

**PORT OF OLYMPIA COMMISSION
MINUTES OF SPECIAL MEETING**

August 19, 2005

CALL TO ORDER

President Van Schoorl called the meeting of August 19, 2005, to order at 8:30 a.m. in the Large Conference Room at the Port of Olympia. Commissioners Pottle and Telford were also in attendance.

President Van Schoorl recessed the meeting to executive session to discuss lease negotiations, the executive director recruitment, and legal matters at 8:40 a.m. President Van Schoorl continued the meeting in public session at 10:10 a.m. He announced no action was taken. He announced that the Commission has advised staff to bring one item to the commission meeting Monday night for action.

Staff in attendance were: Interim Executive Director Rudy Rudolph, Property Development Director Heber Kennedy, Marine Terminal Director Jim Amador, Marketing Director Kari Qvigstad, Harbormaster Bruce Marshall, Public Works Director Andrea Fontenet, Finance Director Steve Davis, Business Development Sally Alhadeff, Communications Manager Patti Grant, Business Development Representative Carola Stark, and Program Assistant Maureen Malahovsky.

Members of the Public included: Stanley Stahl, Walt Jorgensen, Jon Lind, Jan Witt, and Patrisa Francisca.

APPROVAL OF AGENDA

The agenda was approved as modified. Interim Executive Director Rudy Rudolph asked for item 12 to be removed from the agenda. In addition, Commissioner Telford asked that items 4 and 10 be combined.

CONSENT CALENDAR

The Consent Calendar was approved as follows.

Bills and Voucher Approval. The bills and vouchers in the amount of \$1,420,409.69 were unanimously approved. General Fund Checks Issued: 037701-037702, 037703-037785, 037786-037803, 037805-037864, 037865-037879, 037880-037881, and 037882-037893. Voided Checks: 037664, 037771, and 037804.

Capital Expenditure Approval. The capital expenditures in the amount of \$1,823,906.81 to Northwest Construction, Inc. and Reid Middleton for the Runway Safety project at the Olympia Regional Airport and to Rognlin's Inc. for the NorthPoint Restaurant project were unanimously approved.

Resolution 2005-06 – Signature Authority. The Commission unanimously approved Resolution 2005-06 authorizing signatures for disbursement of Port funds from various brokerage and banking accounts in Thurston County for the Port of Olympia.

DISCUSSION/ACTION CALENDAR

LOTT / Port Partnership

Ms. Kari Qvigstad provided the Commission with a recap of the July 27th joint meeting with LOTT. She identified the benefits to the Port as well as the issues and impacts. Ms. Qvigstad asked the Commission to appoint a representative to meet with the subcommittee consisting of Mike Strub (LOTT) and Kari

Qvigstad (Port). The Commission appointed Commissioner Telford. Ms. Qvigstad identified the next steps.

President Van Schoorl indicated he did not think the location identified at the July 27th meeting was a good location for the Port. He indicated he has concerns and would want to make sure the Port controls the space and could lease it out later.

Sports and Events Center Review

President Van Schoorl indicated that Mr. Tuckman has proposed an option to revisit the Sports and Events Center. He indicated he would like to provide the Commission his own feasibility study and is asking for a six-month option. President Van Schoorl asked the Commission if they would like to consider his proposal or move on. Commissioner Pottle indicated he was not comfortable with the ERA report and he would be ok with giving them more time because he still has financial questions. Commissioner Telford indicated he did not see any similar facility that is self-sufficient and he is ready to pull the plug. He indicated that he does not support any public subsidy. Commissioner Pottle agreed and indicated that no one on this commission is willing to support a public subsidy. The Commission agreed to discuss this at the August 22nd Commission meeting.

West Bay Property Purchase

Mr. Heber Kennedy reported that he received a draft sale of agreement from the City of Olympia for the West Bay property on July 8th. He indicated we sent them back a counter agreement and do not have anything back yet. Mr. Kennedy noted that the City is concerned with the property that sited the ARCO Tank Farm and would like assurances they are not responsible for environmental cleanup. Mr. Kennedy indicated that ARCO has taken responsibility for that site and is working with the Department of Ecology on clean up. In addition, Mr. Kennedy indicated that the Port asked the City for mitigation along the berms of the railroad tracks. Commissioner Pottle asked Mr. Kennedy to get a development timeline from the City.

Rants Office Proposal

Ms. Sally Alhadeff provided the Commission with an update on a meeting she had with the Rants Group. She indicated that the Rants Group would like to build a third office building and guest parking on Port property in the Market District. The site is currently serving as the parking lot for the Market Centre Building. The Rants Group is asking for the Port to work with them directly on this project and not send it out to an RFP process. Ms. Alhadeff identified the next steps as working on a preliminary building design and to determine parking requirements. The commission was concerned that we could not commit to a building until there is a solution to parking. They asked staff to do a financial analysis and prepare a timeline for a parking structure.

Department of Fish and Wildlife Update

Mr. Heber Kennedy reported that the Fish and Wildlife is looking to move their shop and vehicle storage from the property south of the Market District, but not the office space. Ms. Alhadeff indicated there would be a Joint Development Team meeting with Fish and Wildlife on August 25th at 1:00 and invited a Commissioner to attend.

Cascade Pole Strategy

Ms. Andrea Fontenot and Mr. Don Bache updated the Commission on the Cascade Pole strategy. They indicated that we would be capping the top of the containment cell and have an approved grant from the Department of Ecology for the 2005-2007, 50% match of funds. Ms. Fontenot confirmed that the Agreement with Ecology leaves the door open for future clean up, we will never get a “no further action”

agreement on this clean up. However, she noted that we are at a very low risk of any further clean up being mandated. As other projects come on line with the Department of Ecology, their focus gets shifted.

In addition, Ms. Fontenot indicated that the fill placed in the bay for the clean up activities at cascade pole are drifting and filling in the breakwater area. She indicated staff would be looking at ways to mitigate this. However, she noted that all work would need to be completed by July 2007.

The Commission also discussed placing KGY's tower on the cap of Cascade Pole.

CLAMP Agreement

President Van Schoorl distributed a draft of the Capitol Lake Adaptive Management Plan (CLAMP) Memorandum of Agreement to the Commission for consideration. He indicated he wanted the language on page 2, number 2, last sentence removed from the document. President Van Schoorl asked Andrea Fontenot to bring the final Memorandum of Agreement to the first Commission meeting in September for ratification.

Marina Wireless Internet

Mr. Bruce Marshall provided the Commission with an update on the installation of WiFi for the visiting boaters at the Swantown Marina. He indicated we have invested \$3000 into the system and are very close to activating the service, but understands there is Commission concern. The Commissioners discussed the project and asked for this topic to be brought to the August 22nd Commission meeting for discussion and approval.

State Street Frontage Improvements

Mr. Bruce Marshall indicated he heard concern from the Commission at a previous meeting regarding the appearance of the dry storage on State Street. He indicated for \$1000 he could put in green slats in the fence to block the view. The Commission indicated they did not want him to invest in slats for the fence, only to enforce the use and not allow old cars and campers and not allow for sale signs on vehicles.

North Peninsula Process Update

Mr. Heber Kennedy provided the Commission with a brief update on the process for North Peninsula Redevelopment. He indicated he would like to put this topic on the next work session for further review and for staff to provide the Commission with a recommendation. This topic will be on the September 9th agenda.

MNO Docks Update

Mr. Bruce Marshall indicated that he provided the Commission with an advisory on the MNO Dock Expansion project and felt there were two issues he needed clarification on. 1) He asked if the Commission wanted staff to plan for the Plaza Area south of the MNO Docks, with a boardwalk that would connect to the Market District. The Commission responded that they would like to see the plaza area developed. 2) Mr. Marshall also asked if the Commission wanted staff to put out an RFP for the restaurant pad on the uplands of MNO. The Commission responded that they did not want an RFP/RFQ at this time. They would like to see the build out strategy for the Marina that includes Marina Village. The Commission asked that Marina Village and a full build-out strategy be a topic for a future work session.

Meeting Schedule

The Commission discussed the meeting schedule and indicated they would like to continue with the regular scheduled meetings on the second and fourth Monday evenings. In addition, when necessary,

they would like to hold a work session on the Friday before the first meeting. They set the next work session for September 9th from 8-10 a.m. They asked for North Peninsula Planning to be on the agenda as well as discussion of the parking garage in the Market District.

ADJOURNMENT

President Van Schoorl adjourned the special meeting of August 19, 2005 at 12:10 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer