

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

February 14, 2005

CALL TO ORDER

President Van Schoorl called the meeting of February 14, 2005, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners Pottle and Telford were also in attendance.

Staff in attendance were: Executive Director John Wolfe, Administrative Manager Jeri Sevier, Airport Director Rudy Rudolph, Property Development Director Heber Kennedy, Marine Terminal Director Jim Amador, Harbor Director Bruce Marshall, and Communications Manager Patti Grant. Also in attendance was the Port's Legal Counsel, Bob Goodstein.

Public in attendance were as follows. Representing *The Olympian* was Jim Szymanski. Others in attendance include: Harold Clark, Michael Tempke, Tom Fell, Harold Chambers, and Jeff Stewart.

APPROVAL OF AGENDA

The agenda was approved as presented.

PUBLIC COMMENT

Michael Tempke, resident of Olympia, indicated he wanted to express his concern about the Port allowing the military shipments and indicated that he is still opposed to this use and would like the Port to be more creative in finding other revenue sources.

Harold Chambers, resident of Yelm, reminded the Commission of the citizens that came to the City of Olympia meeting in support of the Military when the City Council was opposed to the submarine visit. The citizens showed up in full force expressing their support.

Commissioner Telford responded to Mr. Tempke that the revenue is not the overriding issue of allowing the military to use the Port. The Port is here for all types of cargos, and we are not relying only on Military for revenues. He indicated that Port staff is continually beating the bushes for all types of cargoes.

COMMISSIONERS REPORTS

President Van Schoorl commented that he attended the General Administration brown bag lunch last week where they had a good discussion of state buildings, currently in place, and new construction.

Commissioner Pottle noted he met with some potential customers over the past two weeks.

Commissioner Telford indicated he has drafted an RFP for a Management Consultant that he has provided to staff for review and improvements after which staff will provide to the Commissioners for review. He also indicated all commissioners has received several e-mails expressing concerns on sonar used by the Coast Guard. He indicated that he understood that President Van Schoorl would respond to these on behalf of the Commission. President Van Schoorl indicated that he would work with Jim Amador to develop a draft response. Commissioner Telford also asked the other commissioners to think about developing a small ports coalition within WPPA. President Van Schoorl agreed that was a good idea and he would be happy to raise that issue with WPPA, he has a meeting tomorrow with the executive

committee.

EXECUTIVE DIRECTOR REPORT

Mr. John Wolfe reported that the airport had 6,791 operations in January 2005 compared to 4,434 in January 2004. He noted that the Hangar RFP pre-submittal meeting was held last Thursday. Three development companies sent representatives.

Mr. Rudolph met with a company last week that is interested in establishing scheduled charter service between Olympia, Walla-Walla, Tri-cities and Spokane. The company would likely start service using the six seat Navajo Chieftan aircraft.

He also reported that we have sent airport information to the Specialty Restaurant Corporation in order to evaluate the opportunity for siting a specialty theme restaurant on the commercial property along Tumwater Blvd. north of the airport.

At the Marine Terminal, Mr. Wolfe noted that February is proving to be a busy month. We just finished loading the log vessel Global Arrow this week and are now staging for the next log vessel, the Captain Corelli. A third log vessel, the Ken Ryu, is expected after the Corelli to finish out the month. In addition, the aluminum vessel Vasiliv Burkhanov is expected in at the beginning of April. This will be the sixth visit for this vessel.

The Properties Department continues to work on trying to find the best brokerage company fit for assisting in marketing Tumwater Properties. Staff is continuing to work with a preferred candidate to gain additional information before a contract is negotiated.

Mr. Wolfe commented that the Olympia Junior Program is leasing a portion of the gravel area along Marine Drive north of the Port's Warehouse to park public buses that transport elementary school students to and from the Washington Center for the Performing Arts during the Olympia Junior Program plays. The season will include 21 days total from February 23 to May 19.

He reported that Optimus Transport, a current tenant in Warehouse 2, and the Port are discussing use of the remaining 7,000 s.f. in the main area of the facility, which would bring the warehouse to full occupancy. In addition, they are looking to use approximately 31,000 s.f. of storage space outside of the warehouse.

Mr. Wolfe noted that the City of Olympia would be leasing approximately 1,000 s.f. of space in Warehouse 2 for the rain barrel recycling/retrofitting program. The popular sale of the rain barrels will take place April 30.

At the Marina and Boatworks, Mr. Wolfe commented that the port completed another derelict vessel salvage contract for DNR. That makes four salvage, haulout and storage of vessels in the last month under contract with DNR. He also noted that work crews from Cedar Creek Correctional Institute would be on site every Thursday through October to perform labor functions for the Port.

The Public Works department is focusing on bulkhead design issues for the NorthPoint project, and has started the design of the NorthPoint road extension so this can be incorporated into the overall project bid documents. We received the Corps comments on the Biological Evaluation, and must respond to the Corps before they will forward the permit out for public notice and federal agency review. In addition, the Construction Crew has adjusted their schedule to build the Breakwater Plaza to the end of February and first part of March.

Mr. Wolfe also reported that Senator Murray would be visiting the Port on February 23. Commissioner Van Schoorl will provide her with a tour.

Consent Calendar

The Consent Calendar was approved as follows.

Minutes. The Commission unanimously approved the minutes from the January 24, 2005 Commission Meeting.

Capital Expenditure Approval. The Commission unanimously approved the capital expenditures in the amount of \$698,423.23 to the FAA and Reid Middleton for the Runway Shift and road alignment project.

ACTION CALENDAR

NorthPoint Re-Development Approval to Plan and Permit

Mr. Heber Kennedy reported that on August 9, 2004, the Port of Olympia signed a Letter of Intent with Anthony's for development of a restaurant at the old Genoa's location. Since that time, both parties have been pursuing planning, permits and building design for the redevelopment. In November 2004, we received a letter from the City of Olympia confirming the Port had submitted a complete application and we were vested to rebuild the structure. Under the Letter of Intent, the Port agreed to assume all the charges for the planning and design of the site and building and Anthony's would reimburse the Port's expenses for building design. The initial planning and design budget for 2004 was \$100,000.

Mr. Kennedy indicated that staff is asking for approval of the Capital Expense Authorization for \$212,000 for 2005. Anthony's will reimburse the Port \$129,000 of the \$212,000 upon notification that building permits for the structure are available.

Mr. Kennedy noted that both Anthony's and the Port are completing lease negotiations as well as refining and value engineering the respective designs. The current schedule calls for City building approval and Corps of Engineers permit approval so that the Port can commence demolition and construction in May of this year. He indicated that our construction timeline calls for completion of Port foundation and utility work by September and turning the project over to Anthony's for construction of their restaurant. The parking lot and landscaping will be completed mid-year 2006 just before the restaurant opens for business.

Budd Gould, owner of Anthony's Restaurants, thanked Heber and the Port for the current partnership and for future partnerships. He indicated that he met with the design team today and indicated they are a very creative. He noted that Anthony's is very excited to partner with the Port for the NorthPoint property.

Commissioner Pottle extended his thanks to Mr. Gould and his staff for everything they do for this community.

Tom Fell, resident of South Bay, indicated concern about the access surrounding the building along the water. He commented that the Anthony's at the Port Plaza has great public access and wondered if this new building at NorthPoint would allow that same access. Mr. Kennedy responded that the building would be built using the same footprint as the old Genoa's, not allowing for any change. Mr. Kennedy noted that we would be developing an esplanade that will provide more public access to the water.

The Commission unanimously approved the Capital Expense Authorization in the amount of \$212,000.

Marine Drive Reconstruction at NorthPoint Approval

Ms. Andrea Fontenot reported that staff is recommending reconstruction of the Marine Drive roadway as part of the larger NorthPoint restaurant site development project. She indicated that staff has commenced design of the roadway so the plans and specs could be incorporated with the Restaurant project which is scheduled to bid in April.

Ms. Fontenot noted that the reasoning for including this roadway completion project into the larger project is as follows:

1. The majority of the existing roadway will be pulverized and or demolished during the NorthPoint Restaurant project in order to extend utilities and supply new services to the building site. We would rather repave the roadway instead of a quiltwork of patches and have a continuous maintenance issue

- to be dealt with in the future.
2. The contractor will already be on-site for the restaurant project and will be performing a similar scope of work with the parking area. By having the contractor already onsite, this will be a cost savings to the Port of Olympia in respect to the mobilization / demobilization that would be included with a separate contract.
 3. We can incorporate stormwater from the roadway into the NorthPoint restaurant site for treatment and disposal.

She noted that the sequence of work would be as follows:

2005	2006
Bldg demolition/asbestos abatement	Complete Building
Site demolition/grading/compaction	Esplanade completion
Installation of utilities	Pave parking lot & roadway
Piling and foundation installation	Install site lighting
Parking lot / roadway grad	Install landscaping
Bulkhead reconstruction	
Start construction of Building	

Ms. Fontenot reported that the Port and Anthony's would be responsible for different components of the above work.

Ms. Fontenot indicated that currently the utilities to be extended as part of this project include power undergrounding, reclaimed water line, fibre optic cable, and potentially a modification to the existing 3" sewer force main. She commented that staff is working with the City of Olympia to rename that portion of the road to Marine Drive instead of Washington Street.

She commented that the design for the roadway is not yet complete. We do not envision investing in frontage improvements along the eastern edge since the development pattern on this side is not yet known, and we need to retain flexibility here.

Commissioner Telford commented that he is still trying to understand the scope of work for this CEA. Ms. Fontenot indicated that this CEA is only for the grinding of the roadway and extension of utilities.

The Commission asked Ms. Fontenot to outline the entire scope of this project and give some estimates costs for the completion of this project and to also include the scope of the restaurant project for clarification.

The Commission unanimously approved the Capital Expense Authorization for the reconstruction of Marine Drive at NorthPoint with a budget of \$140,000.

Capital Little League Lease

Mr. Rudy Rudolph reported to the Commission that staff is recommending approval of a lease for six months with an option to renew for an additional six months to the Capital Little League. The premises include 10.6 acres across from the Terminal Building at the Olympia Regional Airport.

Mr. Rudolph noted that it is understood and agreed to by both parties that tenant's use of this parcel is non-conforming as described in the current port of Olympia comprehensive plan. It is also understood and agreed to by both parties that tenant's use of this parcel is temporary and that tenant's improvements must also be temporary. Tenant will be responsible for removing all improvements at the end of the lease term.

Mr. Jeff Stewart, representing the Capital Little League, attended the meeting to address the Commission regarding the proposed lease between the Port of Olympia and the Capital Little League. He

indicated that the enrollment is about 400 children's, comprising 30 teams. He noted that they invest in the fields \$10,000 - 20,000 per year. As a non-profit organization, he commented that they invest profitable funds back in to the fields. Mr. Stewart indicated the league does there best to keep parking off the streets. The Commission asked staff if they could use the parking lot at the terminal. Mr. Rudy Rudolph indicated he would check with FAA.

The Commission unanimously ratified the lease with the Capital Little League.

Runway Construction Approval to Bid

Mr. Rudy Rudolph asked the Commission for a bid authorization for the final phase of the FAA grant funded runway shift project. Mr. Rudolph indicated that the construction is scheduled for completion in October 2005. He noted that this request also includes an amendment to the Capital Facilities Plan (CFP) for the airport.

Mr. Rudolph indicated that the project includes a 759 foot runway shift to the south, yielding an additional 500 feet of FAA required runway safety area, 3,800 feet of new taxiways, associated stormwater systems, edge lighting, lighted sign improvements, relocation of FAA navigational aids and other related project elements. The project also include the Foreign Object Debris (FOD) paving project as a separate line item. The FOD paving project was approved in the capital budget and a portion of the project is FAA eligible for funding.

Cost Estimate:

The pre-engineering construction cost estimate for the 2005 project was \$4,843,000.

The post-engineering construction cost estimate is \$4,565,749, including WSST.

The difference is \$277,251.

Capital Facilities Plan Adjustment:

This request includes an adjustment to the Capital Facilities Plan. The 2005 Airport Capital Facilities Plan currently shows a project cost of \$3,315,780 with 90% FAA Grant funding in the amount of \$3,150,000. Due to a budgeting error, a balance of \$3,279,908 of the unused 2004 FAA Grant was not carried over into 2005.

Mr. Rudolph commented that the CFP for the 2005 construction project needs to be adjusted to \$6,960,122 with FAA Grant funding in the amount \$6,429,908. The 2005 local share is \$530,214.

Mr. Rudolph indicated that staff is requesting the Commission provide approval to go to bid with this construction project and to amend the 2005 Capital Facilities Plan/Capital Budget to reflect the 2004 FAA grant carry over in the amount of \$3,644,342 for this project with an additional Port cost of \$364,434 after grant reimbursement.

Harold Clark, resident of Olympia, asked what didn't get done last year. President Van Schoorl indicated it was timing of the project.

The Commission unanimously approved staff to go to bid with the construction project and to amend the 2005 Capital Facilities Plan/Capital Budget to reflect the 2004 FAA grant carry over in the amount of \$3,644,342 for this project with an additional Port cost of \$364,434 after grant reimbursement.

Maintenance Facility Planning Approval

Ms. Andrea Fontenot indicated on behalf of the maintenance committee, she is recommending retaining KMB Design Development to prepare a facility need and space analysis for the marina, marine terminal, construction crew, and possibly security and CPC staff needs.

She noted that staff believes this is the next logical step in planning for the ultimate loss of both existing facilities due to age and conversion to higher and better use.

Ms. Fontenot indicated that to address concerns about costs, we have asked the architect to consider the potential to phase construction of a facility, as both a potential up front cost saving measure and also in anticipation of future growth needs. We have also asked the architect to evaluate a mobile maintenance function instead of a structure in response to Commissioner feedback.

Ms. Fontenot noted that the committee has selected a preferred site at the existing marine terminal maintenance shop, and a second preferred site near the wetland stormwater facility. There are a few cost variables associated with these sites that we want to explore before settling on a recommended site.

We plan to retain GeoEngineers to prepare a geotechnical cost comparison for the two sites, and we need to explore stormwater treatment and disposal challenges with the north site as it lies within the slurry wall. To accomplish these tasks, she indicated staff is requesting a capital budget of \$25,000. We envision this process, once started, will endure about 4 months.

Commissioner Pottle asked how many square feet are we looking for. Ms. Fontenot indicated that is the purpose of this needs assessment, to help us answer this question.

Commissioner Telford indicated he would like to see this in the larger picture with the peninsula planning and not look at each project in a microscope. This seems premature to hire a consultant for this type of work. Ms. Fontenot noted that the committee has done some preliminary work and brainstorming different scenarios. Commissioner Telford asked for Ms. Fontenot to share the work the Committee has done in a report before he can support this contract.

President Van Schoorl commented that he understands the need for the needs assessment but would like for that to be done prior to decide where the building goes.

Ms. Fontenot asked the Commission to Approve a Capital Expense Authorization of \$25,000 for the Maintenance Facility Planning project, which will provide an assessment of facility needs, recommended phasing plan, and a planning level cost estimate.

The Commission did not make a motion to approve this project and therefore the request died for lack of motion. The Commission asked staff to provide a report on what staff has done so far and come back later with more information.

External Assignments

At the last meeting the Commission discussed assignments for representing the Commission at various councils and boards. The list below will confirm Commissioner participation and representation for external boards and commissions.

Commissioner Pottle:	Economic Development Council; Yelm Chamber; LOTT; and Lacey Chamber.
Commissioner Van Schoorl:	Olympia/Thurston Chamber; Tenino Chamber; Capital Lake Adaptive Management Plan (CLAMP); Olympia Downtown Association; and Washington Public Ports Association. Lead for ceremony and award functions.
Commissioner Telford:	Grand Mound Chamber; Solid Waste Advisory Committee; Tumwater Downtown Association, and Tumwater Chamber.

Commissioner Telford indicated that he would obtain Transportation Policy Board meeting agendas from Port staff and he would attend meetings that may be of interest to the Port.

Comprehensive Plan Review and Assessment

President Van Schoorl noted that he has been indicating over the past few years that the Port should re-look at the Comprehensive Plan at the 10-year point. President Van Schoorl noted that the Planning and Advisory Committee would be meeting Thursday, February 17th. At that meeting, he indicated that he would like to discuss with the PAC their role in the Comprehensive Plan Review and Assessment project for 2005. He commented that he has met with Jon Van der Veen, president of the PAC, and has indicated the PAC's interest in their involvement. President Van Schoorl reviewed the project

identification and outlined the schedule.

Commissioner Telford commented that it doesn't take a consultant to tell us that we have deviated from the plan, it is out of date, needs to be updated, and reflect what has happened to date. He commented that this is a waste of money and waste of time. The plan is due for a rewrite.

President Van Schoorl indicated we are not due for a rewrite, but to evaluate how we are doing based on the plan that was set forth 10 years ago.

Commissioner Pottle noted that he thinks it is time to look at where we have been, where we are going to go, and what has changed over the past 10 years. It would be the time to update the maps and master plans of each of the areas. He indicated that he would like to get the PAC involved. More importantly is looking at where we have been successful and where we have not been as successful. And at the same time we bring the plans up to date.

Commissioner Pottle moved approval for the Commission to assign the Comprehensive Plan Review and Assessment project to the PAC. Commissioner Telford made an amendment to the motion to remove the assessment of the plan's successes and where the Port fell short. Commissioner Pottle indicated that we learn from the good and the bad and could not support that amendment.

Harold Chambers, resident of Yelm, suggested that we hire Sam Bradley as the consultant and would be the best person to hire because he really knows what was involved. Commissioner Van Schoorl noted that Sam was gone prior to the development of the comprehensive plan. However, there is someone in the community that did play a large role in the development and may be available to assist in some manner.

Jon Van der Veen, Chair and member of the Planning and Advisory Committee, commented that on behalf of the PAC, they are pleased to be involved in the project.

The motion to approve for the Commission to assign the Comprehensive Plan Review and Assessment project to the PAC passes with a 2-1 vote and to hire a consultant to help with the process within the scope of the Executive Director's authority. Commissioner Telford voted against the recommendation.

ADVISORY CALENDAR

Priority Project Discussion

Mr. John Wolfe discussed with the Commission the priority projects for Port staff for 2005. Commissioner Telford indicated that he sent a memo to John outlining the issues he had with the priority projects. Commissioners Pottle and Van Schoorl commented that they had no issues and felt the list was good. Mr. Wolfe commented that these priority projects are focused on opportunities to move the Port forward. He also commented that the Business Team will be setting up a work session to prioritize and set criteria for the projects.

The Commission asked for a chance to review Commissioner Telford's issues and to have staff resubmit the list in priority order with the index.

ADJOURNMENT

President Van Schoorl adjourned the meeting of February 14, 2005 at 7:26 p.m. to an executive session to discuss terms and conditions of the West Bay property sale. The executive session adjourned at 8:30 p.m. with no action taken.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer