

The

Navigator

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IN THIS ISSUE

**The Ingredients of Change
by Commissioner
Steve Pottle**

**Longshore Contributes
to a Strong
Working Waterfront**

**Harbor Wholesale
Supplies Growing Markets**

**Washington State Patrol
Flies From Airport**

**Shurtz Marine Offers
Quality Services
for Boaters**

**International Trade Is
Focus of Foreign-Trade
Zone Workshop**

The purpose of the Port of Olympia shall be to vigorously manage its assets to provide maximum benefits to the citizens of Thurston County. To do this, the Port shall BUILD relationships, facilities, and infrastructure that help the Thurston County economy GROW, while it serves those who MOVE products and people and accepts a role to IMPROVE Thurston County's recreational options and environment.

Port of Olympia Mission Statement

Strategic Investments Pave the Way for Business Success

The Port is anticipating very good financial results in 2004 as businesses are poised to

generate positive cash flow from operations for the first time since 1995.

Operating revenues from the four port enterprises – Marine Terminal, Olympia Regional Airport, Swantown Marina & Boatworks, and Property Development – are up, expenses have been well managed, and market efforts have been successful.

2004 port business revenues are projected at \$6.4 million with expenses of \$6.0 million for a positive cash flow of \$400,000. While 2004 revenues have increased for all businesses, the most significant changes are in the Marine Terminal and Swantown Marina & Boatworks. The terminal is projecting revenues of \$2.6 million, up nearly 27 percent from 2003, and the marina and boatworks are anticipating revenues of \$1.8 million, an increase of almost 16 percent.

“These are the best financial results I have seen in my ten years on the commission,” said Port Commissioner Bob Van Schoorl. “And port profitability serves as an economic engine for other opportunities throughout Thurston County.”

Results haven't always been so favorable. Until the early 1990's, port revenues were cyclical and heavily dependent on the marine terminal log export trade. Recognizing the need to offset

market volatility, the port and community responded with an intense planning process

culminating in the adoption of the port's Comprehensive Plan in 1995.

Over the last ten years, the port has made strategic investments to diversify its businesses, and these investments are now paying off. Examples include:

- *Development of the commercial/retail Market District.* Anchored by the Olympia Farmers Market, this vibrant area is a significant contributor to the port's real estate business this year.

- *Marine terminal infrastructure improvements.* Including the purchase of two gantry cranes and major dock repairs, these improvements positioned the terminal to handle this year's profitable aluminum, steel, limestone, and military cargoes.

- *Start-up of Swantown Boatworks.* The Boatworks is expected to haul out over 700 vessels this year and is home to over 20 marine service businesses and vendors.

- *Expansion of Swantown Marina.*

Over 150 new slips and shoreside improvements were added this year to serve the growing number of recreational boaters.



Handling cargoes such as garnet from Australia, the Marine Terminal is building a diverse base.



New docks at Swantown Marina serve the growing recreational boating market.

- continued on back -

Commission Message

The Ingredients of Change

By Steve Pottle,
Port Commissioner

2004 has been a year of transition and positive change at the Port of Olympia. With the Commission emphasis on strengthening port business



enterprises and building a strong team, the port is creating new economic opportunities for our community.

New and enhanced economic partnerships have been established with customers, tenants, the community, and other stakeholders. Planned capital projects are being completed on schedule and on budget. Planning is moving forward for the future development of East Bay, NorthPoint and Tumwater Town Center.

We have brought on board an enthusiastic new Executive Director, John Wolfe, and new Airport and Marine Terminal directors who complement our strong management team.

As an avid chef, I liken the port's experience this year to cooking. A famous Canadian chef once said: "I feel a recipe is only a theme, which an intelligent cook can play each time with a variation." At the port, we've taken our basic recipe, added new ingredients, and changed some methods to get very positive results.

We plan to continue to make intelligent changes to benefit the citizens of Thurston County.

On behalf of the Port of Olympia Commission and Staff, I wish you peace and prosperity in the New Year. ☺

Longshore Contributes to a Strong Working Waterfront

From the oyster seed, phosphate, and lumber cargoes of the past to today's aluminum, garnet, and logs, longshoremen - and women - from Local #47 of the International Longshoremen's and Warehousemen's Union (ILWU) have handled it all.

"There have been a lot of changes on Olympia's waterfront since the early days of the steamships and sailing vessels," said Keith Bausch, Local #47 President. "But we're proud of the positive working relationship we've had with the port over the years."

Beginning as Local 38-89 of the International Longshoremen's Association in 1933, Local #47 of the ILWU was formed in 1937. The 22 currently registered members are based in Olympia but work up and down the West Coast. Longshore jobs are highly skilled, commanding good wages and benefits. Almost half the local members are at least the second generation of their families to work on the waterfront.

"Local #47 has a reputation for high productivity and quality teamwork," said Jim Amador, Marine Terminal Director. "They make the port extremely competitive in a time of very thin profit margins in the maritime industry."



Tom Haag helps spot loading of a military vehicle on a railcar during an operation this summer.

Over 30 vessels called at the port this year, compared to 26 in 2003. With the increase in cargoes, Olympia crews have logged more than 58,000 hours through November, the highest in ten years. Vessels are supported by other

ILWU locals in Washington and Oregon and casual non-union labor.

"Longshore and the port share a mutual respect and interest in providing the best service of any small port on the West Coast," commented Bausch. "We know we have one thing to sell, and that is good labor." ☺

Harbor Wholesale Supplies Growing Markets

Since 1985, trucks with the distinctive Harbor Wholesale Grocery logo have been a familiar sight in the Port's NewMarket Industrial Campus in Tumwater.

Founded in 1923, Harbor Wholesale now distributes more than 12,000 food and food-related products to nearly 2,200 convenience stores, small grocery stores, coffee stands and restaurants in Washington, Northwest Oregon, and Idaho.

"We have been successful because we have not lost sight of our roots, especially our family-oriented business practices," said Justin Erickson, Co-President and great grandson of founder Carl Erickson.

With 250 employees, the company has doubled sales in the last five years and recently leased another 12,000-square-foot warehouse on Port property for stocking products.



Harbor Wholesale distributes more than 12,000 products from its Tumwater warehouse.

Harbor Wholesale photo

Several years ago, the company began distributing and roasting gourmet coffee. Presently, two brands are marketed - Java Classics coffee and equipment, which is supplied to convenience stores, and Dominic's which is strictly for restaurants and espresso stands.

"This dynamic business continues to grow and thrive," said Heber Kennedy, the port's Properties Director. "We look forward to continuing our partnership in the future." ☺

Washington State Patrol Flies from Airport

Conducting photography flights over Mt. St. Helens, spotting speeding drivers, detecting rush-hour traffic snarls, transporting public officials – all in a day’s work for the Aviation Section of the Washington State Patrol (WSP).

Located in a vintage hangar, the Aviation Section has been based at the Olympia Regional Airport since 1968. Under the leadership of Lieutenant Tristan Atkins, the section currently has a staff of 14, two of whom are stationed in Yakima. Through October, the fleet of seven aircraft logged over 3,600 flight hours.

“Over the years, we have had an excellent relationship with the Airport,” said Lieutenant Atkins. “The Port and the airport have done a fine job of providing quality facilities.”

The Aviation Section has a busy schedule. Over half the flight time is spent in traffic enforcement – identifying speeding vehicles and aggressive drivers. Through August, WSP

pilots were responsible for calling out almost 18,000 violators.



Trooper Dan Shades supports aerial law enforcement activities.

WSP photo

Another important initiative is the cost-saving METRO program in King, Pierce, and Snohomish counties. During rush hour, WSP Cessnas are on the lookout for causes of traffic back-ups and alerting ground emergency crews. For

every dollar spent on METRO, the public receives \$18.28 in timesaving benefits.

Reflecting national security concerns, last spring the Aviation Section began conducting aerial surveillance of Washington State ferries to identify and report any security threats.

“The WSP Aviation Section provides important services for the citizens of Washington State,” said Rudy Rudolph, Airport Director. “We are proud to have them here at the airport.”

Shurtz Marine Offers Quality Services for Boaters

The Shurtz brothers have come a long way from their days as seasonal mobile marine repair providers - “two middle-aged guys in a broken down mini-van” as they called themselves. Since 2001, Shurtz Marine Enterprises LLC has called Swantown Boatworks home.

“When Swantown Boatworks opened, I could see a good opportunity to establish ourselves in a first-class boatyard,” said Russ Shurtz, a principal partner.

Shurtz Marine offers comprehensive marine maintenance and repair services including fiberglass and gel coat repairs, hull and bottom painting, mast rigging and installations, and mechanical and electrical installation and repair.



Shadd Foster prepares parts for a boat repair customer.

Ten full-time employees work year-round, and six additional people are hired during the peak season. From an initial 3,600-square-foot shop, Shurtz is in the process of expanding to over 6,600 square feet, making room for a permanent office and a parts department.

“Shurtz Marine has been a great addition to the Boatworks,” said Bruce Marshall, Harbor Director. “Their crew can handle just about any kind of repair in a timely, flexible manner.”

While local boaters are the core of Shurtz’s clientele, more and more customers are coming from Pierce and King counties, the Portland area, and from as far away as Florida.

“The Port is doing a great job of growing the market place by adding new docks and improvements that enlarge the marine industry locally,” said Shurtz. “But the keys to our success are honesty, consistency, and delivery of a quality product.”

Community

Workshop Focuses on Foreign-Trade Zones and International Trade

Trade with China, the role of the customs broker, and how Foreign-Trade zones work were topics of the seventh annual “Tools for Trade” seminar sponsored by Foreign-Trade Zone (FTZ) # 216 in October.



Andreas Ubye gives tips to assist importers.

Addressing the group of over 50 attendees were Andreas Ubye, Executive Director of the World Trade Center in Tacoma; Riley Moore, Assistant Professor at Saint Martin’s College; Michael Fowler, owner of Asia Access; and Lana Blinderman from FedEx Trade Networks.

“These speakers offered very knowledgeable perspectives and helpful advice for people involved in international trade, particularly the Pacific Rim,” said Port Commissioner Paul Telford, who introduced this year’s session.

Port staff Kari Qvigstad, Director of Trade and Business Development, and Carola Stark also presented information about the features and benefits of Foreign-Trade Zones.

South Puget Sound Foreign-Trade Zone #216 was formed to stimulate economic development and includes 13 zone sites in four counties. For further information, contact the Port of Olympia at 360-528-8000 or go to the FTZ #216 website at www.ftz216.com.

Strategic Investments Pave the Way for Business Success

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“We’ve invested over \$32 million over the last ten years in our marine terminal, real estate infrastructure and Swantown facilities,” said Van Schoorl. “The port is now better equipped to handle our customers’ needs.”

Plans for future years include:

- Continuing planning for the development of the 17-acre East Bay area in downtown Olympia and port properties in Tumwater Town Center;
- Partnering in the development of NorthPoint at the northern end of the port peninsula, including a new restaurant to replace Genoas;
- Providing additional rail and dock infrastructure at the marine terminal;
- Developing a commercial/retail Marina Village at Swantown and building the last three docks; and
- Completing runway safety improvements at the Olympia Regional Airport to provide a competitive platform for airport-related business development.

“Making strategic investments in our businesses is critical to the ongoing success of the port,” commented Van Schoorl. “Strong businesses will continue to create jobs and new and exciting economic benefits for our community.” 

Commission Meeting Schedule

The Port of Olympia Commission meets on the second and fourth Monday of each month in the LOTT Board Room, Market Centre Building, 111 Market Street NE, Second Floor, Olympia. All meetings begin at 5:30 p.m. Directions are available at www.portolympia.com. For information, contact Jeri Sevier at (360) 528-8003.

We Want to Hear From You

Do you have questions or comments for Port Commissioners or staff? Please email us at inquiries@portolympia.com, write the Port at 915 Washington St. NE, Olympia, 98501, or call (360) 528-8000.

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The Port of Olympia Commission and Staff wish you a new year of health and prosperity.

The Navigator

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Paul Telford, President

Bob Van Schoorl, Vice President

Steve Pottle, Secretary-Treasurer

Directors:

John Wolfe Executive Director

Jim Amador Marine Terminal Director

Andrea Fontenot
Public Works Director

George Fox Finance Director

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Bruce Marshall Harbor Director

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