

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

June 25, 2001

CALL TO ORDER

Vice President Van Schoorl called the meeting of June 25, 2001, to order at 5:33 p.m. at the Port of Olympia in the Large Conference Room. Commissioner Dickison was in attendance. Commissioner Pottle was out of town.

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, Marine Terminal Manager John Wolfe, Marketing and Property Development Director Kari Qvigstad, and Engineering and Planning Director Andrea Fontenot.

Public in attendance were as follows. Representing the Olympian was reporter Scott Wyland. Representing KGY was reporter Ian Fox. Representing Legal Counsel was Mick Phillips. Representing Entranco was David Morency and Ardith Lanstra-Nothdurft. Representing the City of Olympia was Jay Burney. Representing Olympia Area Rowing Association was Jan Waeschie. Representing the Longshore was Keith Bausch. Others in attendance included: Larry Dudley, Joe Cole, Wayne and Marilyn Albro, Kevin Turner, Jerry Baruffi, Paul Telford, Mike Terrell, Neil Falkenburg, Ken Bragg, James Lindgren, and Harold Chambers.

APPROVAL OF AGENDA

The agenda was amended with the following changes. Item number one under the action calendar "Swantown Market and Marina Supply Approval" was removed from the agenda and tabled indefinitely since all three Commissioners were not present to discuss. The advisory on the Marina and Boatworks was moved to the advisory calendar. In addition, the Marina Village advisory was removed from the agenda due to the lack of three commissioners. The lease amendment for Olympia Area Rowing Association was also moved to the action calendar since there were representatives that wanted to make a short presentation at the meeting.

PUBLIC COMMENT

Sandy Mackie indicated this was his last meeting as legal counsel for the Port. He has resigned his position and indicated what a pleasure it has been providing legal service to the Port for so many years. He introduced his replacement, Mick Phillips. Commissioner Dickison expressed the Port's appreciation for Mr. Mackie's service.

Kevin Turner asked the Commission why they were considering opening the Marina store when it will lose money in the first year and may break even at the end of the second year. He asked if break even meant losing more money or getting back the initial investment. He also inquired as to if the Port would be paying the same cost per square foot as the private businesses.

Commissioner Dickison indicated that since this was public comment, the commissioners would listen to concerns, but at this time there would not be debate on the issue since the issue was removed from the agenda.

Larry Dudley commented on the Cascade Pole project indicating that proper permits had not been received by the Port.

Joe Cole indicated he had a concern about the Port competing with private businesses with the Marina store, he said that it was not right. He further commented about Cascade Pole and the port not obtaining proper permits.

Jerry Baruffi, owner of West Bay, said he wanted to publicly offer West Bay Marina to the Port for sale. He indicated he had 100 slips that were vacant and the Port is planning to expand 150 more slips. He encouraged the Port to buy his marina. He said there was not enough money to go around and to compete with the Port on the marina, the store, the boatyard and wanted to know why he was paying taxes to put himself out of business. Commissioner Dickison asked what his asking price was and if he had a recent appraisal. He indicated staff would be in touch to discuss this proposal.

Frank Dare wanted copies of the studies for the convention center/hotel. Commissioner Van Schoorl indicated the Port is not planning to build the facility, the Port would merely be the land owner and be leasing the property. However, Commissioner Van Schoorl indicated the Port Commission is supportive of the project regardless of the location.

Frank Dare also indicated he wanted to see the studies done on the Marina store. He said that since the Port couldn't get someone to do the store, they decided to do it themselves. He indicated the Port ran West Marine out because the Port charged too much.

Frank Dare indicate he also agreed with Mr. Cole and Mr. Dudley regarding Cascade Pole. The site is the most contaminated site in the state and the Port needs to post more signs about the hazardous material and the Port also does not have the proper permits, he continued. Mr. Dare indicated he was waiting for Mr. Handy to make the documents available on Cascade Pole for review.

COMMISSIONERS REPORTS

Commissioner Van Schoorl complimented the Airport staff on the War Bird show in conjunction with the Museum. He indicated the event was very successful and fun to attend.

CONSENT CALENDAR

The Consent Calendar was unanimously approved as follows.

Minutes. The minutes from June 11, 2001 were unanimously approved as presented.

Bills and Vouchers. The Commission unanimously approved the bills and vouchers for the period ending June 11, 2001 in the amount of \$251,349.40. General Fund Warrants Issued: 021610, 021611-021678, 021679-021684, 021685-021686, 021687-021689, 0241690-021697, 021698-021703, 021704-021735, 021736, 021737-021740, 021741, 021742-021764, 021765-021766, 021767-021768, 021769-021775, 021776-021777, 021778-021793, 021794-021796, 021797-021825 and 021826. Voided Warrants: 020815, 020894, 021445, 021609, and 021767-021768.

ACTION CALENDAR

Lease Amendment: Olympia Area Rowing Association

Mr. Heber Kennedy indicated the Olympia Area Rowing Association (OARA) has been a tenant of the Port for many years and now are planning to expand their lease. Mr. Bruce Marshall introduced Ms. Jan Waeschie, representative of OARA. Ms. Waeschie presented the Commission with some posters of pictures of participants in the rowing club. She gave the Commission a brief overview of the program indicating there are over 150 rowers in the club now and continually growing. The Commission unanimously approved the lease amendment with Olympia Area Rowing Association.

Market Centre Off-site Parking Lot, Contract #266, Bid Award

Ms. Andrea Fontenot indicated to the Commission that the Port received 10 bids for the construction of the 116 stall parking lot. She distributed the bid analysis to the Commission. The Engineer's estimate was \$240,125.58, with WSST. The low bid is \$198,852.62, with WSST from W.E.&B. Limited. Ms. Fontenot indicated the staff recommendation was to award of the bid to this company as they are the lowest responsive bidder. She indicated work will commence in July and is anticipated to be complete by September, in time for the opening of the Market Centre building.

The Commission unanimously approved the contract #266 and awarded the bid to W.E. & B. Limited.

Mr. Frank Dare asked what the break-even point was on this project. Commissioner Van Schoorl responded that since the return on investment was good at the budgeted \$400,000, the low bid would make the return on investment even greater.

New Lease: Tumwater Travel Service

Mr. Heber Kennedy presented the Commission with a new lease with Tumwater Travel Service indicating the lease provides for occupancy for one year at the Airport Terminal building with an option to continue leasing on a

month-to-month basis after one year of operation. Mr. Kennedy indicated the business is relocating from Southgate Center.

Commissioner Dickison disclosed that Cathy Hawkins, the owner of Tumwater Travel Service is married to the grandfather of his stepchildren, however, he has no connections to the business. Commissioner Van Schoorl indicated the disclosure had been made and there were no objections. The Commission unanimously approved the new lease with Tumwater Travel Service.

ADVISORY CALENDAR

Swantown Marina and Boatworks Advisory

Mr. Bruce Marshall gave the Commission a power point presentation on the changes at Swantown. He talked about the growth and success of the Marina and Boatworks. The focus of the presentation was on the maintenance, staffing, activities, and revenues for both the Marina and Boatworks. Mr. Marshall also discussed the needs for the future such as the dock repairs and the security system. The Commission complimented Bruce on a great presentation.

Proposed City Bridge Mitigation on Port Property

Ms. Andrea Fontenot indicated the City of Olympia is required to mitigate various impacts with the reconstruction of the 4th & 5th Avenue corridors and bridges. The City proposes to use a little over 1 acre of Port property to meet a portion of the required mitigation. The area of focus is the north shore of the Port Lagoon, and southern part of the Solid Wood lease.

Port staff has reviewed the proposed mitigation concept and approve the concept contingent upon successful negotiation between the City and Port, and a determination that this use would not negatively impact Solid Wood's operation.

Representatives from the City and Entranco outlined the proposed mitigation and use of Port property.

Commissioner Dickison asked how much inter-tidal area is being created. Ms. Lanstra-Northdorft indicated it was .25 acres. Commissioner Dickison asked how much is required. She indicated .25 acres. Commissioner Dickison indicated his concern for limiting the potential for salt marsh and restricting the site for inter-tidal restoration. Ms. Lanstra-Northdorft responded that it was not a healthy wetland as it exists. Commissioner Dickison said there are not many sites for inter-tidal restoration mitigation and by letting the City use this location would limit the Port from future mitigation needs. He indicated the Commission and staff would need to review the request as this is a policy decision. They would also need to look at costs associated with the use of this property.

Commissioner Dickison inquired about the scotch broom on the site. Ms. Lanstra-Northdorft said it would be grubbed and removed and they would have a maintenance contract for seven years on the site for the removal of unwanted plants.

Commissioner Van Schoorl asked the City about their alternative plans. The City representatives indicated they did not have any alternative plans. The Commission indicated this is a very complicated issue and this request would further restrict the Port's ability for mitigation. The Commission also indicated they did not like to be put under the time pressure of making this decision and or holding up the project. The City representatives indicated they wanted to go to bid by August 6th and would need to have the right to use the property by then.

Airport Golf Marketing Advisory

Mr. Nick Handy indicated to the Commission that at the last meeting the Commission requested an update on the interim marketing strategy for the Airport Golf Center. Ms. Kari Qvigstad reported the staff is continuing to make improvements and investments while at the same time creating an identity with the Port of Olympia. Ms. Qvigstad indicated all of the materials at the golf center have been identified with the Port logo. In addition, we have a radio campaign underway focusing on youth and learning. She indicated there is new merchandise in the retail shop and the course is in good shape.

Commissioner Dickison indicated other facilities are also advertising on the radio and we might try to promote our amenities and coordinate a campaign with the other facility that might benefit both. Commissioner Dickison also asked if there were any events planned that might raise the profile of the center. Ms. Qvigstad responded that staff was planning to wait until the nets were in and have an event in the fall or spring.

Commissioner Dickison noted that the driving range was only one revenue stream at the center and we might find other opportunities to promote the other elements before the nets are installed. Ms. Qvigstad indicated the focus of the advertising is on learning and youth and family involvement. The Commission concurred with that focus.

Ken Bragg commented that the Port should not be subsidizing private enterprise and it is time to consider a change in the Port's course with the golf course.

Paul Telford indicated he reviewed the documents provided by Port staff and it looks like the golf course business is a boondoggle. He commented that the legislature never intended for Port districts to venture into private enterprise, the Port needs to cut loses and get rid of the golf center. The Commission questioned whether the Port should obtain the most value for a public asset. Mr. Telford suggested the Port find someone to take if off our hands rather than use public money and compete against private business.

Wayne Albright asked if the Port could sell the property the golf center is located on. Commissioner Van Schoorl indicated the property is an FAA asset and we are not allowed to sell it.

Commissioner Van Schoorl commented that the Port Commission is looking at several options and is on record as not planning to operate the business in the long term.

Harold Chambers asked if the Port is doing so well, then why do you have to bring it up to a standard to sell it? He commented that he was tired of the Port competing with private business, the Port should not invest more money into the nets, but just get rid of the golf course.

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ADJOURNMENT

Vice President Van Schoorl adjourned the meeting of June 25, 2001 at 8:10 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer