

PORT OF MOSES LAKE  
PORT COMMISSION MEETING  
AGENDA

November 12, 2024

Public Hearing 10:00 a.m.

Regular Meeting 10:00 a.m. – 11:00 a.m.

**The public may also attend by phone – Call in # 267-930-4000 - Participant Code 418-097-708.**

SPECIAL MEETING 10:00 a.m.

I. PUBLIC HEARING ON 2025 BUDGET

REGULAR MEETING

I. PUBLIC COMMENT

II. OFFICE OF THE WASHINGTON STATE AUDITOR – AUDIT EXIT MEETING

III. APPROVE MINUTES OF PREVIOUS MEETING

A. October 28,2024

IV. ACTION

A. Authorize the Executive Director to sign a Possession and Use agreement for real property with Crab Creek Home, LLC for Parcels #110007066 and #110007008 in the total amount of \$797,260 for Project #17-098 Northern Columbia Basin Railroad. (Milton)

B. Accept as complete the 2024 Assault Strip Runway Rubber Removal Project with Unicen, for the not to exceed amount of \$57,12.60 including WSST. (Rich Mueller)

C. Authorize executive director to sign work order #12 with Evergreen Valley Utilities for emergency repairs in the total amount including WSST of \$94,847.04. (Milton)

V. APPROVE VOUCHERS

A. Regular

VI. DELEGATION OF AUTHORITY

A. Executed change order #1for project 24-003 Equipment shed midfield with Gram Construction in the total amount including WSST of \$50,628.03. (Milton)

B. Executed change order #1 for project 24-009 QB Well Repair with Bransen Drilling for the total amount including WSST of \$8,093.36. (Milton)

- C. Accepted as complete project 24-009 QB Well Repair with Bransen Drilling in the total contract amount including WSST of \$52,238.96. (Milton)
- D. Authorized the Purchase of a 2006 E-One ARFF Truck 6X6 in the amount of \$40,000.

## VII. EXECUTIVE DIRECTOR REPORT

### Adjourn

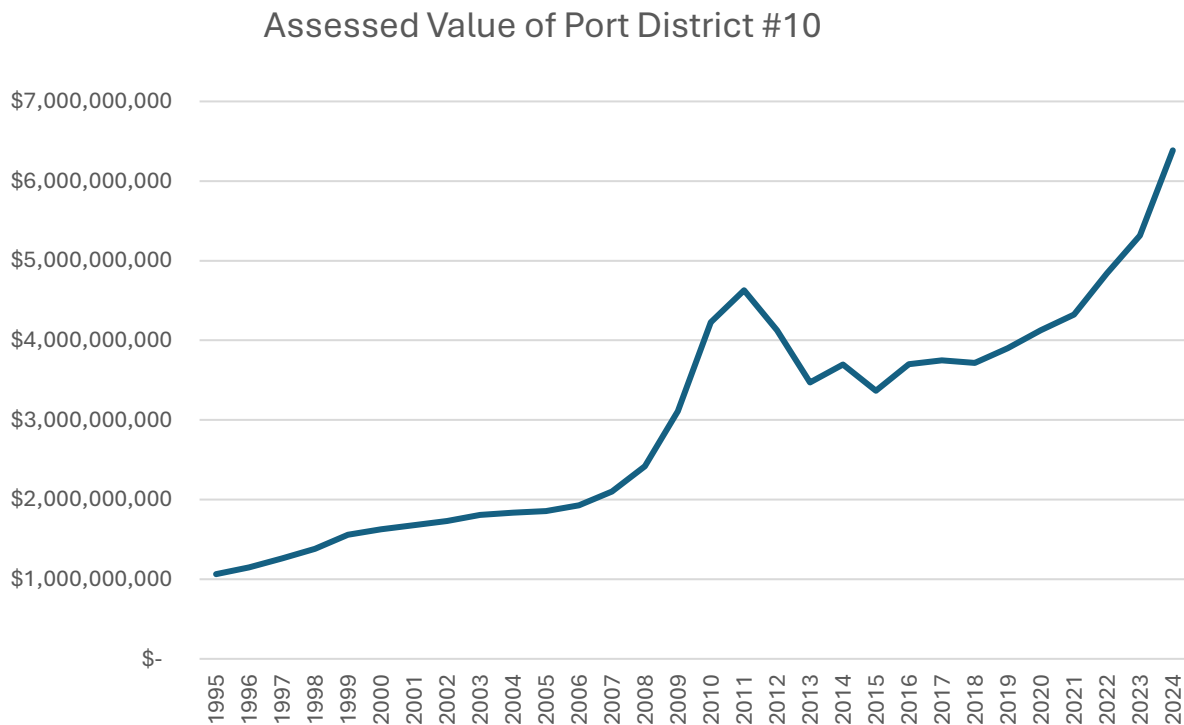
The next Regular Meeting of the Port Commission is scheduled for November 25, 2024, at 10:00 am at the Port of Moses Lake.

*Port of Moses Lake strives to provide accessible opportunities for individuals with disabilities. Please contact the Director of Finance and Administration, (509) 392-6434, at least five business days prior to any Port of Moses Lake meeting or event if any accommodations are needed. For TDD users, please use the state's toll-free relay service, (800) 833-6384, and ask the operator to dial Port of Moses Lake's main number.*

*Public comments may be submitted in writing to the Port of Moses Lake at [info@portofmoseslake.com](mailto:info@portofmoseslake.com). Written comments which are received by 5:00 p.m. on the business day immediately prior to the meeting will be forwarded to each Commissioner in advance of the meeting.*



## BUDGET PROPOSED 2025



Port of Moses Lake, 7810 Andrews St NE, Moses Lake, WA 98837

## **Our Mission**

Our mission is to promote economic vitality in Greater Moses Lake through leadership, stewardship and partnerships in aviation and industrial development.

## **Our Vision**

Diversifying our region's economy and leveraging opportunities with the Grant County International Airport.

## **Introduction**

The Port of Moses Lake is a special purpose municipal government. Washington public port districts exist to build infrastructure and promote economic development within their districts. Ports are often, though not always, involved in transportation activities. The Port of Moses Lake operates an International Airport for general, military, and commercial aviation, and an industrial park to support private business activities.

The Port of Moses Lake was created in November 1965 to receive the assets of Larson Air Force Base when the base was closed in 1967. Its District is located within Grant County, Washington. The Port owns land, industrial property, and an airport. The Port's primary mission is economic development for the citizens of the district.

Three elected Port Commissioners administer the Port. In accordance with the laws of Washington, the Commissioners have appointed an Executive Director to manage Port operations and finances.

The Port owns and operates Grant County International Airport. The airport has five runways, with a 13500 ft. X 200 ft. main runway and 100 acres of ramp space. The spacious terminal building was completed in 1998. The adjacent industrial park has over one million sq. ft. of building space and an industrial wastewater land application system. There is a designated foreign trade zone and U.S. Customs at the airport.

The Port reports its financials on a Cash Basis. Ports do their accounting and financial reporting for their activities very much like a business. However, in addition to operating revenue, the Port also receives tax revenue and grants from governments. At the Port of Moses Lake, these tax revenues and grants are used to support the capital investments made by the ports. Often, ports will use tax revenues to pay for debt incurred to construct facilities that are used to support port functions. Sometimes, ports will also use a portion of their tax revenue to pay for operating expenses. Currently, the Port holds \$1,000,000 for an operating reserve and \$2,000,000 for a capital reserve.

## **Message from the Executive Director**

The Port of Moses Lake Board of Commissioners are considering a budget that strengthens the Port's role as a key economic engine for the community. The 2025 budget demonstrates the Port's ongoing commitment to sustainable economic development and job creation for the residents of our Port District.

As part of our financial strategy, we have built up our bank balances over the last few years, accumulating interest at preferable rates, and positioning ourselves to deploy capital when prudent.

The budget has several purposes. It converts the Port's policy and plans into services and future capital improvement projects and serves as a vehicle to communicate these plans to the public. Once adopted by the commission, it becomes the work plan to be accomplished during the next calendar year.

The annual operating and capital budgets are a forecast of expected resources and the purposeful distribution of those resources. This budget was developed based on historical trends in revenue and expenses, market projections, economic forecasts, and input from current tenants.

The Port plans to allocate capital for several capital projects slated for 2025. These projects will be paid for through grants, revenue bonds, tax dollars, and surplus cash. The Port does not plan to borrow money for these projects, leaving borrowing capacity unchanged.

Thank you for your continued interest in the Port of Moses Lake and our 2025 budget. Should you have any questions or comments, please feel free to reach out to me directly at (509) 850-3692 or via email at [droach@portofmoseslake.com](mailto:droach@portofmoseslake.com).

Dan Roach  
Executive Director

### **Port Commission**

**District 1 – Darrin Jackson** - Commissioner Jackson was appointed as Port Commissioner in June 2017 and elected in November of 2019. In addition to proudly serving in the US Army, he is an accomplished pilot and serves as a Deputy Sheriff for the Grant County Sheriff's Office Aviation Division. He owns and operates Jackson Flight Center LLC, a flight school located at Moses Lake Municipal Airport. He is a long-time resident of Moses Lake, having lived there for more than 50 years. His slogan has always been, "Build me a mile long road and I can only go a mile; build me a mile long runway and I will show you the world."

**District 2 – Stroud Kunkle** - Born and raised in southeastern Pennsylvania, Commissioner Kunkle served in the military for 5 years, including in Viet Nam as a commissioned Army aviator. He graduated from the University of Idaho in 1975 with a BS in Business, majoring in accounting, then moved to Moses Lake in 1976 to work for Morris, Jones & Palmer, now Sutter, Kunkle & Thompson, P.S. Stroud married Mary Nilsson from Dayton, WA in 1970, with whom he has two children and four grandchildren. Commissioner Kunkle began service on the Port Commission in 2012. He has been deeply involved in community service, including three terms on the Moses Lake School Board, Director of Community Services of Moses Lake, Director of the Moses Lake Business Association, Member and Past President of the Rotary Club of Moses Lake, and as Trustee of the Big Bend Community College Foundation.

**District 3 – David Kent Jones** - Commissioner Jones moved to Moses Lake with his family in 1948 at the age of eight. In 1957 he graduated from Washington State University, Eastern Washington University, and Big Bend Community College. After graduating, he spent three years in Germany. In 1964, he married Pam Fisk, and together they have two children, Bryan and Amy. Kent has been a leading realtor since 1962, including his service as President of the Washington Association of Realtors in 1987. Commissioner Jones served as a Port Commissioner from 1999 to 2007 and returned to the Port in 2010. His service to the community includes the Moses Lake Planning Commission, Moses Lake City Council, Moses Lake Chamber of Commerce and Moses Lake Rotary.

## **Port Staff**

Executive Director - Dan Roach  
Airport Director - Rich Mueller  
Director of Finance & Administration - Kim DeTrolia  
Director of Real Estate - Carol Crapson  
Director of Business Development - Richard Hanover  
Director of Facilities - Milton Miller  
Business Intelligence Analyst - Loretta St. Andre  
Executive Assistant - Bonnie Petersen

## **Issues Facing the Port**

There are major issues facing the Port that could result in material changes in its financial position in the long term. Among those issues are:

1. Intensive investment in infrastructure is required to meet air safety initiatives at the Port's airport. While the federal government bears a portion of the costs, the Port bears the costs that don't meet federal funding requirements and will have to manage the disruptions in operations that infrastructure improvements will cause.
2. Maintenance, repair and upgrades to aging industrial park facilities and construction of new facilities.
3. Strategic west side property acquisition to protect the Airport activity.
4. Competition with obtaining new users to the Industrial Park and Airfield.
5. Assessment of undeveloped properties for potential growth opportunities, including acquisition.
6. Rail service construction and operation.

## **Financial Highlights**

- In 2023, the Port's revenues from goods and services were \$9,089,736. Budgeted revenues for 2024 were anticipated to be \$9,393,249 and \$9,383,790 is projected for 2025.
- Tax Revenues: 2023 - \$2,251,877, 2024 - \$2,305,670 Estimated, and 2025 - \$2,340,926 Estimated.
- The Port's overall expenses in 2023 were \$7,760,977 and 2024 expenses were budgeted to be \$8,554,329 and \$8,827,481 is projected for 2025. This is a projected increase of \$273,152.21.
- Bond payments with interest for 2024 are \$915,900 and \$915,663 is projected for 2025. There will be Tax Increment Financing loan payments in 2025, but currently that loan balance is \$0.
- The Port overall had an increase to Cash and Investments of \$2,191,803 in 2023 and another \$2,400,000 is projected for 2024.
- The Port enjoys a mutually beneficial relationship with the U.S. military, giving the Port

significant opportunities to host large- and small-scale military exercises as well as new aircraft testing. In 2023, the Joint Base Lewis-McChord contract brought in income of \$2,173,342. Income anticipated for 2024 is \$2,355,496 and \$2,402,559 for 2025.

- No formal capital budget was approved for 2023 and 2024. 2023 Capital Expenditures from projects approved in 2022 were \$1,049,232 – Rail \$422,563; Terminal Roof \$215,812; and Building Demo \$431,479. 2024 Capital Expenditures include Rail, West Apron Improvements, Wastewater, and Midfield Equipment Shed. Rail grants from WSDOT and FRA (Federal Rail Administration) cover 100% of the Rail Project.
- In 2024, the Port established a TIA (Tax Increment Area) to bridge the gap on the Rail Project funding. A loan for \$10M was secured with Banner Bank.

## **2025 Focus Areas**

Revenues – Increase of \$328,325 over 2024 Budget (2.8%)

- Economic impacts from tenant uncertainty
- Interest rates on lower cash amounts

Expenses – Increase of \$270,722 over 2024 Budget (2.9%)

- Consulting
- Wastewater
- Other Agencies Creating Expense for the Port

<b>2025 Budget</b>	<b>Port Operations</b>	<b>Waste Water</b>	<b>Total</b>
Projected Bank Balance 12/31/2024	15,502,950	1,673,207	17,176,157
<b>Operating</b>			
Revenues	8,294,339	1,089,451	9,383,790
Expenses	(8,264,480)	(563,000)	(8,827,480)
Operating Surplus (deficit)	29,859	526,451	556,310
<b>Non-Operating</b>			
Property Taxes	2,340,926	-	2,340,926
interest Income	218,342	18,401	236,743
Bond Payments	(212,621)	(413,569)	(626,190)
Interest Payments	(55,333)	(234,139)	(289,472)
Non-Operating Surplus (deficit)	2,291,314	(629,308)	1,662,006
Operating/Non-Operating Surplus (Deficit)	2,321,172	(102,857)	2,218,316
<b>Capital</b>			
Community Development Project - Base Sidewalk	(150,000)	-	(150,000)
Electric car charge	(20,000)	-	(20,000)
West Apron Phase 1	(3,836,202)	-	(3,836,202)
Equipment Shed - Maintenance midfield	(1,500,000)	-	(1,500,000)
SW Hangar Development - Utilities Phase 1	(750,000)	-	(750,000)
Taxiway G Design/Reconstruction - FAA	(92,473)	-	(92,473)
ARFF Station Design/Construction Midfield FAA	(516,151)	-	(516,151)
Property Acquisition	(14,000,000)	-	(14,000,000)
O&M Capital Expense	(900,000)	-	(900,000)
Project Grants	1,120,000	-	1,120,000
Revenue Bond	12,000,000	-	12,000,000
	(8,644,826)	-	(8,644,826)
Projected Bank Balance 12/31/2025	9,179,297	1,570,350	10,749,647



## 2025 Capital Budget

For 2025 and thereafter the Port commission has directed the development of a five-year capital budget with an additional five years of forward-looking planning. Each year, the Port commission and staff will revisit the capital budget to refine each year's projections and consider new projects.

### Project Criteria

For 2025 and thereafter, all proposed capital projects are evaluated based upon the following criteria established by the Port Commission.

- No maintenance or operations projects are included in the capital budget. However, maintenance or operations projects are listed in the capital budget for reference only.
- No projects that would compete with the private sector
- Only use of tax levy money and government grants.
- Consider strategic acquisitions to protect the Port's Westside investment
- Invest in long term viability of airfield and port property
- Include community development projects

### Projects

**2024 Carryover.** These projects were approved in previous capital budgets. They are multiyear projects carried in the capital budget. Anticipated expenditure \$5,145,433.

1. West Apron Rehabilitation – Project will start in January 2025 and be completed by the end of March 2025. Central Washington Asphalt is the contractor. Engineering and Project Management are Century West Engineering with some help from Western Pacific Engineering. This Project will rehabilitate ½ of the west apron. Anticipated cost at completion is \$3,526,202.
2. Equipment Shed Midfield – Project will start September 2024 with a projected completion date if April 2025. Graham Construction will be the contractor. Engineering and Project Management are Century West Engineering and Western Pacific Engineering. This Project will erect a pre-engineered steel building that is 7,200 sq ft (120' X 60' X 17') including overhead and man doors; foundation; site work; and electrical utility extension. Anticipated cost at completion \$1,469,231.
3. Community Development Sidewalk Project – This project is being done by Grant County Public Works. The Port has not received start/completion date information.

**2025 New Projects.** Applying Commission Adopted Criteria. Anticipated expenditure \$16,238,000, grants \$834,000, LTGO Bond \$500,000 and revenue bond \$12,000,000.

1. Electric Car Charging Station – WSDOT is offering grants for this. More work will need to be done to get this project moving forward.
2. SW Hangar Development Utility Loop – This project will go out to bid late in 2024 for construction to begin spring 2025. Current estimate is \$750,000 and there is an SIP Grant from Grant County for \$500,000.
3. Taxiway G Design/Reconstruction – Continue with the engineering/design work for Taxiway G for \$92,472 and there is a FAA Grant for \$87,849 (95%)

4. ARFF Station Design/Construction Midfield – Estimate \$318,000.
5. Property Acquisition \$14,000,000

### 2025 Maintenance Projects

1. Hangar 1/Building 3401 Roof Replacement – Estimate \$500,000.
2. CPA Fuel Tank Removal – per the agreement with Freeman Holdings these in ground tanks need to be removed. Estimate \$150,000. There is currently no soil contamination anticipated.

### Current Outstanding Debt 2024

CERB	\$ 2,352,990.57
Bank Loan	\$ 287,873.57
TIF	\$10,000,000.00
LOC	\$ -
Total	\$12,640,864.14

### Bonding Capacity

Port of Moses Lake Debt Capacity	
Assessed Valuation for 2024 Tax Collections	\$6,385,680,060
Limited Tax General Obligation Debt Capacity (Non-Voted)	
(1/4 of 1 percent of assessed valuation)	\$15,964,200
Less: Outstanding Limited Tax General Obligation Bonds, financing leases, and contracts	12,640,864
Plus: Cash & Investment in Bond Fund	-
Total non-voted Debt	12,640,864
Remaining Capacity (Non-Voted)	\$3,323,336
Total General Obligation Debt Capacity (Voted and Non-Voted)	
(3/4 of 1 percent of assessed valuation)	\$35,919,450
Less: Outstanding Unlimited Tax General Obligation Bonds	-
Less: Outstanding Limited Tax General Obligation Bonds, financing leases, and contracts	12,640,864
Plus: Cash & Investment in Bond Fund	-
Total Voted and Non-Voted Debt	12,640,864
Remaining Capacity (Voted and Non-Voted)	\$23,278,586