

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

February 10, 2003

CALL TO ORDER

President Pottle called the meeting of February 10, 2003, to order at 5:30 p.m. at the TCTV Studio in Olympia. Commissioner Van Schoorl was also in attendance. Commissioner Telford was out of town on a previously planned trip.

Staff in attendance were: Executive Director Nick Handy, Administrative Manager Jeri Sevier, Finance Director George Fox, Property Director Heber Kennedy, Marketing Director Kari Qvigstad, Operations Director John Wolfe, Airport Director Doug Sandau, Construction Supervisor Paul Mickelson, Public Works Director Andrea Fontenot, and Communications Manager Patti Grant.

Public in attendance were as follows. Representing Legal Counsel was Mick Phillips. Representing the PAC was Dave Clark and Jan VanderVeen. Others in attendance included Harold Chambers, Neil Falkenburg, Jerry Baruffi, Earl Pearson, Rod Tharp, Susan McRae, Russ Shurtz, and Meta Heller.

APPROVAL OF AGENDA

The agenda was approved as submitted.

PUBLIC COMMENT

Earl Pearson, airport tenant, indicated he wanted to know when the airport master plan changed. He commented that we need open hangers really bad at the airport. Now he heard that we are going to tear down open hangers to build a closed hanger on this side of the field when he has always been told the closed hangers need to go on the other side. He suggested that we put doors on the open hangars. He indicated that he has been told that it is cheaper to rebuild than to modify. Mr. Pearson commented that he does not understand the change in policy. He has been told the old Gunther hangar has to be moved to the other side. He suggested more thought should go into tearing those hangers down.

Rod Tharp, indicated he has a boat in dry storage close to the ramp. He said he was recently told we would have to move his boat to the dry storage over on State Street. He noted that there is a much greater liability to tow his boat from State Street to the launch. He indicated that he is asking for some options of where to store his boat besides the State Street property. The State Street dry storage is too far from the launch.

Susan McRae, also commented on the change of status in the dry storage. She noted that when the dry storage was opened up on State Street the Port was clearly not aware of the needs of the customers using the dry storage. She indicated the Port has recognized and accommodated the rowing club. Ms. McRae said she is asking that the Port make reasonable accommodations for her as well. Commissioner Van Schoorl indicated that we understand the concern and will look at that, but the statement that we do not understand the needs is not correct. We have other things going on that will force the moving of the dry storage. Ms. McRae noted that since the study was done on the development of the new slips, the economy has changed. She indicated she is looking for some kind of option besides moving to the State Street lot. President Pottle indicated that we appreciate her bringing those issues up, however, progress sometimes forces change.

Meta Heller, Tumwater resident, indicated that at previous Commission meetings she has been promoting

that the Port house a community art museum on Port property. She indicated she just attended an art seminar and has recently been inspired by an artist who was talking about raising money for a Jacob Lawrence Cultural Center. She indicated she is now getting the Black leaders together to look for an appropriate site on Port property.

COMMISSIONERS REPORTS

President Pottle noted he attended interviews for the State Street Property RFP earlier in the day and the committee will be reporting back to the Commission at a future meeting with a recommendation.

EXECUTIVE DIRECTOR REPORT

Mr. Nick Handy gave an update on businesses at the Port including the activity at the Marine Terminal, engineering projects, the Airport, and the Properties program. Mr. Handy announced the Boatswap and Chowder Challenge is scheduled for May 17th.

Mr. Handy reported to the Commission on the sale of the Welcome Pole. He indicated the auction closed on December 30, 2002 and no bids were submitted. Mr. Handy announced staff would continue to keep the sale open and pursue a buyer. Information on the Welcome Pole is on the Port's website at www.portolympia.com.

Mr. Handy announced the Port received five submissions to the State Street RFP. He noted that the review team held interviews throughout the day. The review team will be making a recommendation to the Commission at the February 24th meeting.

CONSENT CALENDAR

The Consent Calendar was approved as follows.

Minutes. The minutes from January 27, 2003 were unanimously approved as submitted.

Capital Expenditure Approval. The Capital Expenditure was unanimously approved in the amount of \$117,491.71 for the Runway Shift & Road Alignment project to Reid Middleton.

Glacier Aviation, Inc. Lease Approval.

The lease assignment from Glacier Jet, Inc. to Glacier Aviation, Inc was unanimously ratified by the Commission. The remaining term on this lease is one year or through January 31, 2004, at which time a new lease would have to be negotiated with the new tenant. The monthly rent is \$1,284 plus improvement and insurance costs of \$212.65 per month.

Airborne Properties, LLC Lease Approval.

The lease with Airborne Properties for 37,247 sq. ft. of land at the Olympia Regional Airport was unanimously ratified by the Commission. The tenant will build a 80' x 140' hangar for use as a fixed based operator including aircraft assembly and disassembly. The tenant will raze planeports currently sited on the property. The rent is \$575 per month plus leasehold tax. The rent credit will be issued for the estimated cost of removing the existing improvement.

Vine Street Investors, LLC Lease Approval.

The lease with Vine Street Investors for two parcels totaling .59 acres for development of commercial, office and/or retail space on Nikolas Street in Tumwater was unanimously ratified by the Commission. The term is 30 years. The monthly rent is \$622.25 plus leasehold tax, to commence at the earlier of (1)

issuance of a temporary occupancy permit by the City of Tumwater or (ii) 9 months after the date of the lease. In addition, the tenant will pay a percentage rent of 2% gross sales in accordance with lease provisions.

ACTION CALENDAR

Executive Director Salary Review

President Pottle indicated at the last two meetings the Commission held an executive session following the meetings to conduct an evaluation of the executive director. He noted that evaluation was completed and the Commission would like to set a salary increase for the executive director.

Commissioner Van Schoorl moved the executive director's salary be set consistent with the cost of living raise given to all staff, setting the salary increase to 2 percent. The Commission unanimously approved the motion.

Comprehensive Plan Amendment Public Hearing

Ms. Andrea Fontenot indicated to the Commission that each year we amend the Comp Plan to reflect that year's approved capital budget. She reported that staff has conducted an environmental review for this action. The public comment closing time was 4:00 p.m. February 10, just prior to public hearing and Commission action. She indicated that no comments were received as part of the environmental review process as of 5:00 p.m.

Harold Chambers, resident of Yelm, asked if the planning and advisory committee has had input into the comprehensive plan. The Commission confirmed that the PAC does have input when appropriate. He commented that the current PAC only has members living in Olympia and he indicated that he would like to see members be from throughout Thurston County.

Mr. Handy responded that the current president of the PAC is from Yelm and at times in the past 25 percent of the committee has either worked or lived in Yelm or south county. President Pottle also commented that we do try to select members that represent the broad county, however, the past recruitment, we did not have any applicants in the outlying county.

The Commission unanimously approved the amendment of the capital budget into the comprehensive plan.

Commissioner Van Schoorl indicated at this time he wanted to do a recap "State of the Port" in regards to the comprehensive plan goals and how the Port has met those goals. He noted that all Port businesses last year did not just meet their revenue goals, all business exceeded those goals, some by a very large percentage. Commissioner Van Schoorl congratulated staff for a very good year. He further indicated that goal two is to enhance economic development. He commented that as we work with the loss of the brewery, the Port has been very instrumental in bringing new business to the community and last year brought in over 300 new jobs to the County. President Pottle also commended staff for the great job they have done in holding expenses and increasing revenues.

DEF Approval to Bid

Mr. Nick Handy indicated this is phase two of the Marina project. This project was approved in the comprehensive plan in 1994 with very strong support. He noted the economic benefits that are derived from this project would boost the local economy by bringing in 4 million construction dollars from this project. In addition, boaters spend money and bringing more boaters to the community helps our local economy.

Ms. Andrea Fontenot indicated to the Commission at the last meeting, staff did a comprehensive overview

for the DEF Marina Expansion project. She asked the Commission to authorize staff to solicit bids for the DEF project, Shoreside Construction Contract #255 and Offshore Construction Contract #252 consistent with the proposed schedule. Ms. Fontenot indicated that the base bid is for \$4,181,089.30. She noted the bidding process also includes some added alternates.

Russ Shurtz, tenant at Boatworks, commented that the addition of the 155 slips brings opportunities for not only the marine related businesses, but the local economy as well, including local restaurants, hotels, and retail shops. He encouraged the Port to proceed with this project as quickly as possible.

The Commission unanimously authorized staff to solicit bids for the DEF project.

Building and Grounds Maintenance Position Approval

Mr. Nick Handy indicated that this is a position that can either be done on staff or contract out for the services. Staff recommendation is that it would be cheaper, faster, and better if we were to have a position on staff to do this work. We would have more control over the maintenance and facility grounds.

Ms. Andrea Fontenot reviewed with the Commission the Port assets, the maintenance strategy, and the program need. She indicated with over \$80,000,000 in Port assets, 32 Port owned buildings and over 10 acres of landscape areas; we either contract out or use staff to maintain these assets. Ms. Fontenot gave the Commission a presentation on the benefits to having a position on staff.

Commissioner Van Schoorl asked what the skill set we would be looking for. Ms. Fontenot indicated the focus would be for landscape and carpentry skills. President Pottle indicated that he felt staff has done the research needed to show that this position would be good for the Port. The Commission unanimously approved the creation of the Building and Grounds Maintenance position and authorized staff to fill the position.

ADVISORY CALENDAR

Economic Development Council Presentation

President Pottle introduced Dennis Matson, Executive Director of the Economic Development Council of Thurston County. Mr. Matson gave the Commission a presentation on the Thurston County economy and the work the EDC has done over the past year. The Commission expressed thanks to Mr. Matson for all he does for Thurston County.

Mr. Chambers commented that Mr. Matson gave an excellent presentation and he commented that he is a very honest person, so he thinks what he said in his presentation was factual.

ADJOURNMENT

President Pottle adjourned the meeting of February 10, 2003 at 7:10 p.m. President Pottle announced the next regularly scheduled Commission meeting is February 24, 2003.

PORT OF OLYMPIA COMMISSION

President

Vice President
