

PORT OF OLYMPIA COMMISSION  
MINUTES OF REGULAR MEETING

January 11, 1999

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**CALL TO ORDER**

Commissioner Van Schoorl called the meeting of January 11, 1999, to order at 6:35 p.m. at the Port of Olympia in the large conference room. Commissioner Dickison was in attendance. President Pottle was held up in traffic and arrived late.

Staff in attendance were: Executive Director Nick Handy, Deputy Director Wendy Holden, Director of Marketing and Trade Development Kari Qvigstad, Director of Finance and Administration George Fox, Executive Assistant Jeri Sevier, Director of Engineering and Planning Andrea Fontenot, and Property Development Manager Heber Kennedy.

Members of the public in attendance were Trisha Collopy of *The Olympian*; Sandy Mackie, legal counsel for the Port of Olympia; Doug Adamson, KGY; Ron Grant representing the Planning and Advisory Committee; Bo Golson, Olympia; Alan DeMoss, Menlo Park, California; Teri Preston, Olympia; and International Longshoremen's Workers Union Representative Keith Bausch

**APPROVAL OF AGENDA**

The agenda was approved as presented, items were adjusted as needed for the arrival of President Pottle.

**PUBLIC COMMENT**

No public comment was presented for items not on the agenda.

**COMMISSIONERS REPORTS**

No Commissioner Reports was given.

**CONSENT CALENDAR**

Minutes. The minutes of December 7, 1998 a joint meeting with the City of Tumwater were unanimously approved as published by Commissioner Dickison and Van Schoorl. The minutes of December 14, 1998 were unanimously approved as published by President Pottle and Commissioner Van Schoorl.

Capital Project Expenditures. The capital project expenditures were unanimously approved as submitted.

**ACTION CALENDAR**

**New Leases – Western Intermodal**

Mr. Heber Kennedy presented the new lease between the Port and Western Intermodal to the Commission. The lease is for the northwest addition of Warehouse No. 2 for approximately 28,800 square feet of warehouse space. The term of the lease is for one year with four one-year options to renew.

The space as the warehouse will be for warehousing and distribution of steel products on a distribution/wholesale basis, not retail. The steel will be arriving at the warehouse by rail, unloaded, and trucked out. The steel coils are coming from California and this is the second step in the manufacturing stage.

Mr. Kennedy indicated the Port would not be responsible for any improvements to the warehouse for this lease. The Commission ratified the approval of the new lease with Western Intermodal.

### **Lease Amendment – Guest House Tumwater, L.L.C.**

Mr. Kennedy presented the lease amendment between the Port and Guest House Tumwater to the Commission. The lease amendment changes the legal description to coincide with the binding site plan, which changed the actual size of the parcel by .002 acres. This amendment does not change the lease amount. The Commission ratified the approval of the lease amendment with Guest House Tumwater.

### **Election of Port of Olympia Commissioners**

A motion was made to appoint Commissioner Bob Van Schoorl to President, appoint Commissioner Steve Pottle to Secretary-Treasurer, and appoint Commissioner Jeff Dickison to Vice President for 1999. The motion was unanimously approved.

### **Resolution 99-01 – Surplus Property**

Mr. Nick Handy indicated to the Commission this resolution was an annual item for consideration and approval in accordance with statutory requirements. The resolution allows the Port to make routine disposals of property it no longer uses or needs, up to the \$10,000 limit imposed by law.

The types of property disposed or sold will include small office equipment that is outdated or no longer of practical use, old computer systems that are not compatible with our modern network, and miscellaneous items of old, unused office equipment.

The Commission unanimously approved Resolution 99-01 as prepared and presented.

### **Resolution 99-02 – Request to BNSF and UPSP to Provide Regular Rail Service to the Port of Olympia**

Mr. Handy indicated Ms. Kari Qvigstad briefed the Commission at the December 14 meeting on this issue. Ms. Qvigstad revised the resolution to focus on the operational component as well as marketing. Ms. Qvigstad also prepared a letter to the both Burlington Northern – Santa Fe and Union Pacific to help position the Port to enter into serious discussions with the respective railways for improved service or short-line operator alternatives in order to improve the rail service needs as requested by the Commission at the December 14 meeting.

The Commission unanimously approved Resolution 99-02 as prepared and presented.

### **Capital Lake Management Plan**

Mr. Handy reported to the Commission that at the December 14 meeting, Steve Morrison from Thurston Regional Planning briefed the Commission on the alternatives developed by the steering committee. Andrea Fontenot has been representing the Port of Olympia on the steering committee overseeing development of a Capitol Lake Management Plan.

Commissioner Dickison also sits on the Steering Committee as a representative of the Squaxin Tribe and as such has indicated that he will not be participating in the Port Commissions discussions or decisions on this matter.

Staff was directed to develop a position letter. The staff recommendation is for the Port to not take a position on the internal workings of the lake, oppose any alternative that would remove the sediment dam, and reiterate the Port's prior requests for analysis on the impact of removing the dam on Budd Inlet, recreational boating, and commercial shipping.

Commissioner Pottle asked Ms. Andrea Fontenot why the committee stopped before they got to Budd Inlet for mapping and analysis. Ms. Fontenot indicated the entire project is so complex, the committee's focus and scope is limited to the lake. Ms. Fontenot also indicated there is no mitigation proposed in the plan for the potential impacts later.

President Van Schoorl found it interesting that the committee chose to show areas on the maps and in aerial photos that show little impact to businesses and recreation, but the impacts to the businesses and recreational areas are not shown or modeled to accurately reflect significant impacts.

Ms. Fontenot indicated the next steering committee meeting would be Thursday, January 14, which she plans to attend. Commissioner Pottle moved to approve the letter with the emphasis that Ms. Fontenot should express the concerns of the

Port at the meeting in strong manner.

President Van Schoorl and Commissioner Pottle approved the support letter as prepared and presented. Commissioner Dickison did not participate in this discussion.

## **ADVISORY CALENDAR**

### **Planning and Advisory Committee Update**

Mr. Nick Handy reported at the PAC's December 8, 1998 meeting, Deputy Director Wendy Holden provided an excellent history of the comprehensive planning process. Commissioner Dickison and Mr. Handy also provided an update on current issues at the Port.

At that meeting, the PAC scheduled its January 19 meeting to discuss its 1999 work plan, where the PAC will be discussing work projects for the year and when and how often it will be meeting. The PAC requested that Port staff consult the Commission regarding any direction the Commission may wish to provide to the PAC in this regard.

Staff has identified the four possible projects for PAC involvement in 1999. In addition, Mr. Handy indicated he would like to use the PAC as a "sounding board" for various Port developing projects including the Swantown Boatworks and Cascade Pole. The four possible PAC projects for 1999 include the following.

**Marine Terminal Outreach.** The Commission should identify a role for the PAC in the Marine Terminal Outreach project should the Commission decide to proceed with this. Staff recommendation would be to consider a joint Commission PAC meeting toward the end of the process to receive input from PAC members. Staff would provide a briefing for the PAC and PAC would be invited to attend the various forums.

**Port Plaza Policy.** Staff is in the process of developing policy and standards for public use of the Port Plaza. We would benefit from PAC review and input on these standards as they are being developed.

**State Satellite Campus.** As part of the PAC's continuing role developing the comprehensive plan, we propose an active PAC involvement as the Port and City of Tumwater modify the Port's comprehensive plan with respect to the State Satellite Campus.

**South Airport Properties.** The Port does not have a comprehensive plan for the newly acquired South Airport Properties. If we were able to get to this project in 1999, we would value PAC involvement in developing a comprehensive plan for these new Port properties.

Mr. Handy indicated he invited PAC Chair Ron Grant to attend the Commission meeting to comment on this particular issue. Mr. Ron Grant expressed his appreciation to the Commission for the presentation at the last PAC meeting by Ms. Holden, Mr. Handy, and Commissioner Dickison. He indicated the presentation was very helpful and returned the focus of the PAC. Mr. Grant added that the new members are very anxious to become more involved and maintain a more active role. Mr. Grant asked the Commission how the PAC could best satisfy the Commission and give the group a more comprehensive focus.

Commissioner Pottle responded that he has always felt the PAC should be playing a more active role and was excited about the recent appointment of two new members and the opportunities they bring.

Commissioner Dickison responded that the Commission should provide a specific direction for work items for the coming year. He felt the PAC responded well to the history and context in regards to activities of the Port since some of the members have seen, but not experienced the process. Commissioner Dickison indicated this was an important item for the Commission to keep in mind when asking the PAC to work on specific items. He feels that it is incumbent upon the Commission to provide history to the PAC when seeking their assistance.

The Commission gave staff direction to proceed with the PAC on the above issues. The Commissioners indicated they would try to attend the next PAC meeting on January 19 at 7:00 p.m.

### **Marine Terminal Outreach Process**

Staff presented a Marine Terminal outreach process for Commission consideration. The purpose of the Marine Terminal outreach process would be to provide information and community input to the Commission regarding whether the Port

should “stay the course” provided in comprehensive plan for the Marine Terminal.

The Comprehensive Plan was adopted in June 1995 with strong community support. In particular, a public survey showed a high level of support for a working waterfront through continued shipping activities. Staff is recommending that the Port provide a series of forums for the purpose of providing information and soliciting community input to the Commission on whether the Port should “stay the course” on this part of the comprehensive plan.

Staff recommended holding public forums, involving stakeholders keeping the objectives consistent with the essential purpose of providing information and community input for the Commission. Staff is currently considering a ten-week process in January and February 1999. The process would be concluded at the Commission’s first regular meeting in March.

If the Commission were to approve the staff recommendation to proceed, the Commission would pass a motion at its meeting Monday night commencing the process. Staff would then distribute a schedule and plan. In week two, the Port would issue a press release and more detailed information about the dates, locations and format for the various forums. In addition to press releases and mailings, staff envisions making personal contact with interested parties to invite participation. Staff would also be conducting research.

The Port would sponsor an informational forum designed to provide background information regarding the Marine Terminal, shipping, and international trade. Staff would arrange speakers and a program for this forum. Public participation and comment would be encouraged. A public workshop would be held in addition to the informational forum. This would be an opportunity for all interested parties to express views. This forum would be devoted to allowing public discussion and comment.

A third session would be scheduled with community leaders. The Port would invite county and city elected officials and business and community leaders for a roundtable discussion. The fourth and final outreach meeting would be a joint meeting between the Commission and the PAC to discuss these issues. Staff will have previously briefed the PAC on these issues and PAC members would be encouraged to attend the prior forums.

Staff would use the final weeks to assemble information into a report with recommendations to the Commission. At the March 8 regular meeting, the Commission would receive staff recommendations, provide policy direction, and bring closure to the process.

Commissioner Dickison indicated he wanted the Commission to be clear on the direction of the outreach process. He did not want to send the wrong message that the Marine Terminal is up for grabs. The Commission needs to keep an open mind during the process about making adjustments, but to be clear on the position to continue to operate a Marine Terminal.

Commissioner Pottle indicated he felt exactly the same as Commissioner Dickison and agrees with all aspects of what Commissioner Dickison said. President Van Schoorl commented that the process a few years ago got the support of the Marine Terminal, but there were some people in opposition. He asked how staff plans to keep this process from opening up the same discussion at 1994.

Commissioner Dickison indicated if there is a reason to consider other uses for the Marine Terminal, that would be a subsequent process at the conclusion of this process. If at the end of this process, the Commission concludes there is substantial reasons to examine other uses, that would be a separate public process. This outreach process is to examine the Marine Terminal and the viability to continue operating. Commissioner Dickison further indicated it would be a challenge for the Commission to keep on track and keep a dialog within sideboards while keeping an open mind of the outcome.

Sandy Mackie, the Port’s legal counsel, said the process should be addressing the question “Has the world or local circumstances changed since 1995 to warrant a re-examination of the Port comprehensive plan commitment to a marine terminal?” Mr. Mackie indicated that if the answer was no, then the plan is still valid, if there has been a change, then the Port needs to consider modifications to the plan.

Commissioner Dickison said the Port is a corporation that just lost a significant customer, it is incumbent upon the board of directors to review our businesses for long term response to change. We need to examine the organization and it is important to have a public process in that examination.

Mr. Ron Grant commented that the decision to “stay the course” was made in the context of the Ports other businesses.

He was concerned that to only focus on the marine terminal and not on the other businesses to show the other businesses off set any risk involved. The decision years ago were to diversify.

President Van Schoorl indicated that unfortunately, certain parts of the community lost sight of the significant benefit the Port has brought forth to the community.

Commissioner Pottle said this is why we are planning the process to correct the record and to look at the successes of the other businesses.

Mr. Handy asked the Commission for direction to move forward with the logistics and publicity of the Marine Terminal outreach strategy.

Commissioner Dickison made a motion to approve the Marine Terminal Outreach Process as generally discussed and authorized staff to move forward with the strategy. The Commission unanimously approved the motion. Commissioner Pottle asked that the forums be set up around the Thurston County area. Staff will provide the Commission with a draft of the process by Friday, January 15.

### **Rail Proposal**

Mr. Bo Golson from Woodside Consulting presented the Commission with a sample plan for the railroad. Mr. Golson indicated he would like to prepare a presentation to the Commission to indicate what he could do for the Port on a pro bono basis to layout the possibilities on the rail issues.

The meeting of the Port Commission was continued to 8:15 a.m. January 19 to review the draft proposal, strategy, and publications for the marine terminal outreach process.

### **Continuation of the January 11, 1999 Meeting**

As a continuation of the January 11, 1999 meeting, President Van Schoorl called the meeting to order at 8:20 a.m. on January 19, 1999 at the Port of Olympia in the large conference room. Commissioner Dickison was in attendance. Commissioner Pottle participated via telephone conference call.

Staff in attendance were Deputy Director Wendy Holden and Program Assistant Teresa Olson.

The purpose of the meeting was to continue discussion of the marine terminal public outreach process. Draft copies of the informational flyer and letters to the community and community leaders were discussed. Minor changes involved layout in design and emphasis in promoting the public meetings as informational sessions that focus on business opportunities for the marine terminal. It was suggested that the Port view this process as a way to look at the individual business unit and business opportunities.

Deputy Director Holden will edit the final letters/flyer; the Commission will have an opportunity to review the final document prior to its release on January 20, 1999.

### **ADJOURNMENT**

President Van Schoorl adjourned the meeting of January 19, 1999 at 8:45 a.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer