

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

February 9, 2004

CALL TO ORDER

President Telford called the meeting of February 9, 2004, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners Pottle and Van Schoorl were also in attendance.

Staff in attendance were: Executive Director John Wolfe, Administrative Manager Jeri Sevier, Harbor Director Bruce Marshall, Property Director Heber Kennedy, Marketing Director Kari Qvigstad, Communications Manager Patti Grant, Marketing Program Assistant Maureen Malahovsky, and Finance Director George Fox.

Public in attendance were as follows. Representing *The Olympian* was Jim Szymansky. Others in attendance included Raj Bharil.

APPROVAL OF AGENDA

John Wolfe suggested an addition to the agenda for staff to provide a briefing on the DEF Marina construction project. The agenda was approved as amended.

PUBLIC COMMENT

No public comment was given on items not on the agenda.

COMMISSIONERS REPORTS

Commissioner Van Schoorl indicated he attended the EDC Economic Forecast Conference and he plans to attend the Transportation Policy Board meeting later in the week.

Commissioner Pottle also indicated he attended the EDC Economic Forecast Conference.

President Telford indicated he attended a meeting for the Capitol Committee at the Dept. of General Administration. They discussed construction of state office buildings in Tumwater and a Legislative request for funding of a study of all F & W facilities. He also noted that he attended the SWAC meeting and TRPC meeting. President Telford presented a certificate to Commissioner Pottle for his service on the TRPC. President Telford also indicated he attended the Mayor's Forum as a regular part of his duties as president of the Commission.

President Telford reported on his discussions with Mike Bolasina regarding the claim against the insurance companies regarding Nick Handy's payment.

President Telford also noted that LOTT has requested a joint meeting of the Commission and he noted that staff is working on setting that up.

EXECUTIVE DIRECTOR REPORT

Mr. John Wolfe reported that the Swantown staff is eagerly training and making preparations for our new security system to become activated. We are continuing in our efforts to insure that the DEF slips be the product that we contracted for. With that in mind, we are still anticipating an early spring DEF opening.

Mr. Wolfe reported that Big Sky Airlines reported a total of 820 revenue passengers for the month of January. The drop in passengers is much in part due to cancelled flights because of bad weather both here and in Spokane. Total operations at the Airport for January were 4,434, with bad weather being a primary factor in the decreased number of operations, which is typical for this time of year.

At the Marine Terminal, Mr. Wolfe reported that we might have a four-vessel month. The log vessel *Rubin Forest* is due in today, 2/6/04, at 10AM. The vessel will load approx 4mmbf for the trading company Superwood. PLS is the supplier. The next vessel will be the *Aries Forest* due in around 2/12/04. Tosa is the trading company. PLS and Merrill and Ring are the suppliers identified so far. The vessel will take approx. 2mmbf. The third log vessel coming in this month is the *Vega Aqua* due in around 2/15. Mitsubishi is the trading company. Formark and Merrill and Ring are the suppliers identified so far. The vessel will take approx. 1.8mmbf. And Mr. Wolfe reported that there might be another aluminum vessel coming in at the end of the month.

Mr. Wolfe reported that the steel, coils, aluminum, garnet and glass continue to go out by truck and rail.

Mr. Wolfe also reported that staff is in the process of conducting interviews for the Marine Terminal and Airport Director positions. We will include the Commission on the final interview process.

CONSENT CALENDAR

The Consent Calendar was unanimously approved as follows.

Minutes. The minutes from the January 26, 2004 meeting were unanimously approved.

Bills and Vouchers. The bills and vouchers for the period ending February 9, 2004 in the amount of \$639,633.08 was unanimously approved. General Fund Checks Issued: 033236-033281, 033282, 033283, 033284, 033285-033308, 033309-033312, 033313-033314, 033315-033361, 033362, and 033363-033414. Capital Fund Checks Issued: 030137-030141, 030142-030152, 030153-030154, and 030155-030157. 2001 LTGO Checks: 030216, and 030217-030220. Environmental Fund Checks Issued: 030317-030324, 030325-030326, 030327-030328, and 030329. Voided Checks: 032898, and 033313-033314.

Capital Expenditure Approval. The capital project expenditure in the amount of \$25,241.51 to Christensen, Inc. for the DEF Marina Expansion project was unanimously approved.

Lease: TSA – Airport Terminal. The lease provides the existing tenant an additional 3-year lease with a 60-day out clause, plus a 2-year option to renew, at which time rent would be adjusted to market. The current rate of \$1,000/month remains the same, which includes land lease, pro-rated utilities, and CAM charges for use of the Terminal building. The Commission unanimously ratified the lease with TSA.

ACTION CALENDAR

Runway Safety Project Property Acquisition Resolution 2004-02

Mr. Heber Kennedy reported to the Commission that the National Environmental Policy Act (NEPA) for the Runway Threshold Safety Project has been completed and we have received a grant offer from the FAA to the Port, which will cover 90 percent of all costs associated with construction of that project. He indicated that a component of the project involves relocation of several roadways south of the Airport.

Mr. Kennedy presented the Commission with Resolution 2004-02 which authorizes acquisition of rights-of-way necessary to complete the roadway relocation. Mr. Kennedy reported that there are three property owners. The largest one involves acquisition of the right-of-way for new Tilley Road through Mr. LeClerc's property. The two others are small parcels necessary for the roadway improvements to be

completed along 93rd. Over the past year the Port held several informal meetings with Mr. LeClerc regarding the pending acquisition. The two smaller parcel owners have been contacted to alert them to the acquisitions.

Mr. Kennedy reported that the Port, through our project-engineering firm, Reid Middleton would be using Lane and Associates to negotiate the acquisition of the LeClerc property. The Port will contract with the Washington State Department of Transportation Real Estate Services to handle the acquisition of the two smaller pieces at 93rd and Tilley.

Mr. Kennedy indicated that staff recommends approval of the Resolution authorizing acquisition. Doing so will allow the Port to proceed with negotiations for acquisition of roadway right-of-way in order to relocate Tilley Road and make improvements at the corner of 93rd and Tilley.

Mr. Kennedy noted that President Telford has questioned the administrative costs to acquire the small parcels. Mr. Kennedy noted the combined cost to acquire the land is \$2,000-3,000. The administrative costs are estimated to be \$10,000 or less. Hal Wolf, representing Department of Transportation Real Estate Services, indicated that if this process goes smoothly it would most likely be much less. He indicated they charge \$35 per hour and just pass through that cost.

The Commissioners discussed the process and asked questions of staff on why we need to acquire this property when it appears that DOT is requiring us to do more work than should be required. Commissioner Pottle suggested the contract with DOT Real Estate Services be for \$2,000 and go from there if we need more.

Commissioner Van Schoorl moved approval of Resolution 2004-02 authorizing acquisition of required roadway right-of-way for the Airport Relocation project. The motion passed unanimously.

ADVISORY CALENDAR

DEF Construction Advisory

President Telford indicated he requested staff provide a briefing on the marina dock construction project. Mr. Rod Hudson provided the commission with a briefing on the contract and the problems associated with it. Mr. Hudson noted the problem with this project is with the floatation of the docks. He commented that he notified Bellingham Marine of the problem and they have been working on a solution. The Port has asked them to come up with an engineered solution to the problem. They have been working to solve this problem to the Port's satisfaction. Mr. Hudson noted that we formed a review committee to review their solutions. Commissioner Telford and Ports legal counsel also serve on that review committee.

Mr. Hudson reported that the solution includes extension of the one-year warranty to a five-year warranty for defects of materials, workmanship, and design. In addition, they will provide a 40 year warranty on the engineered solution. Mr. Hudson indicated the solution is installation of floatation tubs beneath the main walkway floats and selected finger floats to make them float level with the fingers. The main walkway floatation will result in a 20"-22" of freeboard rather than the 18"-22" specified. The tubs will be installed according to an engineered tub placement diagram. Mr. Hudson indicated the only issue to be resolved is the details on how to secure the tubs to the bottom of the floats.

Mr. Hudson indicated that payments to the contractor has not been made since the floatation issue was recognized. He indicated we have paid about 50 percent of the \$2,054,251 original contract amount to date.

Mr. Hudson indicated that Bellingham Marine has been responsive to a resolution to this issue. We anticipate that the entire repair should be performed in about one month. We anticipate making F dock available to tenants as soon as the F dock repairs are made and have been accepted.

Commissioner Van Schoorl asked how late are we on completion of this project and therefore loss of revenue from tenants. Mr. Hudson noted that we are on top of that and are requesting liquidated damages.

President Telford indicated he has been serving on the committee and feels that Bellingham Marine has been very responsive to coming up with an approved fix. In addition, we are getting a much better warranty on the project than we would have had originally. The 40 year warranty covers consequential damages on the supplemental floatation. He indicated that staff has approached this problem very conservatively and have been very proactive. Commissioner Pottle thanked staff for making sure this project and all projects are done right the first time and therefore, not passing our problems on to the future Commissioners to clean up our mess later and for protecting the taxpayers.

ADJOURNMENT

President Telford adjourned the meeting of February 9, 2004 at 6:30 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer