

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

July 22, 2002

CALL TO ORDER

President Van Schoorl called the meeting of July 22, 2002, to order at 5:30 p.m. at the TCTV Studio in Olympia. Commissioners Pottle and Telford were also in attendance.

Staff in attendance were: Executive Director Nick Handy, Administrative Manager Jeri Sevier, Deputy Director Wendy Holden, Marketing Director Kari Qvigstad, Finance Director George Fox, Olympia Regional Airport Manager Doug Sandau, Communications Manager Patti Grant, and Engineering and Planning Director Andrea Fontenot.

Public in attendance were as follows. Representing *The Olympian* was reporter Scott Wyland. Representing Legal Counsel was Mick Phillips. Others in attendance who signed the attendance sheet include: Ken Filak, Russ Carstensen, Jim Smego, Jan VanderVeen, Erik Paul, Linda Rubin, Jan Witt, Christi Johnson, Patti Belmonte, and Judi Hoefling.

APPROVAL OF AGENDA

The agenda was approved as submitted.

PUBLIC COMMENT

Ken Filak, Lacey Resident, commented on the newspaper article that was recently in *The Olympian*. The article quoted Mr. Nick Handy saying that it was no secret that the Port has been recruiting an airline over the past six years. Mr. Filak said he wanted to know how much time and money was spent over the past six years to recruit, how much money will be spent to bring in Big Sky, and how much the Commission be subsidizing this private out of state venture. Mr. Filak said that if it is true what Pottle said that no stone will be unturned, his question was why hasn't the Port been this active in pursuing other things that will help the community, other than this venture to fund corporate welfare. Why is the Port bothering with the August 5th meeting if the Port has already made the decision? Mr. Filak commented that it might be true that the Port has to accommodate an airline, but he commented that the Port does not have to help market or pursue aggressively to give to this corporate venture the edge. Mr. Filak asked why has the Port spent countless hours if this is such a worthwhile venture. He said we want accurate answers to these questions. Mr. Filak also commented that he would have checked the Port Budget, but the budget is still not on line, which the Commission said it would be at a previous meeting. Finally, Mr. Filak commented that if the decision has already been made, it is a sham, which is at best disappointing.

Jan Witt, Olympia Resident, said she was opposed to operations and infrastructure growth at the Olympia Airport. She commented that she lives in Olympia, and is concerned with environmental and noise impacts to more than just Tumwater. The noise and pollution go beyond Tumwater. Ms. Witt requested that all residents of south sound attend the meeting, it should be televised by TCTV, and all future meetings should be televised relating to the airport. Ms. Witt requested a public meeting to discuss the entire issue of the airport and not just the air service issue. She commented the issue is not just three round trip flights a day, but the potential growth in the future. Ms. Witt said the larger airport the Port envisions and is promoting would have future impacts on the community. We need to look at the impacts in their entirety.

Commissioner Telford asked about televising the meeting. Mr. Handy responded that staff checked with

TCTV and they were not available to provide cameras for that evening. Ms. Witt indicated she talked to TCTV today and they said they were available. Mr. Handy indicated that we would certainly check again with TCTV as maybe something has changed with their schedule from the time staff checked.

COMMISSIONER'S REPORTS

Commissioner Telford indicated he attended the Solid Waste Advisory Committee meeting where they discussed an increase in garbage rates in the county.

Commissioner Van Schoorl indicated he represented the Commission at Lakefair at the coronation event.

EXECUTIVE DIRECTOR REPORT

Mr. Nick Handy reported that the Marine Terminal continues the outbound shipments of lumber to rail and truck. The outlook is up to 20 lumber cars per week for the next few weeks, plus additional cars for cullet glass. He reported that the debarking and staging for Saturday's Nichimen log vessel has been completed. The Oriente Victoria will arrive Friday night, work over the weekend and sail on Sunday. Both Plum Creek and Green Crow have volume going on this vessel (1.2mmbf total). Mr. Handy noted that the CSX Lines anticipates keeping the layberth vessel the CSX Expedition in port until around August 15th.

Moving to the Properties program, Mr. Handy reported the Vine Street Associates would be entering into negotiations with the Port for a site consisting of two parcels north of Airdustrial and south of Israel, in conjunction with Vine Streets Tumwater Towne Center East project.

Mr. Handy noted that a consultant retained by the Port to investigate the feasibility of developing a parking structure at different Port locations would be in town tomorrow. The consultant will be meeting with a number of people throughout the day to gather information about the parking needs in the different locations and exploring various financing mechanisms that might be available.

And, he reported that the Washington State GA has issued an RFP for development of a 200,000 square foot office building in the Tumwater Preferred leasing Area. One of the Port sites is at the corner of Airdustrial Way and Capitol Way. The Port has been involved in discussions with developers interested in this RFP, as we have land available for use in that Preferred Development Area. Mr. Handy noted the staff is working on the RFP for the State Street properties and hope to have that out early August.

Mr. Handy reported that the marina maintenance project season is in full swing. New piling hoops have been installed to replaced the damaged units on A, B, and C docks. GHI and JKL docks will follow. Additional bulwarks are being installed on A dock to assist with ADA requirements and customer convenience.

A new information kiosk is being constructed near the launch ramp to provide visitor information to our guests.

In addition, Mr. Handy reported that over 100 visiting vessels arrived by water for a stay at Swantown in the last 9 days.

He noted he was very happy to announce that we now have 22 full time employees working in the marine trades servicing vessels at Swantown Boatworks

Mr. Handy reported that golf revenues continue to grow. The operation grossed over \$40,000 in June as compared with \$28,000 the year before.

CONSENT CALENDAR

The Consent Calendar was unanimously approved as follows.

Minutes. The minutes from the July 8, 2002 meeting were unanimously approved as presented by Commissioners Van Schoorl and Telford. Commissioner Pottle did not attend the July 8 meeting, therefore abstained from voting.

Bills and Vouchers. The bills and vouchers in the amount of \$497,296.27 were unanimously approved as presented. Warrants Issued: 025664-025700, 025701, 025702-025707, 025708-025709, 025710-025715, 025716-025722, 025723, 025724-025766, 025767-025768, 025769-025774, 025775-025829, 025830-025832, 025833-025840, 025841-025907, 025908-025910, 025911-025915, and 025916-025934.

ADVISORY CALENDAR

Sand In the City Advisory

Ms. Kari Qvigstad gave an overview of the three presentations indicating that these are three of six events the Port is supporting this year, representing a diverse array of activities. The Sand in the City event will bring over 10,000 people to the Port Plaza in August. This event has expanded over last year and they have obtained King 5 TV as a major sponsor.

Ms. Patty Belmonte from the Hands On Children's Museum thanked the Port for being the host sponsor for this event, and indicated they were delighted to be the first event at the Port Plaza and hoped this will be a great event to showcase the new plaza. Ms. Belmonte discussed plans for the 2002 Sand in the City free family event to be held on Port Plaza Aug. 23 – 25. Ms. Belmonte noted that this is the second sand event to be held in Olympia and will be the first event on the newly completed Port Plaza. The Port is the host sponsor and is providing a \$2,500 marketing sponsorship. Ms. Belmonte indicated that there are over 60 other community sponsors for this event as well.

Commissioner Pottle asked what the marketing approach is to the South County area. Ms. Belmonte responded that they are doing 10,000 direct mailings and many addresses on that mailing list will go out to the south county areas. Ms. Belmonte responded they they will also be putting out flyers and posters in addition to the direct mail. King 5 TV is a major sponsor and will be advertising the event throughout the entire region.

Harbor Days Advisory

Mr. Russ Carstensen from South Sound Maritime Heritage Association, chair of Harbor Days, discussed plans for 2002 Harbor Days to be held August 30 – September 1. He noted that this free family event will be held over the labor day weekend. The Port is a long-time sponsor of this event and is providing a marketing sponsorship of \$3,000 this year. Mr. Carstensen indicated that this is the 29th year for Harbor Days. He thanked the Port for its support of the event.

Swantown Regatta Advisory

Ms. Judi Hoefling, Development Director for Behavioral Health Resources, discussed plans for the 6th annual Swantown "Head of the Inlet" Regatta to be held Saturday, Aug. 31 and expressed appreciation for the Port's support of this event. This human-powered boat race, a Harbor Days event, was begun to provide a contrast to the traditional tugboat races. Ms. Hoefling indicated they already have 30 entrants.

Commissioner Pottle expressed an interest in having some of the students that go through the BHR program come and talk to the Commission about the experiences and life lessons they learn through this program at some time. Ms. Hoefling indicated she thought that was a great idea and was sure that the students would like to share their success stories.

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Air Service Advisory

Ms. Wendy Holden indicated that the Port of Olympia has been in talks with Big Sky Airlines from Billings, Montana about Olympia air service for over a year. The Port prepared information and analysis for Big Sky, proposing Olympia/Spokane and Olympia/Portland routes. The Port Commission directed an extensive public outreach process on this idea, including public meetings, briefings of community groups, and a web survey.

Ms. Holden reported that the Port has received a letter of intent from Big Sky to commence service in the Fall in the Olympia/Spokane route. This conservative approach proposes three round trips per day during the week, and one round trip each weekend day. Ms. Holden announced that Big Sky also informed the Federal Aviation Administration (FAA) of its intention.

Ms. Holden noted that staff is reassessing the studies done earlier for both Spokane and Portland routes to just an Olympia/Spokane route. Ms. Holden noted that we did get almost 100 responses from the air service survey, of those 25 percent are opposed to air service, however, over 75 percent were in favor of air service.

Ms. Holden indicated that at a previous Commission meeting, Tumwater residents asked that the Commission hold an additional public meeting in their community to make it more convenient for them to express their views. The Tumwater City Council also supported the idea of a Tumwater meeting. Ms. Holden announced that staff proposes a special Port Commission meeting be held on Monday, August 5, 6:00 p.m., at the L&I Auditorium located at 7273 Linderson Way, SW in Tumwater.

Ms. Holden clarified the purpose of the meeting on August 5th is not to decide whether or not air service will come to the Olympia Airport, but to relook at the proposed plan for supporting Big Sky, reviewing revenue and expense figures, and to look at marketing and promotion options. The August 12th Commission meeting would be the point at where the Commission will make a decision as to what level the Commission would like the Port to support air service and Big Sky.

Commissioner Van Schoorl indicated he recently spoke to the Mayor of Tumwater and the Mayor advised that he would be in attendance at the meeting and he would invite other members of the council to attend as well.

Commissioner Telford noted that we were criticized before for not giving proper notice to Tumwater residents. He asked what is the staff doing at this level for this meeting. Ms. Holden indicated we sent out the flyer to a list that has been developed over the years of interested persons that includes over 350 people. The notice is posted on website and has been in *The Olympian*. Ms. Holden said we will also will make copies of flyers available to any one that wants to hand them out.

Ms. Witt wanted to make clear that the public meeting is available for everyone and not just those living in Tumwater. Ms. Holden indicated we also sent out a media advisory and the web site will continue to take feedback.

Commissioner Telford indicated this is an experment for Big Sky to come in and he would like to minimize the costs and subsidies up front. Commissioner Telford also asked that we hold a meeting for the Port's EDC to recommend that funds be used from the EDC fund to help support some of these expenses. Commissioner Van Schoorl suggested we wait until after August 5 when we have a budget proposed. Mr. Handy indicated that the staff is hoping the Commission will adopt a budget at the August 12th meeting and then call a EDC meeting in September to request funding from the Port's EDC. Ms. Holden indicated we are trying to defer expenses and keep costs down. Commissioner Telford expressed that he is trying to rationalize what is worthy of subsidy and what is not. He noted that his support of a budget may hinge on where the funds are coming from. Commissioner Van Schoorl asked that the proposed budget highlight those things that meet the funding requirements of the EDC.

Ms. Holden reported that staff will be laying out all options by August 5 for a decision on August 12th by the Commission. Commissioner Pottle indicated that several days ago he suggested that staff go to our congressional district to find money at the federal or state level, and he wanted to know what has been done at this point. Ms. Holden indicated that staff has make contacts, however, at this point no offers of cash has come forward, there have been offers of in-kind support from. Mr. Sandau indicated that he made the initial contact with the delegates, however, they needed more information on the grant. Commissioner Van Schoorl indicated that the biggest support we could have is the support of the state and the commitment that government employees will fly from Olympia. He noted that there is a tremendous potential for state savings by using this airline. Commissioner Pottle agreed that this is important to the success, however he wants staff to pursue other funding sources as well so we spend as little of Port money as possible.

Welcome Pole Marketing Advisory

Mr. Nick Handy reported that the Port commissioned the carving of a Native American Welcome Pole in the Salish style in 1997. The pole has been completed and paid for and had been planned to be raised at the Port Plaza.

Earlier this year, the Commission directed staff to sell this pole out of concerns relating to past actions by the carver of the pole. Mr. Handy presented a power point presentation describing the pole, the marketing plan, and auction procedures.

Port's Are More Than Docks Advisory

Mr. Nick Handy reported that Port staff has completed a series of 2002 advisory presentations to the Port Commission on Port businesses. The advisory presentation entitled "Ports are More than Docks" provided an overview of Port businesses and the Port's role as an economic generator in Thurston County.

ADJOURNMENT

President Van Schoorl adjourned the meeting of July 22, 2002 at 7:02 p.m. to the Special Meeting on Air Service, August 5, 2002 at 6:00 p.m. at the L & I Auditorium in Tumwater.

PORT OF OLYMPIA COMMISSION

President

Vice President
