworth	663,829,445	0.207827	137,962
Cashmere	402,990,184	0.207827	83,752
Entiat	185,142,922	0.207827	38,478
	<u>\$ 16,157,112,432</u>		<u>\$ 3,357,883</u>

**Chelan Douglas Regional Port Authority
Port of Douglas County
2021-22 Levy Allocation**

	<u>Taxable Value</u>	<u>Levy Rate per \$1,000</u>	<u>Total Taxes</u>
Port General	\$ 7,240,923,372	0.154496	\$ 1,118,692
Unincorporated	\$ 5,357,620,936	0.154496	\$ 827,730
Bridgeport	71,564,839	0.154496	11,056
Mansfield	23,356,190	0.154496	3,608
Rock Island	91,958,425	0.154496	14,207
Waterville	104,318,882	0.154496	16,117
East Wenatchee	1,574,347,337	0.154496	243,230
Coulee Dam	17,756,763	0.154496	2,743
	<u>\$ 7,240,923,372</u>		<u>\$ 1,118,692</u>

Budget Outlook – Major Tenant Leases



Pacific Aerospace	\$ 732,919	12/31/2024
Chelan County PUD (CTC LL1 & 201)	350,000	2/28/2024
Chelan County PUD (IB #5)	310,797	2/28/2024
Pregis Corporation	210,630	12/31/2023
Blue Spirits Distilling LLC - Bldg A	163,588	10/2/2024
Frito-Lay Sales LP (IB #9)	155,250	9/30/2023
Streamline Fulfillment LLC - Bldgs G&I	133,732	10/31/2023
Sinclair Systems	133,200	8/31/2026
UW - Airlift Northwest - EF	89,492	6/30/2025
Hurst International	77,208	10/31/2024
Confluence Health	71,697	7/31/2023
Blue Spirits Distilling LLC - Bldg B	58,150	month-to-month
Synergy Food Solutions (IB #2)	49,290	6/30/2024
Badger Mountain Brewing	45,360	12/31/2022



Budget Outlook – Major Tenant Leases



Accor Technology, Inc.	B/L	\$ 355,167	3/31/2036
US Forest Service - CWICC	B	199,343	5/31/2023
Swire Coca-Cola	L	85,778	6/30/2049
North Central ESD	B	82,024	12/31/2023
Salcido Enterprises	L	32,490	6/30/2051
Marathon Digital Holdings		19,665	4/30/2024
NCW Consulting LLC	B	8,424	6/30/2024
Central WA Motorcycle Training	B	5,676	10/31/2023
Parcells (WV Hangar X 2)	L	964	3/31/2034
Dave Barnes (WV Hangar X 2)	L	932	12/31/2025
Randy Petersen (WV Hangar)	L	463	7/31/2027
Ian Jacobsen (WV Hangar)	L	358	5/31/2026
Michael Morgan (WV Hangar)	L	356	7/31/2029
Chris Hanson (WV Hangar)	L	356	7/31/2029
		\$ 791,996	

Budget Outlook

Business Park Profit/Loss

Chelan Douglas Regional Port Authority
Financial Performance - 2022
Revenue & Operating Expenses (Not Including Capital)

CASHMERE MILL DISTRICT

Revenues & Inflows		\$ 449,813
Expenses & Outflows		393,907
Net Cashmere Mill District		<u>\$ 55,906</u>

CONFLUENCE TECHNOLOGY CENTER

	<u>2024</u>	
Revenues & Inflows	\$ 451,187	\$ 684,945
Expenses & Outflows		739,882
Net Confluence Technology Center		<u>\$ (54,937)</u>

COLUMBIA STREET PROPERTIES

Revenues & Inflows		\$ 235,302
Expenses & Outflows		122,634
Net Columbia Street Properties		<u>\$ 112,668</u>

MALAGA INDUSTRIAL SITES

Revenues & Inflows		\$ 100,562
Expenses & Outflows		6,330
Net Malaga Industrial Sites		<u>\$ 94,232</u>

OLDS STATION BUSINESS PARK

	<u>2024</u>	
Revenues & Inflows	\$ 1,560,000	\$ 1,844,968
Expenses & Outflows		210,689
Net Olds Station Business Park		<u>\$ 1,634,279</u>

PANGBORN AIRPORT

Revenues & Inflows		\$ 3,207,020
Expenses & Outflows		3,785,243
Net Pangborn Airport		<u>\$ (578,223)</u>

PANGBORN BUSINESS PARK

Revenues & Inflows		\$ 800,509
Expenses & Outflows		237,742
Net Pangborn Business Park		<u>\$ 562,767</u>

REGIONAL PORT OFFICE/AVIATION CENTER

Revenues & Inflows	\$ 206,904
Expenses & Outflows	153,044
Net Regional Port Office/Aviation Center	<u><u>\$ 53,860</u></u>

PANGBORN AIRPORT CONSOLIDATED

(Airport, Business Park, Regional Port/Aviation Center)

Revenues & Inflows	\$ 4,214,433
Expenses & Outflows	4,176,029
Net Regional Port Office/Aviation Center	<u><u>\$ 38,404</u></u>

LAKE CHELAN AIRPORT

Revenues & Inflows	\$ 4,095
Expenses & Outflows	59,505
Net Lake Chelan Airport	<u><u>\$ (55,410)</u></u>

MANSFIELD AIRPORT

Revenues & Inflows	\$ -
Expenses & Outflows	15,528
Net Mansfield Airport	<u><u>\$ (15,528)</u></u>

WATERVILLE AIRPORT

Revenues & Inflows	\$ 3,428
Expenses & Outflows	14,691
Net Waterville Airport	<u><u>\$ (11,263)</u></u>

ORONDO RIVER PARK

Revenues & Inflows	\$ 26,916
Expenses & Outflows	45,010
Net Orondo River Park	<u><u>\$ (18,094)</u></u>

PYBUS INCUBATOR

Revenues & Inflows	\$ 25,893
Expenses & Outflows	1,446
Net Pybus Incubator	<u><u>\$ 24,447</u></u>

Budget Outlook

Preliminary Budget

**Chelan Douglas Regional Port Authority
2022 Budget**

Receipts

Business Park Revenues	\$ 5,854,523
Tax Receipts	4,470,577
Non-Operating Revenues	32,082,338
	<hr/>
Total Receipts	\$ 42,407,438

Expenditures

Business Park Expenses	\$ 5,052,053
Administrative & General Expenses	2,555,510
Business Development & Marketing Expenses	224,500
Economic Development Contracts (Nonprofits)	150,000
Community Partnership Projects (Municipalities)	150,000
Other Expenditures	300,000
Capital Projects - FAA	20,000,000
Capital Projects - 3rd Party Funding	10,000,000
	<hr/>
Total Expenditures	\$ 38,432,063

**Funding Available for Capital
Projects Before Using Reserves**

\$ 3,975,375

Yearly Port Budget Retreat

Investment Philosophy

Investment Philosophy – Use of Port Tax Levy

1. Levy No Property Tax

The Port generates sufficient operating revenues from tenants and other business operations, that a tax levy is not needed to operate the Port District.

2. Property Tax Levy – Restrict For Capital Projects Only

The Port generates sufficient operating revenues from tenants and other business operations that pay for administrative, operational, and debt service expenses.

Investment Philosophy – Use of Port Tax Levy

3. Property Tax Levy – Restricted For Capital & Debt Service Only

The Port generates sufficient operating revenues from tenants and other business operations that pay for administrative and operational expenses.

4. Property Tax Levy – No Restrictions

The Port does not generate sufficient revenues and/or operating costs are at a level that require property taxes to fund the operations of the Port.

Capital Investment Philosophy

What Matters

Projects that enhance the economic vitality of North Central Washington.

Projects that will be recognizable by the citizens you serve.

Legacy Projects – those projects sited/listed in the newspaper when a Board Member retires.

Investment Philosophy – Legacy Projects

- **Formation of the Regional Port Authority**
- **Pybus Public Market**
- **ACCOR Building Expansion**
- **Cashmere Mill District**
- **Confluence Technology Building**
- **Terminal Building Aviation Ramp**
- **Improve Air Service Reliability (MALSR Installation)**

Investment Philosophy – Legacy Projects

CDRPA is Working on Projects that Could Become Legacy Projects

- The Trades District
- Data Center Developments
- Recruitment of Washington State Army National Guard to Pangborn
- New GA Terminal Building

Legacy projects take capital. Prioritize capital spending on projects that will make a difference.

Maintain a strong capital reserve fund for future Legacy Project opportunities.

Investment Philosophy – Capital Allocation Matrix

Board Alignment Before Deciding on Capital Projects

Priority #1

Capital investments that directly result in new good paying, private-sector jobs and investments that have a positive rate of return.

Priority #2

Capital investments that may not create new jobs but have a positive return on investment, making the Chelan Douglas Regional Port Authority (CDRPA) more self-sufficient.

Investment Philosophy – Capital Allocation Matrix

Priority #3

Capital investments that are strategic in nature, provide reasonable opportunity to create new private-sector jobs, attract new private investment, and have a positive return on investment over time.

Priority #4

Capital investments to maintain and/or enhance critical community infrastructure using primarily the financial resources of other agencies (non-CDRPA Funds).

Priority #5

Capital investments that do not create jobs, have a low probability of creating a return on investment, or will require an ongoing CDRPA subsidy.

Proposed Capital Budget

Chelan Douglas Regional Port Authority 2024 Proposed Capital Budget

2024 Budget

Cashmere Mill District

South Parcel Infrastructure

Total Project Costs	\$	489,200	
2023 Projected Expenditures	\$	82,000	
2024 Projected Expenditures			\$ 407,200
 Funding:			
Chelan County .09 Sales Tax Grant	\$	244,600	
Potential Property Sale	\$	335,000	

Sidewalk Replacement/Repair

Total Project Costs (\$42,500 - \$369,150)			
2024 Projected Expenditures			\$ 130,000

Confluence Technology Center

Third Floor Office Buildout and Furniture

Total Project Costs	\$	1,500,000	
2023 Projected Expenditures	\$	96,000	
2024 Projected Expenditures			\$ 1,404,000

SVSI Component Replacement (AV Network Distribution)

2024 Projected Expenditures			\$ 40,000
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Meeting Room Projectors

2024 Projected Expenditures			\$ 35,000
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Replacement of 1/2 of the Meeting Room Chairs

2024 Projected Expenditures			\$ 50,000
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Crack Seal/Seal Coat Parking Lot

2024 Projected Expenditures			\$ 34,000
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Columbia Street Properties

Lineage H Redevelopment Feasibility

2024 Projected Expenditures			
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Malaga Industrial Site

TIF District Analysis

2024 Projected Expenditures \$ 75,000

Malaga Water System Improvements

Phase I

Total Project Costs	\$ 9,860,967	
2022 Expenditures	\$ 416,231	
2023 Projected Expenditures	\$ 4,500,000	
2024 Projected Expenditures		\$ 3,164,094
2025 Projected Expenditures	\$ 1,780,642	

Funding:

State Capital Budget Allocation	\$ 1,498,650
Microsoft Balance of Project Costs	\$ 8,362,317
CDRPA Admin Fee	\$ 300,000

Malaga Water System Improvements - HOLD FOR SUPPLEMENTAL

Phase II & III

Total Project Costs \$ 45,474,843

Funding:

100% Microsoft	
CDRPA Potential Admin Fee	\$ 1,200,000

Malaga Cooling Water System

Total Project Costs	\$ 15,940,000	
2022 Expenditures	\$ 1,997,714	
2023 Projected Expenditures	\$ 336,000	
2024 Projected Expenditures		\$ 5,691,286
2025 Projected Expenditures	\$ 6,370,000	
Contingency Balance	\$ 1,545,000	

Funding:

100% Microsoft	\$ 15,940,000
CDRPA Admin Fee	\$ 460,000

Malaga Land Acquisition Costs

Adcock Property

2023 Projected Expenditures	\$ 41,096	
2024 Projected Expenditures		\$ 921,350

Firing Range Property

2023 Projected Expenditures

\$ 54,945

2024 Projected Expenditures

\$ -

Baker Property

2023 Projected Expenditures

850,000

2024 Projected Expenditures

\$ -

Funding:

100% Microsoft

Miscellaneous - Mobile Home/

Orchard Removal

2024 Projected Expenditures

\$ 200,000

North Wenatchee 97A Project

Land Acquisition (6.6 acres)

2024 Projected Expenditures

\$ 200,100

Water Line

2024 Projected Expenditures

\$ 1,400,000

New Firing Range

2024 Projected Expenditures

\$ 1,800,000

Funding:

100% Microsoft

CDRPA Admin Fee?

Olds Station Business Park

Crack Sealing at IB#3

2024 Projected Expenditures

\$ 10,000

Crack Sealing at IB#4

2024 Projected Expenditures

\$ 11,000

Crack Sealing at IB#5

2024 Projected Expenditures

\$ 14,000

Exterior Improvements to IB#6

2024 Projected Expenditures

IB #9 Improvements

Crack Sealing		\$	16,000
Canopy/Roofing Repairs/Replacement		\$	137,000

Pangborn Airport

TIF District Analysis

2024 Projected Expenditures		\$	75,000
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Terminal Apron Project

Total Project Costs	\$	11,656,628	
2021 Expenditures	\$	638,900	
2022 Expenditures	\$	9,706,801	
2023 Projected Expenditures	\$	1,307,095	
2024 Projected Expenditures			\$ 50,000

Funding:

Combination of FAA 100% and 90% Grants			
Ardurra Settlement	\$	111,000	

Taxiway Alpha Reconstruction

Total Project Costs	\$	21,294,180	
2021 Expenditures	\$	584,096	
2022 Expenditures	\$	797,931	
2023 Projected Expenditures	\$	19,412,153	
2024 Projected Expenditures			\$ 500,000

Funding:

90% FAA Grant			
WSDOT Grant	\$	600,000	

Taxiway B Hangar Site Development

Total Project Costs	\$	4,169,207	
2022 Expenditures	\$	127,095	
2023 Projected Expenditures	\$	3,994,817	
2024 Projected Expenditures			\$ 47,295

Funding:

FAA Grant	\$	2,083,301	
CARB Loan	\$	1,200,000	

GA Terminal Remodel

Total Project Costs		\$	5,885,000	
2022 Expenditures		\$	338,126	
2023 Projected Expenditures		\$	195,000	
2024 Projected Expenditures				\$ 5,351,874
Funding:				
Proposed FAA Grant	\$	3,306,928		
Douglas County .09 Fund	\$	250,000		

FBO Temporary Office Space

2024 Projected Expenditures				\$ 15,000
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Snow Removal Equipment

Total Project Costs		\$	1,824,112	
2023 Projected Expenditures		\$	34,500	
2024 Projected Expenditures				\$ 1,789,612
Funding:				
2024 FAA AIG Grant	\$	1,041,400		
2025 FAA AIG Grant	\$	600,000		

Runway Reconstruction

Phase I Design

2024 Projected Expenditures				\$ 1,111,112
Funding:				
90% FAA Grant	\$	1,000,000		

Airlift Northwest Hangar

Total Project Costs		\$	3,800,000	
2023 Projected Expenditures		\$	125,000	
2024 Projected Expenditures				\$ 3,675,000
Funding:				
WA State Capital Budget Loan?	\$	485,000		

Baggage Screen Remodel

2024 Projected Expenditures				\$ 82,500
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TSA Office Remodel/Relocation

2024 Projected Expenditures				\$ 100,000
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<u>Removal of Underground Storage Tanks</u>			
Total Project Costs	\$	356,000	
2023 Projected Expenditures	\$	146,000	
2024 Projected Expenditures			\$ 210,000
<u>National Guard Land Sale Costs</u>			
2023 Projected Expenditures	\$	25,000	
2024 Projected Expenditures			\$ 25,000
<u>Poly Tanks - Liquid Deicer</u>			
2024 Projected Expenditures			\$ 15,000
<u>Lytle Property - Phase III</u>			
2024 Projected Expenditures			
<u>Maintenance Office HVAC</u>			
2024 Projected Expenditures			\$ 20,000
<u>Grass Crosswind Runway</u>			
2024 Projected Expenditures			\$ 600,000
<u>T-Hangar Door Maintenance</u>			
2024 Projected Expenditures			\$ 50,000
<u>Fed-Ex Building Remodel</u>			
2024 Projected Expenditures			\$ 100,000
<u>CWICC Generator</u>			
2024 Projected Expenditures			\$ 75,000
Funding:			
CWICC Reimbursement	\$	75,000	
<u>Fire Truck PFOS Removal</u>			
2024 Projected Expenditures			\$ 100,000
<u>Pangborn FBO</u>			
<u>Deicing Truck</u>			
2024 Projected Expenditures			\$ 90,000

Pangborn Business Park

2nd Street SE Road Repair

Total Project Cost	\$	250,000	
2024 Projected Design Cost			\$ 50,000
2025 Projected Construction Cost	\$	200,000	

The Trades District - Phase I

Total Project Cost	\$	11,500,000	
2022 Expenditures	\$	31,915	
2023 Projected Expenditures	\$	700,000	
2024 Projected Expenditures			\$ 10,768,085
Funding:			
EDA Grant	\$	4,990,967	
State Capital	\$	2,950,000	
Department of Commerce	\$	1,000,000	
CERB Loan	\$	2,500,000	

The Trades District - Phase II - SUPPLEMENTAL

Total Project Cost	\$	4,000,000	
Funding:			
Federal Appropriation	\$	4,000,000	

Accor - HVAC Design Phase I

2024 Projected Expenditures			\$ 50,000
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Regional Port Office/Aviation Center

Replace Fire Sprinkler System

Total Project Cost	\$	360,000	
2023 Design & Bid	\$	10,000	
2024 Projected Expenditures			\$ 350,000

Apron Repair

Total Project Cost	\$	131,000	
2023 Projected Expenditures	\$	31,000	
2024 Projected Expenditures			\$ 100,000

Roof Repair

Total Project Cost	\$	403,000	
2023 Projected Expenditures	\$	20,000	
2024 Projected Expenditures			\$ 383,000

<u>Generator</u>			
2024 Projected Expenditures		\$	60,000
<u>Lake Chelan Airport</u>			
<u>Waterline Extension</u>			
Total Port Capital Contribution	\$	670,000	
2024 Projected Expenditures		\$	250,000
<u>Mansfield Airport</u>			
<u>Waterville Airport</u>			
<u>Orondo River Park</u>			
<u>Well Pump/Chlorination System</u>			
Total Project Cost	\$	150,000	
2023 Projected Expenditures	\$	45,000	
2024 Projected Expenditures		\$	105,000
Funding:			
RCO Grant Opportunity			
<u>Vehicles & Equipment</u>			
<u>New Mower</u>			
2024 Projected Expenditures		\$	60,000
<u>Maintenance Truck</u>			
2024 Projected Expenditures		\$	65,000
<u>Snow Plow</u>			
2024 Projected Expenditures		\$	15,000
<u>Other</u>			
<u>Strategic Plan</u>			
2024 Projected Expenditures		\$	150,000
<u>Plain Valley Project</u>			
2024 Projected Expenditures			

Industrial Land Inventory

2024 Projected Expenditures



Opportunity Fund

2024 Projected Expenditures

\$ 250,000

\$ 42,478,508

Budget Outlook

Preliminary Budget Revisit

**Chelan Douglas Regional Port Authority
2022 Budget**

Receipts

Business Park Revenues	\$ 5,854,523
Tax Receipts	4,470,577
Non-Operating Revenues	32,082,338
	<hr/>
Total Receipts	\$ 42,407,438

Expenditures

Business Park Expenses	\$ 5,052,053
Administrative & General Expenses	2,555,510
Business Development & Marketing Expenses	224,500
Economic Development Contracts (Nonprofits)	150,000
Community Partnership Projects (Municipalities)	150,000
Other Expenditures	300,000
Capital Projects - FAA	20,000,000
Capital Projects - 3rd Party Funding	10,000,000
	<hr/>
Total Expenditures	\$ 38,432,063

**Funding Available for Capital
Projects Before Using Reserves**

\$ 3,975,375

Final Budget

**Chelan Douglas Regional Port Authority
2022 Budget**

Receipts

Business Park Revenues	\$ 5,854,523
Tax Receipts	4,470,577
Non-Operating Revenues	32,082,338
	<hr/>
Total Receipts	\$ 42,407,438

Expenditures

Business Park Expenses	\$ 5,052,053
Administrative & General Expenses	2,555,510
Business Development & Marketing Expenses	224,500
Economic Development Contracts (Nonprofits)	150,000
Community Partnership Projects (Municipalities)	150,000
Other Expenditures	300,000
Capital Projects	37,949,143
	<hr/>
Total Expenditures	\$ 46,381,206

Net Results

\$ (3,973,768)

365 Focus

Best Management Practices

Real Estate Management Return on Investment

- **Board has broad statutory authority to determine economic terms and conditions of any lease and/or economic development project.**
- **Only prohibition is lending of the public's credit.**
- **Goal should always be some financial return on investment on every project. Need a return to invest in the next project.**

Real Estate Management Return on Investment

- **Standardized rates of return/lease rates are considered best practices for commonly leased properties (T-hangars, aviation land leases, office spaces etc.). Periodic appraisals are also a good practice to establish lease rates.**
- **Regional Port should have investment histories of all its properties, an understanding of the current market and occasionally appraisal information when establishing lease rates.**

Real Estate Management – ROI Scale Concept

2% to 5% ROI

Projects that create new family wage jobs, steady employer, diversifies the economic base and produces positive tax revenues.

6% to 10% ROI

Majority of CDRPA leases should be in this category. Commonly leased properties. Meet ROI target and/or market lease rents

Non-Profit Note

- Not a target for leasing CDRPA property
- Should pay market lease rents
- In times of economic challenges some discounted rent is appropriate for a short time. (6 months or less)

11% to 12% ROI

Tenants that do not create jobs but use CDRPA property to create profits for themselves.



Chelan Douglas Regional Port Authority

Property History: Executive Flight

Property Description:

One Campbell Parkway

Parcel #22211610058

Building Square Footage:

64,305

Investment History:

Date	Project	Cost
10/31/2019	Land/Structure/Modular/Equipment	\$ 4,005,556.00
10/31/2019	Legal Fees - Property Purchase	12,236.00
11/30/2019	Data Cabling/Hardware	9,521.60
7/8/2021	HVAC - Phase I	1,222,485.25
1/6/2022	Trench Drain/Sewer Connection	55,726.63
12/31/2022	Carpet Replacement	90,174.66
12/31/2022	Modular Building Roof Replacement	8,846.00
12/31/2022	HVAC - Phase II	876,007.56
2022/2023	Hangar Doors Repairs	32,250.17
2022/2023	Security Cameras	* 30,781.44
2023/2024	Apron Repair	* 22,409.57
2023/2024	Foam System	* 7,875.00
2023/2024	Roof Repairs	* 2,394.11
2023/2024	Fire Sprinkler System	*
Total		<u><u>\$ 6,376,263.99</u></u>

* Final costs not known at this time.

Grant History:

9/8/2020	FAA CARES Act	<u><u>\$ 2,870,654.17</u></u>
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Revenue History:

		<u>Income</u>
2019 - POCC	Hangar/Office	\$ 29,220.00
2020 - CDRPA	Hangar/Office	167,112.97
2021 - CDRPA	Hangar/Office	193,342.14
2022 - CDRPA	Hangar/Office	206,903.96
2023 - CDRPA	Hangar/Office	316,484.00
Total		<u><u>\$ 913,063.07</u></u>

Curent Tenants:

2024 Lease Income	State of WA/Military Department	Airlift NW
Per Squ Ft	\$349,703.52	\$87,814.44
	\$5.75	\$9.48

Current Lease Term/Rent

Square Feet	60,818	4,513 int./4,750 ext.
Lease Expires	August 31, 2033	June 30, 2028

Return on Investment: 6.86%

2024 Revenue Divided by Total Investment



Chelan Douglas Regional Port Authority OSBP IB #4 History

Property: IB #4

Property Description:

310 Olds Station Rd. Parcel#23-20-28-1-1-0950 2.23 acres

Building Square Footage: 30,616

Investment History

Date	Project	Cost
11/18/1966	Land Cost (Kielmeyer)	\$ 18,831.45
9/8/1989	Construction (PACTIV)	1,356,653.00
4/30/1990	Rail Access Work	1,617.00
12/31/1991	Buidling Drainage Project	5,444.00
6/30/1996	Irrigation Extension	1,220.40
5/31/2001	Outside Stair Cover	502.20
4/30/2006	Dock Leveler Installation	18,268.20
11/30/2010	Drainage Rehabilitation Proje	13,512.50
9/30/2010	Gutters	7,809.25
11/23/2011	Parking Lot Improvements	4,529.39
9/30/2012	Roof Improvements	12,385.30
10/13/2014	HVAC	174,596.59
6/1/2017	Roof Repairs	30,171.53
Total		<u><u>\$ 1,645,540.81</u></u>

Revenue History

Date	Tenant	Income
1/1993-12/2015	Pregis Corporation	\$ 2,692,024.64
01/2016 - 12/2019	Pregis Corporation	708,469.41
01/2020 - 12/2023	Pregis Corporation	830,613.48
		<u><u>\$ 4,231,107.53</u></u>

Current Lease Term /Rent

Pregis Lease Expires December 31, 2023

Lease rate \$18,079.09/month

Current Tenant:

Pregis

2023 Lease Income

\$216,949.08

Per Sq Ft

\$0.591

Return on Investment: 13.18%

2023 Revenue divided by Total Investment

365 Focus

Rates & Charges

Exhibit A



Rates & Charges

Proposed Draft

Rates Effective January 1, 2024 – December 31, 2024

Approved by the
Chelan Douglas Regional Port Authority Board of Directors
on _____.

PANGBORN MEMORIAL AIRPORT

Airfield Charges

Landing Fees

Year	Rate per 1,000 pounds
2024	\$ 1.15
2025	\$ 1.20
2026	\$ 1.25

Applies to revenue and transient flights with Maximum Gross Landing Weight over 12,500 pounds. Plus Applicable Taxes.

Fuel Flowage Fees

Year	Rate per Gallon
2024	\$ 0.09
2025	\$ 0.10
2026	\$ 0.11

Applies to non Regional Port owned fuel. Plus Applicable Taxes.

Into Plane Contract Fuel Pricing Rates

Contract Fuel Into Plane Rates	
Transient	
Quantity Tiers (Gallons)	Rate Per Gallon
1-200	\$2.05
201-400	\$1.90
401-700	\$1.75
701-1000	\$1.65
1001+	\$1.55
Based Tenants	
Rate Per Gallon	
Air Cargo	\$0.90
Business Aircraft	\$0.90
Commercial Carriers	\$0.90

PANGBORN MEMORIAL AIRPORT

Terminal Building Rates: Airlines

Signatory Airlines

2024 & 2025 Proposed Rates
 Subject to consultation with airlines.

Exclusive Area	Annual Lease Rate - Per Sq. FT.	
	2024	2025
Ticketing, Baggage, & Office Areas	\$ 12.00	\$ 14.00
Ground Equipment Storage Area	\$ 7.50	\$ 10.00
Non-Exclusive Area		
Passenger Holding Area Pre-Screening	\$ 7.50	\$ 10.00
Passenger Screening Area	\$ 7.50	\$ 10.00
Passenger Holding Area	\$ 7.50	\$ 10.00
Baggage Claim Area	\$ 7.50	\$ 10.00

Note: Plus Applicable Taxes

Non-Signatory Airlines

Per Turn Fee of \$250 and \$26.79 per sq. ft. for exclusive use areas in terminal building.

Executive Hangar Site Development

Hangar Pad Site	Hangar Size	Hangar Square Footage	Parcel Square Footage	Current Land Lease Rate = \$0.35 per Sq Ft per Year		Capital Recovery Fee
				per Month	Annually	
A	120x120	14,400	36,310	\$ 1,059.04	\$ 12,708.50	\$ 272,161.46
B	100X100	10,000	31,209	\$ 910.26	\$ 10,923.15	\$ 233,926.94
C	100X100	10,000	31,314	\$ 913.33	\$ 10,959.90	\$ 234,713.97
D	100X100	10,000	31,146	\$ 908.43	\$ 10,901.10	\$ 233,454.72
E	100X100	10,000	29,526	\$ 861.18	\$ 10,334.10	\$ 221,312.02
F	80x80	6,400	23,495	\$ 685.27	\$ 8,223.25	\$ 176,106.68
G	80x80	6,400	22,036	\$ 642.72	\$ 7,712.60	\$ 165,170.76
H	60x60	3,600	16,887	\$ 492.54	\$ 5,910.45	\$ 126,576.44

Note: Plus Applicable Taxes. Land lease terms shall be twenty-five years with an option to extend for an additional five successive five-year terms. Annual base rent increases will be 3% over the rent of the previous year, except in years in which the Landlord elects to adjust the annual base rent.

Adopted by the Board of Directors on June 13, 2023.

**Pangborn Memorial Airport
Blue Trust Hangar Complex
Proposed Monthly Rental Schedule**

	<u>2019</u>	<u>(3%) 2020</u>	<u>(5%) 2021</u>	<u>(5%) 2022</u>	<u>(5%) 2023</u>
Unit 1	\$ 195.00	\$ 200.85	\$ 210.89	\$ 221.43	\$ 232.50
Unit 2	\$ 165.00	\$ 169.95	\$ 178.45	\$ 187.37	\$ 196.74
Unit 3	\$ 165.00	\$ 169.95	\$ 178.45	\$ 187.37	\$ 196.74
Unit 4	\$ 165.00	\$ 169.95	\$ 178.45	\$ 187.37	\$ 196.74
Unit 6	\$ 165.00	\$ 169.95	\$ 178.45	\$ 187.37	\$ 196.74
Unit 7	\$ 165.00	\$ 169.95	\$ 178.45	\$ 187.37	\$ 196.74
Unit 8	\$ 165.00	\$ 169.95	\$ 178.45	\$ 187.37	\$ 196.74
Unit 9	\$ 165.00	\$ 169.95	\$ 178.45	\$ 187.37	\$ 196.74
Unit 10	\$ 195.00	\$ 200.85	\$ 210.89	\$ 221.43	\$ 232.50

Notes:

- 1. State Leasehold Tax to be added at 12.84%.**
- 2. Units 1 and 10 are end units with additional space.**

365 Focus

Legislative Priorities



2023 Washington State Legislative Priorities

Chelan Douglas Regional Port

- 1. Unified Tax Levy**
- 2. Additional Funding for Trades District**
- 3. Funding for Airlift Northwest Hangar**

Washington State Army National Guard

- 1. Support legislative decision package funding for Executive Flight Building lease at Pangborn Airport**
- 2. Support legislative decision package funding to acquire property from the Regional Port with intent to construct a new hangar complex at Pangborn Airport using federal funding**

Community Request

- 1. Support bill authorizing a two county Aquatics Center Authority for Chelan and Douglas Counties**
- 2. Tax Increment Financing Amendment**

Legislative Priorities – State Successes

Outstanding 2023 Washington State Legislative Session

Capital Budget

- Army National Guard Land Acquisition \$ 3,500,000
- Airlift Northwest Hangar \$ 500,000
- Chelan Airport Waterline
 - Intent to appropriate remaining costs

Operating Budget

- Army National Guard Lease – Executive Flight \$ 900,000
- Department of Commerce – Small Business Innovation Grant: Trades District \$ 1,000,000
- Total \$ 5,900,000

Legislative Priorities – State Successes

ESB 1663: Unified Tax Levy Bill passed unanimously in both the House and Senate.

HB 1527: Technical corrections to the local tax increment financing program.

E2SSB 5001: (Sports Complex Bill) Concerning public facility districts created by at least two city or county legislative authorities.

HB 1267: Concerning rural public facilities sales & use tax (.09)

REGIONAL PORT FORMATION

In 2020 the Ports of Chelan & Douglas Counties functionally consolidated into one economic development agency – the Chelan Douglas Regional Port Authority. While the counties may be separate, we are one economy.

A GOOD ECONOMY MEANS CREATING JOBS

The Regional Port's focus is enhancing the economic well-being of families by creating living-wage jobs. We work closely with private businesses to stimulate new capital investments in our region.

CURRENT COMMUNITY PROJECTS

- Expanding commercial air service at Pangborn Airport that includes an early morning departure & late-night arrival.
- Recruiting data centers that will create hundreds of new family wage jobs & expand the regions tax base. This will reduce future property taxes.
- Lead agency in studying the feasibility of a regional sports complex.
- Building incubator space to support small businesses & entrepreneurs.

HOW ARE WE FUNDED

Most of our funding comes from leasing revenue and state & federal programs. About 10% of our funding comes from local property taxes.

CURRENT TAX LEVY

Chelan County taxpayers contribute 0.175 cents per \$1,000 of assessed value or \$87.81 per year on a \$500,000 home. In Douglas County, taxpayers contribute 0.137 cents per \$1,000 of assessed value or \$68.66 per year on a \$500,000 home.

YOUR VOTE MATTERS

Voters will be asked to uniformly apply a tax levy rate to ensure all taxpayers in Chelan & Douglas Counties have one equalized levy rate. The proposed new equalized levy rate is 0.164 cents per \$1,000 of assessed value.

*Impact to **Chelan County** Taxpayer:*

Decrease in 2023 Tax Levy Rate - \$5.72/Year

*Impact to **Douglas County** Taxpayer:*

Increase in 2023 Tax Levy Rate - \$13.43/Year

Trades District Pangborn Airport Business Park





2023 Federal Legislative Priorities

- 1. General Aviation Terminal Building Remodel – Bipartisan Infrastructure Law Funding Request - \$3.09 million.**
- 2. Reduce FAA local cost share requirement from 10% to 5%. “For Commercial Service Airports with at least one local government owner from a county that has 80% or greater of the total land in said county in Federal and/or State ownership, the FAA local cost share requirement shall be 5%.”**

Example:

- Runway Reconstruction Project – Pangborn Airport**
 - Projected Costs - \$35,000,000**
 - 10% Port Match - \$3,500,000**
 - 5% Port Match - \$1,750,000**

3. Congressionally Directed Requests

- The Trades District**
- Redevelopment of Lineage Property**
- Redevelopment of Alcoa Property**

4. Support authority of local airport operators to increase the passenger facilities charge up to \$8 per passenger.

Current:

- **\$4.50 per passenger – net to airport \$4.39**
- **62,000 passengers \$4.39 = \$272, 880**

5. Department of Defense Funding for Washington Army National Guard Hangar Complex – Pangborn Airport.

6. Weather surveillance radar system.

Legislative Priorities – Federal Successes

Congressionally Directed Spending Requests

The Trades District Phase II (Senator Murray)	\$4,000,000
G.A. Terminal Building Remodel (Senator Cantwell, Representative Schrier and Newhouse)	<u>\$3,090,585</u>
Total	\$7,090,585

FAA Reauthorization Pending

Would reduce FAA local cost share from 10% to 5% for first 3 years of reauthorization

Enhanced Weather Surveillance Radar System

Constructive meeting held with National Weather Service. Preliminary path forward identified

GA Terminal Remodel - Rendering



Questions?

**Working Together to
Enhance the Economic Vitality
of North Central Washington**