

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

March 14, 2005

CALL TO ORDER

President Van Schoorl called the meeting of March 14, 2005, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioner Pottle was also in attendance. Commissioner Telford was out of town.

Staff in attendance were: Executive Director John Wolfe, Administrative Manager Jeri Sevier, Property Development Director Heber Kennedy, Marine Terminal Director Jim Amador, Public Works Facilities Project Engineer Rod Hudson, Business Development Representative Carola Stark, Marketing Program Assistant Maureen Mahahovsky, and Marketing Director Kari Qvigstad. Also in attendance were the Port's Legal Counsel, Bob Goodstein and Network Consultant Bart Adler.

Public in attendance were as follows. Representing *The Olympian* was Jim Szymanski. Others in attendance include: James Batchelor, Jeff Brigham, Harold Chambers, Crystal Lorentzson, and Richard Korn.

APPROVAL OF AGENDA

The agenda was approved as presented.

PUBLIC COMMENT

Jeff Brigham, resident of Tumwater, encouraged the commissioners to keep the Port open to the military to continue shipments of supplies and equipment to our military personnel.

Crystal Lorentzson, resident of Olympia, indicated that she is concerned about the shipments by the military through the Port of Olympia. Olympia has now been militarized and she indicated she would like more communications to the public. She defined the term "militarized" that there is a boundary surrounding the Port that the military now controls.

Commissioner Van Schoorl responded that calling the Port "Militarized" is not true. The only change at the Port is that the Coast Guard changed the waters in Puget Sound from a temporary zone to a permanent zone.

Ms. Lorentzson indicated that she had a second concern, she sent email to commissioners and only one commissioner responded about the sonar systems. Commissioner Van Schoorl indicated that he responded on behalf of the Port Commission, he noted the article was misleading and we have heard nothing from the Coast Guard about this happening in Puget Sound.

James Bachelor, resident of Yelm, commented that he feels the Port is doing a good job of doing what you are supposed to be doing. He indicated that there is no nice war, however, the public needs to understand what they are talking about before they bash the military.

COMMISSIONERS REPORTS

President Van Schoorl reported he attended and economic development forum. One of the issues discussed was the real estate market. He also commented that he and John Wolfe attended the GA forum convened by Rob Fuki. He noted that Governor Gregoire has appointed another director; Commissioner

Van Schoorl commented that Rob has been great to work with and we (the public) will miss him.

Commissioner Pottle noted he attended the Thurston Chamber meeting where the program was about the environmental issues and he also attended a reception for the Col. Dubik, new leader of Fort Lewis.

EXECUTIVE DIRECTOR REPORT

Mr. John Wolfe, Executive Director, reported that the tower reported 8186 operations for the month of February compared to 7515 operations for February 2004.

He reported that the Runway shift construction pre-bid meeting was held on March 3rd. Attendance was good with a number of primary and sub-contractors. Bid opening is scheduled for 10:00 AM tomorrow. Once an apparent low bidder is designated, that information will be forwarded to FAA for concurrence. Commission action will be requested at the March 28th meeting. Notice to proceed is scheduled for April 7th.

Mr. Wolfe announced that Friday was the deadline for hangar development proposals associated with the RFP. The Port received two proposals. A selection committee will now review the proposals and recommend Commission action at the March 28th meeting. In addition, Mr. Wolfe noted that TEC construction would break ground on their hangar construction when the well is removed. The City has indicated that the well removal is scheduled for next week.

At the Marine Terminal, Mr. Wolfe reported the Vasiliy Burkhanov vessel operation finished last Friday, discharging 7,300 MT of aluminum at berth 1. The vessel Ken Ryu was recently in port to load logs for Japan. This was the third log vessel within the last month. In addition, the Cape Inscription military vessel arrived early Sunday morning, and commenced operations Sunday, finishing cargo operations early Monday morning. The vessel sailed earlier today. This was a discharge operation with both containers and rolling stock.

Mr. Wolfe reported the Properties Team continues to work with adjacent landowners in the NewMarket Street area in Tumwater to facilitate the connection of Israel Road and Tumwater Blvd. The final alignment of NewMarket Street remains the major issue along with commitments to frontage improvements. A decision should be reached within a few weeks.

Mr. Wolfe announced that the Tumwater School District is adding an additional building at their bus maintenance facility located just off Kimmie Road at NewMarket Industrial Campus. The new structure will not require additional land and will easily fit within the existing leased premises.

At the Marina, Mr. Wolfe reported that the occupancy is currently at 81 percent and is increasing as the boating season begins. He noted that the boatworks experienced a 10 percent increase in haulouts in February over the best February on record. The boatworks crew continues to deal with lack of yard space. In addition, Mr. Wolfe noted that the Boatworks seasonal help would begin March 28th. This will consist of one full time, seasonal yard worker who will work through September.

Mr. Wolfe reported that the finishing touches are being completed on the OARA building. OARA lease will begin April 1st.

Mr. Wolfe reported that the Public Works department is starting to review draft sewer options for serving NorthPoint. The goal is to incorporate appropriate infrastructure into the Anthony's site as well as the roadbed for the Marine Drive completion. There are several alternatives on the table, including retaining the existing 3" force main, upsizing the force main to 4", adding a gravity fed pump station with pressure to another gravity feed on Franklin. Criteria to aid in the decision making process include cost, capacity, system reliability, maintenance responsibility, ownership, and ease of repair.

Consent Calendar

The Consent Calendar was approved as follows.

Minutes. The Commission unanimously approved the minutes from the February 28, 2005 Commission Meeting.

Bills and Vouchers. The bills and vouchers were unanimously approved in the amount of \$527,577.67 and for \$1,025,037.65. General Fund Checks Issued: 036213, 036214, 036215-036243, 036244-036245, 036246-036250, 036256-036285, 036286-036291, 036292-036301, 036302-036318, 036319-036347, 036348-036353, 036354-036355, 036356-036393, 036394-036402. Voided Checks: 036246-036250, 035941-036261, 036379, and 036482.

Capital Project Expenditure Approval. The Commission unanimously approved the capital expenditures in the amount of \$220,336.90 to Harlow Construction for the North Marine Drive Reconstruction project.

ACTION CALENDAR

Marine Drive Construction Contract #287 – Approval of Change Order

Mr. Rod Hudson indicated that staff is requesting Commission approval of a change order to the Marine Drive Construction Project #287 in the amount of \$40,150.49, a net capital budget increase of \$16,119.49. The 2005 Capital Budget includes \$24,031 for connecting the fiber to the Port facilities (#5 below) and staff is recommending this project be included in this change order.

He noted the following items are included in this change order:

- 1) Upgrade of the Fiber Optics Cable to allow for future expansion
- 2) Installation of Inter-duct in the existing four-inch conduit
- 3) Movement of a power pole at Marine Terminal
- 4) Installation of fiber from the Gatehouse to guard shack location
- 5) Fiber connections and terminations to Port facilities (approved in 2005 Capital Budget in the amount of \$24,031)

Mr. Hudson indicated that the 2004 road project included \$12,600 for installation of the fiber along the roadway. The 2005 Capital Budget included \$24,031 for connecting and terminating the fiber to the Port buildings. The net increase in the budget in the amount of \$16,119 provides for items 1-4 above.

Cost Summary:

<u>Change Order:</u>	<u>\$40,150.49</u>
<u>Less Approved Capital Budget</u>	<u>\$24,031.00</u>
<u>Total Increase in Budget</u>	<u>\$16,119.49</u>

Mr. Hudson reported that once the fiber is installed, connected, and terminated to the Port buildings, the Port would have a very strong and reliable networking infrastructure. This infrastructure will not only meet our current needs, but will allow us to expand as technology increases in the future. Some of the possibilities include but are not limited to:

- 1) Wireless internet service to Marina Tenants and Customers
- 2) Wireless security cameras
- 3) Expansion of the security system at the Marina to Port wide use
- 4) Web cameras for customers to view cargos at the Marine Terminal
- 5) Web cameras for customers to view boats at the Marina

The Commission unanimously approved the change order to Harlow Construction in the amount of

\$40,150.49 for completion of the fiber optics installation, connections, and terminations to Port facilities as a part of Marine Drive Construction Contract #287.

ADVISORY CALENDAR

NorthPoint Construction Advisory

Mr. Heber Kennedy reported that the purpose of this agenda item is to clarify 1) the Capital Expense Authorizations for the restaurant site and the road projects, 2) the sequence of work, and 3) tenant and landlord responsibilities.

Mr. Kennedy indicated that this is a complex project given the shared responsibilities of the tenant and landlord for different construction components and timing restrictions for in water work. Mr. Kennedy provided the Commission with attachments to get a better sense of the scope of work and project limits for each project.

Mr. Kennedy indicated the sequence of work will be as follows:

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

The Port and Anthony's will be responsible for different components of the above work as outlined in Exhibit 4. Mr. Kennedy noted again, this is a complex project with significant coordination requirements between landlord and tenant to ensure a successful end product.

Commissioner Pottle asked about the decking, fiber connections, will they be charged, and the cost of the esplanade. Commissioner Pottle also indicated he would like options for the esplanade when come back to the Commission for approval.

President Van Schoorl indicated he agrees and does not want to go cheap for the sake of going cheap; he is more interested in quality. President Van Schoorl also indicated that he would like to see how the esplanade integrates into the future plan for the trail. He also indicated that a little over \$1 million was received for the insurance claim that will be used towards this project, so this is almost a zero cost project for the Port, therefore we can afford to spend money on the esplanade and do it right. He noted the rent stream would double just in ground rent.

Mr. Wolfe indicated that the schedule is for 2005-06 construction, however, the CORPs permit could hold us up and delay the project. If the CORPs permits are not approved in time, this project will slide approximately 9 months to a year. We need the CORPs permit by May 31st.

Prosperity Partnership Advisory

Ms. Kari Qvigstad reported to the Commission that the Port of Olympia recently joined the "Prosperity Partnership," an innovative economic development and job creation initiative that is creating a regional strategy for the Puget Sound region to grow 100,000 new jobs over the next five years. We are represented on the Logistics and Transportation cluster group, which is developing strategies for an action plan to improve our region's competitiveness. There is additional information on the initiative and the cluster group activities on the Prosperity Partnership website at www.prosperitypartnership.org.

She noted the Port of Olympia, along with Economic Development Council of Thurston County, Thurston Regional Planning Council and Pacific Mountain Workforce Development Council have invited Bob Drewel with the PSRPC/Prosperity Partnership to present to Thurston County stakeholders on the Prosperity Partnership at a meeting on March 28, 2005. 9-10:30 @ Saint Martins.

Ms Qvigstad indicated that if the stakeholders express interest in further discussion of regional economic development strategies at the March 28th meeting, the Port Commission – along with EDC Board, TRCP Board and Workforce Development Council - may wish to convene a task force to plan and host an economic vitality summit later this spring.

Ms. Qvigstad commented that a Thurston County Economic Summit could provide a venue to gather community input on strategies, agree on common economic development initiatives for Thurston County and confirm interest in the development of a Community Economic Development Strategy (CEDs).

Harold Chambers, resident of Yelm, commented on Anthony’s parking spaces and that they are asking for 100 parking stalls, item #10 on exhibit 2, 225 number of units, means what? Cubic yards. Should have a realistic idea of how many spaces we need for parking for additional uses other than Anthony’s.

Commissioner Pottle complimented Mr. John Wolfe on the job he is doing at the Port as the new executive director, he also complimented Ms. Kari Qvigstad on how well she works with customers.

ADJOURNMENT

President Van Schoorl adjourned the meeting of March 14, 2005 at 6:33 p.m. to an executive session to discuss with legal counsel and Port staff terms and conditions of a potential lease. The executive session adjourned at 8:45 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer