

PORT OF OLYMPIA COMMISSION  
MINUTES OF REGULAR MEETING

June 11, 2001

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**CALL TO ORDER**

President Pottle called the meeting of June 11, 2001, to order at 5:30 p.m. at the Port of Olympia in the Large Conference Room. Commissioners Van Schoorl and Dickison were in attendance.

Staff in attendance were: Deputy Director Wendy Holden, Administrative Manager Jeri Sevier, Swantown Manager Bruce Marshall, Finance Director George Fox, Property Development Manager Heber Kennedy, Airport Manager Doug Sandau, and Facilities Project Engineer Rod Hudson.

Public in attendance were as follows. Representing the Olympian was reporter Scott Wyland. Representing Legal Counsel was Sandy Mackie. Representing Seattle-Northwest Securities Corporation was Lindsay Sovde. Representing Rowe Management was Eric Rowe.

President Pottle announced the Commission had just come from Executive Session that began at 4:45 p.m. to confer with counsel regarding filing litigation in a matter involving the Olympia Regional Airport. President Pottle indicated no action was taken. The Commission directed staff to come back at a future meeting with recommendations.

**APPROVAL OF AGENDA**

The amended agenda was approved as submitted.

**PUBLIC COMMENT**

No public comment was given.

**COMMISSIONERS REPORTS**

President Steve Pottle reported he attended a meeting with state agency representatives regarding property at the Airport. The meeting included discussion of a maintenance facility and airbased accommodations. President Pottle also indicated he attended a meeting with the mayors of Tumwater, Olympia, and Lacey regarding the conference center proposal. Commissioner Pottle reported that Executive Director Nick Handy gave a presentation on financing to the group. The group also discussed the schedule of events in order to make this work if it will be under the Public Facilities District. The group is planning to schedule more informational meetings in August or September.

Commissioner Dickison asked if all of the cities were up to speed on the project. President Pottle responded that they were not. Lacey and Tumwater are planning to do more briefings at upcoming city council meetings. Commissioner Dickison suggested Nick Handy contact the city managers and offer the Port's expertise on financing and public/private partnerships.

President Pottle asked if Nick Handy could prepare a letter to the cities expressing the Port's willingness to provide information or briefings on the financing for the project as well as showing the full support of the Commission.

Commissioner Van Schoorl indicated he would like staff to pull together information on how the conference center will benefit the whole community and the regional economy. It was suggested that the EDC might well be a partner in this.

**DEPUTY DIRECTOR REPORT**

Ms. Wendy Holden provided the Commission with a deputy director report in the absence of the executive director. Ms. Holden announced the Airport would be participating in a Fly-In event with the Olympic Flight Museum on June 23 and 24<sup>th</sup>. She also reported the Olympic Flight Museum was planning for WWII Bombers to land at the airport on June 13

through the 15<sup>th</sup>.

Ms. Holden reported the Administrative Assistant at the Airport has been offered the position and we are in the final stages of completing that process.

Ms. Holden indicated the Swantown Market and Marine Supply was to be on the agenda tonight, however, staff has retained a consultant to provide an analysis on the project and would not be able to make a recommendation at this time. Staff hopes to have this topic on the next Commission agenda.

## **CONSENT CALENDAR**

The Consent Calendar was unanimously approved as follows.

**Minutes.** The minutes from May 29, 2001 and June 6, 2001 were unanimously approved as presented.

## **ACTION CALENDAR**

### **Airport Golf Center**

Mr. Heber Kennedy gave the Commission an overview of the decision process timeline for the Airport Golf Center indicating the Commission had selected "Plan D" which directed staff to develop information and alternatives in six-month increments. At any time the Commission could change the direction for the Golf Center.

Commissioner Dickison asked Mr. Kennedy at what level was staff communicating to parties interested in operating or leasing the Center. Mr. Kennedy responded that we communicated a month ago and are trying to keep them informed. We have shared that we welcome future proposals. Mr. Kennedy indicated most of the interested parties are just following the process at this time.

Mr. Kennedy discussed the fast tracking for the nets and indicated the FAA has held up the approval process because they need to approve what materials are being used, however, staff is dealing with this request as quickly as possible. Mr. Kennedy also reviewed the management models identified for the Airport Golf Center.

The Commissioners discussed the nets durability and longevity and asked staff for a shelf life on the nets. Mr. Rod Hudson responded the companies providing the nets have a ten-year warranty and the nets are UV protected.

Mr. George Fox provided the Commission with a financial analysis based on value, low cash flow, and the lowest cost alternative. His recommendations included improvements that should be made, an interim management structure for the golf center, and that staff would have the next progress report on the Airport Golf Center during the fall budget process.

The Commission approved the staff recommendation to: (1) proceed on a priority basis to implement capital and operating improvements to the Golf Center to increase revenues; (2) continue to use current contract management; and (3) make the next progress report on the Airport Golf Center during the Fall budget process. In addition Commissioner Dickison indicated he would like to know more about the current marketing plan for the golf center in it's current state. They indicated they would like to see a short term plan on how we bring more people in the door at the next Commission meeting.

## **ADVISORY CALENDAR**

### **Finance Strategy**

Mr. George Fox provided the Commission with an advisory briefing on the staff recommendations to finance bonds to support a number of projects in the Port's Comprehensive Plan. Mr. Fox indicated that the Port is in a good position to borrow at this time because of rising net cash flow, a reduced debt load, the overall economy has slowed and the long-term interest rates have fallen significantly. Mr. Fox reviewed the projects that would be considered for the financing of the bonds.

Ms. Lindsay Sovde, Assistant Vice President of Seattle-Northwest Securities Corporation, provided the Commission with an update on the market including port transactions and general obligation interest rates. Ms. Sovde recommended if the Commission was to consider financing bonds to do it early in the summer or wait until early fall.

Commissioner Dickison said the Commissioners had not had an opportunity to discuss the financing of bonds since this was the first time it was brought at a Commission meeting. Commissioner Dickison said it was a good time to enter the market as far as a financial investment. Commissioner Van Schoorl indicated he is warming up to the idea. President Pottle indicated he never had the expectation that we could complete the projects on the table unless we were to do some financing and that he was generally supportive of the idea.

Commissioner Van Schoorl said that if we were to include the Marina Expansion project in this bond financing, he would like to see it accounted for as if it were a revenue bond against the project. That would keep the accountability separate from the general government operations.

**Artisian Well Proposal Briefing**

Commissioner Jeff Dickison indicated to the Commission that he and Nick Handy attended a meeting with representatives from the Friends of Artesians (FOA). He indicated the FOA has taken some significant steps towards its plans for this project. The FOA are submitted a design of the project at the triangle between the Farmer's Market and the Batdorf and Bronson building. Commissioner Dickison indicated they clarified the Port has made no commitment to the property and cautioned them in public presentations to maintain a conceptual development plan.

Commissioner Van Schoorl said at the last meeting we discussed public art, and this may be a location for us to look at. All Commissioners expressed their concern of public parking. Commissioner Dickison indicated the parking issue did come up at the meeting and it is fair to say that issue does need to be resolved.

**Other Business – West Bay**

Commissioner Dickison asked to discuss the West Bay properties under other business. He discussed the issue of the mitigation associated with the Fourth Avenue Bridge. The Commission discussed the Port properties on the West Bay and different alternative solutions to the challenges presented by the City of Olympia's current planning process.

Commissioner Van Schoorl suggested staff develop a defined public relations strategy to help guide the Commission into finding the right solution and discussion.

President Pottle expressed his concern that the Port protect the lease with Solid Wood and the long-term impact to industrial access to the water.

**ADJOURNMENT**

President Pottle adjourned the meeting of June 11, 2001 at 7:26 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer