

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

**May 8, 2006**

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**CALL TO ORDER**

Vice President Telford called the meeting of May 8, 2006, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioner Van Schoorl was also in attendance. President Pottle was out of town.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Communications Manager Patti Grant, Marine Terminal Director Jim Amador, Marketing Director Kari Qvigstad, Marketing Program Assistant Maureen Malahovsky, Swantown Harbormaster Bruce Marshall, Steve Davis, Rudy Rudolph, and Property Director Heber Kennedy. Bob Goodstein, representing Legal Counsel for the Port was also in attendance.

Public in attendance were as follows: Representing *The Olympian* was Jim Szymanski. Others in attendance included: Tom Howdeshell, Harold Clark, Keith Bausch, Jerry Parker, Jan Witt, William Parker, Pat Rants, Subir Mukerjee, and Richard Wolf.

**APPROVAL OF AGENDA**

The agenda was approved as submitted. Mr. Galligan recommended the Executive Session be removed. He indicated that the Executive Session was designed to discuss the courts ruling on the release of documents for the League of Women voters, however, staff recommends we comply with Judge Hicks latest ruling. The Commissioners agreed with the staff recommendation to comply.

**PUBLIC COMMENT**

**Tom Howdeshell, resident of Olympia**, indicated on his recent visit to the Port he encountered the Security person at the gate. He was very professional and he wanted to assure the Commissioners that the security is working at the Port.

**Jerry Parker, resident of Olympia**, commented on his response he received from Ed Galligan. He commented that he was disappointed that his basic question goes unanswered. He also commented on the traffic impact study submitted to the Port by Parametrix on April 17. He noted that we now have four estimates of average daily log truck traffic to choose from. He indicated that he has heard the traffic estimates of 73, 160, 250 and 350. What are the citizens to believe? Mr. Parker indicated he did some research of his own and estimates the number of log trucks to double.

**COMMISSIONERS REPORTS**

No Commissioner reports were given.

**EXECUTIVE DIRECTOR REPORT**

Mr. Ed Galligan reported that he has received a request from Commissioner Pottle that he would like the Commission to consider changing the formats of the regular scheduled meetings to alternate from an action orientated meeting and the second meeting being more geared toward an advisory or work session type meeting. Mr. Galligan noted that we may still need special meetings from time to time for other issues.

Mr. Galligan indicated that changing the meeting structure would require the Commission to delegate the authority to the Executive Director for approving payment to vendors for Capital Projects. Mr. Galligan noted that currently there are several steps for approval of a capital project, the project is approved in the capital budget, the Commission approves staff going to bid for the project, the Commission approves the successful bidder, the contract, and change orders.

Mr. Galligan recognized Mr. Rudy Rudolf for an award presented by the FAA on April 12, 2006.

Mr. Galligan also noted that the resident Falcon hatched four eggs on the cranes this week.

### **Consent Calendar**

The Consent Calendar was approved as follows.

**Minutes.** The Commission unanimously approved the minutes from the April 6, 2006 and April 10, 2006 as presented.

**Mrs. Patrisa DiFrancesca, resident of Olympia,** indicted the minutes from April 10<sup>th</sup> did not reflect her comment that two documents were missing from the public records that were provided by Andrea Fontenot in response to a public records request she had made. She knew the documents were missing because she found them in a public records request she received from the City of Olympia. The Commission indicated we would reflect her comments in the minutes of this meeting and she needed to contact Mrs. Sevier to clarify what she is missing.

**Bills and Voucher Approval.** The bills and vouchers were unanimously approved in the amount of \$700,326.61. General Fund Checks Issued: 039525, 039608, 039609-039622, 039623-039638, 039639, 039640, 039641-039696, 039697-039703, 039704, 039705-039708, 039709, 039710-039759, 039760-039774, 039776, 039777-039823, 039824-039834, 039835, 039836, and 039838-039895. Voided Checks: 039640, 039424, 039579, 039775, and 039837.

**Capital Project Expenditure Approval.** The capital project expenditures were approved in the amount of \$\$94,750.51 to Reid Middleton for the Cargo Yard Improvements project and Airport Safety Project. The Commission unanimously approved the capital project expenditures.

### **Vine Street Investors LLC Lease Approval**

The Lease provides Vine Street Investors LLC with 21,217.1 square feet of land for development of a parking lot. The Tenant has exercised an option, and the staff hereby submits the Lease for signature. Part of the Lease and Option terms was to draft Amendment No. 1 confirming the size of the Leased Premises. The Tenant is submitting a recorded BSP for the development and staff has verified this. Development will be a parking lot south of Tumwater Blvd. adjacent to the vacated Nicolas Street. Commencement date of the Lease will be December 1, 2006. Annual rent will be \$3,325.68. Tenant paid a 2-year rent period in advance as part of the Option, which will be applied effective December 1, 2006. The Commission unanimously ratified the lease with Vine Street Investors LLC.

### **ACTION CALENDAR**

#### **Sale of An Abandoned Vessel – Resolution 2006-07**

Mr. Bruce Marshall presented the Commission with Resolution 2006-07 asking for authorization for the Harbor Director to conduct a public auction of the 25-foot fiberglass Coronado sailboat boat to the highest and best bidder. The resolution further authorizes the Harbor Director to bid all or part of the accrued port charges at the sale and the Port of Olympia may become a purchaser at the sale.

**Tom Howdeshell, resident of Olympia**, asked if the vessel sells, where does the proceeds go. Marina Harbormaster Bruce Marshall stated that anything that is above what the owner owes the Port goes back to the owner of the vessel. The Commission unanimously approved Resolution 2006-07.

### **Obstruction Removal Bid Award**

Mr. Rudy Rudolph reported at the March 15, 2006 Commission meeting, the Commission voted to reject the bids on the Obstruction Removal Bids. The Commission asked staff to do some further research on this project and bring back a future recommendation. The Port re-advertised for bids on a public works project to remove obstructions from the airport approach zone for the Instrument Landing System Approach to Runway 17.

The obstructions, which are trees, are located on three separate properties. The three property owners have signed access agreements authorizing the Port to remove the obstructions. The Washington State Department of Natural Resources has reviewed the work plan and determined that a Forestry Practices Application is not required. The City of Tumwater has concurred that as obstructions, the trees are exempt from the City Tree Ordinance.

Mr. Rudolph reported that bids were opened on April 18th. There were five bidders. The low bid was \$74,254. The high bid was \$95,934. The engineer's estimate was \$114,918.

Mr. Rudolph noted that staff has contacted references supplied by McClung Construction, the apparent low bidder, and determined that they have successfully completed similar work on numerous occasions, and that previous customers were satisfied with their work performance.

Mr. Rudolph indicated that FAA has reviewed the bids and has committed federal funding. Mr. Rudolph noted that staff is recommending the bid be awarded to Mike McClung Construction in the amount of \$74,254.00.

Commissioner Telford indicated he needed to recuse himself from this action since he has a contractual relationship with one of the property owners. Legal counsel indicated that under the doctrine of necessity, since we only have two Commissioners present for the vote, and action was required at this meeting because the bids would expire, he could vote on this issue. Commissioner Telford indicated that he had previously stated that he did not agree that this is a good idea for Port contractors to go on private property to do Port work, however, he would invoke the doctrine of necessity in order to move ahead.

The Commission unanimously approved awarding the bid to McClung Construction in the amount of \$74,254.

### **ADVISORY CALENDAR**

#### **Surface Deployment and Distribution Command (SDDC) Quality Award Advisory**

Mrs. Kari Qvigstad and Mr. Robert Rose, representing the Local ILWU presented the Commission an award where the Port of Olympia was recognized at a special dinner on May 3, 2006 at the SDDC Training Symposium in Nashville, TN. Mrs. Kari Qvigstad indicated that the Port of Olympia has been selected to receive the Military Surface Deployment and Distribution Command (SDDC) Quality Award. The competition for this prestigious award is very keen and it was evident that they provided the 833d Transportation Battalion with outstanding service in 2005.

#### **Transportation Area Planning Advisory**

Commissioner Telford shared information compiled by TRPC staff relating to: State and local projects within key highway corridors (I-5 and US 101). He commented that there is planning for a interchange improvements at Tumwater Blvd, and he staff to find out the assumptions and how these relate to the

assumed Port developments for the next 20 years.

Commissioner Telford also shared a land use map presented to the Passenger Rail Work Group. He indicated that the Port should be more proactive in looking south of airport where there is currently residential zoning.

Mr. Rudy Rudolph that staff has asked for the Thurston Geo Data to incorporate the Airport zoning on the overlay zone. Commissioner Pottle has also sent a letter requesting that the data be available for realtors to notify potential buyers that this area is in the airport zoning. Mr. Rudolph indicated staff is working with City of Tumwater contacted Thurston County to see if they can make similar mapping for areas beyond the City that fall in the County. In addition, Mr. Rudolph indicated that staff has contacted realtors and there is no requirement to disclose that there is a airport nearby.

**Jan Witt, resident of Olympia**, commented that she was present when the overlay zone was discussed at the City of Tumwater meeting. She indicated that at the City meeting people asked if this would affect their property values if this were to be implemented. She indicated that those individuals should be notified if this would be incorporated.

### **Boatswap & Chowder Challenge Advisory**

Ms. Jeri Sevier provided the Commission with an overview of the 10th Annual Boatswap and Chowder Challenge. She covers the event venue, event schedule and activities, sponsorships, and advertising and promotion. The Boatswap & Chowder Challenge is scheduled for May 13, 2006.

### **East Bay Advisory**

Mr. Ed Galligan introduced this topic. He indicated that we are planning for a mixed-use development. He indicated that staff would provide an over view of the phases for the 15 1/2 acres. He noted that this process started several years ago with a lot of investment by the port, public and others. He commented that this project fully supports the Ports mission.

Mr. Heber Kennedy provided the Commission with a presentation indicating the East Bay master planning portion was completed in 2004. He indicated that a number of key elements were defined during the four public meetings and provide an excellent springboard for future work. Since that time a number of diversions such as the PFD process and the Puget Sound Sports and Events Center accounted for delays in proceeding with development on the parcel.

Mr. Kennedy indicated that also since that time, a number of new opportunities have arisen such as the City of Olympia's retention of Team Olympia for development of a City Hall. Additionally, a number of conditions have changed since completion of our last market analysis. In addition, Port staff has visited other developments to gather new ideas and consider a variety of development that would fit the project.

Mr. Kennedy's presentation included a summary of past work, an update on where we are now and a pre-development strategy that should result in commencement of projects at East Bay.

Commissioner Van Schoorl indicated that this plan was very thought out and will get us exactly where we want to be.

**Keith Bausch, representing ILWU 47**, indicated that the truck route laid out in this plan is impossible to get through. He commented that the truck route needs to be looked at before you finalize this project. Trucks cannot make the corner at Thurston and Franklin.

**Pat Rants, Rants Group and Team Olympia**, Team city Hall indicated that they are very excited about the project and allows for Team city hall to begin working with the port immediately.

**Subir Mukerjee, assistant City Manger**, indicated the City has selected Team Olympia to build a city hall, he noted that this is a very important project for the City of Olympia, and they are working together on all details. Commissioner Telford asked when is schedule for making the decision of whether or not they will build on Port property or not. He indicated that they hope to make a decision by midyear on the site. Commissioner Van Schoorl reminded the city of the mixed use and retail on first floor.

Commissioner Telford indicated he had some concerns about the plan. He would like the Port to go out for an RFP on this site and that is not what is happening and see the Port staff who is set up to do all the details and those staff are already have plenty to do and there are projects not being done. He commented that he would like to see us go out and get someone else to do this work. Commissioner Telford also made it clear that he does not see any reason to be subsidizing anything if he project is viable.

Mr. Kennedy indicated that in 2003 we did put out and RFP and selected one and went through a master planning. Unfortunately, that developer did not have a plan to get this project going. Then we looked at the sports events center and the Hands on Children's Museum. We were the master developer for the market district. We were very successful in that project. The team believes that we can replicate that success.

**ADJOURNMENT**

Vice President Telford adjourned the meeting on May 8, 2006 at 7:10 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer