While a river may physically separate us, the economies of Chelan and Douglas counties are intertwined as one.

Functional Consolidation: Port of Chelan County & Port of Douglas County
Proposed Functional Consolidation Model

Port of Chelan County
(Retain Authority to Approve Tax Levy)

Port of Douglas County
(Retain Authority to Approve Tax Levy)

Chelan-Douglas Regional Port Authority
Performs all the functions of both Port Districts
Chelan-Douglas Regional Port Authority

Legal Perspective
Interlocal Cooperation Act, Chapter 39.34 RCW
- Allows formation of separate entities
- Regional Port Authority can perform the functions of both port districts
- Will become a Washington non-profit corporation

Governance Model
- Six Port Commissioners
  - (3) Port of Chelan County
  - (3) Port of Douglas County
- Requires two votes from each commission

Commencement Date
- January 1, 2020

Chelan-Douglas Regional Port Authority

Why Now??
- Ports formed an Airport Community Task Force to look at governing & funding models for Pangborn Memorial Airport. The Task Force suggested the Ports look at some type of consolidation to save money.
- Key senior-level Port employees are planning to leave.
- Initial cost savings of consolidation projected at $510,000.
- Frank Chmelik’s concept of “Functional Consolidation” of the Ports was a model we did not know existed.
- Port of Chelan County has financial resources, yet very little land supply - 85% of Chelan County is owned by Federal or State agencies.
- Douglas County has available land.
### What is becoming consolidated?

**Port of Douglas**
- Operates and manages
  - Pangborn Airport Business Park
  - Mansfield and Waterville airports
  - Orondo River Park
  - Developing interests in Rock Island and other industrial properties
- ADO for Douglas County
- Funding from Leases, ADO contract, Grants and tax levy
- Property tax levy $1.026 million
- Levy millage rate at $.1755 per thousand
- Port property tax is 1.72% of total collected for county
- Total debt outstanding $ 7,752,480

**Port of Chelan**
- Operates and manages
  - Pangborn Airport
  - 4 separate business parks
    - Cashmere Mill district, Confluence Technology Center, Old Station Business Park, Pybus incubator
- Jointly owns and operates Lake Chelan airport
- ADO for Chelan County
- Funding from Leases, ADO contract and tax levy
- Property tax levy $2.856 million
- Levy millage rate at $.2348 per thousand
- Port property tax is 2.41% of total collected for county
- Total debt outstanding $5,897,460

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### Chelan-Douglas Regional Port Authority

**Consolidated Budget**
- Business Park Leases: $4,383,232
- Airport Revenues: $2,021,793
- ADO Contracts: $ 91,834
- Interest Income: $ 220,850
- Tax Receipts: $3,883,533

Total Projected Revenue: $10,601,242

*Bonding capacity will likely increase due to higher operating revenues.*
Chelan-Douglas Regional Port Authority

**Interesting facts**
- Largest Port District in Washington State (Geographically)
  - Covers 4,843 square miles
  - Larger than the State of Rhode Island
- Population served: 119,920
- Assessed value: $16.5 billion

Why Not Utilize Voter Approved Model in RCW 53.46.010?
1. Commissioner Districts would be weighted toward Chelan County:
   - **Populations**
     - Chelan County: 77,800 = 64.9%
     - Douglas County: 42,120 = 35.1%
   - “Chelan County’s first step in taking over Douglas County”

2. Tax Levy Issue:
   - Port of Chelan: $0.2348 per thousand = $2.856 million
   - Port of Douglas: $0.1755 per thousand = $1.026 million

3. Functional Consolidation allows us to date before we get married.
It takes Leadership, Vision, & Risk Taking

- **Six Port Commissioners**
  - Douglas County
    - Jim Huffman, District #1
    - Alan Loebsack, District #2
    - Mark Spurgeon, District #3
  - Chelan County
    - Donn Etherington, District #1
    - J C Baldwin, District #2
    - Rory Turner, District #3

- Lisa Parks
  - Executive Director, Port of Douglas County

- Smart Consultants
  - Frank J. Chmelik - Chmelik Sitkin & Davis P.S.
  - John Carter - CFO of Port of Everett (Retired)
Functional consolidation helps, but does not solve Pangborn Memorial Airport’s funding challenges

<table>
<thead>
<tr>
<th>Pangborn 10 year Aviation Related Financial forecast</th>
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<tbody>
<tr>
<td><strong>2019</strong></td>
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<tr>
<td>Operating Revenues</td>
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<td>Starting funds</td>
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<td>Net Cumulative Cash</td>
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**Note:** Shown without direct subsidy from Ports but does include lease payments from Port of Douglas.