



2025 BUDGET DIGEST

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Dan Stahl
Chief Executive Officer



Jennifer Brown
Chief Administrative and
Financial 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.

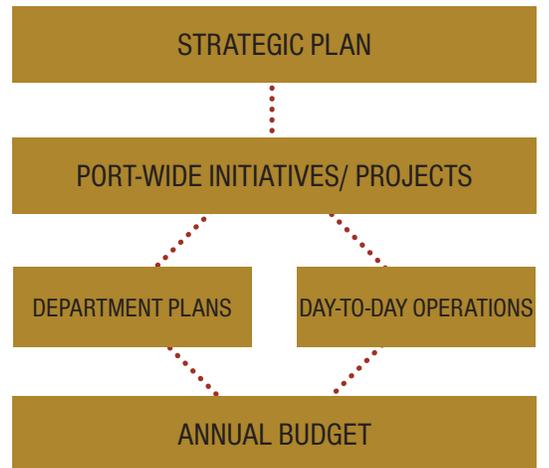
GOAL 6. Provide public access and recreation opportunities for the benefit of the Port community.

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.

2025 BUDGET SNAPSHOT

For 2025, 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 2025 budget assumes an increase in capital projects and a decrease in export cargo activity.

Expenditures are budgeted at \$89.7 million consist of:

- \$38.6 million in capital investments, which includes 20.1 million for Phase I construction of the Industrial Rail Corridor Expansion
- \$49.8 million in operating expenses, including \$445,250 for Willow Grove Park
- \$642 thousand in debt service
- \$712 thousand in non-operating expenses

The 2025 – 2029 Capital Improvement Plan continues to address facility maintenance, operational needs and rail capacity. The plan includes 72 projects that advance the Strategic Plan, highlights include:

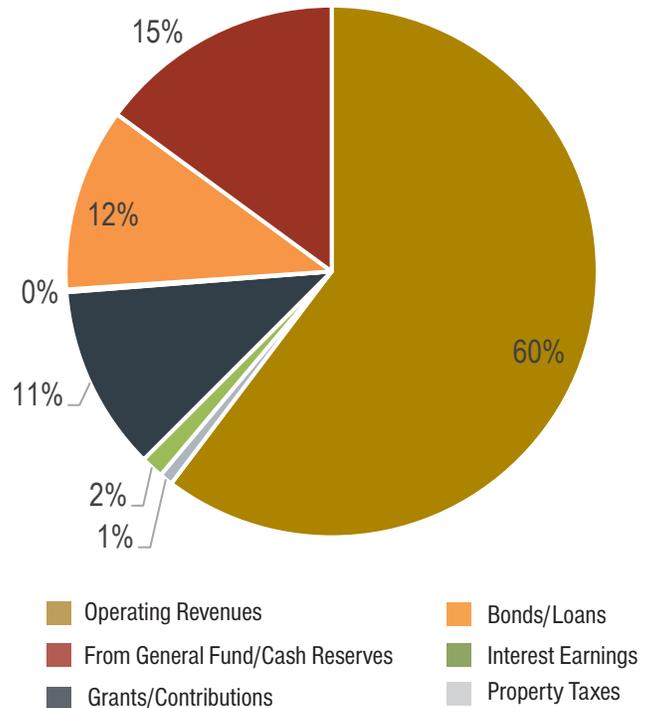
- Industrial Rail Corridor Expansion (IRCE), adds critical rail capacity to support both the Port's current customer base and their long-term growth forecasts, as well as capitalizes on future market opportunities
- Willow Grove Park improvements, provides the community with a park and boat launch area to enjoy waterfront access
- Advanced wetland mitigation, preserves and improves natural habitat that will allow continued growth in other areas of the Port

Revenues are budgeted at \$56.2 million, including:

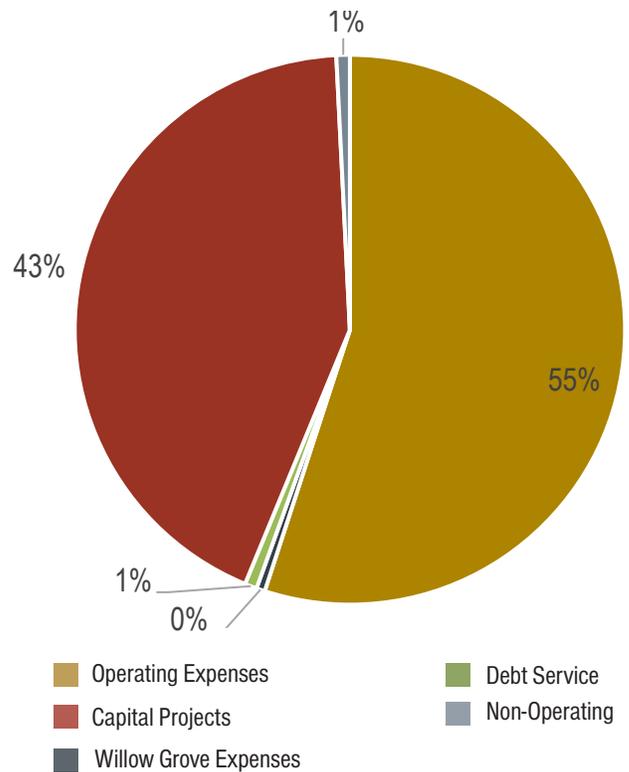
- \$54.1 million in operating revenue from marine terminal activity and industrial properties
- \$1.4 million in non-operating revenue
- \$733 thousand in property tax collection

In the 2025 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



USES OF FUNDS





INDUSTRIAL RAIL CORRIDOR EXPANSION KICKS OFF IN 2025 RIGHT ON TRACK

The Industrial Rail Corridor (IRC), constructed in 2004, is a 1.25-mile direct rail connection between the mainline and the Port of Longview. The connection expedites rail service to the Port and bypasses at-grade crossings that impact local vehicle traffic. As originally intended, the rail link spurred exponential growth by attracting the Nation's newest grain export terminal and increasing cargo tonnage across the docks by more than 500%.

Now, 20 years later, an expansion is necessary to:

- Improve rail service to the Port's marine terminals
- Support current tenant and customer rail growth
- Improve marketability of vacant property
- Increase efficiency of the Port's current rail system
- Increase storage within the Port's internal rail system
- Accommodate full-length unit trains
- Reduce emissions from a decrease in train idling time
- Improve rail safety via reduced rail switching

The expansion project will be completed in two phases. Phase I includes the construction of a six-track rail bed and two 8,500' tracks. Phase II will add the remaining four tracks. The project will also increase the overall length of the existing tracks from 7,500' to 8,500'.

PROJECT AREA

PROJECT	2016 - 2024	2025	2026	2027	2028	PHASE 2	2024-2029
Phase I - Permitting & Engineering	\$ 5.7	\$ 1.7	\$ 0.4	\$ 0.4	\$ 0.1		\$ 8.3
Phase I - Land Acquisition	\$ 5.0	\$ 2.1					\$ 7.1
Phase I - Construction		\$ 16.4	\$ 22.5	\$ 22.5	\$ 6.8		\$ 68.2
Phase II - Additional Rail Lines						\$ 17.2	\$ 17.2
TOTAL:	\$ 10.7	\$ 20.2	\$ 22.9	\$ 22.9	\$ 6.9	\$ 17.2	\$ 100.8

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
- Cowlitz Wahkiakum Council of Governments Surface Transportation Block Grant (STBG)
\$600k

GRANTS AWARDED FOR PHASE I

PORT REVENUE	BOND/LOANS
14.3%	55%
FEDERAL GRANTS	STATE/LOCAL GRANTS
25.9%	4.8%

2025 INVESTMENTS & MAINTENANCE PROJECTS

Just a few of the many planned projects coming in 2025

INTERNAL RAIL PROJECTS

In 2025, the Port plans to improve its internal rail system with rail projects that aim to accommodate leased berth export growth.

2025 Budget: \$8,505,000

EQUIPMENT & FLEET MANAGEMENT

For cargo operations and facilities maintenance, planned fleet additions this year include: replacement fleet pick-ups, a road grader and fuel truck upgrades.

2025 Budget: \$1,895,406

FENDER SYSTEM UPGRADES & DOCK MAINTENANCE

Dock maintenance is integral to Port operations. Every year, the Port's maintenance crew performs multiple inspections along the Port's dock system. In 2025, in addition to regular maintenance, the Port plans to replace the existing wooden fendering system at Berth 2 with a steel fender system.

2025 Budget: \$655,000

2025 Budget: \$3,000,000

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.

2025 Budget: \$867,900

INDUSTRIAL UTILITY SYSTEM MAINTENANCE & UPGRADES

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. The installation of new water mains and an electrical distribution system are planned for 2025.

2025 Budget: \$449,000

2025 Budget: \$400,000

OPERATING BUDGET EXPENDITURE
CAPITAL BUDGET EXPENDITURE

FIBER OPTICS & SOFTWARE UPGRADES

In 2025, the Port will install conduit, fiber optic cable and network hardware to improve connectivity throughout the Port. In addition the Port plans to implement a new financial software to replace old and outdated programs.

2025 Budget: \$800,000

INDUSTRIAL RAIL CORRIDOR EXPANSION

The Industrial Rail Corridor Expansion (IRCE) project is set to begin Phase I construction in 2025. 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.

2025 Capital Budget: \$20,149,147

Expended to Date: \$ 10.7 million

Total Project Cost: \$100.8 million

LIGHTING PROJECTS

Lighting projects for the laydown yard are planned to improve energy efficiency and safety.

2025 Budget: \$210,000

STORMWATER & WASTEWATER IMPROVEMENTS

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

2025 Budget: \$1,911,552

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.

2025 Budget: \$785,000

