

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

April 24, 2000

CALL TO ORDER

President Dickison called the meeting of April 24, 2000, to order at 5:34 p.m. at the Port of Olympia large conference room. Commissioners Pottle and Van Schoorl were in attendance.

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

Members of the public in attendance included Joel Coffidis from *The Olympian*, Doug Adamson from KGY, the Port's legal council Sandy Mackie, Joe Cole, Larry Dudley, Jerry Dierker, and Mike Bahn.

APPROVAL OF AGENDA

The agenda was approved as submitted.

PUBLIC COMMENT

Mr. Joe Cole indicated he appreciated the help he was getting from Mr. Nick Handy regarding the Cascade Pole site and arranging for signage around the site. However, Mr. Cole indicated he would like more signage especially at the boat launch to warn people not to fish or eat the fish due to the unsafe conditions of the water filled with dioxin.

Mr. Larry Dudley commented that the site has been considered contaminated since 1992 and wanted to know how come no one has been warned for all these years not to eat the fish. Mr. Dudley also asked President Dickison about his representation with the tribes.

President Dickison responded that when he ran for Port Commissioner it was a conflict of interest to represent the tribes at the Cascade Pole site, therefore, he has been working with the site solely as Port Commissioner.

Mr. Jerry Dierker read excerpts from the Cascade Pole Action Plan agreed order dated March 8, 2000 indicating the contamination of the site has been documented and water samples taken to indicate the dioxin is above human consumption levels. Mr. Dierker indicated this information has been available to the Department of Ecology for some time and wanted to know why no one is doing anything about it and notifying the public about the danger. Mr. Dierker noted his appreciation for the Port putting signs out and warning the public. President Dickison responded that the information Mr. Dierker was reading from has been a matter of public record since the early 1990's.

COMMISSIONERS REPORTS

No Commissioner reports were given.

COMMISSION CONSIDERATION

Minutes. The Commission unanimously approved the minutes from March 27, 2000, April 10, 2000 and April 11, 2000.

Bills and Vouchers. The Commission unanimously approved the bills and vouchers for the period ending April 24, 2000 in the amount of \$578,569.97.

ACTION CALENDAR

Section 125 Plan – Resolution 2000-03

The Commission was briefed on the proposal of the Section 125 Plan establishing a cafeteria plan that would benefit employees by allowing them to tax defer income for dependent care at the April 10, 2000 Commission meeting. The Commission unanimously adopted Resolution 2000-03 establishing a Section 125 plan and directed Mr. George Fox to enter into such agreement with AFLAC as a third party administrator.

Port Plaza Capital Budget Authorization

Mr. Nick Handy gave the Commission an overview of the Port Plaza project indicating that there is currently \$30,000 in the capital budget for the year 2000 to install the Welcome Pole and “hardscape” the immediate area. Mr. Handy indicated that staff believes the next logical investment in the Plaza is completion of a detailed design. The estimate of a detailed design for the entire Plaza would cost in the range of \$35,000 to \$45,000. This would provide engineered drawings to take to bid when we are ready.

Mr. Handy and Ms. Andrea Fontenot gave the Commission some cost estimates for completion of the entire Plaza as well as completing the south and north areas as individual projects. Commissioner Van Schoorl asked to see fund balances and thought of any other priorities that may be coming up for the budget year 2000. Mr. Handy and Mr. George Fox gave the Commission the fund balances in both the reserve fund and the capital fund.

Commissioner Pottle inquired whether we have approached The Rants Group and Anthony’s about contributing to some of the costs involved in completing the Plaza. Commissioner Pottle also noted that the Plaza could be completed under a different scheme and would like for staff to look at the design and come up with some alternatives for completing the Plaza for less. He indicated the current design does not allow for the opportunity to hold large events there. Ms. Kari Qvigstad commented that the DEF design includes an area for events. The design of the DEF plaza will be the size of Sylvester Park.

The Commissioners discussed the level of funding they were willing to approve for the year 2000. After discussions, the Commission approved funding \$55,000 for the completion of a detailed design for the entire plaza and for completion of a landscape island at the south end of the plaza. A motion was made to authorize \$55,000 for full plaza design and to landscape the far south island at the Port Plaza in addition to the \$30,000 already approved in the capital budget. The motion was unanimously approved.

ADVISORY CALENDAR

Marina Expansion, Docks D, E, and F Advisory

Ms. Andrea Fontenot provided the Commission with an overview of the design and project scope for the marina expansion for docks DEF, indicating the project includes 156 slips, 168 parking spaces, and at the 50 percent design stage is estimated to cost \$3,486,528. Ms. Fontenot indicated the project would be bid and constructed in two separate contracts. One contract will construct all of the on-shore improvements and the other will construct all of the improvements over the water. The contract proposals will ask for a base bid from the contractors that will establish a cost to construct the essential elements of the project and to provide a cost to construct the non-essential items as alternatives to the base bid. Ms. Fontenot commented that this strategy would allow us to establish a cost to construct and then choose those additive items that the budget will support. Ms. Fontenot highlighted the additive alternates for each the on-shore and offshore projects.

Mr. George Fox provided the Commission with a financial analysis of the project indicating the base bid is estimated at approximately \$3.4 million. With the additives, the bid would be approximately \$3.7 million. Mr. Fox added he proposes the current marina revenues provide for a 5.8 percent rate of return on assets, in addition, the DEF expansion should generate a 9.84 percent rate of return over the 30-year life of the asset. This would get us closer to the desired rate of return of 12.5 percent.

Ms. Kari Qvigstad gave the Commission an overview of the marketing initiative of the DEF dock expansion. She indicated the general marketing activities currently being done and the marketing campaign that would begin in January 2001 to achieve the desired occupancy. In addition, Ms. Qvigstad gave an overview of the opening/media event that would take place in spring of 2002.

Mr. Bruce Marshall provided the Commission with the strategy of the DEF slip pre-leasing and an overview of the

current demand for the slips. The marina currently has a waiting list for 39 slips in the 28 to 44 feet range.

Mr. Handy asked the Commission for direction to go to the 100 percent design phase including obtaining permits and begin the financing options to enable the Port to put the project up for bid in 2001 for completion of the project in March 2002. The Commission directed staff to go full speed ahead on this project.

Port Property- Artesian Well

President Dickison indicated there was interest by the Friends of the Artisans to locate an artesian well on the triangle property next to the Farmers Market. Mr. Handy said he has met with the Friends and this is their preferred site. The Friends would like to do a test well on the site at their expense. Legal counsel, Sandy Mackie indicated the City of Olympia does not want to own or lease the site, however, they would operate it as part of the Parks department. His concern was the liability and property rights associated with this agreement.

President Dickison said the request to drill a test site is premature at this time and directed staff to pursue a meeting of all parties and see where the commitments are with the Artisans and the City of Olympia. He indicated we must also investigate other possibilities for the site before we commit to any agreement.

Commissioner Pottle wondered about the underground utilities and whether it was even feasible to drill a well on the site. Commissioner Van Schoorl indicated the property was a valuable commercial site and he was concerned about the increase in traffic associated with the well and whether the Artisans would be able to design the property to meet Port standards.

Mr. Handy indicated the Artisans claim they have the funds to design and build the vision consistent with what the Port would expect.

The Commission directed the Executive Director Nick Handy to pursue a meeting with all parties to begin a discussion on the proposal.

ADJOURNMENT

President Dickison adjourned the meeting of April 24, 2000 at 7:30 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer