

PORT OF OLYMPIA COMMISSION MINUTES OF REGULAR MEETING

April 13, 1998

CALL TO ORDER

Vice President Van Schoorl called the meeting of April 13, 1998, to order at 6:30 PM at the Rochester High School Library. Commissioner Dickison also attended. Commissioner Pottle was unable to attend.

Staff in attendance were: Executive Director Nick Handy, Deputy Director Wendy Holden, Director of Engineering and Planning Andrea Fontenot, Director of Marketing Kari Qvigstad, Director of Finance and Administration George Fox, Property Development Manager Heber Kennedy, and Executive Assistant Jeri Sevier.

EXECUTIVE SESSION

Vice President Van Schoorl reported the Commission had been in executive session discussing matters relating to property and leases. No decisions were forthcoming.

APPROVAL OF AGENDA

The agenda was approved as presented.

PUBLIC COMMENT

No public comment was presented for items not on the agenda.

COMMISSIONERS REPORTS

Commissioner Dickison reported on the Kiosk Dedication held April 3, 1998, which was dedicated to Port tenants and customers. Commissioner Dickison also thanked the Port staff for an excellent job planning the event.

CONSENT CALENDAR

Minutes. The minutes of March 23, 1998 were unanimously approved as published.

ADVISORY CALENDAR

Grand Mound Property Proposal.

Mr. Nick Handy introduced Port staff attending the meeting and gave an overview of the acquisition of the 43-acre parcel the Port is currently considering. This meeting is the sixth meeting by Port officials in the Grand Mound area and the third meeting of the Port Commission in Ground on the proposed acquisition. Mr. Handy noted that previous meetings have indicated strong support for the project. The current plan is to continue to receive community input and continue to monitor the due diligence studies the Port is conducting. At this meeting, staff is not asking the Commission to make any decisions. The purpose of this meeting is to make an interim report to the Commission and community on staff progress with the due diligence studies. The Port staff hopes to come to the Commission with recommendations this summer.

Ms. Andrea Fontenot gave an update on the study results on the Grand Mound property proposal that included:

1. **Land Survey.** A land survey has been completed.
2. **Environmental Analysis.** The environmental analysis on the site resulted in property receiving a clean bill of health.
3. **Soils Study.** A soils study shows gravel and sandy loam, good for standard construction.
4. **Ground Water.** Ground water monitoring resulted in findings that water levels are currently 6-7 feet below

the winter water level. Storm water treatment and infiltration facilities will need to be sized according to parcel specific soil character and ground water levels.

5. **Oak/Wetlands.** An oak and wetland study was performed and those areas have been delineated on the property.
6. **I-5 Realignment.** Department of Transportation has not made any final decisions on the I-5 realignment, but have indicated that they favor working within the existing right-of-way.
7. **Highway 99.** The Highway 99 development the County is considering may include development of a 3-lane portion of 99 from the liquor store north to Hwy. 12.
8. **Rail Study.** The rail study indicates the feasibility to develop siding off the Tacoma Eastern at the Grand Mound property. Charlie Burnham from David Evans & Associates attended at the meeting and provided a briefing on the Tacoma Eastern Railway and the accessibility to the Grand Mound property.
9. **Master Plan.** A conceptual master plan was prepared for the site and shared.
10. **Landscape and Development Standards.** Landscape and development standards have been prepared and are consistent with Thurston County standards and zoning.

Mr. Charlie Burnham, rail consultant, described the condition of the rail as fair to good and answered questions from the audience and commission regarding rail access.

Mr. Jim Bachmeier from Thurston County provided a status report on the LID development, advising that the project is scheduled for completion by the end of 1997. Mr. Bachmeier answered questions from the audience.

In response to a question from Mr. Ken Bragg regarding the rate of return projected for this acquisition, Mr. Handy reported the original return on investment analysis showed a positive return over 20 years. He indicated once the other studies have been completed, the financial analysis would be done again to include information from the studies.

There were approximately 25 members of the public in attendance at the meeting. The public was invited to comment on the Grand Mound proposal. Comments included concern relating to growth, traffic problems, impact on tax levy, and distraction to drivers on I-5. Support from several in attendance was conveyed for the project in that it would promote job growth, revenue-generating industry, and support the community.

Mr. Ken Bragg addressed the Port's tax levy and expressed concern that the Port's development may cause a future increase in the tax levy. Mr. Bragg expressed concern regarding a lack of data from the Port showing plans to reduce or eliminate the tax levy based upon campaign promises he said were made by port commissioners. Mr. Bragg urged the Commission to provide a report to the public on the Commission's plan for reducing reliance on the tax levy. Mr. Bragg also addressed procedural issues regarding the manner in which the Port increased the tax levy for 1998.

Mr. Sanchez expressed concern regarding the land uses proposed by the development. He expressed his preference for a corporate campus type setting with developments like Intel, and not warehouses typically seen in places like Tukwila. He said he did not want the area to look like Tukwila or Issaquah. Mr. Sanchez also expressed concern regarding traffic flows through Grand Mound that he said were already stressed.

Mr. Dan Vanderkolk said that the kind of development that exists in Tukwila and Issaquah looked pretty good to him and he would welcome that development in Grand Mound as a means of creating jobs and stimulating the south county economy.

Ms. Pat Schoelkopf testified in favor of the acquisition noting that substantial planning had already been done to prepare for traffic and indicating that highway and intersection improvements were planned that would address these issues. Mr. Jim Thomas corroborated these observations

Mr. Jim Calcus inquired about the impact of the acquisition on property taxes. Mr. Handy responded that the Port's current return on investment indicated that taxes would not be increased for this project assuming an orderly development of the property over time.

Representative Gary Alexander expressed support for the acquisition. Representative Alexander said he had previously served on the Port Commission when this project was considered and felt it provided important job site and infrastructure facilities for suitable light industrial development. Representative Alexander said that these types of sites are unusual and that South County needed to capitalize on this opportunity. He inquired whether the site was within the Foreign Trade Zone. Commissioner Van Schoorl responded that it is not now within the zone but could be brought within the zone by an amendment.

Dick Moyer inquired regarding the Port's rent structure. Mr. Handy and Mr. Heber Kennedy responded that the Port bases rents on independent fair market value appraisals of the property. Port officials advised that every effort is made to achieve market rates for this type development on Port property.

Mr. Jim Thomas requested an estimate of the number of jobs the industrial park might provide. Mr. Handy responded by describing the number of jobs being provided by various leases at the Port's New Market Industrial Campus.

Mr. Thomas spoke favorably regarding the proposed acquisition, stressing that the Rochester/Grand Mound area was in need on economic stimulation and that the proposal was consistent with land use plans developed for the area designed for light industrial activity.

Commissioner Dickison responded to Mr. Bragg's extensive comments regarding the tax levy and the importance of industrial activity to the economy of the county.

The Commission indicated that staff needs to provide more clarification on the site design, follow the Department of Transportation's I-5 realignment plan and report back when a final decision has been made. The Commission also requested that staff provide schematics on the development standards to give the public and understanding of what the standards look like.

Port Commissioners expressed a desire for staff to continue forward with due diligence studies and to bring the matter back for final recommendations this summer.

Marketing Presentation.

Ms. Kari Qvigstad continued the marketing presentation from the March 9 Commission meeting. The presentation covered the Port businesses and general marketing projects.

ADJOURNMENT

Vice President Van Schoorl adjourned the regular Commission meeting of April 13, 1998 at 9:10 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer