

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

June 28, 1999

CALL TO ORDER

President Van Schoorl called the meeting of June 28, 1999, to order at 6:35 p.m. at the Port of Olympia large conference room. Commissioner Pottle and Dickison were also in attendance.

Staff in attendance were: Executive Director Nick Handy, Director of Marketing and Trade Development Kari Qvigstad, Deputy Director Wendy Holden, Executive Assistant Jeri Sevier, Property Development Manager Heber Kennedy, and Swantown Marina and Boatworks Manager Bruce Marshall.

Members of the public in attendance were Joel Coffidis of *The Olympian*, and Sandy Mackie, legal counsel for the Port of Olympia.

APPROVAL OF AGENDA

Mr. Nick Handy requested the Commission add to the agenda an advisory on the Planning and Advisory Committee.

PUBLIC COMMENT

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

COMMISSIONERS REPORTS

No Commission reports were given.

CONSENT CALENDAR

Minutes. The minutes of June 14, 1999 were unanimously approved by the Commission.

Bills and Vouchers. The bills and vouchers in the amount of \$566,615.87 were unanimously approved by the Commission.

Capital Project Expenditure Approval. The capital project expenditure in the amount of 35,765.50 was unanimously approved by the Commission.

ACTION CALENDAR

New Lease - Boats 4 U, Inc., d.b.a. U.S. Marine

Mr. Heber Kennedy presented the Commission with a new lease with U.S. Marine in Warehouse 2. U.S. Marine will lease 12,800 square feet on a month-to-month basis while negotiations of a lease agreement and subsequent construction of the building in the Simon Johnson Boatworks development. The rent is \$2,880.00 per month for the warehouse space.

The Commission discussed the development process and timeline for Simon Johnson. Mr. Kennedy indicated the month-to-month lease with U.S. Marine terminates December, 1999 if a lease has not been signed with Simon Johnson.

The Commission unanimously ratified the new lease between the Port and U.S. Marine.

Lease Amendment - J.D. Russell

Mr. Heber Kennedy presented the Commission with a lease amendment with J.D. Russell. J.D. Russell is a small manufacturer of concrete joint expansion products. The lease amendment expands his premises by 4,800 square feet for a total of 12,800 square feet. The term for this portion of space is month-to-month at the same rate or an additional \$1,248,00 per month.

The Commission unanimously ratified the lease amendment between the Port and J.D. Russell.

Resolution 99-11 Lease Policy Amendment

Mr. Heber Kennedy presented the Commission with Resolution 99-11 that amends the current lease policy Resolution 98-18. The amendment allows staff to enter into month-to-month leases or rental agreements without ratification by the Commission. Staff will report to the Commission on the status of these agreements.

Mr. Nick Handy indicated to the Commission that the month-to-month agreements were mutually cancelable at a short notice by both parties. Staff would bring to the Commission any lease that commits Port property for a long-term lease. The Commission could then make land use decisions for Port properties.

Commissioner Van Schoorl discussed the rent structure for the month-to-month agreements and asked staff to look at the rent structure for these leases before submittal of the annual lease rent structure proposal to the Commission.

The Commission unanimously approved Resolution 99-11 amending the current lease policy Resolution 98-18 thereby allowing staff to enter month-to-month leases without ratification by the Commission.

ADVISORY CALENDAR

Planning and Advisory Committee

Mr. Nick Handy advised the Commission that Russ Carstensen was elected to serve as chair of the Planning and Advisory Committee (PAC) and that Mr. Handy had recently met with Mr. Carstensen and outgoing chair Ron Grant to discuss the transition. Mr. Carstensen has expressed interest in developing rules of procedures for the PAC and has developed a draft for this purpose along with a proposed PAC work plan.

Mr. Handy distributed copies of the proposal to the Commission for review and comment to assure the direction of the proposed by-laws and work plan were consistent with the direction the Commission would like to see the PAC going. The Commissioners will review and provide comments to Mr. Handy. The Commission suggested further discussions with the PAC occur on this process, either at a future Commission or PAC meeting or with the chair of the commission.

Swantown Marina and Boatworks Business Advisory

Mr. Bruce Marshall provided the Commission with a briefing on the successful business operations of the Swantown Marina and Boatworks. Mr. Marshall reported on the boating overview and statistics about projected increases in Thurston County.

Marina

Mr. Marshall indicated that the Marina started the year with a disaster when the 16-year-old waterlines ruptured during the freeze. The lines have been replaced and a new system is now in place. The occupancy at the Marina remains high at 103 percent capacity. Only 63 percent of the vessels at the Marina are from Thurston County. He reported on the financial performance, permanent moorage, dry storage, Port Plaza moorage, and equipment and maintenance. Overall, the Marina has developed into a very successful business and is ready for expansion in the near future.

Boatworks

Mr. Marshall gave the Commission an overview of the boatworks operations, indicating to date they have serviced 197 boats during the last 15 weeks. A significant amount of those boats being hauled out are from outside the county, making this boatyard truly a regional boatyard. Mr. Marshall also reported on the tenants and concessionaires, the equipment and maintenance, and the financial performance of the yard.

Mr. Marshall gave the Commission a five-year vision for both the Marina and Boatworks indicating the mix of marine business and the capability of performing and exceeding beyond expectations.

ADJOURNMENT

President Van Schoorl adjourned the meeting of June 28, 1999 at 7:45 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer