

PORT OF OLYMPIA COMMISSION  
MINUTES OF REGULAR MEETING

January 28, 2002

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**CALL TO ORDER**

President Van Schoorl called the meeting of January 28, 2002, to order at 5:30 p.m. at the Tumwater City Hall, Council Chambers. Commissioners Pottle and Telford were in attendance.

President Van Schoorl gave opening remarks and invited the televised viewing public to call the office or visit our website to provide us feedback on the televised meetings.

Staff in attendance were: Executive Director Nick Handy, Administrative Manager Jeri Sevier, Finance Director George Fox, Engineering and Planning Director Andrea Fontenot, Deputy Director Wendy Holden, Marketing Director Kari Qvigstad, Property Development Manager Heber Kennedy, Marine Terminal Manager John Wolfe, Communications Manager Patti Grant, Program Assistant Teresa Olson, Cascade Pole Site Manager Don Bache, Facility Project Engineer Rod Hudson, and Olympia Regional Airport Manager Doug Sandau.

Public in attendance were as follows. Representing the Olympian was reporter Scott Wyland. Representing legal counsel was Bob Hauth. Others in attendance include: Mike Pettit, Mohsen Kourehder, Harold Chambers, Karen Valenzuela, Bruce Zeller, Gary Nomensen, Dennis Matson, Pat Allen, Jim Maul, Neil Alongi, Ron Roberts, Charlie Roe, and Kevin Ekar.

**APPROVAL OF AGENDA**

The agenda was approved as submitted.

**PUBLIC COMMENT**

No public comment given on items not on the agenda.

**COMMISSIONERS REPORTS**

Commissioner Pottle reported on the EDC board, he indicated the EDC met earlier and approved the budget for exciting opportunities for the community. Commissioner Pottle indicated that at the last Commission meeting he talked about Big Sky visiting, they have since rescheduled for the end of February.

Commissioner Telford asked to discuss the format of the meetings and public comment rules. He indicated he had a concern about the hard and fast rules on 3 minutes. Generally speaking we don't have problems and would prefer to have a more flexible approach. He commented that tonight there was no public comment. Commissioner Telford indicated he would prefer the president to let people say what they want to say and then if gets out of hand the president could impose some limits.

Commissioner Telford noted that he has also been in meetings where the public comment states false premises. In that case the president should try to correct or respond to information like that. He commented that he doesn't care for the rigid approach. But there is nothing wrong with answering a question from a member of the public. On the other hand, he commented that, he does not want to see a public debate happening.

President Van Schoorl indicated that he concurs with using flexibility for the time limits of public comment; however, we need to keep some control of the time limit. He noted that he also concurs with keeping information factual and correcting a statement. However, do not want to get into a debate with the public. As a matter of course he indicated he would suggest a 3-minute time limit and allow flexibility as needed.

Commissioner Telford commented that he wanted to give heads up on a conflict of interest issue. He noted that he has

reviewed the three major cities and Thurston county on whether or not they have Policy and Procedures that address that issue. He noted that none of them provided results; therefore, no jurisdiction in Thurston County has anything in their Policies & Procedures that address this issue. Commissioner Telford said that he would be recommending a cooperative effort to work on a model policy by the municipalities. After reading RCW 42.23.040, it notes that if an officer has a remote interest, then they should not vote on that topic. Commissioner Telford indicated that the Commissioner will be taking action tonight on the Economic Development Council and Commissioner Pottle is a director of that group.

## EXECUTIVE DIRECTOR REPORT

Mr. Handy gave a brief overview of each of the departments. At the Marine Terminal he reported that the *Producer*, the CSX Lines container vessel, sailed on 1/21/02 after a 6-month lay berth at the Port. CSX Lines was very pleased with the accommodations and service that they received during their stay at the Port and hope to bring another layberth vessel in. He also noted that Emachu will bring a ship in between February 5-10, Nichimen will bring a ship in between February 18-22. Vessel names and exact dates are unknown at this time. The lumber and glass continue to be loaded out to rail and the garnet ship from Australia is expected to arrive in March/April. Mr. Handy noted that the warehouse roof bid approval is expected to come back to the Commission in February.

At the Boatworks and Marina, Mr. Handy reported that Island Sailing Club has moved into the Boatworks building. They have also leased 8 moorage slips at Swantown Marina for their club operations. The Boatworks building is now full and a record number of boats at the Boatworks. We have 22 boats scheduled for haul out in January compared with 14 last year in January. Mr. Handy announced The Port has also been selected to receive the Community Jobs Work Site Award for our efforts in providing work experience to individuals in our community. Mr. Handy extended his congratulations to Bruce Marshall at the Marina and Doug Sandau at the airport for their support of this program.

Mr. Handy reported on activities at the Airport noting that the FAA is updating the ASOS (Automated Surface Observing System) located on the airport and hope to be finished with it by February 1. The change will allow the automated weather observation station to transmit its weather report over the radio, allowing pilots to access the information much quicker and easier. Currently, pilots can only access the ASOS weather information by calling into the system on a telephone.

In the Properties department, staff is working with a major national developer interested in visiting our properties to consider various development opportunities (i) State of Washington RFP, (ii) corporate aviation, (iii) optioning a larger site (20-30 acres) and marketing it as one of their own, and (iv) the state street property. He indicated we also have three investors interested in developing dry stack storage. The properties staff is also developing an assignable option on the 9.5-acre parcel for the state for their RFP.

Mr. Handy reported that staff is attempting to bring to conclusion a property swap with the city for their use of our West Bay parcel; the likely exchange will be for property by Priest Point Park. We are working with the state for a lease extension for the State printing plant facility.

Mr. Handy indicated that the Port recently assisted the Olympic Torch event that occurred on Port property at the Farmer's Market. The Port was pleased to host this event and Mr. Handy expressed his appreciation to Clarita Mattox for her work with the City of Olympia and others coordinating this event.

## CONSENT CALENDAR

The Consent Calendar was unanimously approved as follows.

**Minutes.** The minutes from the January 14, 2002 meeting was unanimously approved as presented.

**Bills and Vouchers.** Each week the accounting office prepares a listing of the warrants. The Secretary Treasurer then approves each of the weeks voucher listings. The bills and vouchers for the month ending January 31, 2002 were approved in the amount of \$825,897.48. Warrants issued: 023692-023723, 023724-023727, 023728-023737, 023738-023742, 023744-024102. Voided warrants; 019628-019926, 023743, 023750-023807. The bills and vouchers were unanimously approved by Commissioner Pottle and President Van Schoorl. Commissioner Telford did not vote since these bills were from December before he was Commissioner.

## ACTION CALENDAR

## **Memorandum of Understanding with the City of Tumwater**

Ms. Andrea Fontenot presented the Commission with a Memorandum of Understanding with the City of Tumwater regarding the Tumwater Town Center. She reported that staff has been representing the Port on the Tumwater Town Center Planning Committee for several years. This committee has been tailoring the zoning code and development standards for the Town Center area. Ms. Fontenot indicated that prior to this work group the Port and City debated the continued use of this Port property by the existing industrial tenants and sites, UPS and Richmond Engineering.

Ms. Fontenot indicated that Tumwater Council Member Karen Valenzuela was in attendance at the meeting and she has been following the issue on behalf of the City Council. Ms. Fontenot indicated that as a compromise in this process and in an effort to retain these uses until a higher and better use arrives, we negotiated this proposed arrangement with the City, whereby these lease sites would be kept on a short-term lease (two years in duration). The City will also require the facilities to be upgraded at the time of a remodel.

Ms. Fontenot explained the Memorandum of Understanding indicates the Port of Olympia agrees to limit, at the time of lease renewal, the lease term of existing facilities for industrial/warehousing users to, 1-2 years, to allow the flexibility to phase out those uses when a higher and better use is available.

Commissioner Telford asked how many properties would be involved. Ms. Fontenot responded that currently two parcels, occupied by UPS and Richmond Engineering would be involved. Commissioner Telford said his general concern was for the tenants; don't want to force anyone out on a two year basis. Mr. Heber Kennedy responded that Richmond Engineering lease is up in April and they are already planning to leave then. He noted that the UPS lease goes for another 15 years. Mr. Kennedy commented that under this MOU, no one is being driven out. However, the MOU does limit the lease term for the Richmond Engineering building when it comes up for lease. Mr. Kennedy noted that the State is looking at doing a development in that area, so this MOU gives time to allow for planning.

Commissioner Van Schoorl commented that he shares Commissioner Telford's concerns. Two years is not enough time for any business. Who would want to move into a 12,000 sq ft. building with only two years notice? Mr. Kennedy indicated we see the movement of the land going forward. We would try to retain that tenant by moving them to another location at the industrial campus. Commissioner Van Schoorl indicated he thought there were some restrictions by the City that is not allowing those businesses to expand. Ms. Fontenot indicated there were not restrictions that she was aware of that is limiting either one of these businesses.

Commissioner Pottle indicated it is a double-edged sword, and since there are not issues with our tenants, I believe there will be an opportunity for more development. President Van Schoorl said he was concerned with having an empty building we are not able to fill. Mr. Kennedy indicated that building brings in about \$43,000 per year income.

Mr. Handy noted that because of the RFP process coming down from the state and having Richmond Engineering building empty, it would be the preference of the Port to have this site available for the larger project.

Commissioner Pottle motioned to approve the MOU. Commissioner Telford commented that he would not expect the property to sit empty for two years or until something happens. He suggested the time period be longer for leases. Mr. Kennedy responded this site (2 acres) with over 1,000 feet of frontage on Airdustrial Way should be a preferable site to a business. Ms. Fontenot indicated this draft of the MOU is the draft of the formal agreement. President Van Schoorl suggested the MOU lay on table until next meeting to enable more discussion with staff and city council members.

## **Economic Development Council Contract Approval**

Mr. Nick Handy reported to the Commission on the Economic Development Council contract with the Port of Olympia. He indicated that for many years the Port of Olympia has maintained a contract for marketing services with the Thurston County Economic Development Council.

This contract has been \$20,000 for many years with no annual increases. The EDC is recommending an increase to \$22,000 this year. Mr. Handy indicated Mr. Dennis Matson, Executive Director of the Economic Development Council was in attendance at the meeting and would also provide a report to the Commission on joint activities of the EDC and the Port under our cooperative partnership.

Mr. Handy noted that Commissioner Pottle has served as the Port's representative to the Economic Development Council for the past several years. Commissioner Pottle has been actively involved in the work of the EDC and will also be in

position to comment on the joint undertakings of the EDC and the Port.

Mr. Handy indicated that Mr. Heber Kennedy serves as lead staff for the Port on joint marketing efforts with the EDC and Kari Qvigstad supports EDC projects involving the Foreign Trade Zone. Heber and Kari will be available to answer Commission questions on this partnership.

President Van Schoorl reported that an issue has been raised that questions Commissioner Pottle's representation on the EDC and that there may be a conflict of interest. President Van Schoorl indicated that we have learned from legal council that a conflict may exist. Therefore, Commissioner Pottle has decided not to vote or comment on this matter. He commented that however, we find this very interesting that as Commissioners serving on the various boards and commissions, in some cases, some of those representations have migrated into other representations.

Mr. Gary Nomensen, president of EDC, presented the EDC budget and work plan. Mr. Nomensen indicated the EDC has had a strong relationship with the Port to strengthen the economy in this community as a whole. Mr. Nomensen indicated the EDC provides for a public private partnership dedicated to family wage jobs. Mr. Nomensen reviewed the 2002 goals; (1) to provide systematic business retention and expansion assistance to existing employers, in order to sustain family wage jobs in Thurston County. (2) To initiate proactive efforts to strengthen the community commitment to economic vitality, sustainability, and business competitiveness in a global economy. (3) to continue efforts to attract targeted business activities that provide family wage jobs, and contribute net new revenues. And (4) to provide one-on-one counseling and group training to encourage local entrepreneurship and economic vitality through small business start-up, expansion, and retention.

Mr. Dennis Matson, Executive Director of the Thurston County Economic Development Council discussed with the Commission the successes from 2001. He indicated the Target Corporation, major distribution center is developing at Hawks Prairie. Home Depot is opening a distribution center at Commerce Place in Lacey. Mr. Matson indicated that this results in over 718 direct jobs in community. He noted that the EDC is also working with 19 other companies that are currently looking at Thurston County for relocating their businesses. Mr. Matson reported that the Port's activity in FTZ #216 has been an important part of the efforts in attracting businesses like Home Depot.

President Van Schoorl asked Mr. Kennedy what benefit the Port receives directly from having the EDC contract. Mr. Kennedy responded that Cardinal Glass and ASKA Corporation have been very successful projects that were developed through a cooperative effort with the EDC. The Port's EDC is able to issue low cost bonds, so Ostrom, Spring Air NW, and others have taken advantage of those bonds, therefore jobs in the community were retained. Mr. Kennedy indicated that the Port and EDC work very well together. He reported that there are 2.5 FTEs in Properties Department and we find staff resources stretched very thin so it is very nice to be able to work the EDC on this partnership.

Commissioner Telford Moved approval of EDC contract for 2002. The motion assed unanimously. Commissioner Pottle abstained from the discussions and from voting.

## **ADVISORY CALENDAR**

### **Cascade Pole Advisory**

Mr. Handy indicated the Cascade Pole project has been underway for many years at the Port and just recently passed a major milestone. Ms. Fontenot introduced Mohsen Kouredor, Project Manager at the Department of Ecology and Port staff Don Bache and Rod Hudson. Ms. Andrea Fontenot provided the Commission with a power point presentation on the status of the Cascade Pole project. Her presentation provided a historical overview of the site, actions that have been taken up to this point and future actions that will be taken. Ms. Fontenot indicated there has been extensive public involvement through the consent decrees, decree orders, and throughout the clean up.

Bob Van Schoorl thanked staff for the many hours and hours staff has spent out in the rain and stormy weather. He commented that he is pleased to have the contaminates out of the water and hopefully in future years will be able to enjoy the park like setting at the site.

### **Artesian Well Advisory**

Mr. Nick Handy reported on the Artesian Well project to the Commission, he indicated that The Port Commission has discussed the possible location of an Artesian Well on Port property at a number of prior meetings.

He indicated this project is a partnership between the Port of Olympia, City of Olympia, and the Friends of Artesians.

Mr. Handy reported that Friends would fund and build the facility, the City of Olympia would manage the facility, and the Port of Olympia would issue a nominal rent ground lease to City of Olympia to manage. The Port would retain all approval rights over location and design.

Mr. Handy reported that at the Commission's last discussion on this subject, the Commission provided preliminary approval to consider three sites. The sites that have been selected are south of the Swantown Boatworks storm water pond, park-like improvements adjacent to Docks JKL at Swantown Marina, and as part of a Wetland enhancement project between Batdorf and Bronson and Swantown Boatworks.

Since that meeting, representatives from the City of Olympia, Friends of Artesians and Port of Olympia have toured and assessed these three sites. All three parties at this time are recommending the Wetland area as the preferred alternative. All three parties have agreed to confer with their respective decision-makers on this site.

Mr. Handy indicated that the advantages of this site include the ability to use water runoff from the well to further enhance the wetland. Creation of a pocket park in this area would serve as another destination draw for our developing Market District. An Artesian Well would be compatible with the Port's current vision for enhancing the wetland area.

He noted the disadvantages of this site include the fact that the site is now not ready for development and will not likely be ready for several years as the Port plans and permits the wetland enhancement project. Friends of Artesians, however, will likely also need several years to raise funds and obtain necessary permits and design approvals for the project.

Mr. Handy commented that this is advisory is an opportunity for the Port Commission to provide staff any feedback or comments. Mr. Handy introduced Mr. Charlie Roe who is representing the Artesians. Mr. Roe commented that the Artesians is currently applying for water rights. He indicated the Artesian Well would provide beneficial use to the public, therefore, he was confident the permitting process will occur within a year or so. Mr. Roe commented that the Department of Ecology has advised the City of Olympia that they will move forward on the permitting process due to the public health issue.

President Van Schoorl indicated that the Commission has not totally decided what the wetland alternative will be. He expressed hope that the Port plan would find an appropriate space for the Artesian Well. Commissioner Pottle indicated there are people working very hard and been waiting along time for this so he would hope that the first site would work for the Artesian well.

Mr. Handy indicated the next time this topic would appear before the Commission, would be for authorization for the artesians to drill the well at that site. President Van Schoorl indicated he did not see a need for the Commission to give authorization for that process, just keep the Commission advised.

#### **ADJOURNMENT**

President Van Schoorl adjourned the meeting of January 14, 2002 at 7:28 p.m. Announced next meeting February 11<sup>th</sup> at the Lacey City Hall, Council Chambers.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer