

# Port Of Olympia Commission

## Minutes of Regular Meeting

April 28, 2003

### Call to Order

President Pottle called the meeting of April 28, 2003, to order at 5:33 p.m. at the TCTV Studio in Olympia. Commissioners Van Schoorl and Telford were also in attendance.

Staff in attendance were: Executive Director Nick Handy, Administrative Manager Jeri Sevier, Finance Director George Fox, Property Director Heber Kennedy, Operations Director John Wolfe, Harbor Director Bruce Marshall, Public Works Director Andrea Fontenot, Airport Director Doug Sandau, Marketing Special Projects Coordinator Carola Stark, and Communications Manager Patti Grant.

Public in attendance were as follows. Representing Legal Counsel were Mick Phillips and Mark Erickson. Representing *The Olympian* were Scott Wyland and Vicki Kilgore. Representing the PAC were Jim Smego, Dave Clark and Jan Van der Veen. Others in attendance included Michael Olson, Christi Johnson, John Harvey, Meta Heller, Chris Hamm, Sarah Jewett, Chris Fuess, Harold Chambers, Amando Barzola-Hidalgo, David Dooley, Larry LaVeen.

### Approval of Agenda

The agenda was approved with one change. President Pottle recommended that the Executive Director Recruitment Process be moved from advisory to the action calendar. The recommended move was accepted.

### Public Comment

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

### Commissioners Reports

Commissioner Van Schoorl announced he attended the Thurston County Chamber meeting last week.

Commissioner Telford reported there is a joint TRPC and TPB meeting scheduled, so if two commissioners show up at the same meeting, we will have given public notice.

President Pottle indicated he attended an EDC meeting earlier in the day where Executive Director Nick Handy gave a presentation and update on the Port Marina expansion and State Street developments.

### Executive Director Report

Mr. Nick Handy gave an update on recent activities at the Port including the activity at the Marine Terminal commenting that the marine terminal recently loaded two log vessels back to back. The New Alliance loaded 3.8 mmbf and the Bright Phoenix loaded 1.2 mmbf. Mr. Handy noted that currently in port is the Vasilij Burkhanov from Russia and will be staying in Port for 10 days. This vessel is discharging aluminum T-Bars and ingots.

Mr. Handy indicated that loadout operations to truck and railcar are as active as the vessel operations. The T-Bars have been loading out since the first day the vessel began discharge, and lumber and garnet have been moving out daily as well. He also noted that the Tri-City and Olympia Railroad has been providing daily support to the longshoremen, switching boxcars in and out for their aluminum loadout operation.

Turning to the Properties department, Mr. Handy indicated that Heber Kennedy, Dennis Mattson and Nick all attended the Washington Economic Development Association annual meeting and discovered new legislation enhancing Tax Increment Financing is moving through this legislature. Mr. Handy announced that we held the wrap-up meeting regarding a parking structure study done by Rick Williams of Melvin Mark Cos. in Portland. The Port will continue to explore parking structure development with interested partners.

Mr. Handy announced the Boatswap and Chowder Challenge would be held on Saturday, May 17<sup>th</sup>. He indicated that swapper spots are filling, contact Carola Stark at 360/528-8015 for more information.

Airport operations in March totaled 6,496, up from 6,043 the previous month and significantly higher than last year

when there were 6,177 operations in March. Mr. Handy indicated that Big Sky Airlines is reporting a marked increase in passenger loads for the month of April. As of April 28th, they reported 509 departing and 471 arriving passengers at the Olympia Airport.

Mr. Handy indicated that we have set the joint meeting with City of Tumwater for May 27th. The meeting will be at the City of Tumwater at 7:00 p.m. We are in the process of working with City staff to set the agenda. We also have a tentative date with the City of Olympia for May 19th. We are also working with city staff to set the agenda.

### **Consent Calendar**

The Consent Calendar was approved as follows.

**Minutes.** The minutes from April 14, 2003 were unanimously approved as submitted.

**Bills and Vouchers.** The bills and vouchers in the amounts of \$390,521.06 for the period ending April 28, 2003, batch 10-13 was unanimously approved by the Commission. General Fund Checks Issued: 031203-031309, 031329-031364, and 031371-031402. Capital Fund Checks Issued: 030021-030022, 030023, and 030024-030025. 2001 Bond Fund Checks Issued: 030096-030103, 030104-030106, and 030107. Environmental Fund Checks Issued: 030083, 030113-030134, and 030135. Voided Checks: 031197, 031310-031328, and 031254. Voided Checks - ER Fund: 030113.

**Capital Expenditure Expense Approval.** The Capital Project Expenditure in the amount of \$35,427.67 to Reid Middleton for the Runway Shift & Road Alignment project was unanimously approved.

### **ACTION CALENDAR**

#### **West Bay Comprehensive Plan Amendment – Resolution 2003-06**

Ms. Andrea Fontenot indicated that Port staff has proposed several amendments to the Port's comprehensive plan.

The first amendments propose height changes in several districts on the Port Peninsula. Specifically, a height change from 60 to 65 feet is proposed for the Ocean and Central Districts. A height change from 50 to 65 feet is proposed for the Admiral District. These height changes are intended to accommodate uses consistent with the comprehensive plan and are proposed based upon past discussions with potential customers interesting in siting projects in these areas that are consistent with the comprehensive plan, but need additional height to be commercially viable.

Ms. Fontenot noted that the second amendments relate to the Port's West Bay ownership. The Port's current comprehensive plan calls for two alternative sets of land uses for this area: Industrial/Habitat and Habitat. The amendment would change the comprehensive plan to Mixed Use, to coincide with the Port's concurrent request for a zoning change with the City of Olympia to Urban Waterfront. Urban Waterfront allows mixed uses including: office, commercial/retail, residential, retail, park and open spaces uses.

Ms. Fontenot noted that the Port Commission heard extensive public comment on these comprehensive plan changes at the April 14, 2003 Port Commission meeting. She noted that several comments focused on the height changes on the Port Peninsula and encouraged the Commission to not make these changes for reasons relating to visual impact of adjoining areas.

Ms. Fontenot indicated that a strong majority of comments at the public hearing focused on requests by residents in the West Bay neighborhood to create a significant park and open space area on the Port's West Bay upland ownership. Many thoughtful comments supported this request from a wide variety of perspectives. Several comments supported a mixed-use approach with public access and open space in the waterfront area.

Ms. Fontenot indicated that the staff recommends that the Port Commission approve the comprehensive plan amendments regarding height restrictions on the Port Peninsula. We have presented to both the Olympia Planning Commission and Port Commission renderings of the proposed incremental height increases, and through these visual aids we believe we have demonstrated that the proposed incremental increases in heights are negligible.

She noted that staff recommends that the Port Commission approve the comprehensive plan change for the Port's West Bay ownership to a preferred alternative of Mixed Use to coincide with the Port's concurrent request for a zoning change to Urban Waterfront with the City of Olympia. This proposed land use change does not determine which uses within the Mixed Use category will be developed on this site.

And finally, she indicated that staff recommends that the Port Commission direct staff to begin a discussion with the

City of Olympia regarding park and recreation planning along West Bay and that this item be added to the upcoming Port Commission and City Council meeting.

Commissioner Van Schoorl moved to adopt Resolution 2003-06, the motion was seconded by Commissioner Telford. President Pottle opened the public comment session.

**Harold Chambers, resident of Yelm**, indicated he had a few questions regarding this amendment. He asked the Commission to define 65 feet, he asked about the road upgrades and the sewer and water needs and who would be responsible for them, and he asked what would be the future costs to the Port for this change. He lastly asked if there were any cleanup sites in the area.

**Armando Barzola-Hidalgo, resident of Olympia**, urged the Commission not to develop the West Bay area with many businesses. He indicated the area should be developed as a park.

**Christi Johnson, resident of Tumwater**, indicated she was glad the Commission was taking out the industrial part of the area, but she hopes that the area will be cleaned up before putting any retail or residential development. She commented that she would like to see the area developed into more of parks and bike trails and keep the commercial and retail over at the market area. Would like the resolution narrowed down to parks and public space. President Pottle indicated that would come later once we do a land planning process. She indicated she was also concerned about traffic.

**Larry Laveen, resident of Olympia, and president of the NW Neighborhood Association**, he commented that he appreciates that the Commission has an awareness of the importance of the waterfront, unique and special character of the area. He indicated he had over 300 signatures to present to the Port and asked the Commission to delay mixed use re-designation and development of its West Bay property until the City of Olympia can complete its West Bay parks assessment; to consider creative measures to work with the City, including leasing the land if needed; and to require any development there to provide significant open space, public access to the shoreline, and a waterfront trail consistent with City plans and policies for West Bay.

President Pottle asked why they were asking to delay the amendment. He indicated that he spoke to a city council member earlier in the day and he indicated the city may pose a park bond, but we are looking at a couple of years down the road, then if the bond doesn't pass, we begin the process all over again.

Mr. Laveen indicated that we have a very talented and aggressive Port staff, and when they say they are showing the property, that we believe them.

**Meta Heller, resident of Olympia**, commented that she also believes that the West Bay property should become a park. She also concurs that the site is no longer industrial, however, she indicated that she does not see the site as mixed use either. With regard to the Peninsula property, she sees no reason why we couldn't change the heights there to accommodate the industrial customers.

**Chris Hamm, resident of Olympia**, urged the Commission to hold off on the comprehensive plan proposed amendment until the people have a chance to get all the facts.

**Sarah Jewett, resident of Olympia**, encouraged the Commission to open up the conversation to wider communities before passing an amendment. She suggested the property be developed into outdoor trails.

**Chris Fuess, resident of Olympia**, indicated the West Bay is a great opportunity for the area to be zoned into open space. He commented that he would also like to see the Port work with the City of Olympia on the park and let the city put together a bond and that would give an opportunity for the people to vote on this area.

**John Toolie, resident of Olympia**, asked the Commission to not change the designated use on West Bay, he would also like to see it available for a park. If you change the use of the land, it opens the door for development. President Pottle asked for his definition of a park. Mr. Toolie indicated open space, easy access to the water, not a lot of new development of housing or commercial retail.

**John Harvey, resident of Olympia**, commented he also wants the Commission to hold on the decision to amend the comp plan. He also supports a park on the site.

The Commission discussed the amendments in Resolution 2003-06. Commissioner Telford asked what the basis for the elevations, 65 feet from where. Ms. Fontenot indicated that it is a city formula, which means the average grade that the structure is on to the average grade to the pitch of the roof. She indicated that 12 feet is the average grade at that site. Commissioner Pottle also asked about contaminations on the site. Mr. Kennedy indicated that the soil of the site

was tested when the tenant moved out, the soil has been tested and no contamination showed in those tests. Commissioner Telford asked who pays for the improvements, roads, and utilities for the site? Mr. Kennedy indicated that if there were improvements needed to be made, those would be made responsible by the project sponsor.

Commissioner Van Schoorl asked Ms. Fontenot for a clarification of the new use indicating the educational use, was not included in the new designation. The proposal would be for one designation, mixed use, that includes recreation, that would encompass any educational, recreation habitat use. The only thing we are precluding is heavy industrial; everything else remains in the designation. Ms. Fontenot confirmed his clarification.

Commissioner Telford made a motion to remove the fifth Whereas statement...Whereas, the Port of Olympia intends to market and develop this property consistent with the land uses compatible with the West Bay neighborhood.

President Pottle asked staff if this resolution is not passed, what is the rush, timeline, and what might we be missing out on. Ms. Fontenot indicated that this process actually started two years ago, we have a request into the City for a rezone and realized that we were ahead of the process because our comprehensive plan needed to be changed from heavy industrial to urban waterfront. She indicated that we are on a parallel track. They city only amends their plan once a year, if we don't do this now, the process starts over again and we would have to submit the proposal again next year.

President Pottle asked Ms. Fontenot what would be the public process after this amendment was passed. Ms. Fontenot indicated that the Commission could determine the process. The City of Olympia will also be going through a planning process. This will be a master planning process most likely joint with the City of Olympia.

Mr. Handy indicated that right now we are just getting the underlying documents in place, we do not have a master planning process in place, we have scheduled a joint meeting with the City to begin discussion with the City on the public process or the outcome. The only thing this amendment does tonight is take heavy industrial off the table to move forward to a next step. We will not move forward at the staff level until we have direction from the Commission on the next steps. It seems logical to begin discussions with the city.

Commissioner Van Schoorl commented that he shares concerns about what the property will look like in the future, does not want to see high rise condos, and is very concerned about what goes there. He commented that in 1995 he was one that supported commercial enterprise that supports recreation and open space. He indicated that he does not envision a scenario that would not include open space and public access to the waterfront. He commented that the Port is committed to trails along the waterfront and we have a good record to go with that. He commented that he supports educational facility, but you need businesses to support that. He noted that if he thought in any way that we would not keep some open space, walking trails, public waterfront access, he would not support this, however, he commented that nothing will get built there until it comes back to this commission for approval; and he will continue to support and push for keeping some open space and public access to the waterfront.

Commissioner Telford commented that our options are to leave it like it is, keeping the industrial, the other choice is to change to a mixed use, keeping all other options open. Doing this encourages conversation on the best use of the property. He commented that his goal is to get the Port self sufficient, having said that, he commented that he supports parks and recreation. Commissioner Telford indicated that he feels the Port should make an offer to the city to buy and or lease the property from the Port.

President Pottle commented that he has thought about this long and hard and will support the resolution because we do not preclude any options, there will be more public process and public planning in regards to this property. There are a lot of details to be worked out and this is a good start by bringing this to the full attention to the community.

The Commission unanimously adopted Resolution 2003-06 as amended removing the fifth paragraph. Commissioner Van Schoorl thanked the public for coming out over the past two meetings and encouraging the Commissioners think about this decision.

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### **Executive Director Recruitment Advisory**

Ms. Jeri Sevier reported that the interview team that consisted of Commissioner Pottle, Jeri Sevier, George Fox, and Jon Van der Veen, interviewed four firms interested in doing the executive search for the executive director position. Ms. Sevier indicated that the interview team unanimously selected Waldron & Company. She noted that Waldron & Company submitted a proposal that outlined exactly what were are looking for. She indicated that they have experience with other Ports as well as other public entities. They understand the Port business and our environment. She indicated we checked on several references and found nothing but excellent recommendations.

President Pottle invited Mr. Ed Rogan and Mr. Fred Pabst, representatives from Waldron & Company, to answer questions of the Commission. Mr. Rogan indicated that the firm would hold expenses to \$6,500 over the base rate. He noted that expenses usually run \$8,000 - \$10,000. He also described the strategy Waldron & Company would use, outlining the timeline, etc.

Commissioner Telford made a motion to approve the contract with Waldron & Company, Commissioner Van Schoorl seconded the motion. The motion was unanimously approved to enter into a contract with Waldron & Company. The Commission asked Jeri to set up a work session between Waldron and the Commissioners.

### **Approval to Solicit Bids for Marina Alarm System**

Ms. Andrea Fontenot indicated that staff is asking the Commission to go out to bid for an upgrade to the marina security and fire alarm system as a part of the 10-year list of capital improvement plan for the facility. She indicated the Commission approved the 2003 capital budget that included the security system upgrade as well as gate replacements, \$138,210.

Ms. Fontenot indicated that staff is also proposing to include in this scope of work the fire alarm system upgrade that was envisioned for 2004. She indicated it makes for efficiencies to implement both of these projects at the same time. She noted that the DEF project relies on this project being completed.

Mr. Bruce Marshall commented that the current lines are corroding and sending false alarms off sending the fire department down to the Marina for false alarms. He indicated that we get charged for those false alarms since we have had so many. Staff is concerned that the current system might not be activated when needed. The current system is not up to current code.

Commissioner Telford indicated that he looked at the 10 year plan, it seems that it is already out of date just two years into the plan. He also noted that this budget request apparently does not include all costs associated with this project. Mr. Marshall indicated that currently we rent from ADT, this proposal we would own our own system and would not be renting in the future. Commissioner Telford indicated that he does not feel that he has enough information on this project. He commented that while investigating this project, he found that we have approved putting art into the DEF project.

Mr. Marshall indicated that the cost specified several years ago was for the system, what was not taken into account was the wiring. He indicated that we now find that the wiring is faulty and needs to be replaced.

Commissioner Van Schoorl commented that we looked several years ago at the Marina and acknowledged that maintenance was lacking, and that if we planned for the next 10 years, we could extend the life of the Marina. We need to catch up and preserving assets. Commissioner Telford indicated that he agrees with that approach, however, the current 10-year plan is already out of date. He indicated that he is asking for an update of the plan and estimates relative to the plan.

President Pottle indicated that he agrees with Commissioner Telford and would like to have more information on this project. We need an updated plan, and more accurate numbers. The Commission indicated they would like for this to come back to the next commission meeting with updated information.

### **Attorney RFP Selection**

Commissioner Van Schoorl presented the recommendations to the Commission for the legal services for the Port. He indicated that we received seven proposals, the evaluation team narrowed that selection down to three firms to interview. He indicated that the evaluation team conducted interviews and found all three very qualified and concluded that the recommendation is to retain Owens Davies on a one-year contract. Commissioner Van Schoorl indicated the purpose of the one-year contract because throughout the process the evaluation team felt that there was some need for efficiencies and improvements in the management of the services.

Commissioner Van Schoorl indicated that the interview team concluded there may be better ways to manage our services, would like to offer the contract to Owens Davies, and over the next year to look at how services are used, better manage how services.

**Harold Chambers, resident of Yelm**, commented that Owens Davies cost the taxpayers hundreds of thousands of dollars, if they were his attorneys, he would have fired them.

Commissioner Telford commented that he is disappointed and against this recommendation. He does not feel that Owens Davies should be the attorney for the Port of Olympia. He noted that we pay them over \$200,000 a year. Their

proposal increases their monthly retainer by 450%. Commissioner Telford indicated that for the most part, he has little confidence in the objectivity, veracity, and completeness of the legal information provided by the current port counsel. Commissioner Telford commented he would like the committee to go back and work with the Goodstien Group. He noted that he would like to see no action taken on this tonight. Let the committee to go back and work out details with either the Goodstien Group or a totally different arrangement with Owens Davies.

Commissioner Van Schoorl indicated that one of the issues on the table is to work with counsel on cost control and how we receive services. He noted that we would like to have active discussions with the current firm since they are still going to be our legal firm during discussions.

Commissioner Telford indicated that by extending the contract by one year, we are doing something different. Our current contract lets either party out of the contract at any time, why would we enter into another one-year contract. Either redefine the contract with Owens Davies or enter into a contract with the Goodstien Group. He noted that he was not satisfied with just moving ahead.

Commissioner Van Schoorl indicated that we intend to renegotiate the contract, to look at services, to look at an appropriate level of services, to look at managing the staff use of legal counsel, and to actively manage cost.

President Pottle commented that he supports a one-year extension with a contract negotiation, to actively manage fees and services for cost control. This proposal will be to find ways to reduce costs including the retainer.

Mr. Handy indicated there would be a thirty day negotiation period, consistent with proposals. The Commission passed the recommendation with a 2-1 vote; Commissioner Telford voting against the recommendation.

### **State Street Negotiations Extension Request**

Mr. Heber Kennedy indicated that at the February 24, 2003 Commission meeting the Commission approved the staff recommendation to select Civic Partners/NBBJ as the preferred candidate for State Avenue planning and development. The staff also recommended that both parties develop a final agreement and report back to the Commission within the next sixty (60) days. Mr. Kennedy reported that since that time both parties have been diligently working on the necessary documents (scope of work and necessary agreements between the Port and Civic Partners).

Mr. Kennedy noted that due to the complexity of this agreement (development rights for the developer and planning scope) the initial document needed for this agreement is in draft form and should be complete within the next week. The parties also have another scoping meeting planned on Tuesday the 29<sup>th</sup> to hopefully resolve planning issues.

Staff expects to have the documents completed within the next 30 – 45 days, but will bring the agreement to the Commission sooner if all parties have reached agreement.

The commission unanimously extended the negotiation period between parties.

### **ADVISORY CALENDAR**

#### **Boatswap and Chowder Challenge Advisory**

Ms. Carola Stark, BoatSwap & Chowder Challenge event coordinator, presented an overview of the 2003 Swantown BoatSwap & Chowder Challenge. This popular event showcases the Swantown Marina & Boatworks on the Olympia waterfront.

Her presentation included highlights for the 2003 event including activity schedule, chowder challenge restaurant participation, boatswap vendors – both private and commercial - and an update on event promotion.

In it's 7<sup>th</sup> year, the boatswap & chowder challenge continues to be a growing, regional event. New to this year's event is the introduction of a sponsorship program. Ms. Stark indicated that due to construction at the marina, the event venue has been moved south the Swantown Boatworks, which should provide excellent visibility for both swap and chowder participants. This year's event will be held Saturday, May 17 from 10 a.m. to 4 p.m.

### **ADJOURNMENT**

President Pottle adjourned the meeting of April 28, 2003 at 8:07 p.m.

**PORT OF OLYMPIA COMMISSION**

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President

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Vice President

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Secretary-Treasurer