

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

June 26, 2006

CALL TO ORDER

President Pottle called the meeting of June 26, 2006, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners Telford and Van Schoorl were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Communications Manager Patti Grant, Marketing Director Kari Qvigstad, Business Development Sally Alhadeff, Finance Director Steve Davis, Marine Terminal Director Jim Amador, Harbormaster Bruce Marshall, Airport Director Rudy Rudolph, Public Works Director Andrea Fontenot, Program Assistant Maureen Malahovsky, and Property Director Heber Kennedy. Bob Goodstein, the Port's Legal Counsel was also in attendance.

President Pottle indicated that the Commission has discussed changing the format of the Commission meetings for years, and have tried different variations several times. President Pottle noted that beginning tonight the Commission would change the meeting format. The Commission will continue to meet twice per month, with the first meeting focusing on items that require commission action, taking public comment concerning items both on and off the agenda. The second meeting will be an advisory meeting with staff discussing programs and projects in depth. At this meeting no public testimony will be taken. President Pottle noted that the purpose for the change is to increase the deliberative dialog between commissioners and to give the commission and the public an opportunity to become better informed about issues before the commission takes action. In addition, President Pottle mentioned that this format is consistent with the way other jurisdictions conduct work sessions. This change has been well publicized and discussed at several prior meetings. President Pottle indicated the commission values public input and people are encouraged to attend the monthly action meeting, write to the Commission or mail at inquiries@portolympia.com, or call at 360-528-8000.

Public in attendance were as follows: Representing *The Olympian* was Jim Szymanski. Others in attendance included: Cayla Morgan and Jeff Winter from the FAA and Ryk Dunkleberg from Barnard Dunkleberg and Kurt Addicott, representing Ried Middleton, Mark Furman representing Music in the Park, Tom Howdeshell, Harold Clark, Jan Witt, Richard Wolf, Christi Johnson, Josh Elliott, Jeff Berryhill, Nikki Miller, and Drew Hendricks.

APPROVAL OF AGENDA

The agenda was approved as revised. Commissioner Telford asked to add discussion of the property damage by the protestors under other business.

ADVISORY CALENDAR

Music In The Park Advisory

Mr. Mark Furman, who has been involved with Music in the Park for fifteen years, discussed the 2006 Music in the Park schedule, highlighting the July 19th performance that will take place on the Port Plaza. The Ian McFeron Band, a pop band from Seattle, will be playing at the July 19th event from 7:00 pm – 8:00 pm. This will be the first Music in the Park concert to be held on the Port Plaza, which was designed to host performing arts activities such as this concert series. Music in the Park attracts an average of

1000 spectators to its concerts.

Mrs. Kari Qvigstad indicated that the Port of Olympia is the Port Plaza Presenting sponsor providing a cash sponsorship at \$2500 for advertising and promotion and an in-kind sponsorship of \$1500 which includes staff assistance and facilities to support the success of this year's event. One of five Port "signature" community advertising and promotional events, Music in the Park provides the Port exposure through Port logo recognition in event advertising and promotional opportunities including print and broadcast media, Olympia Downtown Association website, promotional materials and on-site banners and T-shirts.

The Commission discussed with Mr. Furman the logistics of the event and indicated their support of the program and happy to see the plaza being used for this event. Commissioner Telford indicated he did not see this in the budget and did not feel that it was consistent with the policy. He commented that he would like to see these sponsorships spelled out in the budget. Ms. Qvigstad indicated she would follow up with him on the details in the budget.

Runway/Line of Sight Environmental Review Advisory

Mr. Rudy Rudolph provided the Commission with a power point presentation on the Runway 17/35 Line-of-Sight Improvements and Runway Rehabilitation scheduled for 2007. Mr. Rudolph noted that this project will be 95 percent funded by FAA under the Airport Improvement Program (AIP). Olympia runway improvements are an FAA priority. Port funding share is 5 percent.

Mr. Rudolph provided background information about the project, an overview of the project area, project goals, project design, and the project schedule.

Mrs. Andrea Fontenot provided the Commission with information on the environmental aspect of the project. She covered the background of the project, the areas of concern, and the timing of the decision. She introduced Cayla Morgan and Jeff Winter from the FAA and Ryk Dunkleberg from Barnard Dunkleberg and Kurt Addicott from Reid Middleton.

Ryk Dunkleberg from Barnard Dunkleberg, an expert in noise analysis, provided the Commission with more technical information about the noise impacts in response to their questions. President Pottle asked how this project was going to affect the species living at the airport. Mr. Rudolph indicated they anticipate little disturbance to the lark and the gofer. President Pottle asked about the SEPA process and the possibility of delay due to an appeal. Mr. Rudolph indicated the possibility of a delay due to a SEPA appeal has been scheduled into the process of the project. Mrs. Cayla Morgan, representing the FAA, provided information on the SEPA/NEPA process and explained the extensive review of this project by FAA and Port staff.

Pricing Strategy Advisory

Ms. Kari Qvigstad indicated that the Port of Olympia uses standard, market practices to pricing its properties, which are periodically updated to reflect market conditions and strategic objectives for development of its properties through changes to Port Policy. As a priority project for 2006, she noted that staff has assessed Port properties and reviewed historical absorption patterns for leased land at the Olympia Regional Airport, NewMarket Industrial Campus (NMIC) in Tumwater, and the Swantown Marina & Boatworks on the Port Peninsula in Olympia.

Ms. Qvigstad indicated that the primary objectives were to learn how the Port compared to other entities, determine whether current pricing strategies reflect highest and best use to maximize revenues to the Port of Olympia, create predictability to end users, develop a more user-friendly approach to pricing Port properties, develop a consistent approach port-wide to pricing properties, integrate pricing strategy with Port leasing strategy, improve process for annual pricing review, and recommend new strategies and policies for future port leases.

Ms. Qvigstad indicated that at the May 22 Commission meeting, staff gave a presentation to the Commission and reviewed current port policy and described staff's process and recommendations for changes to our pricing strategies. She noted that staff also provided a detailed presentation on airport properties and recommendations. This presentation tonight focuses on the staff analysis and proposed recommendations for NewMarket Industrial Campus and Swantown Marina & Boatworks properties.

Ms. Qvigstad reviewed the proposed changes with the Commission. She indicated there would be no change to the standard market practice. The initial rate will reflect the market rental rate. The rent revisions will go from every five years to every three years. The increases for years 1-15 will be based on CPI adjustments, increases for years 16-29 will be based on the assessed market rate and increases for years 30+ will be based on the applicable Port policy effective that time.

Commissioner Van Schoorl asked the staff what would the rate be for the tenant that exercises their option past the 30 years. Staff indicated that would need to be determined, will review the current leases, and come back with a recommendation.

Commissioner Telford indicated he has a concern about the size of the parcel based on the rate and taking more or less land based on the lower rate. Staff assured the Commission that we have inventoried the property sizes available and have found that there are no parcels where that would happen.

Ms. Qvigstad noted that staff anticipates Port Commission action in the form of a Commission Resolution at the July 17, 2006 meeting, however based on feedback from the Commission tonight, this proposed date may slide to August.

Landscape Management Advisory

Ms. Andrea Fontenot provided the Commission with an overview of a concept for the Port property on the Port Peninsula for a landscape management plan. She discussed the vision for the landscape management plan, a review of the garden forms, proposed implementation, and proposed community involvement.

The three garden forms for the "String of Pearls" includes the linear "the string", the destination "the Pearls" and pocket parks "more pearls." An example of a linear garden would be along Marine Drive. An example of a destination garden would be a viewpoint at Northpoint or the wetland at the administrative campus. An example of the pocket park would be along a linear garden like a play area or viewpoint.

Ms. Fontenot indicated that the proposed community involvement includes the "Adopt-a-Garden" concept. The roles for the involvement of the community for new projects would consist of the Port in the lead for design, construction and installation, the sponsor would participate in the design and placement, the sponsor would maintain the site. The roles for the involvement of the community for renovated areas would consist of the Port preparing the beds and renovate the irrigation, and approve the design. The sponsor would design and install the garden, and then the sponsor would maintain.

Ms. Fontenot indicated that the staff would develop the design standards to include conformation to theme, appropriate for setting, no invasive plants, would include signature plants, low maintenance, and signage per Port standard. Maintenance standards would be part of any "adopt-a-garden" agreement and the sponsor would need to adhere to the Port's Integrated Pest Management Policy. The agreement would be for a minimum of 3 years and will include design plan and maintenance standards. Provisions will be made for terminating agreements.

Ms. Fontenot indicated she wanted to get feedback from the Commission to see if they were supportive of staff holding a public workshop to see what the community interest was. The Commission indicated they were supportive of staff moving this further along to see what the interest would be.

OTHER BUSINESS

Property Damage by Protestors

Commissioner Telford asked what we know about the property damage and if any protestors were sited for the damage. If there was not one prosecuted for this damage, then the Port should make sure that the next time we have protests we take appropriate measures to assure the responsible party is charged.

Mr. Ed Galligan indicated that at least 2-3 protestors are scheduled for court hearings at the county court within the week. He indicated that he did not think any one would be prosecuted from the City's standpoint. He indicated that he is waiting for a report on the issues with the fence and address use of cameras for future incidents. Mr. Galligan indicated that he and Jim Amador, Marine Terminal Director met with the city of Olympia Mayor and Chief of Police last week on this matter.

Mr. Amador indicated that out of the 12 vessels we have had two incidents out of the 12 visits. He indicated that the Olympia Police Department and the Thurston County Sheriff did a great job of responding to the incident. During most of the visits, we have had very peaceful protests. Commissioner Van Schoorl asked if staff could find out how many arrests were made by both the County and the City, and of those how many were prosecuted.

President Pottle indicated that when the peaceful protests started a few years ago, the Commission directed them to use the Port Plaza. Now, the protests are becoming less peaceful and damage is being done to the Port's asset, he suggested that the Plaza not be used for protests and allowing damage to the property. The Commission asked staff to look at closing the Plaza during a military visit in the future.

Commissioner Telford indicated that the line has to be maintained. If someone were to get across the fence, someone will get hurt during operations.

ADJOURNMENT

President Pottle adjourned the meeting on June 26, 2006 at 8:08 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer