

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

February 22, 1999

CALL TO ORDER

President Van Schoorl called the meeting of February 22, 1999, to order at 6:36 p.m. at the Port of Olympia in the large conference room. Commissioners Dickison and Pottle was also in attendance.

Staff in attendance were: Executive Director Nick Handy, Deputy Director Wendy Holden, Director of Marketing and Trade Development Kari Qvigstad, Director of Finance and Administration George Fox, Executive Assistant Jeri Sevier, Director of Engineering and Planning Andrea Fontenot, Swantown Marina and Boatworks Manager Bruce Marshall, Olympia Regional Airport Manager Doug Sandau, and Property Development Manager Heber Kennedy.

Members of the public in attendance were Joel Coffidis of *The Olympian*; Sandy Mackie, legal counsel for the Port of Olympia; International Longshoremen's Workers Union Representative Keith Bausch; and Paul Deranleau representing the Sand Man Foundation.

APPROVAL OF AGENDA

Mr. Nick Handy asked the Commission to not address the lease resolutions at the meeting. He indicated the directors would like to defer to allow further in house review. The Commission indicated they would hold the resolutions for discussion and decide at that point to defer or approve.

PUBLIC COMMENT

No public comment was given.

COMMISSIONERS REPORTS

Commissioner Pottle reported he had attended the Economic Development Council meeting at which time some announcements were made that he wanted to share with the other Commissioners. He announced on May 11, a Small Business Conference was planned at St. Martins. Also there will be an Economic Forum on April 7 at Cavenaugh featuring John Rindlaub.

Commissioner Dickison announced he attended the Transportation Policy Board meeting where the Transportation Enhancement Projects were ranking proposals. He noted the Sand Man was ranked number one in the local process, however the proposal was pushed to the state funding pool. The Commission will be discussing this issue further later on the agenda.

President Van Schoorl attended the Thurston Regional Planning Council meeting and announced they would be holding an economic roundtable meeting on March 31 at 7pm at the Labor and Industries building in Tumwater. President Van Schoorl also announced representatives from our Sister Port in Hobart, Australia would be visiting on March 5. The Commission is planning to meet with Mr. Drinkwater and Mr. Phillips and will be hosting dinner that evening.

CONSENT CALENDAR

Minutes. The minutes of February 8, 1999 were unanimously approved as published.

Bills and Vouchers. The bills and vouchers in the amount of \$1,505,831.05 for the period ending February 22 were unanimously approved as submitted.

ACTION CALENDAR

Letter of Support for Sand Man Project

Commissioner Dickison indicated the Sand Man project was rated number one locally, however the proposal was pushed to the state funding pool. Commissioner Dickison presented a letter of support for the Sand Man asking the Commission president to sign on behalf of the Commission. Mr. Paul Deranleau expressed his appreciation to both Commissioner Dickison and Commissioner Van Schoorl for speaking up and supporting the Sand Man and for the letter of support. Commissioner Dickison indicated the Port has pledged participation in the process of restoring the Sand Man. The Commission unanimously approved the letter of support and was signed by the Commission President.

New Lease - ProAir Aviation

Mr. Heber Kennedy presented the Commission with a new lease with ProAir Aviation. The lease is for a 30 years and the size of the parcel is 18,700 square feet and a hangar is planned for development. The lease has standard lease terms. The Commission unanimously ratified the approval of the new lease with ProAir Aviation.

Lease Amendment – J/4 Associates

Mr. Heber Kennedy presented the Commission with a lease amendment with J/4 Associates for an option amendment extending the term of the option through 12/31/99. The option covers two parcels located directly west of the current Kompan/Big Toys parcel. The rate has doubled from \$121.00 per month to \$242.00 per month. The Commission unanimously ratified the approval of the lease amendment with J/4 Associates.

New Lease - Holbrook, Inc.

Ms. Wendy Holden presented the Commission with a new lease with Holbrook, Inc. The lease is for the Holbrook/Paul Willis Chipping operation. The term is for one year beginning February 1, 1999 for a parcel size of two acres. The Commission had some questions regarding the chipping process, long term opportunities, and noise issues. Ms. Holden responded to their concerns. The Commission unanimously ratified the approval of the new lease with Holbrook, Inc.

Resolution 99-05 - Lease Policy for Grand Mound Industrial Campus

Mr. Heber Kennedy presented the Commission with Resolution 99-05, lease policy at Grand Mound Industrial Campus establishes the guidelines and procedures. The resolution sets the monthly rent equal to one-twelfth of nine and one half percent of sixty percent of the fee simple fair market value of the land. Mr. Kennedy recommends the lease rates remain the same as 1998. The Commission unanimously approved resolution 99-05 establishing the lease rates for Grand Mound Industrial Campus.

Resolution 99-06 - Lease Policy for Harbor Properties and Market District

Mr. Heber Kennedy presented the Commission with Resolution 99-06, lease policy at the Harbor Properties and Market District establishes the guidelines and procedures. The resolution sets the monthly rent equal to one-twelfth of nine and one half percent of seventy percent of the fee simple fair market value of the land for all Harbor Industrial land except for the Market District area which shall have the monthly rent equal to one twelfth of nine and one half percent of eighty five percent of the fee simple fair market value of the land. Mr. Kennedy recommends the lease rates remain the same as 1998 for the Harbor Properties, but increase from 80 percent to 85 percent for the Market District.

The Commission discussed in detail the Market District lease policy and unanimously approved resolution 99-06 with modifications establishing the lease rates for the Harbor Properties at the recommended rate. The Commission set the market rate for the Market District as recommended with the intent that 85 percent was the minimum rate and subject to further review and negotiations. The RFP properties are subject to exclusions or exceptions from resolutions.

Resolution 99-07 - Lease Policy for the NewMarket Industrial Campus and Olympia Regional Airport

Mr. Heber Kennedy presented the Commission with Resolution 99-07, lease policy at the NewMarket Industrial Campus and Olympia Regional Airport establishes the guidelines and procedures. The resolution sets the monthly rent equal to one-twelfth of nine and one half percent of sixty percent of the fee simple fair market value of the land. Mr. Kennedy recommends the lease rates remain the same as 1998. The Commission unanimously approved resolution 99-07 establishing the lease rates for NewMarket Industrial Campus and the Olympia Regional Airport.

Resolution 99-08 - Mutual Materials Company

Mr. George Fox presented the Commission with Resolution 99-08 approving Resolution EDC 99-01 of the Board of Directors of the Olympia Economic Development Corporation authorizing the issuance and sale of its Variable Rate Demand Revenue Bonds in the aggregate principal amount of \$7,150,000. The Commission unanimously approved Resolution 99-08 approving the resolution of the EDC authorizing the issuance and sale to Mutual Materials Company to finance the industrial development project.

Approval of Retail/Office Building RFP

Mr. Heber Kennedy presented recommendations to the Commission proposing a process to request for proposals and authorizing the Executive Director in consultation with the Commission president the ability to finalize the RFP consistent with the recommendations outlined.

The Commission discussed the process in detail indicating the property value for this property is significantly higher than the current lease rates and the rate should be negotiated. Legal Counsel, Sandy Mackie recommended the process for the RFP be in two steps. The first step would be to get proposals without including any prices, just concentrating on concept, quality and team approach. The second step would be asking the top three proposals to then submit prices and negotiate from that point.

The Commission indicated they were open to breaking the mold on current practices and asked Mr. Kennedy to prepare recommendations for a two step process as outlined by legal counsel. The recommended proposal will be reviewed at the March 22 Commission meeting.

Marina Water Line Emergency Repair Bid Award

Ms. Andrea Fontenot presented the Commission with a recommendation to award the Swantown Marina Emergency Water Piping Reconstruction Contract #258, in the amount of \$62,500 without sales tax to W.E. Moses Company, Inc., the low bidder. Ms. Fontenot explained this work entails replacing all domestic water lines at the marina, excluding the breakwater. While doing this work, the water lines will be upgraded with newer technologies and materials. The construction costs will be covered by our insurance policy. The Commission unanimously approved the bid award to W.E. Moses Company, Inc.

ADVISORY CALENDAR

Swantown Boatworks Marketing Activities Update

Mr. Bruce Marshall and Ms. Kari Qvigstad presented the Commission with an update concerning the marketing strategy for the Swantown Boatworks. Mr. Marshall indicated the Boatworks is anticipated to be in full operating status on March 15. The Grand Opening is scheduled for May 22 at which time there will also be a Chowder Challenge and a Boatswap. Ms. Qvigstad indicated there would be a media event the second week of April inviting local and maritime media for a special tour while the boatworks is in operation. Mr. Marshall gave the Commission a preview of marketing materials and apparel. The apparel is offered to staff at cost plus 20 percent.

ADJOURNMENT

President Van Schoorl adjourned the meeting of February 22, 1999 at 8:55 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer