

Item no: 2A Revised
Meeting Date: August 20, 2020

2021 Proposed Budget Targets and Preliminary Capital Investment Plan

August 20, 2020



Agenda



- Commission Participation and Calendar
- POT 5-year Financial History
- Proposed Financial Targets
- Preliminary Capital Investment Plan (CIP)
Projects

2021 Commission Participation and Calendar



August 20th:

- 2021-2025 Capital Investment Plan (CIP) Review
 - Proposed new projects
 - Review prioritized projects
- 2021-2025 Preliminary Range of Financial Targets

Early September - 2021 Preliminary Pierce County property Values

- Tax Levy setting input

September 17th – Opportunity to discuss 2021 Tax Levy

Week of October 27th

- 2021 Budget Study Session material and 2021 Budget Document sent to commission

November 5th - 2021 Budget Study Session

- 2020 Forecast - updated
- 2021-2025 Budget/Forecast
- 2021-2025 CIP

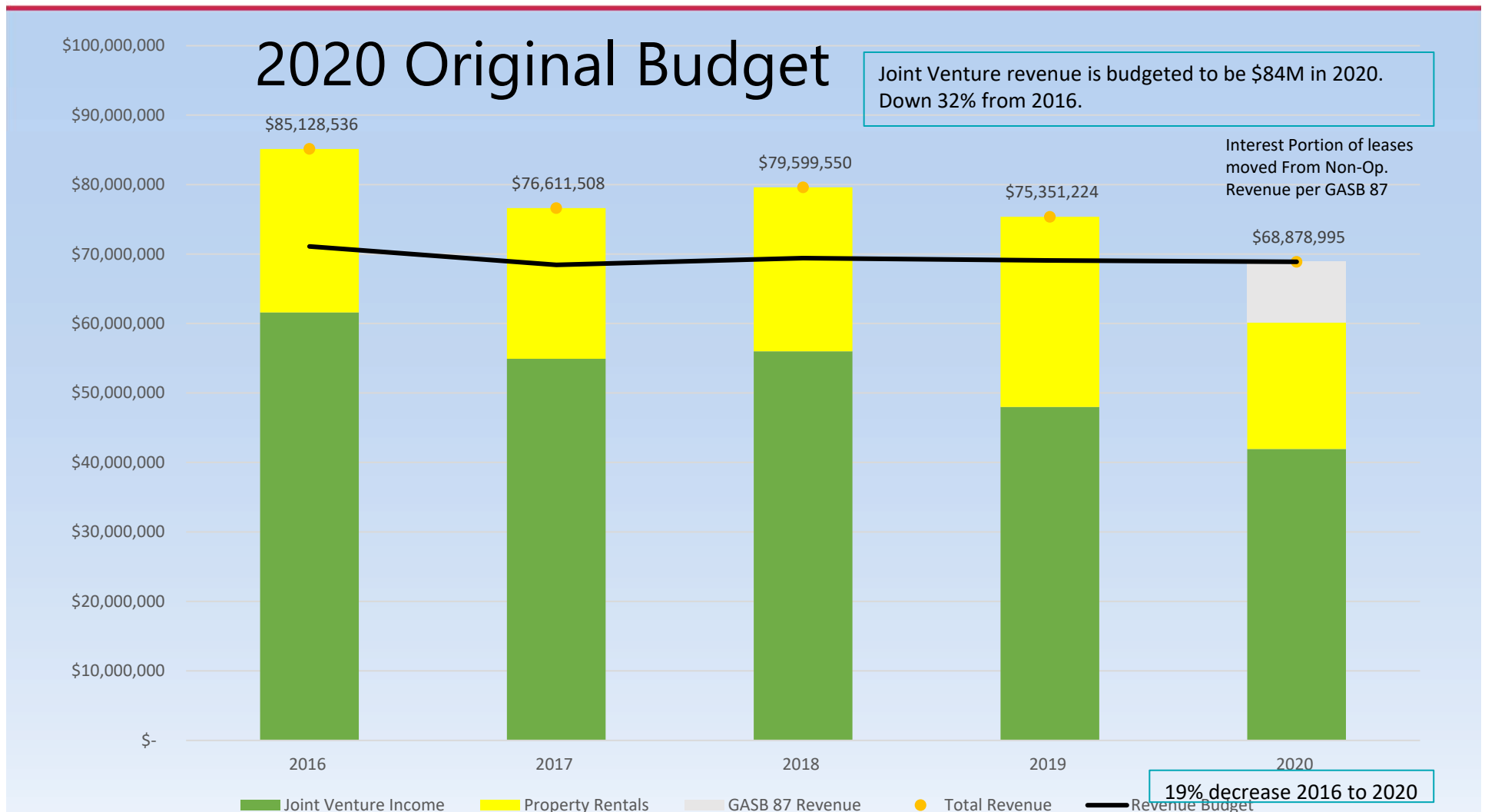
November 19th - 2021 Budget Adoption

5-year Financial History



- In March, Staff presented 5-year POT financial performance slides
- We will review several slides from that presentation as a basis for our financial targets with actual results from 2016 through 2019, and original 2020 budget
 - We will also look at the NWSA distributable cash as presented at the August 2020 Managing Member meeting

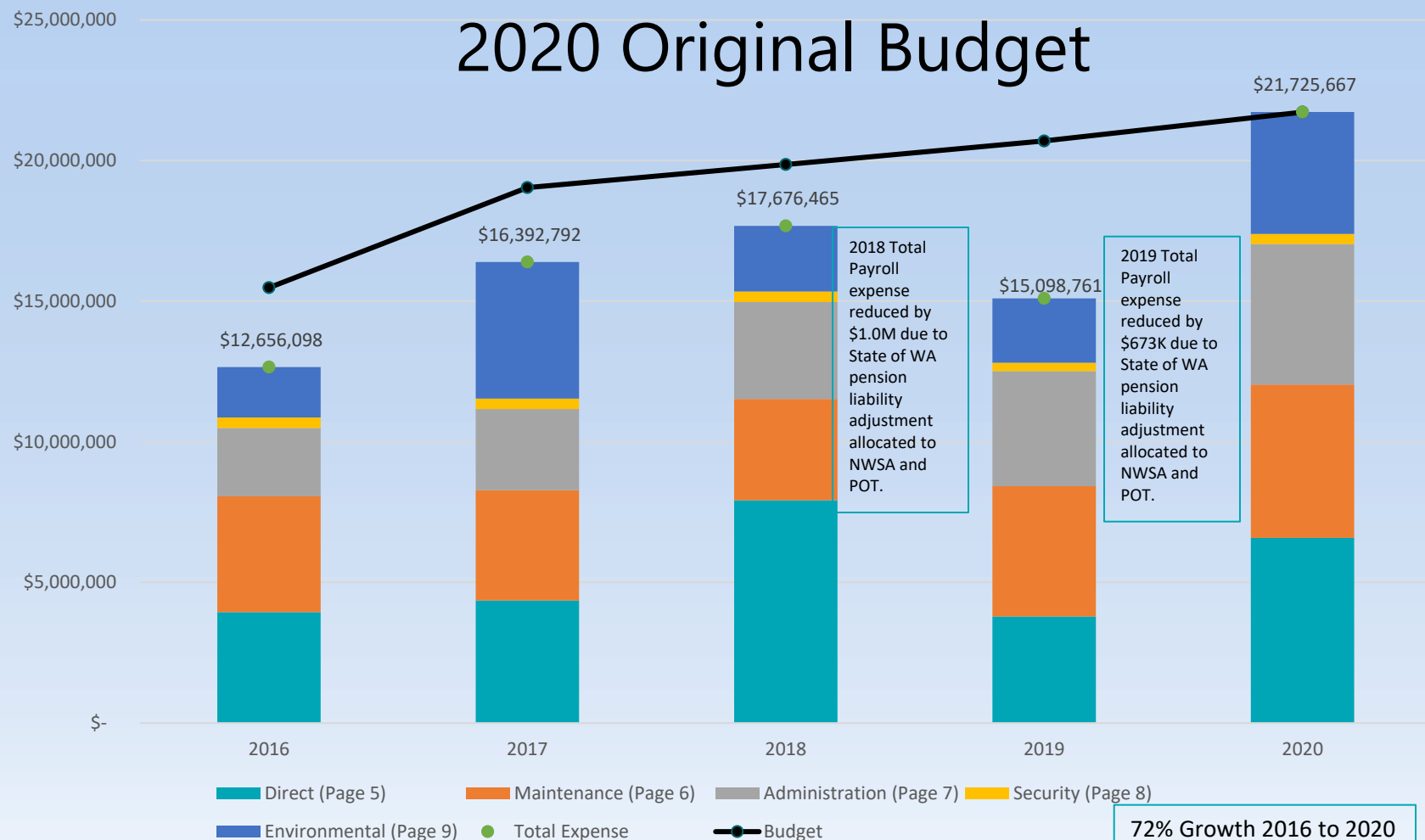
POT Operating Revenue with GASB 87



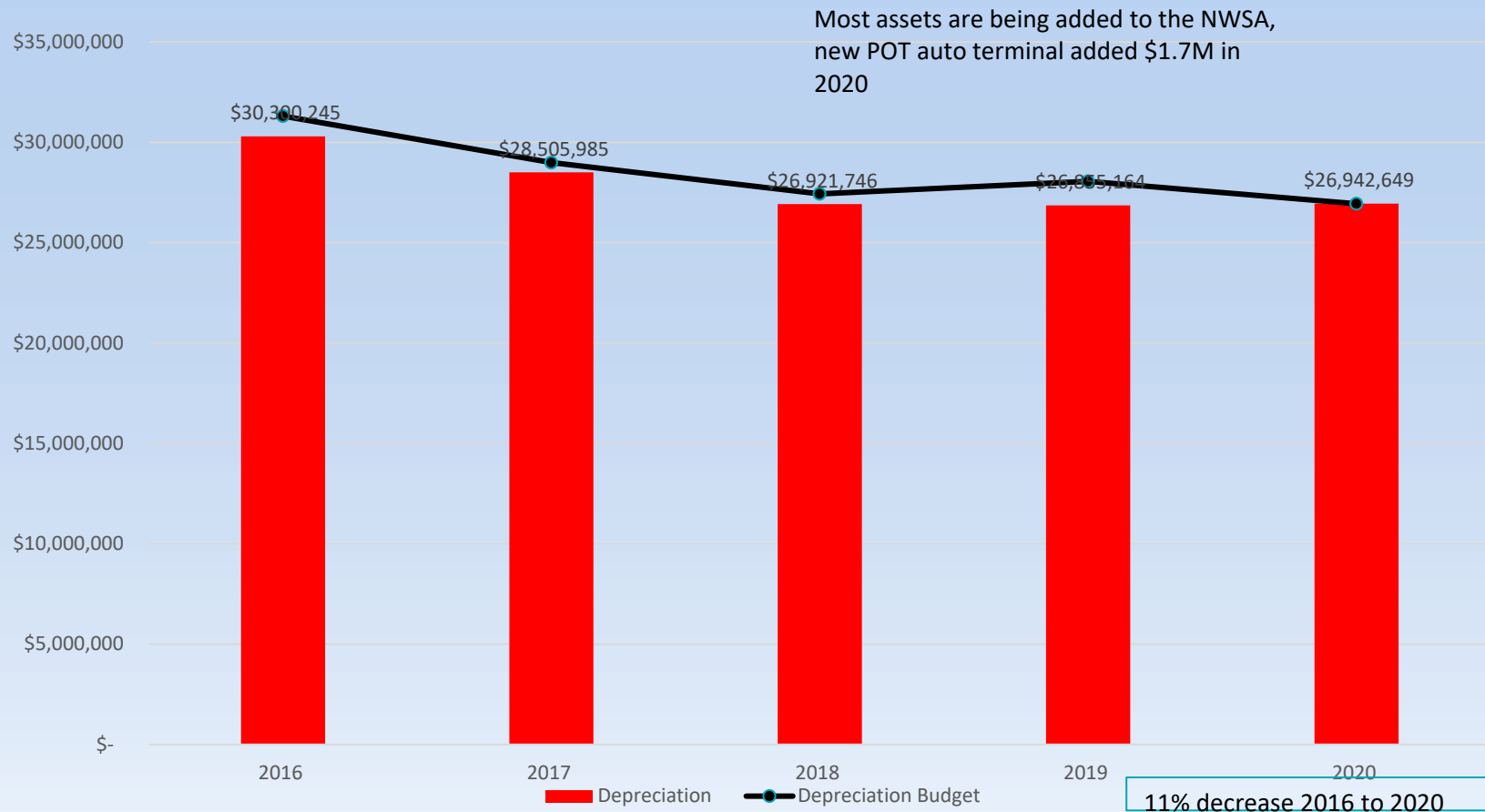
POT Total Operating Expense before Depreciation



2020 Original Budget



POT Depreciation

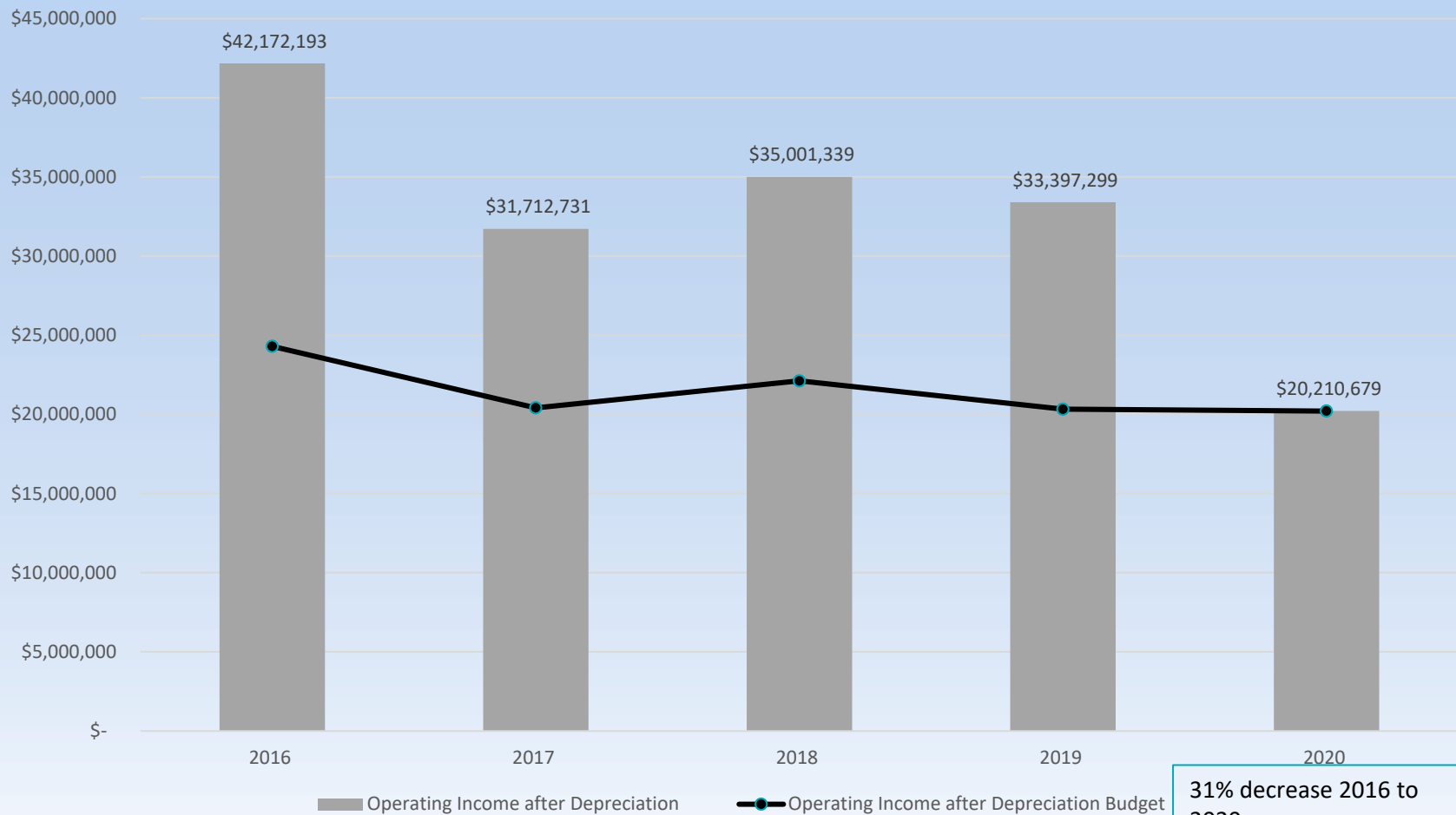


NOTE: Excludes Commercial Paper.

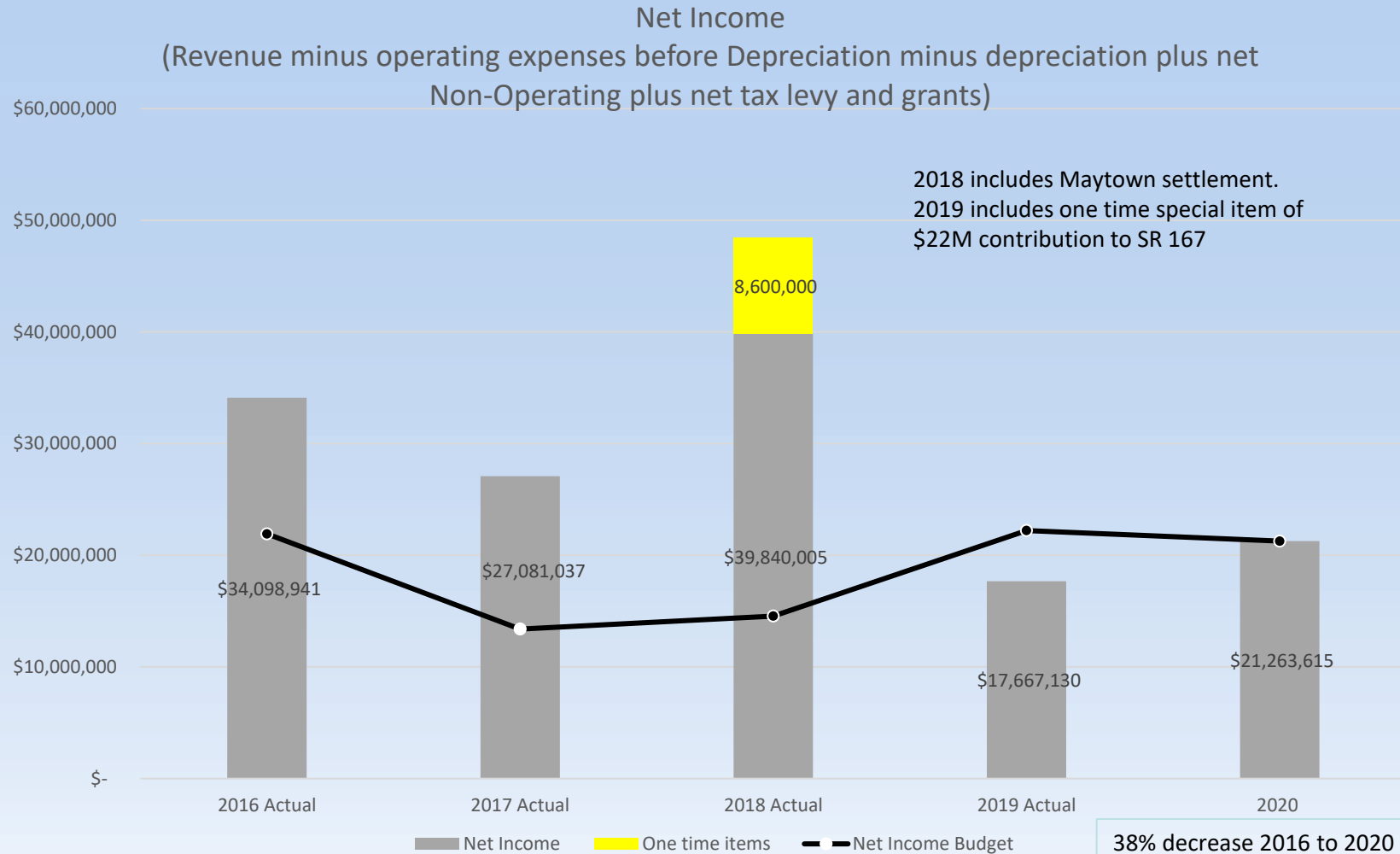
POT Operating Income



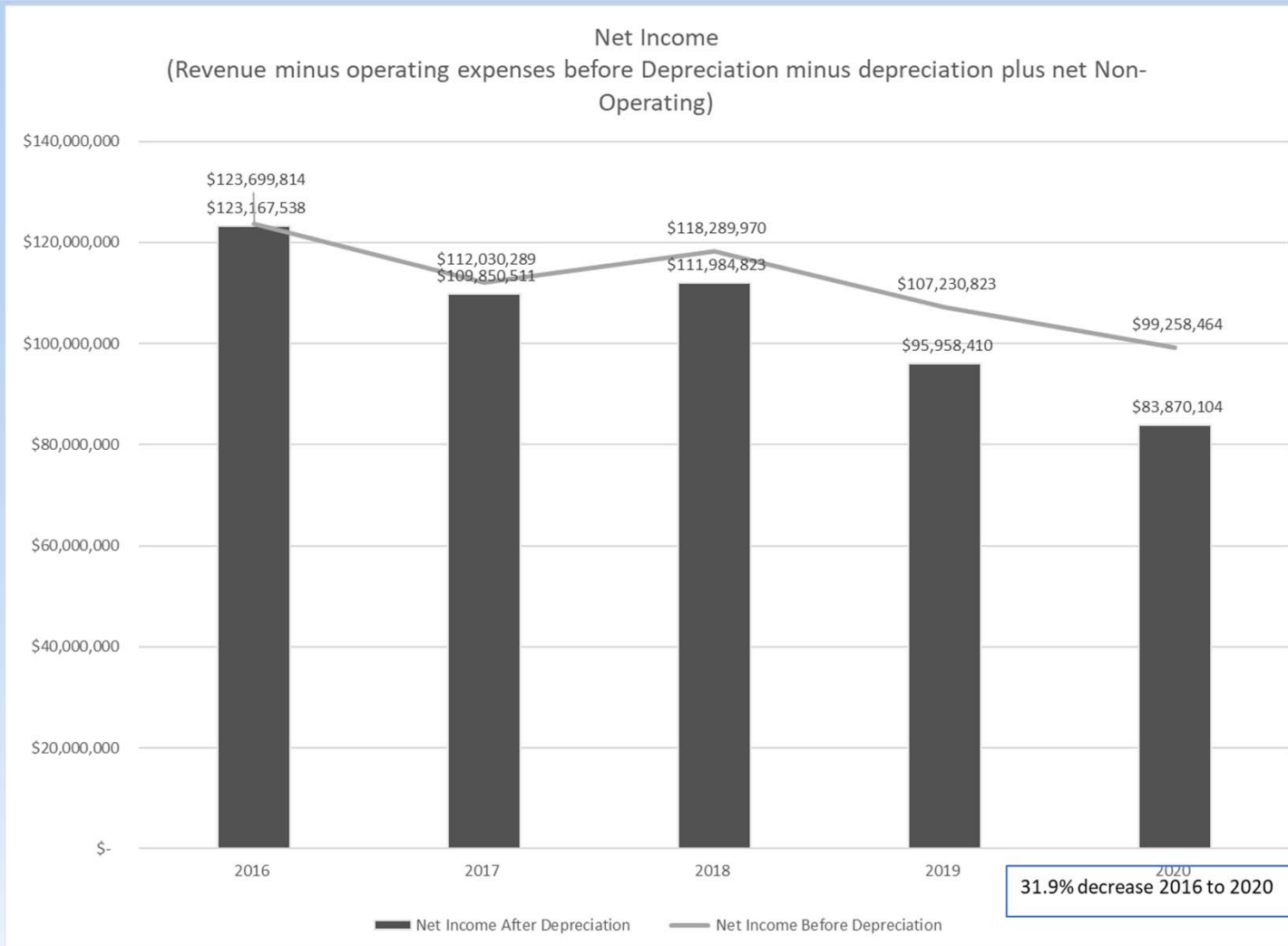
Operating Income After Depreciation
(Revenue minus Total Operating Expense before Depreciation minus Depreciation)



POT Net Income

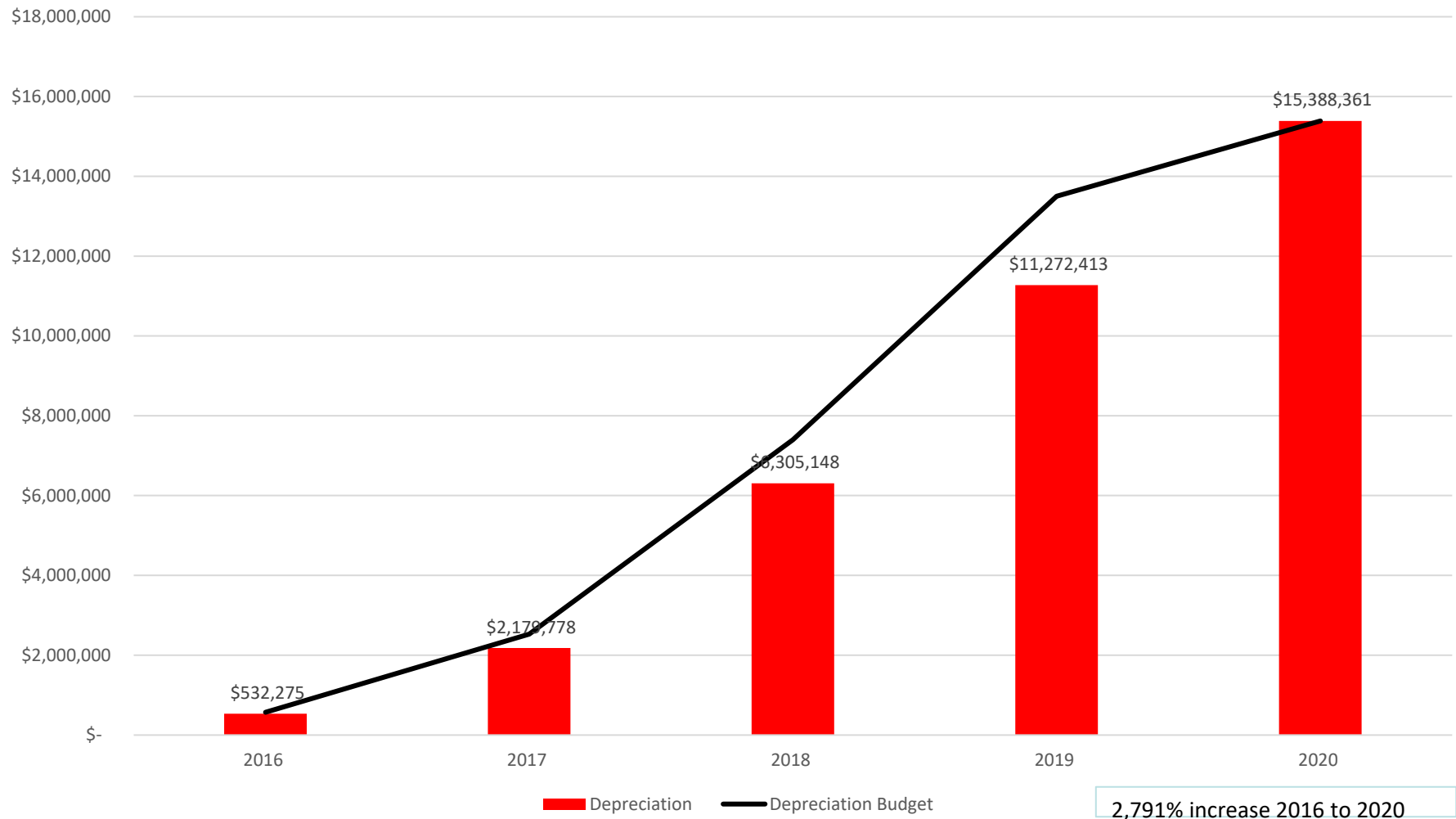


NWSA Net Income

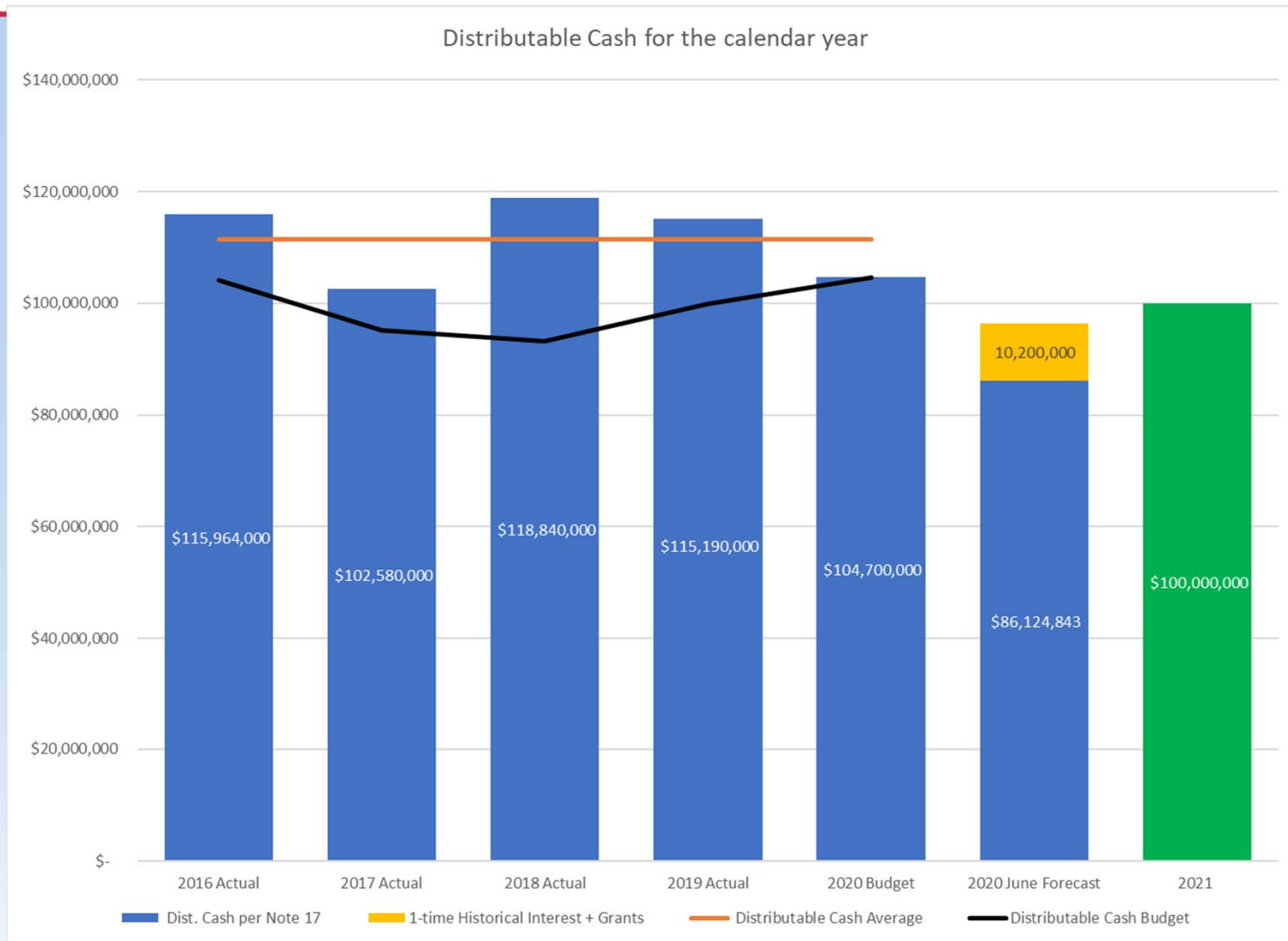


POT Receives 50% of NWSA Net Income

NWSA Depreciation



NWSA Distributable Cash



POT Receives 50% of NWSA Distributable Cash

2021 Budget Focus



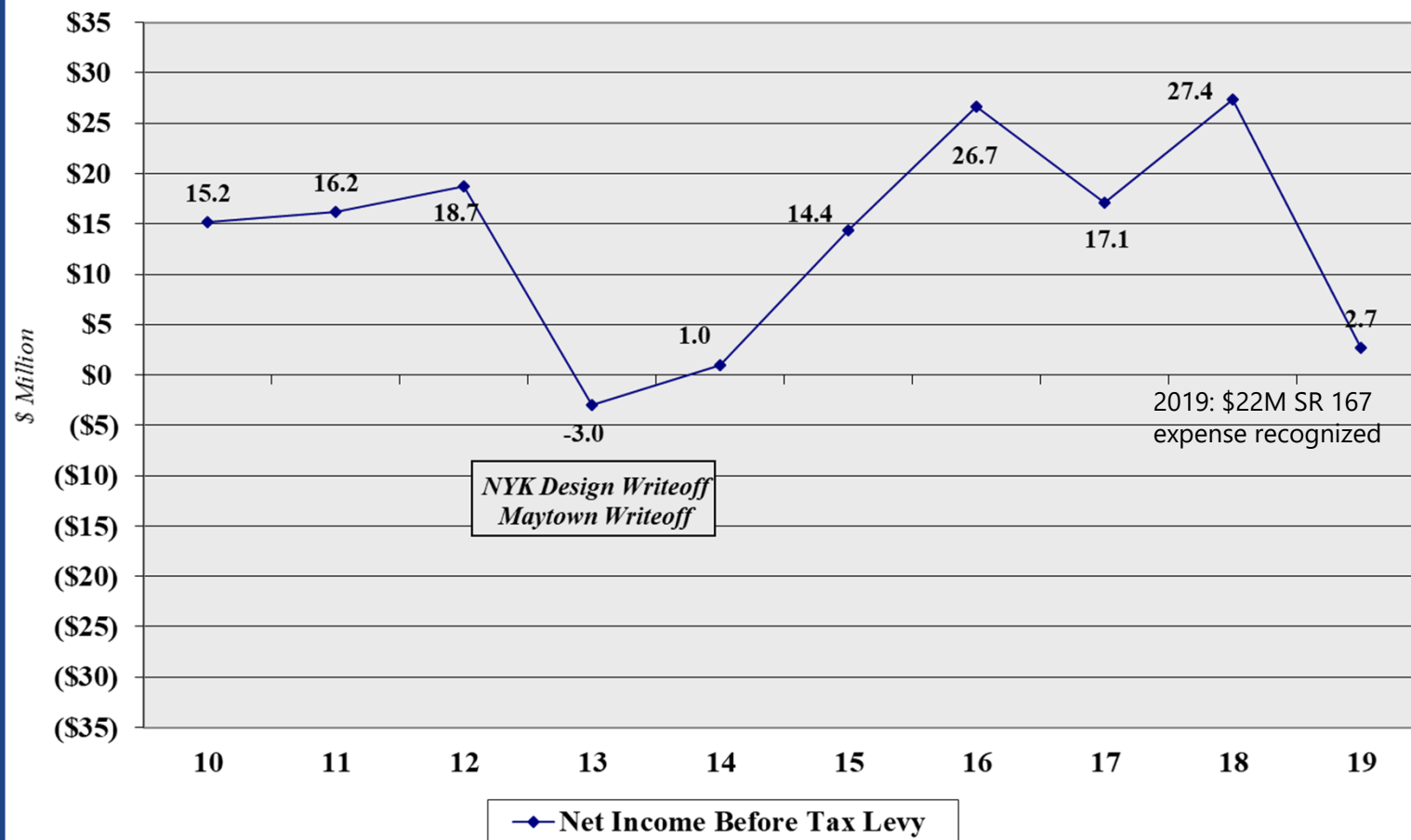
- **Continue investing in strategic projects and business deals**
 - Commission input today
- **Provide solid financial results**
 - Including fulfilling the SR167 financial commitment (\$30M total value) previously recognized but still needs to be funded
- **Keep everyone safe**

2021 POT Financial Targets

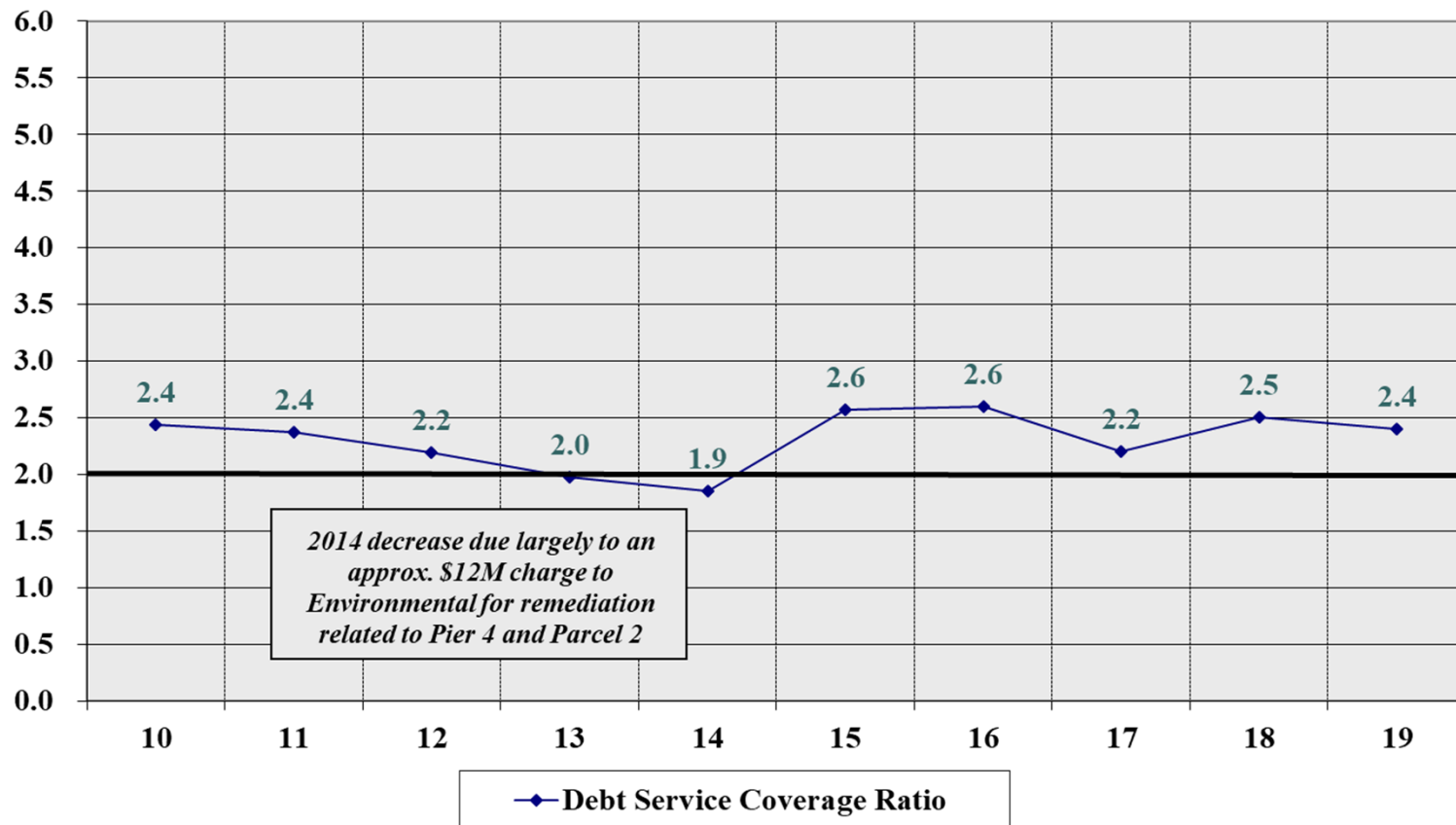


- **Net Income before Tax Levy Positive**
 - Tax Levy does not subsidize operations
- **Fully diluted revenue bond debt service coverage of greater than 2-times**
 - Revenue available to pay debt per bond covenants is 2 times the annual debt service (principal plus interest, and any required bank fees and net swap payments) required to be paid that year
- **Provide solid financial results**
 - Make strategic capital investments that are aligned with POT goals, provide healthy rates of return and support growth & efficiency of the POT's business activity

Actuals - Net Income (Loss) Before Tax Levy



Actuals - Debt Service Coverage Ratio



Debt Service Coverage Ratio = Net Revenues Available for Debt Service / Debt Service

2021 POT CIP Categories



- **Categorization is subjective**
 - **Required means**
 - per lease requirements (which can be negotiated away)
 - safety
 - non – lease agreement with the City or other entities
 - legal or environmental compliance
 - **Discretionary can mean timing or need to complete is discretionary (flexible)**
 - Timing –could be delayed
 - New Need/Opportunity – new business opportunities which may have several alternatives

Commission Input on strategic Plan Future Investments



- **POT building replacement**
 - Repairs to existing building in budget for 2021 of \$2.9M
 - Further upgrades to existing building or new building design construction budget of \$4.8M in 2021
- **Land purchases - \$10M in 2021 budget**
- **Thorne Rd Stormwater Improvements & CY Design**
 - In POT CIP starting 2022, finish in 2023
 - NWSA \$24M for CY construction not in NWSA planned CIP
 - Three-year lease to Milestone
 - Propose moving to starting 2024, finish 2025
- **Tribal Dredge (See next page)**
- **Other Commission recommendations**

Tribal Cutback/Dredge Commitment



- **POT has commitment to cutback/dredge area of Emerald Queen Casino River boat if the Puyallup Tribe develops their property into a marine terminal**
 - Commitment created in 2009
 - Prevent harbor channel issues
- **Current cost estimate is \$45 million**
- **Alternatives:**
 1. Exclude Tribal dredge from 5-year CIP budget
 - If dredge is required, issue bonds to fund dredging
 - Alternative 1: Reserve Tax Levy capacity to pay GO Bond debt associated with dredge
 - Currently have “banked capacity” available
 - Alternative 2: Reserve Revenue bond capacity to pay for dredging
 - We calculate revenue bond capacity at 2x debt service as part of the plan of Finance
 2. Include in the 5-year CIP in year 5 as has been the practice

2021 CIP Project Summary



- Required projects total: \$3.1M
- Discretionary projects total: \$47.1M
- Grand total 2021: \$50.2M

2021 New Projects (\$000)



Project Name	Project Description	Discretionary?	2021 Budget	2021-2025 Budget Total
<input type="checkbox"/> 1171 Taylor Wy Stormwater & Surface Improvements	<input type="checkbox"/> Install catch basins, stormwater pipe & remove asphalt & gravel & replace	Discretionary	458	458
<input type="checkbox"/> Arkema Mfg North Boundary Area FS & Design (parcel 99)	<input type="checkbox"/> Future clean up obligation. Potential cost recovery from Potential Liable Parties	Required	400	5,493
<input type="checkbox"/> Banana Yard Rail Switch Replacement	<input type="checkbox"/> Replace 15 track switches	Discretionary	3,950	4,270
<input type="checkbox"/> Conference Rooms Equipment (multiple locations, POT & NWSA)	<input type="checkbox"/> Upgrade equipment in conference room	Discretionary	190	190
<input type="checkbox"/> EBC Bldg 326 Window & Ceiling Grid Replacement & Painting	<input type="checkbox"/> Replace windows & ceiling grid	Discretionary	816	816
<input type="checkbox"/> Fab Center Lighting Upgrade	<input type="checkbox"/> Upgrade lighting to LED to reduce energy consumption	Discretionary	420	420
<input type="checkbox"/> Programmatic Maintenance Permitting	<input type="checkbox"/> Obtain 10 yr programmatic permit to conduct routine mnt work. Having permit will reduce time it takes to get a permit.	Discretionary	200	270
Grand Total			6,434	11,917

2021 Top 11 Projects



Project Name	Project Description	Discretionary	Asset Ty	2021
Lower Wapato Creek Combined Habitat (parcel 14)	Develop habitat site for concurrent mitigation credits for potential Thorne Rd development. Puyallup Tribe expects Port to complete this effort.	Discretionary	Land	10,685
Land Acquisitions	Unspecified land purchase. No revenue included in operating budget. Recommend any increase in this budget include some estimate of revenue from the type of property to be purchased	Discretionary	Land	10,000
Admin Bldg Design & Construction	Bldg improvements & repairs to existing POT/SH admin building. Alternatives could have been cost of new building or lease expense if moving to a commercial building	Discretionary	CapEx	4,841
Banana Yard Rail Switch Replacement	Replace 15 track switches	Discretionary	CapEx	3,950
POT Unallocated Capital Improvements (placeholder)	Budget for unplanned capital projects. Based on historical amounts	Discretionary	Land	3,000
EBC Bldg 9532 Siding Replacement	Existing building has failing siding. Revenue model.	Discretionary	CapEx	2,050
Admin Bldg Roof Replacement	Bldg improvements & repairs to existing POT/SH admin building. Alternatives could have been cost of new building or lease expense if moving to a commercial building	Discretionary	CapEx	1,545

2021 Top 11 Projects



Project Name	Project Description	Discretionary	Asset Type	2021
POT Unanticipated Repairs/Misc Expenses (placeholder)	Budget for unplanned expense projects. Based on historical amounts. Frequently, projects planned to complete in prior year carry over to budget year.	Discretionary	OpEx	1,500
Roadway Infrastructure Funding (placeholder)	Funds for Commission to contribute to regional road projects. Added based on prior commission request.	Discretionary	NonOpEx	1,000
Admin Bldg Restroom Improvements	Bldg improvements & repairs to existing POT/SH admin building. Alternatives could have been cost of new building or lease expense if moving to a commercial building	Discretionary	CapEx	825
EBC Bldg 326 Window & Ceiling Grid Replacement & Painting	Replace windows & ceiling grid	Discretionary	CapEx	816

2021 – 2025 CIP Project Summary



- Required projects total: \$29.0M
- Discretionary projects total: \$93.9M
- Grand total 2021 - 2025: \$122.9M
 - Exclude \$45M Tribal dredge

2021 – 2025 Top 21 Projects



Project Name	Project Description	Discretionary	Asset Ty	2021	2022	2023	2024	2025	2021-25 Budget
POT Unallocated Capital Improvements (placeholder)	Budget for unplanned capital projects. Based on historical amounts	Discretionary	Land	3,000	3,000	3,000	3,000	3,000	15,000
Lower Wapato Creek Combined Habitat (parcel 14)	Develop habitat site for concurrent mitigation credits for potential Thorne Rd development. Puyallup Tribe expects Port to complete this effort.	Discretionary	Land	10,685	1,000	1,750	600	-	14,035
Land Acquisitions	purchase. No revenue included in operating	Discretionary	Land	10,000	-	-	-	-	10,000
POT Unanticipated Repairs/Misc Expenses (placeholder)	Budget for unplanned expense projects. Based on historical amounts. Frequently, projects planned to complete in prior year carry over to budget year.	Discretionary	OpEx	1,500	1,500	1,500	1,500	1,500	7,500
Arkema Mfg North Boundary Area FS & Design (parcel 99)	Future clean up obligation. Potential cost recovery from Potential Liabe Parties	Required	Land	400	118	4,300	675	-	5,493
Parcel 1b (EBC) Remediation Design & Construction	Early Business Center cleanup. Expect Consent Decree to be issued shortly.	Required	EnvOpEx	200	1,630	3,100	100	-	5,030

2021 – 2025 Top 21 Projects



Project Name	Project Description	Discretionary	Asset Ty	2021	2022	2023	2024	2025	2021-25 Budget
Admin Bldg Design & Construction	Bldg improvements & repairs to existing POT/SH admin building. Alternatives could have been cost of new building or lease expense if moving to a commercial building	Discretionary	CapEx	4,841	-	-	-	-	4,841
Banana Yard Rail Switch Replacement	Replace 15 track switches	Discretionary	CapEx	3,950	320	-	-	-	4,270
Saltchuk Beach Design & Construction (parcel 83)	Potential reuse of dredge spoils to construct a shallow water restoration site for salmon habitat	Discretionary	Land	-	125	125	2,000	2,000	4,250
Parcel 2 Petroleum Remediation	Future clean up obligation of former Alexander Avenue Tank Farm on the Hylebos. Potential cost recovery from Potential Liable Parties. Part of PSE leasehold property for LNG plant.	Required	EnvOpEx	-	547	3,000	622	-	4,169
Blair Backup Environmental Liability (1988 and 2008 land swap)	Part of the Puyallup Tribe Land Claim Settlement. Remediation of future Port/Tribe development on the Tribal property on BHP	Required	EnvOpEx	-	-	500	3,526	-	4,026

2021 – 2025 Top 21 Projects



Project Name	Project Description	Discretionary	Asset Ty	2021	2022	2023	2024	2025	2021-25 Budget
Roadway Infrastructure Funding (<i>placeholder</i>)	Funds for Commission to contribute to regional road projects. Added based on prior commission request.	Discretionary	NonOpEx	1,000	1,000	1,000	1,000	-	4,000
Thorne Rd Stormwater Improvements & CY Design	Potential development of infrastructure for land to be further developed by NWSA. No revenue in budget as negotiation with NWSA has not been completed.	Discretionary	CapEx	-	1,664	1,629	-	-	3,293
Lincoln Ditch (1988 & 2008 land swap)	Part of the Puyallup Tribe Land Claim Settlement. Remediation of future Port/Tribe development on Tribal property on BHP	Required	Land	-	276	2,332	108	-	2,716
Parcel 15 (Portac) Remediation - Phase 1 Stormwater repair	Agreed Order for future clean up obligation on property purchased from Portac.	Required	EnvOpEx	290	2,000	-	-	-	2,290

2021 – 2025 Top 21 Projects



Project Name	Project Description	Discretionary	Asset Type	2021	2022	2023	2024	2025	2021-25 Budget
PQ Cleanup and Cost Recovery (parcel 114)	Requiring prior property owner to clean up	Required	Land	-	2,100	-	-	-	2,100
EBC Bldg 9532 Siding Replacement	Existing building has failing siding. Revenue model.	Discretionary	CapEx	2,050	-	-	-	-	2,050
Admin Bldg Roof Replacement	Bldg improvements & repairs to existing POT/SH admin building. Alternatives could have been cost of new building or lease expense if moving to a commercial building	Discretionary	CapEx	1,545	-	-	-	-	1,545
POT Municipal Stormwater Permit Program (MS4)	State Permit requirement for Stormwater	Required	EnvOpEx	288	254	254	275	270	1,341
Stewardship & Public Outreach (all sites)	Ongoing upkeep of Port habitat sites, including trash removal and weed control, etc.	Discretionary	EnvOpEx	225	200	200	250	250	1,125
Admin Bldg Restroom Improvements	Bldg improvements & repairs to existing POT/SH admin building. Alternatives could have been cost of new building or lease expense if moving to a commercial building	Discretionary	CapEx	825	-	-	-	-	825

Detailed Project list by priority and category

2021-2025 Required CIP Project List (\$000)



Asset Type	New categorization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
		▢ IDF Switch Replacement - Security (placeholder) (2025 only)	Replace obsolete technology	-	-	-	-	200	200
		Miscellaneous Total		-	-	-	-	200	200
		CapEx Total		-	-	-	-	200	200
▢ EnvOp	▢ Beyond	▢ Upper Clear Creek Mitigation Bank	Mitigation bank to provide mitigation credits for future POT or NWSA development	35	36	37	38	40	186
		▢ USACE WRDA Funding	US Army Corps of Engineers Water Resource Districting Act. Funds to expedite Federal permit review	25	25	25	25	25	125
		Beyond Compliance Total		60	61	62	63	65	311
	▢ Habitat	▢ Upper Clear Creek Habitat Monitoring (parcel 73/82)	Consent Decree required monitoring	80	45	80	45	45	295
		▢ Advanced Mitigation Monitoring (Parcel 88)	Consent Decree required monitoring - Place of Circling Waters	13	5	2	-	-	20
		▢ Alexander Wetland Restoration Monitoring (parcel 10)	Consent Decree required monitoring	37	15	15	40	10	117
		▢ NRDA/Parsons Habitat Monitoring (Parcel 88)	Consent Decree required monitoring - Place of Circling Waters	1	1	-	-	-	2
		▢ Hylebos Creek (LAGS) Mitigation Monitoring (Parcel 88)	Monitoring activities consistent with plan requirements at the LAGS compensatory mitigation site at part of parcel 88.	13	5	2	-	-	20
		▢ Parcel 14 Habitat Monitoring	Future required monitoring	-	15	45	45	45	150
		Habitat Monitoring Total		144	86	144	130	100	604

2021-2025 Required CIP Project List (\$000)



Asset Type	New category ization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
		Blair Backup Environmental Liability (1988 and 2008 land swap)	Part of the Puyallup Tribe Land Claim Settlement. Remediation of future Port/Tribe development on the Tribal property on BHP	-	-	500	3,526	-	4,026
	remed	Parcel 1b (EBC) Investigation	Early Business Center cleanup. Expect Consent Decree to be issued shortly.	45	-	-	-	-	45
		Parcel 91 Cleanup Investigation & Cost Recovery	Investigation of contamination and Brown and Haley property cost recovery efforts	17	-	-	-	-	17
		Legacy UST Management	Management of Underground Storage Tanks on Port owned property as required by Health Department and Ecology	40	40	40	40	40	200
		US Gypsum Cleanup Investigation - 3rd Party Coordination (parcel 76)	Oversight of prior owners clean up	14	13	13	13	13	66
		Parcel 103 (Steam Plant) Cost Recovery	Cost recovery from Tacoma Power for investigation work at former Steam Plant property	25	-	-	-	-	25
		Parcel 2 Petroleum Cost Recovery	Cost recovery for pending clean up from prior owners	38	24	-	-	-	62
		Parcel 2 Petroleum Remediation	Future clean up obligation of former Alexander Avenue Tank Farm on the Hylebos. Potential cost recovery from Potential Liable Parties. Part of PSE leasehold property for LNG plant.	-	547	3,000	622	-	4,169
		Parcel 15 (Portac) Remediation - Phase 1 Stormwater repair	Agreed Order for future clean up obligation on property purchased from Portac.	290	2,000	-	-	-	2,290
		remediation Total		829	4,431	6,753	4,351	103	16,467

2021-2025 Required CIP Project List (\$000)



Asset Type	New category ization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
		Blair Backup Cleanup Monitoring	Consent Decree required monitoring	11	27	12	28	13	91
		Union Pacific Monitoring (parcel 69)	Consent Decree required monitoring	5	19	5	8	12	49
		Pony Enviromental Cap Monitoring (parcel 86)	Consent Decree required monitoring	5	24	5	25	5	64
		Wasser Winters Cleanup Monitoring (parcel 47)	Consent Decree required monitoring	39	30	18	39	19	145
		Murray Pacific Enviro Cap Monitoring (parcel 25)	Consent Decree required monitoring	15	26	5	27	15	88
		Cascade Timber No. 3 Cleanup Monitoring (parcel 30)	Consent Decree required monitoring	14	19	5	20	16	74
		Time Oil Groundwater Monitoring (parcel 27)	Consent Decree required monitoring	-	18	-	18	-	36
		Parcel 103 (Steam Plant) Monitoring	Future monitoring of potential clean up of Steam Plant property	-	-	-	-	212	212
		Parcel 2 Petroleum Monitoring	Future monitoring of pending clean up of former Alexander Avenue Tank Farm on the Hylebos	-	-	-	-	310	310
		Parcel 1b (EBC) Monitoring	Future monitoring of pending clean up of Early Business Center	-	106	106	62	62	336
		Remediation Monitoring Total		244	430	346	388	825	2,233

2021-2025 Required CIP Project List (\$000)



Asset Type	New category ization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
	<input checked="" type="checkbox"/> Storm	<input checked="" type="checkbox"/> POT ISGP Program Management	Industrial Stormwater General Permit required	26	25	25	25	30	131
		<input checked="" type="checkbox"/> POT Municipal Stormwater Permit Program (MS4)	State Permit requirement for Stormwater	288	254	254	275	270	1,341
Stormwater Compliance Total				314	279	279	300	300	1,472
EnvOpEx Total				1,591	5,287	7,584	5,232	1,393	21,087
<input checked="" type="checkbox"/> Land	<input checked="" type="checkbox"/> Habitat	<input checked="" type="checkbox"/> UCC Site Expansion Land Acquisition/CE	Land acquisitions or conservation easement agreements to expand Upper Clear Creek mitigation site	-	90	-	-	-	90
Habitat/ Mitigation Dev Total				-	90	-	-	-	90
	<input checked="" type="checkbox"/> remed	<input checked="" type="checkbox"/> PQ Discharge Investigation (parcel 114)	Investigate remedies for clean up from previous operation at Taylor and 11th St	125	-	-	-	-	125
		<input checked="" type="checkbox"/> Lincoln Ditch (1988 & 2008 land swap)	Part of the Puyallup Tribe Land Claim Settlement. Remediation of future Port/Tribe development on Tribal property on BHP	-	276	2,332	108	-	2,716
		<input checked="" type="checkbox"/> PQ Cleanup and Cost Recovery (parcel 114)	Requiring prior property owner to clean up contamination from their previous operation on property located at Taylor and 11th St	-	2,100	-	-	-	2,100
remediation Total				125	2,376	2,332	108	-	4,941
Land Total				125	2,466	2,332	108	-	5,031

2021-2025 Required CIP Project List (\$000)



Asset Type	New categorization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
<input checked="" type="checkbox"/> NonOp	<input checked="" type="checkbox"/> Comm	<input checked="" type="checkbox"/> Tideflats Subarea Plan (amt's shown in 2020-22 are for cash, already recorded exp)	Port contribution to for Subarea Plan	225	200	-	-	-	425
		<input checked="" type="checkbox"/> Waterway Park Contribution (maybe cash pmt in 2024, record exp in 2Q21 which is when it has to be fully funded)	Contribution as requested by Commission	250	-	-	-	-	250
		Commission Total		475	200	-	-	-	675
	<input checked="" type="checkbox"/> remed	<input checked="" type="checkbox"/> Hylebos Segs 3, 4 and 5 Reporting, Tracking, Oversight (Mouth of Hylebos)	Consent decree required reporting	5	-	-	-	-	5
		<input checked="" type="checkbox"/> Head of Hylebos Cleanup (Arkema)	Clean up completed, sampling done to evaluate performance. Waiting on EPA before drafting OMMP.	30	-	-	-	-	30
		remediation Total		35	-	-	-	-	35
	<input checked="" type="checkbox"/> Remed	<input checked="" type="checkbox"/> Pier 24 & 25 Bank Cleanup Monitoring	Consent Decree requirement to monitor cap integrity. Wharf leased to Trident.	12	10	350	10	10	392
		<input checked="" type="checkbox"/> Hylebos Cleanup Monitoring (Mouth of Hylebos)	Consent Decree required monitoring	60	61	61	61	61	304
		<input checked="" type="checkbox"/> Maytown Remediation Monitoring	Agreed Order required monitoring	17	20	20	20	20	97
		<input checked="" type="checkbox"/> Head of Hylebos Monitoring	Consent Decree required monitoring. Awaiting EPA & Ecology to approve monitoring plan.	85	85	20	85	20	295
		Remediation Monitoring Total		174	176	451	176	111	1,088
NonOpEx Total				684	376	451	176	111	1,798

2021-2025 Required CIP Project List (\$000)



Asset Type	New category ization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
<input type="checkbox"/> OpEx	<input type="checkbox"/> Maint	<input type="checkbox"/> Parcel 86 Bank Stabilization	Repair and stabilize bank on Hylebos due to erosion. Will protect operations and environmental cap.	728	-	-	-	-	728
		Maintenance Total		728	-	-	-	-	728
	<input type="checkbox"/> Misc	<input type="checkbox"/> Wasser Winters Cap Repair (parcel 47)	Cap repair per Consent Decree	-	50	50	50	50	200
		Miscellaneous Total		-	50	50	50	50	200
OpEx Total				728	50	50	50	50	928
Grand Total				3,128	8,179	10,417	5,566	1,754	29,044

2021-2025 Discretionary CIP Project List (\$000)



Asset Type	New Category	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
CapEx	Infrastructure	Thorne Rd Stormwater Improvements & CY Design	Potential development of infrastructure for land to be further developed by NWSA. No revenue in budget as negotiation with NWSA has not been completed.	-	1,664	1,629	-	-	3,293
		Admin Bldg Physical Security Enhancements (PSGP2019)	Installation of physical security enhancements to POT/SH admin bldg. Grant funds awarded to cover 25% of allowable costs.	330	-	-	-	-	330
		CCTV Expansion (PSGP2019)	Install cameras where we currently lack coverage. Grant funds will cover 25% of allowable costs.	251	-	-	-	-	251
		Conference Rooms Equipment (multiple locations, POT & NWSA)	Upgrade equipment in conference rooms at Admin, Fab Center, & T46	190	-	-	-	-	190
Infrastructure Total				771	1,664	1,629	-	-	4,064
	Land	1171 Taylor Wy Stormwater & Surface Improvements	Install catch basins, stormwater pipe & remove asphalt & gravel & replace	458	-	-	-	-	458
Land Total				458	-	-	-	-	458

2021-2025 Discretionary CIP Project List (\$000)



Asset Type	New category ization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
	▢ Maintenance	▢ Vehicle Purchases - All Departments (2021 only)	Ongoing auto/truck fleet program on a 5 year cycle by year	350	-	-	-	-	350
		▢ Vehicle Purchases - All Departments (2022 only)	Ongoing auto/truck fleet program on a 5 year cycle by year	-	350	-	-	-	350
		▢ Vehicle Purchases - All Departments (2023 only)	Ongoing auto/truck fleet program on a 5 year cycle by year	-	-	350	-	-	350
		▢ Vehicle Purchases - All Departments (2024 only)	Ongoing auto/truck fleet program on a 5 year cycle by year	-	-	-	350	-	350
		▢ Vehicle Purchases - All Departments (2025 only)	Ongoing auto/truck fleet program on a 5 year cycle by year	-	-	-	-	350	350
		▢ Admin Bldg Restroom Improvements	Bldg improvements & repairs to existing POT/SH admin building. Alternatives could have been cost of new building or lease expense if moving to a commercial building	825	-	-	-	-	825
		▢ Admin Bldg Roof Replacement	Bldg improvements & repairs to existing POT/SH admin building. Alternatives could have been cost of new building or lease expense if moving to a commercial building	1,545	-	-	-	-	1,545
		▢ Admin Bldg Design & Construction	Bldg improvements & repairs to existing POT/SH admin building. Alternatives could have been cost of new building or lease expense if moving to a commercial building	4,841	-	-	-	-	4,841
		▢ EBC Bldg 326 Window & Ceiling Grid Replacement & Painting	Replace windows & ceiling grid	816	-	-	-	-	816
		Maintenance Total		8,377	350	350	350	350	9,777

2021-2025 Discretionary CIP Project List (\$000)



Asset Type	New categorization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
	Operational	EBC Bldg 9532 Siding Replacement	Existing building has failing siding. Revenue model.	2,050	-	-	-	-	2,050
		Fab Center Lighting Upgrade	Upgrade lighting to LED to reduce energy consumption	420	-	-	-	-	420
		Operational Upgrades Total		2,470	-	-	-	-	2,470
	Support	Ford F550 Hi Rail Truck	Additional truck for track maintenance team. Improve efficiency and ability to work on track.	175	-	-	-	-	175
		Palo Alto Firewall Replacement (2025 only)	Replace obsolete technology	-	-	-	-	672	672
		Wireless Network Upgrade (Controller & WAPS) (placeholder)(2023 only)	Replace obsolete technology	-	-	300	-	-	300
		Server Equipment Replacements (placeholder) (2021 only)	Replace obsolete technology	100	-	-	-	-	100
		Server Equipment Replacements (placeholder) (2023 only)	Replace obsolete technology	-	-	200	-	-	200
		Data Storage Equipment (SAN's) (placeholder) (2024 only)	Replace obsolete technology	-	-	-	125	-	125
		IDF Switch Replacement - Admin (placeholder) (2024 only)	Replace obsolete technology	-	-	-	200	-	200
		MDF Switch Replacement (placeholder) (2023 only)	Replace obsolete technology	-	-	250	-	-	250
		Audio Codes Replacement (placeholder) (2024 only)	Replace obsolete technology	-	-	-	100	-	100
		HP SAN Switches Replacement (placeholder) (2023 only)	Replace obsolete technology	-	-	150	-	-	150
		Maximo Enhancements (mobile & inventory)	Improved technology for inventory control for maintenance	377	-	-	-	-	377

2021-2025 Discretionary CIP Project List (\$000)



Asset Type	New categorization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
		Maximo Mobile Devices	Improve efficiency for maintenance staff to access Maximo (maintenance software) with mobile technologies	64	-	-	-	-	64
		Maximo Enhancements Pilot	Improve efficiency for maintenance staff to access Maximo (maintenance software) with mobile technologies	112	-	-	-	-	112
		Injury & Incident Management System	Replace inefficient software (Claim Jumper) to track workers' compensation claims.	70	-	-	-	-	70
		Spreader Bay Doors	Improve ability to maintain crane and strad spreaders. Current curtain system doesn't provide required temperature control for welding, making maintenance difficult.	239	-	-	-	-	239
		Key Control & Management System	Replace obsolete key management system. Several master keys are missing. This will improve security and control.	175	-	-	-	-	175
		Maintenance Backup Generator	Provide maintenance building backup generator to keep operations going if power is lost. The Admin building has a backup generator.	-	302	-	-	-	302
		Banana Yard Rail Switch Replacement	Replace 15 track switches	3,950	320	-	-	-	4,270
Support Systems Total				5,262	622	900	425	672	7,881
CapEx Total				17,338	2,636	2,879	775	1,022	24,650

2021-2025 Discretionary CIP Project List (\$000)



Asset Type	New categorization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
EnvOp		POT Environmental Sustainability Initiatives	Opportunities to reduce POT environmental footprint	100	150	155	165	170	740
Ex	Air Qu	Electrification Roadmap - POT	Study to plan infrastructure investments to power POT/NWSA SH operations w/ clean energy	25	25	-	-	-	50
		Air Quality Total		125	175	155	165	170	790
	Beyon	Potential Property Acquisition Environmental Due Diligence	Environmental consulting, if needed, for potential property acquisition	50	50	50	50	50	250
		Invasive Species Action	Snail eradication efforts (ongoing)	40	40	40	25	25	170
		Stewardship & Public Outreach (all sites)	Ongoing upkeep of Port habitat sites, including trash removal and weed control, etc.	225	200	200	250	250	1,125
		Environmental Analysis for Potential Port Development	Research and Development to support permitting of future facilities development. Mainly used for staff time.	120	120	120	120	120	600
		Environmental Compliance Program	Removal of derelict vessels and spill response funds	80	80	80	80	80	400
		Beyond Compliance Total		515	490	490	525	525	2,545
	remed	Parcel 2 Petroleum Investigation	Investigate remedies for clean up of former Alexander Avenue Tank Farm on the Hylebos. Potential cost recovery from Potential Liable Parties. Part of PSE leasehold property for LNG plant	50	24	-	-	-	74
		Parcel 1A UST	Underground Storage Tank investigation at TOTE	40	-	-	-	-	40
		CanAm Cleanup Investigation (parcel 115)	Oversite of former tenant's clean up of property on Blair Waterway	31	-	-	-	-	31

2021-2025 Discretionary CIP Project List (\$000)

Asset Type	New categorization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
		☐ Taylor Wy & Alexander Ave Fill Area Investigation (parcel 95, 111 & 117)	Funds to investigate sources of contamination. Required to clear property for future development	76	-	-	-	-	76
		☐ Parcel 40 Site Investigation	Investigation of existing petroleum plume	13	-	-	-	-	13
		☐ Parcel 105 UST Investigation	Underground Storage Tank investigation at W. Hylebos Log Dock	64	131	-	-	-	195
		remediation Total		274	155	-	-	-	429
		☐ Arkema Mound Remediation Monitoring (parcel 99)	Consent Decree required monitoring of completed cleanup	30	20	20	20	20	110
		Remediation Monitoring Total		30	20	20	20	20	110
		☐ Stormwater Sediment Source Tracing	Re-sampling in Hylebos, Blair & Sitcum waterways to verify no contamination in our stormwater system	40	40	40	40	40	200
		Stormwater Compliance Total		40	40	40	40	40	200
		☐ Programmatic Maintenance Permitting	Obtain 10 yr programmatic permit to conduct routine mnt work. Having permit will reduce time it takes to get a permit.	200	70	-	-	-	270
		Support Systems Total		200	70	-	-	-	270
EnvOpEx Total				1,184	950	705	750	755	4,344

2021-2025 Discretionary CIP Project List (\$000)



Asset Type	New categorization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
<input type="checkbox"/> Land	<input type="checkbox"/> Habitat	<input type="checkbox"/> Lower Wapato Creek Combined Habitat (parcel 14)	Develop habitat site for concurrent mitigation credits for potential Thorne Rd development. Puyallup Tribe expects Port to complete this effort.	10,685	1,000	1,750	600	-	14,035
		<input type="checkbox"/> Saltchuk Beach Design & Construction (parcel 83)	Potential reuse of dredge spoils to construct a shallow water restoration site for salmon habitat	-	125	125	2,000	2,000	4,250
Habitat/ Mitigation Dev Total				10,685	1,125	1,875	2,600	2,000	18,285
	<input type="checkbox"/> Land	<input type="checkbox"/> Land Acquisitions	Unspecified land purchase. No revenue included in operating budget. Recommend any increase in this budget include some estimate of revenue from the type of property to be purchased	10,000	-	-	-	-	10,000
Land Total				10,000	-	-	-	-	10,000
	<input type="checkbox"/> Operational	<input type="checkbox"/> POT Unallocated Capital Improvements (placeholder)	Budget for unplanned capital projects. Based on historical amounts	3,000	3,000	3,000	3,000	3,000	15,000
Operational Upgrades Total				3,000	3,000	3,000	3,000	3,000	15,000

2021-2025 Discretionary CIP Project List (\$000)



Asset Type	New categorization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
	remediation	Arkema Manufacturing Area Investigation (parcel 99)	Investigate remedies for clean up of Arkema property	300	189	-	-	-	489
		Parcel 103 (Steam Plant) Site Investigation	Investigation work on former Steam Plant property purchased from COT	-	120	178	148	-	446
		Parcel 103 (Steam Plant) Remediation	Future clean up pending cost recovery from Tacoma Power for their contamination of the Steam Plant property	-	-	-	80	442	522
		Parcel 91 Cleanup Investigation	Remedial investigation and feasibility study to select most cost effective solution to clean up former Brown and Haley site	60	88	102	395	-	645
		Arkema Mfg North Boundary Area FS & Design (parcel 99)	Future clean up obligation. Potential cost recovery from Potential Liable Parties	400	118	4,300	675	-	5,493
remediation Total				760	515	4,580	1,298	442	7,595
Land Total				24,445	4,640	9,455	6,898	5,442	50,880
NonOp	Ex	Infrastructure	Roadway Infrastructure Funding (placeholder)	1,000	1,000	1,000	1,000	-	4,000
Infrastructure Total				1,000	1,000	1,000	1,000	-	4,000
		Maintenance	Maytown Operating Oversight	130	130	130	130	130	650
Maintenance Total				130	130	130	130	130	650
		Support Systems	Maytown Property Sale Project	10	-	-	-	-	10
Support Systems Total				10	-	-	-	-	10
NonOpEx Total				1,140	1,130	1,130	1,130	130	4,660

*Arkema project is changed to 'required'

2021-2025 Discretionary CIP Project List (\$000)

Asset Type	New categorization	Project Name	Project Description	Y2021 Budget	Y2022 Budget	Y2023 Budget	Y2024 Budget	Y2025 Budget	Total 2021-25 Budget
<input checked="" type="checkbox"/> OpEx	<input checked="" type="checkbox"/> Demol	<input checked="" type="checkbox"/> 459 E 15th St Bldg Demolitions (Bearwood & Museum, parcel 92)	Demolition of derelict buildings	490	-	-	-	-	490
		<input checked="" type="checkbox"/> 2220 11th St Bldg Demolition	Demolition of derelict building. Land purchased in preparation for terminal development along 11th St. Payback of 5 years	484	-	-	-	-	484
		Demolition Total		974	-	-	-	-	974
	<input checked="" type="checkbox"/> Misce	<input checked="" type="checkbox"/> Encampment Cleanup (all sites)	Response & cleanup to illegal trespass, dumping & encampments	50	50	50	50	50	250
		<input checked="" type="checkbox"/> Admin Building Shoreline Repair	Repair & stabilize shoreline	127	-	-	-	-	127
		Miscellaneous Total		177	50	50	50	50	377
	<input checked="" type="checkbox"/> Opera	<input checked="" type="checkbox"/> POT Unanticipated Repairs/Misc Expenses (placeholder)	Budget for unplanned expense projects. Based on historical amounts. Frequently, projects planned to complete in prior year carry over to budget year.	1,500	1,500	1,500	1,500	1,500	7,500
	<input checked="" type="checkbox"/> Suppo	<input checked="" type="checkbox"/> Asset Management	Funds to develop an asset management program	40	40	40	40	40	200
		<input checked="" type="checkbox"/> FMS/MTIS Replacement	Current system will have no vendor support.	350	-	-	-	-	350
		Support Systems Total		390	40	40	40	40	550
OpEx Total				3,041	1,590	1,590	1,590	1,590	9,401
Grand Total				47,148	10,946	15,759	11,143	8,939	93,935