



2024 BUDGET DIGEST

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BOARD OF COMMISSIONERS



Jeff Wilson, District 1



Doug Averett, District 2



Allan Erickson, District 3



Dan Stahl
Chief Executive Officer



Jennifer Brown
Chief Financial & Admin Officer

COMMISSION SETS GOALS, ADOPTS BUDGET

Washington State's 1911 Port District Act established ports as independent governments charged with preserving public ownership and managing operations on prime real estate for the economic benefit of communities they represent.

Ports are governed by a board of locally-elected commissioners that establish the overall direction of the Port through plans and policies, like the Strategic/ Master Plan and financial policies. Then, via the annual budget adoption, the Commission allocates financial resources to key infrastructure projects and cargo handling investments that move the Port closer to achieving the goals established in the Port's planning documents.

It's the combination of the Board's plans, policies and budget that ensure the Port is headed toward achieving long-term goals, generating economic benefits and jobs for our community and connecting cargo with international markets.



2021 STRATEGIC BUSINESS PLAN GOALS

GOAL 1. Increase revenues, job opportunities, and facility utilization at the non-leased marine terminals.

GOAL 2. Achieve a positive financial return for each asset within the Leased Marine Terminal Portfolio.

GOAL 3. Increase productive use of and financial return from Non-Marine Industrial Development / Leased Properties

GOAL 4. Consider commercial and industrial investment opportunities outside of the Port's core property holdings that provide a positive financial return and/or complement the Port's mission and community, economic, or environmental objectives.

GOAL 5. Actively participate in economic development initiatives that benefit the community.

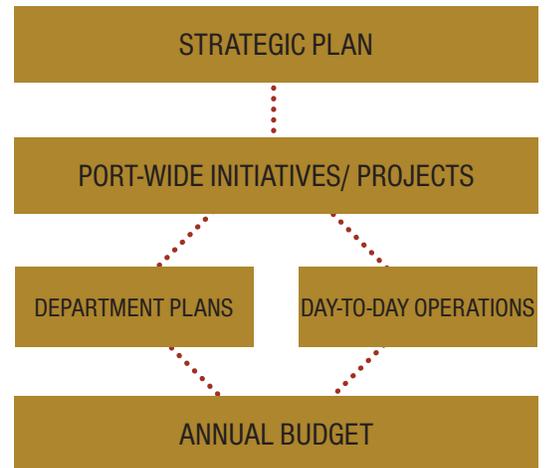
GOAL 6. Provide public access and recreation opportunities for the benefit of the Port community.

GOAL 7. Raise awareness of the Port's purpose, activities, and benefits to the economy.

GOAL 8. Provide a strategic approach to environmental compliance and stewardship, infrastructure investment, and public awareness.

GOAL 9. Identify funding to support strategic business plan goals and strategies.

GOAL 10. Increase emergency preparedness and continue to expand the Port's safety program.



The full Strategic Business Plan can be found on the Port's website

2024 BUDGET SNAPSHOT

For 2024, the Port of Longview Board of Commissioners adopted a budget that continues to implement the Port's Strategic Business Plan and focuses on the continued operation of a working port that generates economic benefits for the community.

The 2024 budget assumes an increase in capital projects and Berth 2 bulk exports and a decrease in import project cargo activity.

Expenditures are budgeted at \$86 million consist of:

- \$35.2 million in capital investments, which includes Phase I construction of the Industrial Rail Corridor Expansion
- \$49.7 million in operating expenses, including \$440,338 for Willow Grove Park
- \$646 thousand in debt service
- \$527 thousand in non-operating expenses

The 2024 – 2027 Capital Improvement Plan continues to address facility maintenance, operational equipment needs and rail capacity. The plan includes 53 projects that advance the Strategic Plan, highlights include:

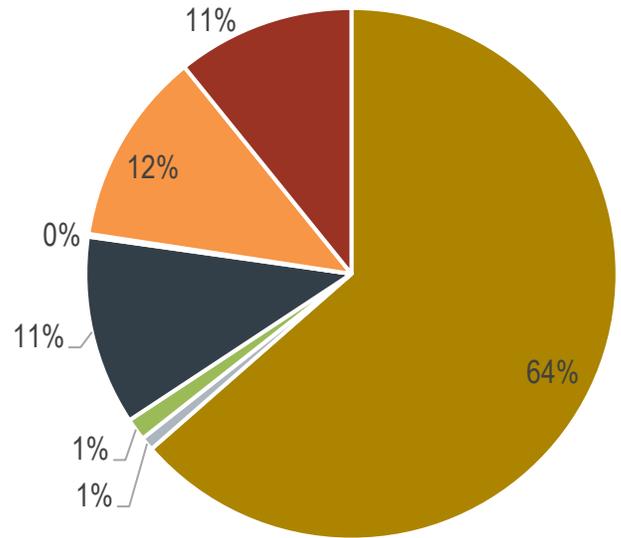
- Industrial Rail Corridor Expansion (IRCE), adds critical rail capacity to support both the Port's current customer base and their long-term growth forecasts, as well as capitalizes on future market opportunities
- Cargo handling equipment, investments in equipment that support safe and efficient cargo handling of over-dimensional and heavy-lift project cargo
- Advanced wetland mitigation, preserves and improves natural habitat that will allow continued growth in other areas of the Port

Revenues are budgeted at \$56.7 million, including:

- \$54.7 million in operating revenue from marine terminal activity and industrial properties
- \$1.3 million in non-operating revenue
- \$710 thousand in property tax collection

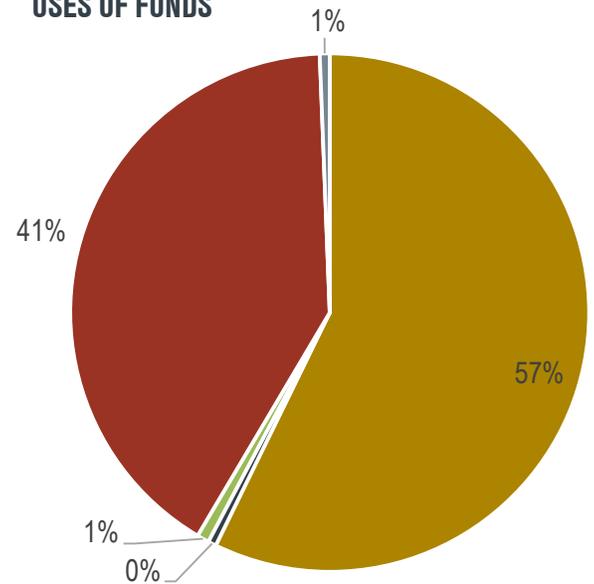
In the 2024 budget, earned revenue covers all the day to day expenses and the capital budget. The public tax levy is dedicated to the public use of Willow Grove Park and Boat Launch.

SOURCES OF FUNDS



- Operating Revenues
- Bonds/Loans
- From General Fund/Cash Reserves
- Interest Earnings
- Grants/Contributions
- Other

USES OF FUNDS



- Operating Expenses
- Capital Projects
- Debt Service
- Willow Grove Expenses
- Non-Operating

2024 INVESTMENTS & MAINTENANCE PROJECTS

Just a few of the many planned projects coming in 2024

ROADWAYS & PAVING

The Port's maintenance crew takes care of all the roadways on Port property. Having well-maintained roads makes it efficient and smooth for trucks moving cargo in and out of the Port.

2024 Budget: \$589,000

EQUIPMENT & FLEET MANAGEMENT

For cargo operations and facilities maintenance, planned fleet additions this year include: replacement fleet pick-ups, two small lift trucks, a 700-class lift truck, dump truck & maintenance trailer.

2024 Budget: \$1,716,868

DOCK MAINTENANCE & CONSTRUCTION

Dock maintenance is integral to Port operations. By having reliable dock infrastructure, the Port is able to handle various types of cargo. Each year, the Port's maintenance crew inspects the fender piles that make up the Port's dock system.

2024 Budget: \$1,128,300

2024 Budget: \$1,500,000

RAIL MAINTENANCE

It is crucial the Port has reliable and efficient rail infrastructure for customers moving their cargo. The Port performs monthly inspections on the entire Port rail system, ensuring the Port's railroads are functioning safely and properly.

2024 Budget: \$834,850

UTILITY MAINTENANCE & NEW SYSTEMS

Staff and the maintenance crew inspects and maintains Port utility systems, including: water mains, fire sprinkler systems, electrical systems, telephone lines, storm sewer and sanitary sewer systems. New electrical and water upgrades are planned in 2024, in addition to regular maintenance.

2024 Budget: \$529,000

2024 Budget: \$400,000

CAPITAL BUDGET EXPENDITURE

OPERATING BUDGET EXPENDITURE

SURVEYS, ASSESSMENTS & SOFTWARE

In 2024, the Port will complete topographic and property surveys, as well as an electrical assessment to better meet future needs. Additionally, the Port will upgrade financial management software to meet ever-changing technology demands.

2024 Budget: \$402,700

2024 Budget: \$750,000

LIGHTING PROJECTS

Lighting projects for Berth 8, the laydown yard and Berth 4 are planned to improve energy efficiency and safety.

2024 Budget: \$773,000

INDUSTRIAL RAIL CORRIDOR EXPANSION

The Industrial Rail Corridor Expansion (IRCE) project is set to begin Phase I construction in 2024. This project is the largest capital project at the Port to date and will double the Port's rail capacity, creating more economic activity for the region.

2024 Capital Budget: \$26,702,827

Expended to Date: \$ 5,082,629

Total Project Cost: \$104.6 million

More on the IRCE on page 6



EXPANSION JOINT PROJECT

Updates are required at Berths 6 and 7 to maintain environmental systems and ensure continued dock capacity.

2024 Budget: \$300,000

ENVIRONMENTAL UPGRADES & PROJECTS

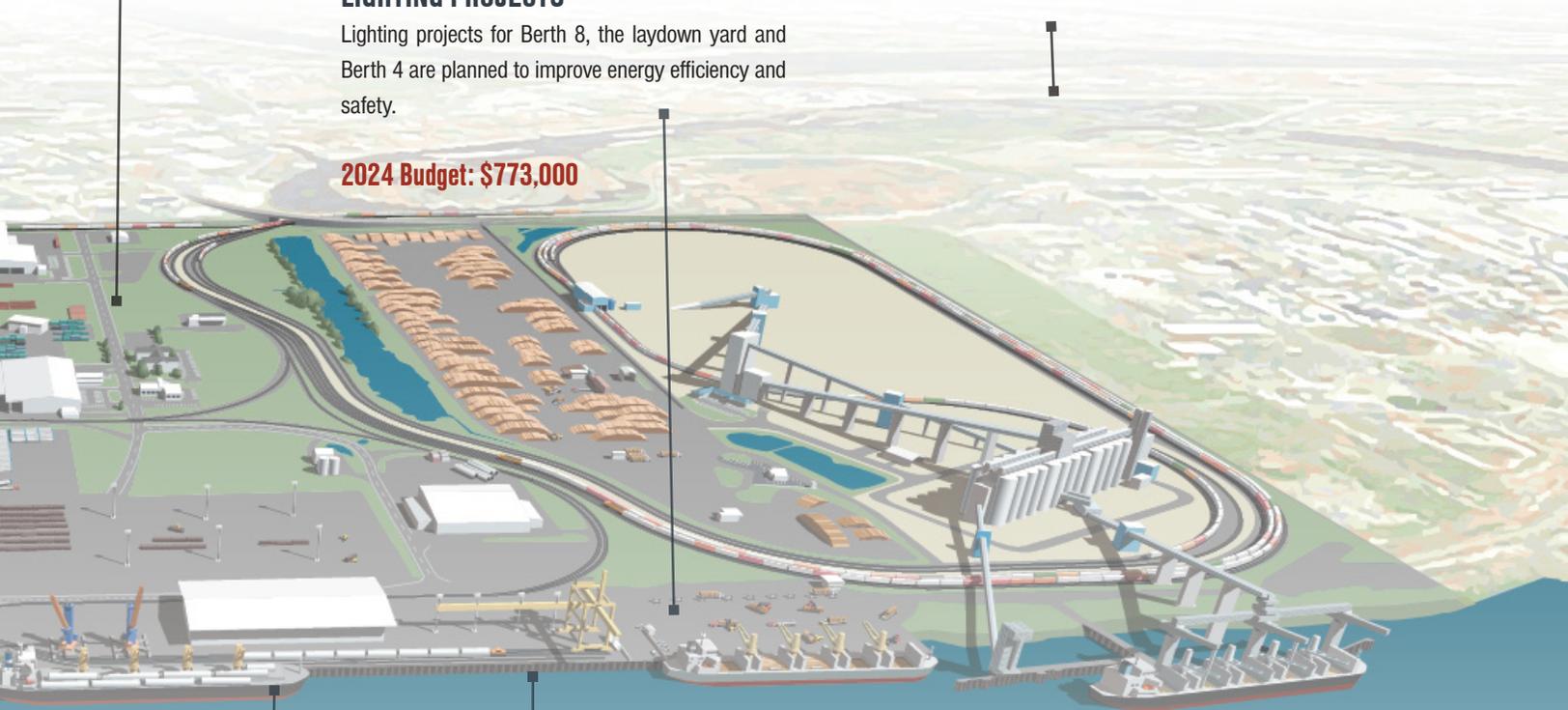
The Port's ability to responsibly handle cargo largely rests with the physical environmental systems in place to process stormwater/ wastewater. Expanding the systems and increasing their capacity will allow the Port to handle a wider range of cargos.

2024 Budget: \$700,352

DREDGING

It is extremely critical the Port maintains the depth at its berths on the Columbia River in order for vessels to dock. Once a quarter, the Port assesses the draft depth at each berth and dredges as necessary. The Columbia River navigation channel is 43-feet-deep and if the draft depth is not sufficient, river pilots will not bring vessels to the Port.

2024 Budget: \$782,500



INDUSTRIAL RAIL CORRIDOR EXPANSION

In 2004, the Port of Longview completed construction of the Industrial Rail Corridor, which connected the Port directly to mainline rail service. As intended, the new rail link spurred exponential growth -- attracting the nation's newest grain export terminal and increasing cargo tonnage across the docks by more than 500%. Nearly 20 years after its initial construction, a major expansion is necessary to keep up with customer and market demands.

PROJECT COMPONENTS

The multi-year expansion project builds a new six-track rail bed adjacent to the existing corridor, adds two 8,500' rail tracks and increases the length of the current tracks from 7,500' to 8,500' to accommodate growing, full-length unit trains. As capacity needs increase, additional tracks will be added to the already prepared rail bed. Completion of the expansion project will double freight capacity through the corridor, capitalize on the Port's geographic location and generate significant economic benefits for the local community.

PLANNING & PLANTING

In addition, the Port owns 92 acres of property used for wetland mitigation in association with the construction of the Industrial Rail Corridor's expansion. Since 2018, the Port has monitored the site and planted over 20,000 willows to offset Port development projects. Without implementation of the wetlands, wetland bank credits would need to be purchased at higher cost to the Port. In 2024, the Port will use a vast majority of its wetlands credits for the IRCE.

Port rail project gets grant

\$16 million in federal flowing quickly in and out of the Port of Longview - holder

PHASE I FUNDING STRATEGY

The Industrial Rail Corridor Expansion (IRCE) project is the Port's largest financial investment in more than a century. The magnitude of the project requires the Port to seek funding from multiple outside sources.

Currently, revenue from operations will fund the Port's direct investment - not the Port's property tax levy collections. By taking out a loan/bond, the Port is pledging full faith and credit of the Port to honor its debt.

ASSISTANCE AWARDED TO DATE

Rebuilding Americas Infrastructure with Sustainability and Equity (RAISE)
\$16 million

Congressionally Directed Spending
\$2.5 million

National Highway Freight Program (NHFP)
\$2 million

Cowlitz County Rural Development Grant
\$2 million

State Freight Rail Assistance Program (FRAP)
\$2 million

PORT REVENUE

16%

BOND/LOANS

57%

FEDERAL GRANTS

23%

STATE/LOCAL GRANTS

4%

PROJECT	2016 - 2022	2023	2024	2025	2026	2027	FUTURE (2029+)	2024-2029
Phase I - Permitting & Engineering	\$ 4,138,415	\$ 741,466	\$1,600,000	\$ 740,000	\$760,000	\$170,000		\$ 8,153,295
Phase I - Land Acquisition	\$ 129,333	\$ 70,000	\$ 8,050,000					\$ 8,249,333
Phase I - Construction			\$17,052,827	\$ 23,447,637	\$ 23,447,637	\$ 7,105,345		\$ 71,053,447
Phase II - Additional Rail Lines							\$ 17,097,005	\$ 17,097,005
TOTAL:	\$ 4,267,748	\$ 811,466	\$ 26,702,827	\$ 24,187,637	\$ 24,207,637	\$ 7,275,345	\$ 17,097,005	\$ 104,553,081



**WEYERHAEUSER
(PRIVATE BUSINESS)**

PORT OF LONGVIEW

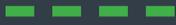
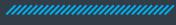
**WESTROCK
(PRIVATE BUSINESS)**

INDUSTRIAL WAY

INDUSTRIAL WAY

3RD AVENUE

TENANT WAY

-  **INDUSTRIAL RAIL CORRIDOR**
-  **INDUSTRIAL WAY**
-  **INTERSTATE 5**
-  **BNSF/ UP MAINLINE RAILROAD**
-  **AT-GRADE CROSSING**
-  **"REYNOLDS" LEAD**

