

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

September 13, 2004

CALL TO ORDER

Vice President Van Schoorl called the meeting of September 13, 2004, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioner Pottle was also in attendance. Commissioner Telford was out of town.

Staff in attendance were: Administrative Manager Jeri Sevier, Executive Director John Wolfe, Public Works Director Andrea Fontenot, Finance Director George Fox, Cascade Pole Site Manager Don Bache, Airport Director Rudy Rudolph, Lease Administrator Clarita Mattox, Marketing Project Assistant Maureen Malahovsky, and Harbormaster Bruce Marshall.

Public in attendance were as follows. Representing Goodstein Law Group was Bob Goodstein. Others in attendance include: Jim Wright, Keith Bausch, Bill Cullen, and Jim Bertolini.

APPROVAL OF AGENDA

The agenda was approved as amended. Mr. John Wolfe requested an addition of an action item to approve a change order to the Marine Drive Project for the reclaimed water pipe. The Commission approved the recommendation to add the action item to the agenda.

PUBLIC COMMENT

No public comment was given.

COMMISSIONERS REPORTS

Commissioner Pottle indicated he visited other Ports and waterfronts, such as the Ports of Bellingham, Everett, Anacortes, and Shelton, to get some ideas for our waterfront development and when Commissioner Telford comes back he indicated he would like to have the discussion on those ideas.

Commissioner Van Schoorl reported he attended the Transportation Policy Board meeting where they prioritized the funding of projects. He also expressed his personal disappointment that we lost Big Sky Airlines. He indicated that almost 23,000 people flew Big Sky that commutes to direct savings of over \$1 million dollars, not including the services that were supported by Big Sky. He thanked the community for supporting them while they were here.

He also indicated there have been issues surrounding the PFD and whether or not the port will sponsor a project. Commissioner Van Schoorl indicated at this point the Commission has not had a chance to discuss that issue; therefore no decision has been made.

EXECUTIVE DIRECTOR REPORT

Mr. John Wolfe indicated that the Olympia Airport had fewer operations during the months of July and August compared to the same time last year. In July, operations totaled 9,580, and in August the total was 7,985. Last year, the operational counts were 9,939 and 12,489, respectively.

In the properties program, Mr. Wolfe announced that in Warehouse 2 we have leased 1,400 square feet to

Olympia Salvage. They specialize in recycling home building products in the area. In addition, Windfall Lumber, a current tenant who recycles lumber and timber has increased their square footage outside and inside the building. He leases a total of 3,000 s.f. inside and approximately 11,170 s.f. outside.

Mr. Wolfe indicated that we have leased the 12,000 square foot warehouse at NewMarket to Harbor Wholesale grocery. Harbor Wholesale has expanded their business and needed additional space. They are using the warehouse for food distribution and printing of their materials.

Mr. Wolfe noted that during Harbor Days Swantown played host to 167 visiting boats. This was by far the largest number of visitors we have ever accommodated. All totaled, well over 700 boats were at the marina during the weekend. In addition, the port also played host to both the Lady Washington and Virginia 5 at the Port Plaza Dock during Harbor Days. Several hundred people toured the vessels and took the opportunity to take rides during the weekend. The Swantown Regatta was also held during this time. This year the Olympia Area Rowing Association coordinated the event. Mr. Wolfe noted that the occupancy for permanent moorage is currently at 92 percent.

Mr. Wolfe reported that from October 2003-May 2004, Swantown Boatworks participated in a hazardous waste collection pilot program with Thurston County. Over 2100 pounds of marine hazardous waste was collected and disposed of at the boatyard. This was so successful that after the pilot program ended, the Port took over the program and will continue to offer this important service to local boaters. Thurston County will continue to offer the port free disposal of hazardous materials collected at the boatyard.

At the Marine Terminal, Mr. Wolfe reported that the Amderma discharged aluminum and sailed on Monday. The garnet vessel Sun Suma will arrive at the first part of October and we have a test barge for limestone scheduled to arrive in October as well. The Superwood/PLS vessel is still scheduled for late September.

Mr. Wolfe announced that the Marine Terminal applied for a security grant under the Transportation Security Administration and was awarded \$75,000 towards security infrastructure improvements. This grant will likely be used for perimeter fencing at the terminal. This is the third time that the Port of Olympia has submitted an application for funding, and the first time we have been awarded funds.

Consent Calendar

The Consent Calendar was approved as follows.

Minutes. The Commission unanimously approved the minutes from the August 16, 2004 Commission Meeting.

Capital Expenditure. The capital expenditures were unanimously approved by the commission in the amount of \$78,087.98 to Reid Middleton for the Airport Safety project.

Lease Agreement: Olympia Airdustrial Park Associates, LLC

The Commission unanimously ratified the Lease Agreement between the Port and Olympia Airdustrial Park Associates, which is redeveloping their existing site at NewMarket Industrial Campus. The new lease is for an additional 1.98 acres (7.33 acres for the old lease vs. 9.31 acres for the new lease) and has a 32-year term beginning August 1, 2004 and ending July 31, 2036. The current site design includes single story buildings and does not permit high-density development. Several of these buildings will be demolished to make way for phase 1 of the redevelopment, which involves a 173,000 square foot multi-story building. A second building of the same size is planned for phase 2. The current lease is to be terminated and replaced with this new lease, which provides the terms and conditions for the new development. The new rent for the site is \$55,563 per year.

Lease Agreement: Olympia Area Rowers

Bill Cullen, representing the Olympia Area Rowers, thanked the staff for making this project possible. He indicated they currently have 60-70 members, and over 150 users. They anticipate the group to grow now that they have a permanent home.

Former Port Commissioner Jim Wright, resident of Olympia, commented that he is not a rower, but has several rowers in his neighborhood. He asked if this facility would be open to the public for use. Commissioner Van Schoorl indicated that this facility would not be open to the general public for storage of kayaks, etc., however the Port is looking at building a facility on the peninsula for that use, but that location and project has not yet been identified.

The Commission unanimously ratified the Lease Agreement between the Port and the Olympia Area Rowing Association for approximately 6,390 square feet of ground space located at the Swantown Marina district at the Port of Olympia. This is a market rate, thirty-year lease for the purpose of construction and operation of a small boat rowing and sailing center. The initial lease rate for the first five years is \$345.67 per month plus LET and pro-rata share of CAM and parking charges. Port improvements to the area will include the construction of a public plaza, sidewalks, landscaping and other improvements that can be enjoyed by all members of the general public.

ACTION CALENDAR

Change Order to Marine Drive Project – Reclaimed Water Pipe

Ms. Andrea Fontenot indicated the purpose of this agenda item is to request Commission approval for the Executive Director to negotiate a change order with Harlowe Construction, Contract No. 287, in amount not to exceed \$41,000 (Port's share if City participates is \$20,500). The Olympia City Council will be discussing and approving this item tonight as well. Please note this request is contingent upon the City's approval.

As discussed at the previous Port Commission meeting, the Port and City have been negotiating a partnership for the installation of purple pipe to serve Port property from LOTT's new Class A Reclaimed Water Plant.

The proposal is for the Port to install a 6" main line pipe from the limits of the existing extension of pipe, near the northern section of Marine Drive phase 1 construction, north to the limits of phase 2 of Marine Drive reconstruction. All other infrastructure necessary to connect the main line to existing/future irrigation infrastructure will be part of future negotiation between the City and the Port.

Commissioner Pottle asked Ms. Fontenot if the City has set the rate for the reclaimed water yet. Ms. Fontenot indicated she has been meeting with City staff and they are firm that they will be recommending to the counsel the reclaimed water be set at 70 percent of portable water. Commissioner Pottle indicated that he felt that 70 percent is too high. Commissioner Van Schoorl indicated that he thought that the Commission should have that discussion with members of the city counsel.

The Commission unanimously approved the staff recommendation is to authorize the Executive Director to negotiate and approve a change order for the extension of reclaimed water main lines north of the main line, which exists with phase 1 construction of Marine Drive, with Harlowe Construction, in an amount not to exceed \$41,000 (Port share if City participates is \$20,500).

ADVISORY CALENDAR

Public Works Advisory

Ms. Andrea Fontenot provided the Commission with an advisory and status report on the construction projects underway. The projects included: Marine Drive Reconstruction, Cascade Pole Cape & Marine

Drive Construction, Airport Runway Relocation Road Construction, Washington State Patrol Hangar Rehabilitation, and the Hangar Roof Coating Update.

Fall Meeting Schedule

Mr. John Wolfe provided the Commission with a list of proposed topics for the upcoming fall Commission meetings. The upcoming meetings will provide a briefing on the airport, and the marine terminal, but the fall schedule will focus primarily on the budget discussion and adoption. Mr. Wolfe indicated that staff would also like to hold a work session on Northpoint and on East Bay.

ADJOURNMENT

Vice President Van Schoorl adjourned the meeting of September 13, 2004 at 6:36 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer