

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

September 26, 2005

CALL TO ORDER

President Van Schoorl called the meeting of September 26, 2005, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners Telford and Pottle were also in attendance.

Staff in attendance were: Interim Executive Director Rudy Rudolph, Administrative Manager Jeri Sevier, Property Development Director Heber Kennedy, Marketing Director Kari Qvigstad, Communications Manager Patti Grant, Harbor Director Bruce Marshall, Program Assistant Maureen Malahovsky, Public Works Director Andrea Fontenot, Marine Terminal Director Jim Amador, Business Development Sally Alhadef, and Finance Director Steve Davis.

Public in attendance were as follows. Representing *The Olympian* was Jim Szymanski. Others in attendance included Carlos Perez, Barbara Henry, EJ Zita, Richard Wolf, George Bray, Harold Clark, Ruthann Goularte, Maile & John Bay, Russ Carstensen, Kathy McCormick, Anne Buck, Jerry Parker, Donna Nickerson, Peggy Britton, Stanley Stahl, Patty Belmonte, David Brubaker, Susan Parish, David Schaffert, Bruce Palm, Jack Horton, Frank Fatseas, Dave Dressel, Jane Kirkemo, Virginia Lange, Pete Heide, Meta Hogan, and Phil Schultie.

APPROVAL OF AGENDA

The agenda was approved as presented.

PUBLIC COMMENT

E.J. Zita, resident of Tumwater, indicated she was speaking regarding the Salmon Creek Basin and would like to know what the plans are for forest preservation at the airport. Also asked that the trees along Armstrong and 88th Avenue be permanently protected and turned into a nature preserve. She asked what the process is for getting those issues approved by the Commission. President Van Schoorl indicated that both of those issues need further review, neither of the issues are top priorities for the Port at this time. It would need to be looked at as an amendment to the Airport Master Plan. Commissioner Pottle asked that she make her proposal official by directing her request to the Executive Director in writing. Commissioner Telford indicated that at some point we will need to look at the comprehensive plan and that would be the time to look at her issues.

COMMISSIONERS REPORTS

Commissioner Pottle indicated he attended the WPPA Environmental Seminar and he wanted to share information he received at that Seminar.

EXECUTIVE DIRECTOR REPORT

Mr. Rudolph reported at the airport, the Port construction crew is working on structural repairs to the Washington State Patrol building. General Administration has approved their lease and it is being finalized for Commission approval.

He noted that several infrastructure projects are underway at the Marine Terminal. The debarker will be

moved from the dock to the east side of Washington Street, into the tenant's leased area. Pilings have been delivered for the replacement of the damaged pilings on berth 1. And the on-dock-rail project continues.

Mr. Rudolph reported that Cardinal Glass asked for and received a postponement of a hearing date originally scheduled for this week. The hearing was set to hear a local neighborhood's appeal against Cardinal's receipt of a DNS for the 11-acre expansion site for their warehouse distribution facility. In addition he noted that UPS has indicated they are ready to sign a lease for their lease expansion and extension. Staff is preparing a new lease.

Mr. Rudolph reported that the Port's application for IAC grant funding for guest dock renovation scored #1 for federal funding. A \$95,000 grant will be applied to upgrade and renovate the guest moorage section of the marina.

Mr. Rudolph reported that under business development, staff met with Bill Taylor from Par 5 Transportation. Par 5 is a full service logistics company specializing in over dimensional project cargo. In addition, he noted that Carola and Clarita met with Bordeaux Wine Locators about relocating their existing lease location in Warehouse A to Warehouse 2.

Mr. Rudolph noted that the Public Works Construction continues on the NorthPoint Restaurant Site Improvement, On Dock Rail Extension, Olympia Regional Airport Hangars Painting, and 2005 Airport Improvement contracts.

He commented that Dan James of Ball Janik is meeting with Senate and House staffers in Washington D.C. this week regarding the on-dock-rail funding. We expect a report next week.

As a final note, Mr. Rudolph indicated that the FAA has approved Reid Middleton's proposal for design & engineering services for the 2006 LOS Runway Project. It is for approximately \$455,000. Additionally, FAA has also modified the scope of Grant 13 to fund the engineering & design this year. He commented that while the Executive Director Policy authorizes the executive director to sign the contract, he wanted to get Commission concurrence since the project is not in the 2005 capital budget. Port share is approximately \$22,750. The Commission concurred and gave Mr. Rudolph the authorization to sign the contract.

Consent Calendar

The Consent Calendar was approved as follows.

Minutes. The Commission unanimously approved the minutes from the July 27, 2005 and September 12, 2005 meetings.

Bills and Vouchers. The Bills and Vouchers were unanimously approved in the amount of \$2,102,107.69. General Fund Checks Issued: 037894-037945, 037946-037952, 037953-037990, 037991-038005, 038006-038029, 038030-038031, 038032-038033, 038034-038036, 038037-038062, 038063-038066, 038067-038077, and 038078-038085. Voided Checks: 038000-038005, and 038043.

Capital Expenditure Approval. The Capital expenditures were unanimously approved in the amount of \$1,444,560.52 to Reid Middleton and Northwest Construction for the Airport Safety Project, to Rognlin's Inc. for the NorthPoint Restaurant project, and to Coast Rail, Inc. for the On-Dock Rail System.

ADVISORY CALENDAR

Strategic Planning Progress Report

Ms. Kari Qvigstad reported to the Commission that a strategic approach to business development was implemented in 2005 through an internal planning document that provided a common framework and language for Port staff to improve performance while focusing on the long-term vision identified in the Port of Olympia's Comprehensive Plan. The strategy reflects a multi-dimensional approach to achieving success in terms of community contributions, financial strength and developing platforms that stimulate economic opportunity.

Ms. Qvigstad noted that the strategic planning process commenced mid-2004 through an internal review of the Port enterprise centers and governmental role of the Port. Led by the Marketing and Business Development Director, Port business development teams confirmed the long-term vision for each enterprise center and Port governmental services. The process included identification of key business elements; a strengths, weaknesses, opportunities and threats (SWOT) analysis; gaps; and critical path strategies.

She reported that the strategic plan has been implemented through tactical plans and Priority Projects that leverage Port strengths and resources. An overview of the Strategic Plan was presented to the Port Commission in a workshop in January 2005.

Ms. Qvigstad highlighted the progress achieved from the plan's critical path strategies with a PowerPoint presentation to the Commission.

East Bay Planning Update

Ms. Kari Qvigstad provided a review of the history and progress on the East Bay Planning initiative that was concluded in the Spring of 2004.

The Commission indicated they were interested in receiving comments on the recent discussions regarding the potential development of a Sports and Events Center, Olympia City Hall, and other land use in East Bay.

Public Comments:

Russ Carstensen, resident of Olympia, provided comments on the East Bay Planning process. He noted that he participated on the PAC during the East Bay Planning in 2004. He was surprised this issue is open again, as he thought the PAC provided the Commission with a solid recommendation. He is opposed to a Sports and Events Center on that property.

Kathy McCormick, representing Olympia Advance Planning, indicated the City too is planning and adopted the Port's plan into the City's plan for the areas surrounding the Port's East Bay properties. She indicated the city planning was based on the mix of activities planned for the area. She encouraged the Port Commission to continue with the plan that they adopted in 2004.

Ann Buck, lives in the county and owns business downtown, indicated her vision for Olympia is different, she would like a huge botanical garden, educational, spiritual, and hands on. A restaurant next to the garden that grows our Washington food and wine as an educational center and a library that displays Washington's history and a gift shop that sells all that Washington has to offer. A merry-go-round built by the Native Americans would also be an idea to consider.

Jerry Parker, resident of Olympia, indicated that the planning process should be done prior to a development, not in the chaos of it. He did not feel the Port gave adequate notice to the public for this hearing, no relevant documents on the website and were readily available. In addition, he thinks the exclusive contract with the Sports and Events center is a violation of the Ports authority and is a very questionable action. In addition he felt that the Port fails to maintain a comprehensive plan for East Bay and he disagrees with the subsidy of the feasibility study for the sports and events center.

Peggy Britton, resident of Olympia, commented that she agrees with the comments Jerry Parker just made and applauds the vision of Ann Buck. She indicated she attended the meetings in 2004 and is very confused and concerned that the visioning process in 2004 has been dropped.

President Van Schoorl indicated the planning done in 2004 is an adopted plan; we are not at this time moving away from that plan. We have some new proposals and at this time and this hearing to hear from the public on these proposals. We have nothing concrete at this time. He commented that during the planning, the Port Commission concluded we wanted an anchor tenant, this is a continuation of the process. One of these proposals could be an anchor tenant. This is a chance for the Commission and the Port to gather information. We are still looking for an active vibrant community.

Commissioner Telford commented that the planning process was going forward and then the PFD process came forward, we said we would wait for that process to work. The PFD did not select the Sports and Events Center for that property, so we hired a consultant to look at the feasibility. He commented that since neither the Sports and Events Center or City Hall was discussed during the planning in 2004, and that is why he would like to give the public an opportunity to let us know what they think.

Stanley Stahl, resident of Olympia, indicated he is having a hard time understanding how the Port could even consider the Sports and Events Center. At the planning meetings, he complimented the Port on the vision and renderings. The traffic that a Sports and Events center would inundate the city along with the traffic from Weyerhaeuser. He also indicated that he does not think that this location is good for city hall.

Patty Belemonte, representing the Hand's On Children's Museum (HOCM), urged the Commission to keep the vision for the site. What ever you do will enhance the East Downtown, which needs it. The HOCM continues to be interested in the State Avenue site and is the preferred site. The HOCM would be a great anchor tenant and provides for economic vitality for the area. She also gave a recap of the results of the Sand in the City event touting the success of the event.

Susan Parish, resident of Olympia, historian, commented that she does not think the city hall should be down on the waterfront. Would like to see the HOCM on the site as that is a great fit, but not both. She applauded the Port for what they have done so far with this area. Would also like to see a Maritime Museum go hand in hand with the children's museum. The sports and events center is not a good mix for this property.

David Shaffert, representing Thurston County Chamber, commented that the Port is a government economic development entity. Sometimes that focus gets lost in the eyes of the public. In addition, he commented that since there are no action items in front of the Port, it is important to consider the proposals and the impacts of the proposals as they come forward. He noted that he was critical of this process – it is hard for the public to focus on comments when there is not a proposal on the table for us to comment on. We need specific proposals before you can call a public hearing.

Bruce Palm, resident of Olympia, commented on temporary labor in the community. Would like the Port to be an innovative player in the United States and would like to support non-profit entities in our community.

Jack Horton, resident of Olympia, commented that we need a development that gets day and night time use for the community to feel safe in the area. We need to look at the development for the impacts to the sustainable community. Does not think the Sports and Events center is a good fit for a vibrant mixed-use community for an 18-hour day. City Hall does not bring the nighttime population and office space near the waterfront will draw people who do not currently have space in Olympia. In addition, he commented that he would like to see others pay the high rents and not our City paying the high rents. The mixed retail residential is a good use as well as the Children's Museum. He asked the Commission to stay focused on the plan already adopted.

Frank Fatseas, resident of Olympia, commented that this proposal keeps coming back and reminds him

of the convention center. The idea of having an 18-hour community is a good goal, but an area for the residents of Thurston County. He commented that he thinks the Sports and Events center is at odds with having residential in downtown – the two do not mix. He indicated that a Maritime and Children’s Museum would be a great fit and also an ice skating rink for the public to use.

David Dressel, resident of Olympia, indicated he is very opposed to having a sports and events center in this particular area of Olympia. The ERA study that was paid for with public funds said this is not a good fit, and that is the study we should be using.

Peter Heide, resident of Olympia, commented that he supports the idea of mixed use. He indicated that he thinks there is a problem with access to the industrial use of the Port, but that is part of maintaining a working Port is getting trucks in and out – however, the current route doesn’t seem to be a very good deal.

George Kirzman, resident of Olympia, indicated he attended all of the planning meetings in 2004 and would like to advocate keeping the warehouse as long as you can. He is currently a tenant in the warehouse. He commented that he would like the Port to keep a commitment to warehouse with a no net loss, keeping the railway close to warehousing, accommodated in some way.

Michael Tuckman, proposer of the Sports and Events Center, feels that this evening has been filled with misinformation, but he has learned a lot tonight. He is not proposing something that this community does not want. He is still in the process of putting together a proposal and has not yet defined what this proposal is.

Carlos Perez, resident of Rainier, indicated that the Port should stick with the vision and make sure the plan fits with the vision.

ADJOURNMENT

President Van Schoorl adjourned the meeting at 8:07 p.m. on September 26, 2005 to executive session to discuss potential litigation. The executive session adjourned at 9:05 p.m.

President Van Schoorl also announced the Commission would hold an executive session on Wednesday, September 28, 2005 from 8:00 – 10:00 to discuss the qualifications of applicants for the Executive Director position.

In addition, the Commission held a work session on Friday, September 30, 2005 with staff to discuss the draft operating and capital budgets for 2006. The work session was held from 9:00 a.m. – 12:45 p.m. at the Port office.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer