

**PORT OF OLYMPIA COMMISSION  
MINUTES OF REGULAR MEETING**

**June 18, 2007**

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**CALL TO ORDER**

President Telford called the meeting of June 18, 2007, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners McGregor and Van Schoorl were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Airport Director Rudy Rudolph, Marketing and Business Development Director Kari Qvigstad, Harbor Director Bruce Marshall, Marine Terminal Director Jim Amador, Finance Director Steve Davis, Engineering Director Jeff Lincoln, and Marketing Program Assistant Maureen Malahovsky. Carolyn Lake and Bob Goodstein, the Port's Legal Counsel, were also in attendance.

Public in attendance were as follows: Representing *The Olympian* was Jim Szymanski. Others in attendance who filled in the sign-in sheet included: Jon Adkins, Alicia Underwood, Dorothy Jean, Meta Heller, Drew Hendricks, Jerry Dierker, Harriet Ammann, Richard Radcliff, Keith Bausch, Tom Fell, Arthur West, Sue Danver, Robert Rose, Fred Coheen, Bill Pilkey, Harold Clark, Tom Howdeshell, Joe Winkler, Don Melnick, Riley Moore, Eric Laschever, Perry Shea, and Kevin Partlow.

**APPROVAL OF AGENDA**

The agenda was approved as amended to move the #3 Resolution 2007-13 SEPA Policy Adoption to follow the #6 SEPA 07-2 Combined Port Infrastructure and Weyerhaeuser Log Handling Project Appeal.

**PUBLIC COMMENT**

**Bill Pilkey, resident of Olympia**, commented that he appreciated President Telford's apology to the citizens of Tenino, however did not appreciate that the other commissioners did not share his sentiments. He commented on the check from the FAA, why did not any one know about this check? He asked where is the quarterly update you promised, how much will the Marine Terminal lose this year? How will you balance the budget? Why do you cover up financial information? President Telford indicated that the issue of the FAA was addressed at the meeting following Mr. Pilkey's comments and question on the matter. President Telford commented that the Auditors Office audits the Ports financial records every year. The financial information of the Port is public. He also noted that the quarterly update has been provided to Commissioners. President Telford indicated that we should probably do a presentation on the financial status of the Port at a public meeting and asked staff to get Mr. Pilkey a copy of the quarterly financial report.

**Jerry Dierker, resident of Olympia**, commented on SEPA hearings and court appeals and his interpretation of the court hearings and judgments.

**Harriet Ammann, Public Health Toxicologist**, she talked about long-term exposure to air pollution from log trucks. She indicated that she has reviewed the risk assessment prepared for the Port and it did not calculate daily averages, it is flawed in four areas. She asked the Port to reconsider the risk assessment.

**Arthur West, resident of Olympia**, commented about the Port's environmental review process, he commented that the Wal-Mart in Tumwater did it right, he noted that this is a lesson to be learned. He commented on the public records disclosure and how the Port continues to withhold records. He also commented on the Airport project and the changing of that project throughout the process. He indicated that there needs to be more disclosure and more accurate description of projects.

**Robert Rose, resident of Olympia**, indicated that he has been approached by several people over the past week who have asked who is the Carnegie group. Mr. Rose indicated that they are made up of former elected officials from the county and cities; the membership list is secret as well as what their objectives are. However, we know that they are anti-port, anti-growth, anti-tax, and anti-economic development.

**Sue Danver, Black Hills Audubon Society**, asked the Port to do a NEPA SEPA for the SSLC, the Airport and the Harbor all as one. She indicated that this is a large project and should have a EIS with a significant scoping. She also indicated that she would like for more information on how the PAC is doing the Comp Plan. She would like for the process to involve the public, the more information you get the better your product will be.

**Dorothy Mykland, resident of Olympia**, commented on the environmental guidelines and indicated that she would like to see the Port follow the laws on projects that we are proposing. She noted that she has been watching Port meetings and don't really feel that you are following the law.

**Meta Heller, resident of Olympia**, indicated that she has been around for a long time and a Port watcher. She was around back when there were only logs at the Port. The only people who attended the meetings were long shore and her. She indicated that she tried to get someone to come with her tonight that is interested in the Port garden project. She said this is a very exciting project and she wants to be involved in that project.

**Keith Bausch, resident of Olympia**, commented that it seems that whenever a Port Commissioner is up for election, other candidates use this as a forum to run a campaign and attack current Commissioners, it is not appropriate and this is not the forum, the personal attacks are an insult.

**Drew Hendricks, resident of Olympia**, commented that for the record he is not involved in the Carnegie Group. He commented on the policy for Port Militarization.

## **COMMISSIONERS REPORTS**

President Telford reported he represented the Port at the Olympia Air Show. Mr. Rudolph commented that the air show went as planned about the same size crowd as last year, the volunteers and museum staff pulled it off with out a hitch.

Commissioner Van Schoorl noted he attended a workshop called "Building Partnerships for Environmental Cleanups and Sustainable Communities. He noted that the workshop was very good.

## **EXECUTIVE DIRECTOR REPORT**

Mr. Ed Galligan reported on the fine issued by the Department of Ecology to Holbrook. He noted that while Holbrook is appealing the fine, they have cleaned up the area in question. Mr. Galligan noted that the Port's Marine Terminal Director, Jim Amador, works closely with Port tenants to ensure their compliance with all environmental laws and the contractual provisions of their lease agreement with the Port.

## **ACTION CALENDAR**

### **PAC Member Appreciation**

President Telford indicated that we have one member, Jim Smego, on the Planning and Advisory Committee that was appointed in 1999 and has served two consecutive terms. President Telford and the other Commissioners thanked him and recognized Jim for his service to the PAC and the Port.

### **PAC Member Appointments**

Commissioner McGregor indicated that at the April 23, 2007 Commission meeting, the Commission authorized staff to solicit applicants for the Port's Planning and Advisory Committee (PAC) to fill the vacant position. The evaluation team consisted of Commissioner Bill McGregor, Ed Galligan, Jeff Lincoln, and Kevin Partlow, the PAC Chair.

He noted that a total of 13 citizens applied for the position. The team reviewed thoroughly, and ranked each of the applications. Of the 13 applicants, 3 were selected for an interview by the evaluation team. Jim Wright, Don Melnick, Riley Moore.

Commissioner McGregor indicated that the selection criteria consisted of Community and Economic Development Activities, Past Volunteer, Board, or Committee Experience, Private/Public Work Experience, Experiences or Knowledge regarding the Port of Olympia, Geographic Area, and Reasons for wanting to serve on the PAC. The citizens that applied had an

overwhelming amount of expertise throughout many areas. The team was very impressed with the qualifications of all those that applied.

Commissioner McGregor indicated that the evaluation team's recommendation to the Commission to fill one position, three-year term starting immediately and ending June 2010. He indicated that the team is not recommending appointing an alternate position at this time.

Commissioner McGregor indicated that the team is recommending Mr. Riley Moore be appointed for the three-year term starting immediately and ending June 2010.

In addition, Commissioner McGregor noted that the team recommends staff place all of the citizens that applied on our mailing lists to keep them abreast of the progress and projects underway and to encourage them to re-apply in the future years.

The Commission unanimously appointed Riley Moore to the Planning and Advisory Committee. President Telford suggested that we appoint an alternate at this time. Commissioner McGregor moved that Don Melnick be the first alternate and Jim Wright be the second alternate. The Commission unanimously approved the motion.

**Sue Danver, resident of Olympia**, requested that that PAC meetings be taped for public purposes. She noted that she has attended the meetings and has been very disappointed. The chair of the PAC suggested that he was the public and he considered not having a public hearing on their decisions. She noted that they decided at the meeting to have subcommittees meet and then bring back recommendations to the committee as a whole. Is this committee the substitute for the comp plan? If so, this is very disappointing.

**Bill Pilkey, resident of Olympia**, commented that he attended a PAC meeting and was also disappointed. He suggested that these people do not talk for him. If he disagrees, he should be able to talk for himself. This group thinks they talk for the public and the Commission.

**Keith Bausch, resident of Olympia**, noted that he was a member of the PAC for many years, where he served with many citizens over the years and this is unfair criticism. These people do represent the public; he indicated that just because it is not your opinion, doesn't mean that the citizens of Thurston County are not represented.

President Telford suggested that staff look at the question of taping the meetings. Commissioner Van Schoorl indicated that this topic is off the agenda. The PAC was intended as an informal group that would meet and bring the Commission recommendations on topics as requested.

### **East Bay Redevelopment Program Site Plan Approval**

Ms. Sally Alhadeff indicated that since 2003 the Port has been working on its program to redevelop the approximately 14-acre parcel of property commonly known as East Bay. The vision for this area goes back to the Port's 1995 Comprehensive Plan, when a district was envisioned that would take advantage of valuable State Avenue frontage. This area was known then as the State Avenue District.

She noted that in the past 4 years this redevelopment program has progressed from planning and discussion, to community and commission presentations, to pre-development and now on to the first steps of development.

Ms. Alhadeff indicated that decisions made thus far by Commissioners include approval of a development framework adopted after a series of public meetings in 2003, as well as Capital Expense Authorizations to fund the work completed to date including preliminary land use planning, market studies, appraisals and environmental evaluations.

She indicated that staff is requesting formal approval of the conceptual site plan for the East Bay redevelopment program. The conceptual site plan includes specific uses and users for the first phase of development, identifies areas for future development and includes a road network. Once approved, the conceptual site plan will become the plan from which we can proceed to next steps.

Ms. Alhadeff noted that the current users and uses are LOTT, City of Olympia for its new City Hall, Hands On Children's Museum and civic/open space. Future users will be identified as market outreach continues.

Ms. Alhadeff indicated that one of the refinements to the land use plan is the placement of the truck route. While the adopted framework contemplated relocating the truck route, the proposed site plan leaves the truck route in its current location. She noted that several alternate truck routes

were proposed by the Port and reviewed and studied in detail by our traffic consultant. After careful consideration of each alternative, its potential impacts on adjacent properties discussions with City of Olympia staff, it was concluded the existing truck route remains the best alternative.

Ms. Alhadeff noted that staff is recommending adoption of the conceptual site plan. This recommendation is based upon a deliberative process over the past 4 years. This has included commission direction, community input and consideration of market demand, as well as input from consultants including examination of financial viability and performance of environmental site assessments.

Ms. Alhadeff indicated that the next steps are approval of LOTT purchase and sale agreement, move from letters of intent to purchase and sale agreements for HOCM and City Hall, and move ahead on CEA previously approved which will continue the environmental work (phase II), enter into civil design contract, proceed with warehouse deconstruction, and hire a project manager.

Commission adoption of this plan formalizes the Port's intention to move into the development phase of the East Bay program.

President Telford asked about the trip study. Ms. Alhadeff indicated that the study took uses that we have information about and did a traffic study based on that information. President Telford asked what if the potential build out is more; will it create more engineering later?

Perry Shea, consultant, indicated that he is working with the Port on traffic flow and potential impacts. He commented that he has forecasted the traffic and the worst case scenario on this development at its fullest. He commented that the result forecasted is a "D level average" that is the benchmark that the city uses. He noted that adding a signal on East Bay would help move traffic in and out of Marine Drive. Mr. Shea indicated that he has been working with Dave Smith with City of Olympia on this project.

President Telford indicated that the PAC has expressed an interest in discussing the East Bay site plan, if the Commission approves this now, which will eliminate that discussion. He asked what happens if the City Hall project falls through? Ms. Alhadeff noted that the City is moving ahead with an alternate developer. She noted that the Museum has also selected their developer.

**Jerry Dierker, resident of Olympia**, indicated that he has been interested in this project for a long time and never got any notice of any of this. He was surprised that this has gotten to this point and there has not been a SEPA done on this. He noted that the City Hall site is contaminated and this will be a problem. You need a land use plan before you can have a site plan. He commented that the transportation plan does not take into account the Weyerhaeuser project. Is the storm water going into the storm water at the Marine Terminal?

**Sue Danver, resident of Olympia**, indicated that she attended the PAC meeting where this transportation plan was discussed. What will happen when you have a large truck/load going through this intersection at East Bay and Marine Drive? She commented that she envisions huge traffic jams.

Ms. Alhadeff indicated that the windmill blades are a specialty cargo and requires specialized handling, you do not design roadways for unique uses, and you design for the roads for the normal traffic. Jim Amador indicated that there is very little impact on the traffic with the windmill blades; they take two minutes to move through and are not moving through during rush hour.

Ms. Alhadeff indicated that this is a site plan and the storm water will be addressed by each project.

**Harold Clark, resident of Olympia**, asked if there is something that defines the building heights for these projects. Commissioner Van Schoorl noted that the city has stringent rules on building heights.

**Dorothy Mykland, resident of Olympia**, commented on the corner of Olympia Avenue and East Bay Drive, indicating that there are traffic problems at those intersections. She was coming through when a windmill blade was going through and the traffic was tight. Commissioner Van Schoorl commented that we have been working with city since 1995, on traffic issues.

**Arthur West, resident of Olympia**, commented that he likes this project and it will help downtown Olympia, his concerns are procedure, prior to making irreversible commitments; you need to do some studies. He indicated that the traffic for these projects have not been properly addressed and would like to see a comprehensive assessment of all the impacts. He commented

that the Port should let the City of Olympia be the lead agency for the environmental assessment for the entire site.

Commissioner Van Schoorl moved adoption of the conceptual site plan, which includes current users and uses, civic/open space, future development, approximate square footages, and roads that is currently being presented. The commission unanimously approved the motion.

**Berth 2 & 3 Dredging Engineering Contract Approval**

Mr. Jeff Lincoln indicated that the Port has been planning the maintenance dredging of Berths 2 and 3 for several years. Last year the Port sampled the sediments to be removed and low levels of dioxin were discovered in the sediments. Although not considered hazardous waste, the contamination triggered extensive reviews and the Puget Sound Dredge Disposal Agencies ultimately determined that the sediments could not be disposed of in the open water disposal site that has traditionally been used for dredge spoil. Currently, the dredging of Berths 2 and 3 is being addressed as an environmental cleanup (Interim Action) under the State’s Model Toxics Control Act (MTCA).

He indicated that previously (in 2006 and early 2007) an extensive investigation of the materials, means and methods that could be used to dredge and dispose of the contaminated sediments was conducted with Integral Engineering. This basis of design was used to develop a consent order for the cleanup of the contaminated sediments under the Model Toxics Control Act. The Port has prepared a draft agreement to the Department of Ecology and is waiting for the opportunity to finalize this action.

Mr. Lincoln noted that the staff solicited a proposal from Integral Engineering for the final design of the dredging, including in-water work and upland handling of the sediments. The Executive Director authorized the staff to undertake this scope of work with a not-to-exceed authorization of \$25,000. At this time the staff is prepared to move forward with the remainder of the work.

The contractor’s scope of work includes:  
Labor and materials for the preparation of plans, specifications and bid documents,  
Labor and materials costs for sub-consultants and laboratory services,  
Boat and equipment costs for water quality and sediment analysis purposes, and  
Support and services through bidding and construction.

Cost summary:

Total Scope, Final Design Phase	\$395,800
Previous Executive Director Authorized:	25,000
Expanded Scope (this authorization):	\$370,800

Mr. Lincoln noted that it is necessary to move this work forward at this time to insure the ability of the Port to accomplish this dredging action during the fish window that will close in February 2008. The next opportunity to accomplish the action will be after July 2008.

Mr. Lincoln indicated that staff is requesting authorization to expand the scope of an existing Architectural and Engineering Contract with Integral Engineering of Olympia, Washington, for a total amount not to exceed \$395,800 for the design and preparation of plans, specifications, bidding documents and other associated services for the design and construction support services for the West Bay Berths 2 and 3 Interim Action Project. He noted that there is currently \$875,000 in the budget.

Commissioner Van Schoorl moved the staff recommendation. Commissioner McGregor seconded the motion. President Telford indicated he could not support this, he commented that we need to wait until this all settles out. He asked why are you not looking at dredging Berth one that has clean sediments? Why not dredge that? We do not know where the money will come from to pay for this?

Mr. Lincoln indicated that Jay Manning, Director of Department of Ecology addressed the City and Port last Monday. He noted that this action is supportive of that discussion. Commissioner Van Schoorl indicated that he sees this as the beginning of the process of cleaning up Budd Inlet. He noted that at some point we will be dredging out the dioxins and we need to better understand this project and the costs involved. When DOE finishes the characterization studies of the rest of Budd Inlet and we will know more at that point. Mr. Lincoln indicated that under MTCA we would be able to look at other contributors to this problem and pursuing cost recovery from liable parties. Commissioner Van Schoorl indicated that right now DOE has committed to help with this project and the dredge is an opportunity to begin the cleanup Puget Sound. This is the first

step to make that happen. Commissioner McGregor indicated he heard at the meeting with the City that Jay manning would like to see us be partners to achieve the Governors initiative to clean up Puget Sound.

**Tom Howdeshell, resident of Olympia,** asked how many years pass before dredging will have to be done again and if the Capital Lake is put back into an estuary. Commissioner Van Schoorl indicated that it has been 30 years since the last dredge; if the dam is taken out at Capital Lake then there are a lot of pieces that need to be addressed.

**Joe Winkler, resident of Olympia,** asked is the project feasible if they have to transport the contaminated dredge spoils. The Commission responded that the project costs have escalated to include this disposal.

**Jerry Dierker, resident of Olympia,** indicated that he appreciated comments from Commissioner Van Schoorl that there needs to be a comprehensive plan for the entire cleanup. He commented that dredging is not the only way to clean up dioxins; there are other methods. He noted that this action for approval commits public funds of almost a \$400,000 a project and requires a NEPA and SEPA. Wait until the DOE has completed their preliminary studies and the Corp to put out their EIA?

**Arthur West, resident of Olympia,** indicated that we have been talking about dredging this project and originally it was for Weyerhaeuser lease. This is not a clean up driven program it is a Weyerhaeuser driven project. The CORP has not even finished taking comments on this subject. He noted that the Port is trying to do something independently. He asked when was the \$25,000 spent on this project, as he did not remember anything about that. Commissioner Van Schoorl indicated that Mr. West knows that this dredge project was on the books long before Weyerhaeuser was coming here. President Telford indicated that the contract for Weyerhaeuser does not require a dredge.

**Keith Bausch, resident of Olympia,** commented that he supports the dredge project and cleaning this up. There is no surprise that you will get challenges for this. He noted that the opposition would continue to bring the challenges and raise the project costs with legal fees.

**Bill Pilkey, resident of Olympia,** commented that if you are going to sell bonds for this project, how are you going to pay for the bonds?

The Commission approved the authorization to expand the scope of an existing Architectural and Engineering Contract with Integral Engineering of Olympia, Washington, for a total amount not to exceed \$395,800 for the design and preparation of plans, specifications, bidding documents and other associated services for the design and construction support services for the West Bay Berths 2 and 3 Interim Action Project with a 2-1 vote, President Telford voted against the motion.

### **SEPA 07-2 Combined Port Infrastructure and Weyerhaeuser Log Handling Project Appeal**

Ms. Carolyn Lake, representing Goodstein Law Group, the Port's legal counsel, indicated that the purpose of this agenda item is twofold 1) to provide the Commission with the procedural background of an appeal of the Port's State Environmental Policy Act determination No. 07-2, for the Combined Port Infrastructure and Weyerhaeuser Log Handling Project, and 2) outline the procedural appeal options for Commission consideration and action.

Ms. Lake indicated that in summary, the Port Infrastructure and Weyerhaeuser Log Handling Project consists of improvements and additions to the Port Marine Terminal, including extending water and sanitary sewer, addition of modular office buildings, construction of a pre-engineered metal building and other miscellaneous small structures and improvements necessary to accommodate a log export operation on the terminal.

She reviewed the key procedural milestones for this Project:

December 7, 2006: The Port as lead agency issued a Mitigated Determination of Non-Significance (MDNS) for Port infrastructure/cargo yard improvements in the NE cargo yard including paving, storm water treatment and extension of utilities.

June 16, 2006: The City of Olympia as lead agency issued a MDNS for Weyerhaeuser Company's site plan for its log-handling operations located at the Port of Olympia.

December 19, 2006: The City of Olympia Hearing Examiner Vacated the City of Olympia SEPA Determination of Non-significance for the Weyerhaeuser Company Project.

January 22, 2007: The Port withdrew the MDNS for the Port's NE cargo yard project.

April 6, 2007: The Port and Weyerhaeuser submitted a joint SEPA checklist to the Port for a combined Port Infrastructure Project and Weyerhaeuser Company log handling operations.

April 16, 2007: The Port of Olympia issued a MDNS for the combined Port Infrastructure and Weyerhaeuser Company Log Handling Project, SEPA No. 07-2.

May 10, 2007: The Port received comments from 28 individuals and/or organizations.

May 17, 2007: The Port received two Requests for Reconsideration for this SEPA determination.

June 4, 2007: As part of the Reconsideration process, a meeting was held between the Port's SEPA Responsible Official (SRO) and staff, a representative of the joint Applicant, Weyerhaeuser, and the Requestors, and the attorney for two of the Requestors. The Port's 2006 adopted SEPA policy provides that the Reconsideration precedes any appeal, and is intended as a format for parties to informally meet and resolve any issues related to the Port's SEPA decision, if possible.

In addition to Port personnel, the following folks attended the Di Francesca Reconsideration meeting: Patrisa Di Francesca, Harry Branch, Dorothy Jean Mykland, Stanley Stahl, Walter Jorgensen, Olympians for Public Accountability, Suzanne Nott, (Requestors) and guests: Jerry Lee Dierker, E.L. Johnson, Jerome Parker, and Sue Danver. Michael Gendler, attorney representing Jim Lazar and Olympians for Public Accountability, also participated by telephone. At the request of the Di Francesca Reconsideration group, Jerry Dierker also attended the meeting. Eric Laschever, attorney and representative of Applicant Weyerhaeuser Company also was present.

In addition to Port personnel, the following folks attended the West/Dierker Reconsideration meeting: Jerry Lee Dierker and Arthur West, (Requestors) and guests: Patrisa Di Francesca, Dorothy Jean Mykland, Stanley Stahl, Walter Jorgensen, Suzanne Nott, Anne Beck, EL Johnson, Jerome Parker, and Sue Danvers. Eric Laschever, attorney and representative of Applicant Weyerhaeuser Company also was present.

June 7, 2007: The Port Responsible Official issued his Decision in which he concluded the MDNS should remain undisturbed and denied the Reconsideration Request, based upon review of the entire record, including the Request for Reconsideration and supporting material supplied by the Requestors.

June 14, 2007: Two appeals of SEPA 07-2 were timely filed by those who had requested reconsideration (Arthur West, Jerry Dierker) (Patrisa Di Francesa, Olympians for Public Accountability, Anne Buck, Suzanne Nott, Harry Branch, Dorothy Jean Mykland, Walter Jorgensen, Marrissa Cacciari-Roy, Stanley Stahl). Copies of the appeals were distributed to each Commissioner via e-mail and hard copy on June 14, 2007.

#### Commission SEPA Policy

If a Request for Reconsideration decision is appealed, the Port's current adopted SEPA policy Section 8.2 provides as follows:

(2) Commission, Hearing Examiner Appeal. If an appeal is filed after the Request for Reconsideration process is complete, the Commission, at its discretion, may:

- (a) elect to hear the appeal, and after a public hearing, issue a Final Decision;
- (b) forward the appeal to the Hearing Examiner, who would hold a public hearing and issue a Final Decision; or
- (c) decline to hear the appeal and adopt the Decision of the Responsible Official as the Port's Final Decision.

A Final Decision rendered under any of the above three processes is appealable to Superior Court within 21 days of the date the Final Decision issues. Only the parties to the appeal have standing to appeal to Court."

President Telford indicated that he has emails from appellants that were sent to Port staff and from Port staff regarding process. He wanted to confirm with the appellants that they understood that he has read these emails and if they have a concern about his participation in the

deliberations. Mr. Laschever, Council to Weyerhaeuser Company indicated that based on that statement, they did not have a concern about participation in deliberations.

Mr. Dierker, commented that the reply to the comments on the addendum until June 15<sup>th</sup> after the date that the appeal was due. He indicated that they need an extension of time to put pleadings into the record. He commented that he has a problem this. However, he does not have a problem with Commissioner Telford voting on this.

**Walt Jorgensen, resident of Olympia**, asked what the options were for the Commission action. He asked if Commissioner Telford were persuaded by the arguments, what would your action be? Would one of the options be to withdraw? President Telford indicated that there would have to be a hearing first. Ms. Lake indicated that action could happen under any of the three options.

President Telford indicated that he reviewed the material provided, appellant's appeals, comments by Harriet Ammann, and the staff report. He commented that he did not think it would serve either side to hold a hearing or send this to a hearings examiner since the appellants would most likely appeal to the courts if the decision did not go their way. Therefore, President Telford indicated they would recommend option (c).

Commissioner McGregor indicated his desire is to recommend option (c) also. Commissioner Van Schoorl agreed, the City hearings examiner points have been addressed.

Commissioner Van Schoorl moved the Commission option of declining to hear the appeal and adopt the Decision of the Responsible Official as the Port's Final Decision. Commissioner McGregor seconded the motion. The Commission voted unanimously to decline to hear the appeal and adopt the Decision of the Responsible Official as the Port's Final Decision.

#### **Resolution 2007-13 SEPA Policy Adoption**

Commissioner Van Schoorl moved to move this item that was tabled from the last meeting to this meeting. The motion carried unanimously.

Ms. Carolyn Lake indicated that this agenda item follows up on previous Commission SEPA Briefings and specifically the Commission's May 14 and June 11 meeting where Staff reviewed with the Commission revisions to the Port's SEPA administrative SEPA policy.

Commissioner Van Schoorl moved to adopt Resolution 2007-13 updating the SEPA Policy; Commissioner McGregor seconded the motion.

President Telford indicated that he is hung up on the administrative cost in the policy. He asked Ms. Lake to say what other jurisdictions do. She indicated that others file under LUPA and they require full cost of administrative costs. The Port's proposal is for half the administrative costs. Ms. Lake clarified that LUPA was intended to be a statewide uniform process to cover land use decisions.

President Telford indicated that that recent MDNS references 18 documents, 14 of which were specifically generated for this SEPA, the public should be able to get a copy of all documents and not be charged for it. Commissioner Van Schoorl indicated if that was the only means of access to the materials, then he would agree, but with the electronic means available, and there are other options available than making copies that are more environmentally friendly.

The motion to adopt Resolution 2007-13, updating the Port's SEPA Policy was unanimously approved.

President Telford commented that he does not think it is necessary to repeatedly reference documents and the staff reports are huge and duplicates work already been done and issued. There is no need to say the same things over and over again and you don't need to say the same things more than once. He commented that he would like to see the paperwork and redundancy reduced in these kinds of actions.

Commissioner Van Schoorl indicated that he understands the staff's response since we are under fire on this and to be overly cautious, however he would like to continue to refine the process and he challenges staff to look at this.

#### **ADVISORY CALENDAR**

##### **Land Use Plan Update**

Mr. Ed Galligan indicated that unfortunately, most of the public that was interested in this update has already left the meeting. He suggested that this presentation be sent to Ms. Danver.

Mr. Jeff Lincoln indicated that the first element of the updated Land Use Plan to be developed was the draft update of the Land Use Plan that was prepared by staff several months ago. The draft document, with other supplementary material, was then presented to the Planning and Advisory Committee (PAC) beginning a series of meetings the first of which was held on April 25, 2007.

Mr. Lincoln noted that at this meeting the PAC was provided with an overview of the process, after which the staff presented the draft Land Use Plan update, with emphasis on the Budd Inlet properties. On May 9th the PAC was presented with the Airport (FAA) master plan, and on May 16th the PAC was presented with the NewMarket Industrial Campus plans and status. The PAC currently will continue reviewing the materials and conducting their discussions at the next meeting planned for June 13th. The PAC is also scheduled to meet at their regularly scheduled meeting on July 18th.

Mr. Lincoln indicated that the staff has recommended that the commission consider a joint study / work session with the PAC to receive their recommendations and evaluations in the early August 2007 timeframe. Concurrent with this process, the staff intends to contract for a Supplemental Environmental Impact Statement (SEIS) based on the current working draft of the updated Land Use Plan. After the August work session, staff will make any changes to the working draft document, and then publish the draft SEIS and advertise it for public comment in August.

He reported that the Commission would be required to hold public hearings before adopting the updated Land Use Plan. It has been recommended to the PAC that the PAC should also conduct a public hearing. These hearings could be scheduled in the August-September period, after which the Commission would consider the Land Use Plan for approval.

Mr. Lincoln indicated that the Port Commission adopted priority initiative E01 earlier this year, directing the Executive Director to "Update the Port's Comprehensive Plan" during 2007. The Port's 1994 Comprehensive Plan consists of numerous sub-elements, including the Port's Mission, Goals and Objectives, Vision, Business Plans, Budget and Land Use Plan. After review by the staff and consultants, the element currently requiring action is the Ports "comprehensive scheme of harbor improvements" as described in RCW 53.20.010. He indicated that essentially, the Ports Land Use Plan is that "comprehensive scheme" called for in the RCW. The Executive Director developed the plan presented to the commission on February 27, 2007, and has directed the staff to execute this plan in furtherance of this priority initiative.

The sequence of events and tentative calendar recommended is:

- PAC Completes Review of Staff Recommendations – Staff moves SEIS forward (Current Action)
- PAC – Commission joint Study Session (Early August)
- PAC Summarizes recommendations and holds Public Hearing at a Special PAC meeting the same day as a Commission meeting (August 27)
- Commission, at next meeting (September 10), conducts public hearing #1 of 2.
- Commission, at next meeting (September 24), conducts public hearing #2 of 2.
- Commission takes action at next meeting (October 8).

President Telford commented that it seems that both the PAC and the Commission will hold public hearings, but that doesn't seem to work, they will have public hearings on something that hasn't been bought into by the Commission. Mr. Lincoln indicated that the work session between the PAC and the commission is the time when the Commission can discuss the recommendations before this is put out to public comment.

Mr. Lincoln indicated that the changes being made are fairly minor and a supplemental EIS is required. Commissioner Van Schoorl asked how can you do a draft SEIS until how you know where the commission is going. Mr. Lincoln noted that the draft SEIS is based on the draft recommendations and he noted that the PAC is working on 14 minor items. No radical changes are being proposed outside of what the direction the staff is already following based on capital plan and current projects.

Commissioner McGregor suggested that the draft SEIS public comment to begin on August 13<sup>th</sup>. Mr. Lincoln suggested that the work session with the PAC not include public comment.

The Commissioners indicated they were concerned with two public hearings on the same issue; the comments will most likely be redundant at each meeting.

President Telford indicated that he would like the PAC to thoroughly discuss the options of what to do with the Admiralty District. Mr. Kevin Partlow, Chair of the PAC, indicated that this is still an issue to be discussed.

**Jerry Dierker, resident of Olympia**, commented that it is good to have a Harbor Improvement Plan since you currently do not have one. It should be a DEIS not SEIS, since 5 years is the limit. While the PAC may not be like Thurston Regional Planning District, it appears that they are doing things you need to be doing but not in the right order.

Commissioner Van Schoorl thanked the PAC for all the work doing on this under this challenging public criticism, and apologized for them having to put up with this. However, he noted that the Commission values their advice.

**ADJOURNMENT**

The Commission recessed to executive session at 9:15 p.m. to discuss with staff a purchase and sale agreement for the East Bay property. The executive session ended at 9:45 with no decisions made.

President Telford adjourned the meeting of June 18, 2007 at 9:45 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer