

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

September 27, 1999

CALL TO ORDER

President Van Schoorl called the meeting of September 27, 1999, to order at 5:32 p.m. at the Port of Olympia large conference room. Commissioner Pottle was in attendance. Commissioner Dickison was out of town.

Staff in attendance were: Executive Director Nick Handy, Deputy Director Wendy Holden, Executive Assistant Jeri Sevier, Director of Finance George Fox, Director of Engineering and Planning Andrea Fontenot, Swantown Marina and Boatworks Manager Bruce Marshall, Olympia Regional Airport Manager Doug Sandau, and Property Development Manager Heber Kennedy.

Members of the public in attendance included Mr. Del Berg of Milton; Mr. Neil Falkenburg of Olympia; Jan Visser of Olympia; Lee Telnack of Olympia; Daniel Decker of Olympia; Harold Robertson, Adam Rivas, and Nancy Peterson representing the Thurston Regional Planning Council; Roger Dean of Olympia; Joel Coffidis representing The Olympian; and Port's legal council Sandy Mackie.

APPROVAL OF AGENDA

Mr. Nick Handy requested the Commission add an agenda item to the advisory calendar regarding grant requests. The agenda was approved as revised.

PUBLIC COMMENT

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

COMMISSIONERS REPORTS

No Commission reports were given.

CONSENT CALENDAR

Minutes. The Commission approved the minutes of August 23, 1999.

Bills and Vouchers. The Commission unanimously approved the voucher approval listing ending September 27, 1999 in the amount of \$361,676.82 as submitted.

Capital Project Expenditures. The Commission unanimously approved the Capital Project Expenditures for the week ending September 17, 1999 in the amount of \$99,193.12.

ACTION CALENDAR

Lease Addendum - United Parcel Service

Mr. Heber Kennedy presented the Commission with a lease addendum changing the corporate name from South Seventh Corporation to BT-OH, L.L.C., because of the corporate decision to consolidate the real estate holding companies of United Parcel Service of America. Mr. Kennedy indicated there was no other change to the lease terms and BT-OH, LLC agrees to be bound by all terms and conditions of the lease. The Commission unanimously ratified the lease with South Seventh Corporation.

Olympia Airport Office Parking Lot Utilities Phase I Contract #589

Ms. Andrea Fontenot presented the Commission with a recommendation to approve the lowest responsive bid from DLB Earthwork Company in the amount of \$84,989.52. The contract includes extension of sanitary sewer to the office building, removal of the septic system, extension of the sewer to lease tenants, and a partial solution to existing flooding problems, driveway improvements, parking improvements, stormwater treatment and infiltration, and landscaping, in the vicinity of the Airport office. The budget approved for this project is \$133,788. The Commission unanimously authorized and awarded the contract #589 to DLB Earthworks Company.

ADVISORY CALENDAR

Thurston Regional Planning Council Annual Update

Ms. Nancy Peterson briefed the Commission on the annual progress of the Thurston Regional Planning Council. Ms. Peterson indicated there would be a forum on transportation funding on October 21 at 6:30 p.m. at the Lacey Community Center to look at the plan and encouraged the Commission to attend. Ms. Peterson reported on several outcomes of the planning council including amendment of the plan to strengthen the commitment to rail, which is a benefit to the Port of Olympia. She also indicated the council did an economic assessment. The outcome of that assessment had three directions; to identify economic advantages; the fiscal impact model; and a community vision. Mr. Harold Robertson distributed a brochure on the Thurston Regional Planning Council and gave a brief overview of the services provided by the council.

Marina Revenue Project Advisory

Ms. Wendy Holden provided the Commission with an overview of the progress of the Marina revenue project. She distributed a revised schedule that indicated the timeline of the project including open forums to be held in the month of November. The schedule anticipates the Commission act at the first meeting in December. Ms. Holden provided the Commission with a brief overview of the process to date and distributed information on the financial history of the Marina.

Mr. Bruce Marshall updated the Commission on the study of rates and distributed a listing of live aboard fees throughout the Puget Sound area. Currently the Swantown Marina is not charging any live aboard fees. Mr. Marshall also distributed a listing of moorage rates for other public marinas throughout Puget Sound with competitive market factors being compared. The comparison of rates put the Swantown Marina at the low end of the market.

Commissioner Pottle asked Mr. Marshall to prepare a list of items, a three to five year plan, that would make the Marina a first class Marina with costs based on services and no deferral of maintenance.

Public Comment

Mr. Neil Falkenberg distributed a letter to the Commission that was a revised statement of principles for the South Sound Marina Owners. Mr. Falkenberg asked the Commission to sign the document, endorse it in principle, or to explain in writing what principle they do not accept. The South Sound Marina owners asked the Commission to raise their marina rates in order to stabilize the market. The rates are set low because the Port Marina rates hold down the market rates. The statement of principles indicates the public marina rates should not be less than 90 percent of the average of the four private marinas in South Sound, the public marina should not be less than an average of 80 percent of the similar marinas in Tacoma, Gig Harbor, and Seattle South, the rate set is based on the above and the rate should escalate at a rate of at least the CPI annually, unless a new survey of the private and public marinas indicate a higher rate than the CPI is required, and the live aboards should be charged from 25 to 30 percent per month more than the non-live aboards.

Mr. Del Berg, representing One Tree Island Marina, gave the Commission his view from a private standpoint. Mr. Berg indicated there was no justification for non-market rates and a subsidy of moorage rates. He pointed out that it would be hard to justify to a young couple paying taxes on a new home for a subsidy of moorage rates for someone owning a boat. He encouraged the Commission to move to a market rate based system. Mr. Berg said that the rates in Olympia do not reflect the market because the Port put a ceiling on the rates. He indicated a good comparison would be Tacoma because there is no public entity supporting a marina.

Commissioner Pottle encouraged the marina owners to attend the public meetings set for early November. Commissioner Van Schoorl indicated that the Commission set the rates two years ago at market level with a CPI indicator, the rates however, in the Puget Sound area grew faster than the CPI level.

Mr. Handy reported the Marina was financed with revenue bonds and was not tax dollars. Therefore, other Port businesses contributed to paying the debt service for the Marina in the early years.

Passenger Service Advisory

Ms. Wendy Holden advised the Commission on the passenger service prospects at the Olympia Regional Airport announcing that Harbor Air has deferred the proposed service at this time. The research jointly conducted by the Port and Harbor Air shows the Thurston County area market has strengthened substantially for use of a future scheduled air service, however, Harbor Air has decided not to inaugurate an Olympia service in January. Harbor Air is still holding open the possibility of establishing such a service sometime in the future.

Policies and Procedures Update

Mr. Nick Handy presented the Commission with an update of the policies and procedures for the Port of Olympia. He indicated the review of the manual indicated some housekeeping changes, some programs that have been adopted by the Port, but not reflected in the policies and procedures manual, as well as some new policies. Mr. Handy asked the Commission to review the update and provide any changes and comments to staff before the second meeting in October, where staff will be asking the Commission for adoption of the update.

Grant Requests

Ms. Andrea Fontenot indicated she has received four grant requests from other governmental entities. Each of the governmental entities is submitting an application for a large grant for the following projects. With support from other governmental entities, the grant scores higher points on the grant application. Andrea reported on the grant requests as follows.

Airdustrrial. The City of Tumwater has requested the Port donate a land easement for the widening of Airdustrrial and Highway 99 or \$5,000 each. Staff discussed and recommended the Port donate the easement for the widening project in exchange for some other work we will need to get done in the City of Tumwater in the future.

Bridge. The City of Olympia requested a \$5,000 donation for two projects: the fourth and fifth Avenue Bridges and the Mud Bay widening project. The staff recommends supporting the fourth and 5th Avenue Bridge project.

AmTrak Station. Inter City Transit requested a grant of \$5,000 for the Amtrak Station on the Yelm Highway to expand parking and passenger loading platform. The staff recommends supporting this project. The Port was involved in contributing to the building of the station and should support the expansion project. Mr. Roger Dean was in attendance and spoke to the Commission briefly regarding the project and asking for support of the grant.

Yelm Highway. Thurston County requested a grant for improvements to the Yelm Highway improvements project. The staff recommends the Port not support this project.

The Commission discussed the grant requests, but indicated the Port is continually giving support to these other governmental entities and not receiving any support in return. The Commission indicated they were supportive of the projects staff recommends and we should put placeholders in the budget for next year in the event the grants were approved.

ADJOURNMENT

President Van Schoorl adjourned the meeting of September 27, 1999 at 7:00 p .m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer