

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

June 14, 1999

CALL TO ORDER

President Van Schoorl called the meeting of June 14, 1999, to order at 6:43 p.m. at the Port of Olympia in the large conference room. Commissioner Pottle and Dickison were also in attendance.

President Van Schoorl indicated the Commission had just adjourned from executive session where the Commission discussed the terms and conditions relating to the price relating to possible amendments to an option agreement between the Port and the Miller Land Trust for the purchase and sale of real property in Grand Mound pursuant to RCW 42.30.110(1)(b). No decisions were made.

The Port's Economic Development Corporation held a special meeting at 6:35 p.m. before the regular Commission meeting for the issuance of nonrecourse revenue bonds for the Ostrom Company. The meeting adjourned at 6:42 p.m.

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

Members of the public in attendance were Doug Adamson, KGY; Sandy Mackie, legal counsel for the Port of Olympia; Patricia Mahoney, Olympia; Keith Bausch, ILWU Local 47 representative; Todd Merritt, representing Panel Tech; Jay Eaton and Mike Matlock, representing the City of Tumwater.

APPROVAL OF AGENDA

Mr. Nick Handy requested the Commission add to the agenda an action item under "other business" the waiver of a policy for leave balances and to add under the action calendar a discussion on the lease approval process.

PUBLIC COMMENT

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

COMMISSIONERS REPORTS

Mr. Nick Handy informed the Port Commission of two upcoming meetings. The South County Workgroup would be holding its semi-annual meeting in Yelm on June 15. The next PAC meeting is currently scheduled for June 22 for a tour of the Airport.

Commissioner Dickison indicated he had recently participated in a fundraising event for the South Sound Air Show over the weekend and was happy to see the Port well represented at the event.

CONSENT CALENDAR

Minutes. The minutes of May 24, 1999 were unanimously approved by the Commission.

ACTION CALENDAR

Lease Amendment - Rowe Management Corporation

Mr. Heber Kennedy presented the Commission with a lease amendment clarifying the rent amount, surety amount, and

rent commencement date.

The Commission unanimously ratified the lease amendment between the Port and the Rowe Management Corporation.

Assignment of Lease - Cascade West Corporation

Mr. Heber Kennedy presented the Commission with an assignment of lease and consent agreement from Rowe Management Corporation to Cascade West Corporation. The same terms and conditions of the original lease and Rowe Management Corporation will not be released of its obligations and responsibilities under the terms of the lease or amendments.

The Commission unanimously ratified the assignment of lease between the Port and the Cascade West Corporation.

Lease Approval Process Policy Discussion

Mr. Nick Handy indicated to the Commission that recently there have been three recent situations to for requests for early possession on short term leases before ratification at a Port Commission meeting. Each of the short term leases has been unusual and immediate in nature. Mr. Handy asked the Commission to consider amending the current lease policy process to wave month to month agreements and delegate the approval to the Executive Director. The Executive Director would confer with the Chair of the Commission and announce any month to month leases at the following Commission meeting.

The Commissioners expressed support for amending the lease policy such that month to month leases terminable by either party on 30 days notice should be waived from commission ratification with the Executive Director having authority to approve these leases. These agreements are in essence 30 day leases that do not bind the Port to long term commitments. The Commission asked staff to bring language to the next Commission meeting revising the lease policy to incorporate this discussion.

Resolution 99-10 - The Ostrom Company

Mr. George Fox presented the Commission with Resolution 99-10 approving Resolution EDC 99-03 of the Board of Directors of the Olympia Economic Development Corporation authorizing the issuance and sale of its Variable Rate Demand Revenue Bonds in the aggregate principal amount of \$2,500,000. The Commission unanimously approved Resolution 99-10 approving the resolution of the EDC authorizing the issuance and sale to The Ostrom Company to finance the industrial development project.

Approval of Bid Process for Phase I Rail Improvements

Mr. Nick Handy announced the Port would benefit greatly from the freight mobility funding approved by the legislature. The Port has received favorable responses from the Department of Transportation indicating the Port will qualify for a grant match for the Phase I Rail Improvements. Current tenants of the Port are very excited about the project and have been writing support letters to assist the Port in obtaining the grant.

Mr. Todd Merritt, representing Panel Tech, shared the benefits his company would receive from the project with the Commission. He noted that the profit margin received by Panel Tech all depends on the number of cars and the speed in which the switching occurs.

President Van Schoorl inquired about the line item in the budget for this project. The approved budget allocates \$50,000 to the project. The Port's cost for the 20 percent grant match will be approximately \$67,000. The Department of Transportation will provide 80 percent funding of approximately \$269,315.

President Van Schoorl asked staff to report back on the term of the grant.

Commissioners Pottle and Dickison voted in favor of the motion to approve the bid process for the phase I rail improvements with President Van Schoorl opposing.

Planning and Advisory Committee Appointments

Mr. Nick Handy indicated to the Commission that the Planning and Advisory Committee has some positions that expire June 1999. Keith Bausch, Russell Carstensen, Steven Daniels-Brown, and Ron Grant have terms up for consideration of

re-appointments this year and have indicated a desire to continue in their current capacity as a member of the PAC.

Mr. Handy noted that Russell Carstensen and Stephen Daniels-Brown were appointed last year through an interview process to serve a one-year term and have been strong additions to the PAC. Ron Grant and Keith Bausch have provided excellent service to the PAC over a number of years. The Commissioners agreed that all four members have proven to provide leadership and active participation representing the community. The Commission unanimously approved the reappointment of Keith Bausch, Russell Carstensen, Steven Daniels-Brown, and Ron Grant to serve an additional term of 3 years to expire in June 2002.

ADVISORY CALENDAR

Transportation Plan and Comprehensive Plan Update - City of Tumwater

Jay Eaton and Mike Matlock attending the Commission meeting representing the City of Tumwater provided the Commission with an update on the transportation plan and land use planning at the City of Tumwater. The Commission provided feedback to both Mr. Eaton and Mr. Matlock regarding the land use at NewMarket, primarily the re-zoning of Port properties.

Marine Terminal Business Advisory

Mr. Jerry Mahoney provided the Commission with a briefing focusing on the Marine Terminal business plan, the progress and positive modifications staff has made. Ms. Kari Qvigstad provided the Commission with an update on the sales, outreach efforts, and marketing activities for the Marine Terminal.

Annual Leave Waiver

Mr. Handy requested the Commission to waive Port Policy 2.2.1 Vacation Leave for John Bernsten, an 18 year Port employee. Mr. Bernsten is planning to retire at the end of 1999 and would like to use his earned, accrued leave time between July and December to accrue additional time in the retirement system. Currently Mr. Bernsten is over the allowed accumulation of vacation leave of 320 hours and according to Port policy would lose the additional hours over the limit. Under other provisions of the policy manual, Mr. Bernsten would be authorized to cash in a portion of the excess leave, and would also be eligible to cash out his leave balance upon his retirement. He would, instead, prefer to retain the leave for his use before he retires.

Mr. Handy requested the Commission grant a waiver of Port Policy 2.2.1 to allow Mr. Bernsten to continue accumulating leave over the 320-hour limit. The Commission authorized the Executive Director to waive this policy in this instance.

ADJOURNMENT

President Van Schoorl adjourned the meeting of June 14, 1999 at 9:35p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer