

PORT OF OLYMPIA COMMISSION MINUTES OF REGULAR MEETING

January 26, 1998

CALL TO ORDER

President Dickison called the meeting of January 26, 1998, to order at 6:40 PM in the General Administration Building Auditorium. Commissioner Van Schoorl and Commissioner Pottle also attended.

Staff in attendance were: Executive Director Nick Handy, Deputy Director Wendy Holden, Director of Finance and Administration George Fox, Marketing and Trade Development Director Kari Qvigstad, Marina Office Supervisor Cheryl Cutshaw, Marina Maintenance Supervisor Paul Wallace, and Executive Assistant Jeri Sevier.

EXECUTIVE SESSION

President Dickison reported the Commission had been in executive session discussing property and personnel. No decisions were forthcoming.

APPROVAL OF AGENDA

The Swantown Marina Expansion Plans was moved to the action calendar to be heard before the Swantown Marina Liveboard Fees. The Executive Director Compensation Agreement was removed from the agenda. The agenda was approved as modified.

PUBLIC COMMENT

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

COMMISSIONERS REPORTS

President Dickison reported on the continued progress of the transportation plan with Thurston County. He noted revisions to the plan continue.

CONSENT CALENDAR

Minutes. The minutes of November 10, 1997, and November 24, 1997, were unanimously approved as published with one correction in the November 10, 1997, page two, line 36, remove "Van" before Pottle.

Bills and Vouchers. The bills and vouchers for the period ending January 26, 1998, batch 47 – 51, for \$1,691,310.25 were unanimously approved as published.

ACTION CALENDAR

Election of Port of Olympia Commission Officers.

The Port of Olympia Commission's policy has been to rotate the officers beginning each new year. The election was moved and seconded that Commissioner Steve Pottle assume the duties of the President, Commissioner Bob Van Schoorl assume the duties of Vice President, and Commissioner Jeff Dickison assume the duties of the Secretary-Treasurer. The motion to approve the new officers was unanimously approved. Commissioner Dickison thanked the Commission for the opportunity to serve as President for the past year.

Swantown Marina Expansion Plans.

Executive Director Nick Handy reported that Port of Olympia staff has been working on plans to expand and develop the marina. Mr. Handy reported that Deputy Director Wendy Holden would give a five to ten minute overview of the staff recommendations. The Commission has not adopted any recommendations or acted on the expansion plans.

Deputy Director Wendy Holden discussed the Port's comprehensive plan to develop the marina. The two areas that would be developed are the DEF and MNO areas. The DEF will only be adding D and E slips. This expansion would take approximately 18 months. The development would reduce the scope of commercial development and make it logical to develop a small boat center.

Developed simultaneous would be the docks of MNO. The MNO slips are located near the boatworks. The plan would allow for some commercial development, move marina drive, allow for more parking, and work with some wetland areas. This expansion would take approximately two and one half to three years. The overall cost of the proposed plan is \$6.5 million.

A question from the public inquired on whether the plan included adding additional facilities, showers, bathroom, laundry, and garbage throughout the marina. Mr. Handy responded that expansion plans would address these facilities.

Bruce Marshall, a consultant working with the Port of Olympia, presented a three-phase development plan. Phase one would add D and E docks providing 50 twin slips, 50 Row slips, and 60 Row slips, thereby bringing the total slips to 631.

Phase two would relocate dock A and place it between dock L and Swantown Boatworks. This would expand the marina to a total of 738 slips when completed. The transit slips would then be down closer to services that visitors want access to. The Port has obtained funding from the state (IAC) for dock A to provide transit moorage.

Phase three would build a new dock A that would provide for 24, 40, and 44 foot slips. This expansion would increase the number of slips by 34, thereby bringing the total slips to 817 for the marina.

Nick Cockrell, a member of the public, asked if there were any plans for the Port to widen the ramps from land down to the docks. He suggested that the ramps needed to be widened. Wendy Holden responded that no decision has been made to add more ramps or to widen the ramps, but that this comment would be taken into consideration in planning.

Steve Meacham noted that he sent a letter to the Port and would like to see more balance based on local boat usage, expanded dry storage area for medium to small boat owners, and maximize the public use, parking, restroom keys, and other services. Mr. Meacham suggested that the boat yard should be put closer to the Cascade Pole site rather than next to the creek.

Vick Lamb would like to see more parking for marina tenants. Mr. Lamb noted that there should be a balance between public and tenant use parking.

Tom Pell asked if there were any plans for a fuel dock. Nick Handy responded that currently the Port has no plans to develop fuel facilities. Mr. Handy expressed an interest in a private developer going in partnership with the Port to develop a fuel facility around the other side adjacent to Genoas.

Les Eldridge spoke on behalf of the Small Boat Federation, the naturally powered boats, sail, paddle, and oars. Mr. Eldridge submitted a proposal to the Port Commissioners regarding development of the Swantown Small Boat Center.

Commissioner Dickison noted that the Port Commissioners have had dialog with the Small Boat Federation for quite sometime and on behalf of the Commission, he appreciates the preparation of the proposed document. Commissioner Dickison also noted that the Commission would review the report and develop a response.

President Pottle closed the discussion of the Swantown Marina Expansion Project by providing a consensus that the comments received from the public encourages the Port to be flexible and provide a balance between the needs of the tenants and the public.

Swantown Liveboard Fees.

Mr. Handy said the staff placed liveboard fees on the agenda for the Port Commissioners to bring closure to the Swantown Liveboard Fee issue. The liveboard fees have been discussed for a number of years. A study was conducted that recommended a \$50 per month liveboard fee. Staff has reviewed this recommendation since the extensive discussion at the June 23, 1997, meeting six months ago. Mr. Handy prepared a proposal dated December 10, 1997, recommending

a liveaboard fee to put the Swantown Marina on a level playing field with private marinas who do charge a liveaboard fee. Mr. Handy noted that the public marina has offered free services and should now charge a comparable rate.

Mr. Handy said the staff recommendation is to propose a grandfathered fee. Under this approach, all new liveaboards would pay \$50 per month fee immediately. Existing liveaboards would be allowed a longer phase-in period. This phase-in period might initiate a \$25 fee in June 1997 and graduate to \$50 in June 1998. Mr. Handy also said the recommendation would be to increase the fee based on the Consumer Price Index (CPI).

Mr. Handy said the recommendations also included an amnesty period during which "sneak-aboards" and those on the liveaboard waiting list would be provided an opportunity to move to an authorized liveaboard status. The amnesty period would allow for a one-time 60-day opportunity for this purpose. Doing this may increase the liveaboards from the current authorized 50 to approximately 70 to 85 liveaboards. Staff recommends that the authorized level be 75 and those above the 75 would be reduced through attrition.

Mr. Handy also said that the recommendations would provide for enforcement of the liveaboard requirements. 1998 budget calls for additional staffing in the office and expanded security services, which would provide a fair and effective enforcement system to ensure the liveaboard limit is maintained and fees are paid by authorized liveaboards. Mr. Handy said that the recommendations would also call for environmental plans from each liveaboard establishing the vessel's procedures for managing onboard waste. Mr. Handy said the Port is committed to investing five to six million dollars for additional parking and services.

Commissioner Van Schoorl felt there was a need to recognize those who has been liveaboards for a long time. He felt that the graduated phase-in fee was up for debate. Commissioner Van Schoorl proposed that beginning in 1999, the current liveaboards pay a \$12.50 per month fee and increased by that amount each year for four years. Commissioner Van Schoorl also questioned whether a need exists for the amnesty cap and asked why we should accommodate those that are currently violating the policy. Commissioner Van Schoorl felt that the enforcement was critical. He also suggested that the revenue collected from the liveaboard fee could be distributed to the small boat facility.

Commissioner Dickison asked for clarification on Commissioner Van Schoorl's proposal. Commissioner Dickison suggested a schedule be established for marina rates, then conduct a market study in 2002 and make adjustments based on the market study.

Commissioner Dickison said that he was not convinced that we should establish a liveaboard rate. He felt some mechanism should exist to determine the number of liveaboards at the marina, and that the Port should not make an arbitrary decision on the number of liveaboards allowed at the marina. Instead, the Commission should have some mechanism to determine that number. Commissioner Dickison also said he did not feel that the entire marina should be liveaboards, which would be environmentally problematic. The mechanism to determine the number of liveaboards allowed at the marina should be justified by supply and demand, and that the proposal be tested for a specified time. If the proposal does not achieve its purpose, the commission could reconsider.

Commissioner Van Schoorl agreed that a balance should exist between supply and demand. He also commented that he was not convinced we need a cap at all. The liveaboard fee should be consistent with other marinas thereby providing a balance between supply and demand letting the market balance where the liveaboards are.

President Pottle said he was not sure what the point is to limit the liveaboards. He has a concern, however, that the liveaboard fees would be imposed on those tenants who came to the marina under past pretenses. President Pottle asked Commissioner Dickison how the test proposal would be accomplished.

Commissioner Dickison responded with a suggestion to let the market would control the number of liveaboards. Under this approach, the Port would establish a liveaboard fee for a period of time and then evaluate the competition for revenue versus services. Commissioner Dickison said he was not convinced the supply and demand theory would work in that way; thus suggesting a period of time. Commissioner Van Schoorl suggested a four-year phase in to get all liveaboard tenants at a \$50 per month fee. Commissioner Dickison proposed that three years should be sufficient time to determine whether the market rate needs to be adjusted.

Commissioner Van Schoorl asked the Neil Falkenburg, owner of West Bay Marina, what fees West Bay is charging.

Mr. Falkenburg responded that West Bay Marina is charging \$35 per boat and \$15 per person past one, so that a couple would pay \$50 per month.

Commissioner Dickison said his proposal addresses issues raised in an experimental fashion. However, he added one comment. Liveaboards at the marina have been very gracious to invite staff and Commissioners to their homes. The discussion generated was very useful and constructive. Nevertheless, Commissioner Dickison said Port staff and Commissioners have received a number of communications only characterized as threatening to the staff and Commissioners. Those threats were not useful or productive, and in fact, the threats have been ignored. However, the threats have not made anyone's task easier. Both Commissioner Van Schoorl and President Pottle commented that the threatening letters were disconcerting to them as well.

President Pottle opened the floor for public comment.

Jim Vollmer said that he is not a liveaboard at the marina. However, he is a boat owner with a boat moored at the marina. Mr. Vollmer suggested that the number of liveaboard slips be based on a percentage. He said the amount charged should be phased in. Mr. Vollmer said the liveaboards do not cost the marina. He felt that by charging a fee based on competition, a private industry decision results, thereby taking control from the Commission. Mr. Vollmer also asked whether liveaboards could take a leave of absence to cruise for a year, or would fees continue for the empty space?

Victor Lamb commented that the number of liveaboards should be about 15-30 percent of the marina.

Paul Proctor spoke of his concern of the enforcement policy. Mr. Proctor did not feel that Port staff should be checking on how and when he uses his boat.

Alayne Goodhart said she is a liveaboard resident and enjoys the community atmosphere the marina provides. Ms. Goodhart also thanked the Commission for hearing the public comments, however, she does not support the liveaboard fee. She feels that instead of adopting a liveaboard fee, the Port should set an example by developing and implementing a strong environmental control.

Peggy Goldberg is also a liveaboard resident at the marina. Ms. Goldberg said charging a liveaboard fee will not affect other marinas. She likes living at Swantown Marina, and expressed concern that a misconception may exist regarding increased numbers of liveaboards.

Diana Walters is also a liveaboard resident at the marina. Ms. Walters said she would not leave the marina if a fee were charged because she feels the marina is a nice community to live in. Her concern, however, is the increased security. She said security has shined flashlights in her ports late at night on occasion. Therefore, if the security were heightened due to charging liveaboard fees, she would have a concern of how security is monitored.

Carol Cann is not a liveaboard resident, but has a boat moored at the marina. She said the liveaboards provide a tremendous value to the marina at no expense. Ms. Cann indicated that on several occasions, a liveaboard resident has helped her and many others when they could not be there. The liveaboards also provide a sense of security. Ms. Cann does not support a liveaboard fee unless it is clearly documented that increased costs result to the Port due to liveaboards.

Kathy Champoux is a liveaboard resident. She said others in the marina depend upon the liveaboard residents to help. She noted many occasions when someone has rescued a boat or helped someone out. If imposing the fee is a revenue issue, the Port should spread the cost to everyone in the marina. She said a liveaboard fee is unacceptable. Ms. Champoux did however point out that the marina staff at the Port has been very helpful...the marina is our home.

Steve Meacham said he is not a liveaboard currently, but plans to be one. Mr. Meacham said he does not expect the Port to pick up his tab for sewer or garbage, but the fee should be based on services provided. Taking the lid off the number of liveaboards allowed at the marina should be considered, with a turn over rate, you could end up with a liveaboard marina.

Bruce Holbrook said special services should be provided to warrant fees. He does not feel that two showers, four washer and dryers is sufficient services. Mr. Holbrook feels that until the expansion is underway and services are increased a liveaboard fee should not be implemented.

John Sherman said that he felt the decision had already been made because of the private sector. Mr. Sherman said that was thin justification for why the Port needs to establish a liveaboard fee. However, Mr. Sherman noted that the Small Boat Center is a wonderful thing, it adds community value.

Tana Stensing reiterated that the liveaboard community provides an advantage to the marina. Ms. Stensing felt that the Port needed to develop a public/private partnership. She asked the Port to let the marina residents' work with them so everyone could work on this issue and come to some solution.

Commissioner Dickison suggested that any proposal should identify revenues generated and determine through a survey or committee with the liveboards participation how revenues are used to improve the marina. Commissioner Dickison would like to see more ownership of the liveboards on this issue. Commissioner Dickison also said in response to Commissioner Van Schoorl's proposal to direct the revenue to the Small Boat Center, he does not favor limiting that support with the amount of revenue generated from the liveboards.

Commissioner Van Schoorl commented that a lot of work remains to be done to work out this issue. Issues continue around the services provided and amnesty to those that abuse the system currently. Commissioner Van Schoorl said he is not prepared to offer a motion to change the current policy.

No motion was offered and no action taken on the Swantown Marina Liveboard Fees.

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Surplus Property Resolution.

George Fox presented Resolution 98-01, a resolution to dispose of surplus property. Commissioner Dickison moved and Commissioner Van Schoorl seconded a motion to approve. Resolution 98-01 was approved by a unanimous vote.

Foreign Trade Zone Resolution.

Kari Qvigstad presented Resolution 98-02, a resolution to authorize applications to the Foreign Trade Zone Board for a permit to allow processing and manufacturing operations for export only within Foreign Trade Zone #216. Ms. Qvigstad said this will authorize Darigold to conduct processing and manufacturing operations for export only within the general purpose zone site and authorize the Port of Olympia staff to move forward in facilitating this manufacture. Commissioner Van Schoorl moved and Commissioner Dickison seconded a motion to approve. Resolution 98-02 was approved by a unanimous vote.

ADVISORY CALENDAR

Port of Olympia Kiosk Project.

Ms. Qvigstad discussed the Port of Olympia Kiosk project with the Commission. Ms. Qvigstad said the concept is to have two permanent panels and two changeable panels. By doing this, the project will go over budget by approximately \$200. Ms. Qvigstad announced that the Port of Olympia plans to have a dedication of this project around the same time as the opening of the Farmers Market and Batdorf and Bronson.

Mr. Fox gave a brief update on the status of the 1998 Capital Budget. Mr. Fox said he should have a completed budget ready to submit to the Commission by the first meeting in March. At that time, the 1998 Capital Budget will be submitted for approval. Mr. Fox said the design of the budget would be a much more presentable package than they have received in the past. He noted however, some issues may need action before the March meeting. These issues may come to the Commission before the March meeting.

Commissioner Van Schoorl suggested that the Commission have a special work session on the 1998 Capital Budget before the budget is submitted for approval at a Commission meeting.

Commissioner Dickison suggested that the Commission might want to have a retreat to discuss upcoming issues.

President Pottle said he would work on the possibility of a retreat with Nick Handy. Discussion of future meetings led into the request from Commissioner Van Schoorl to move the February 23 meeting to March 2. It was also noted that the Commission has a special joint meeting on February 2 with the City of Tumwater. It was unanimously agreed to adjourn the January 26 meeting to February 2 at 6 p.m. at Tumwater City Hall when the Port Commission will meet jointly with the Tumwater City Council.

ADJOURNMENT

President Pottle adjourned the meeting at 9:00 p.m.

President

Vice President

Secretary-Treasurer