

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

September 27, 2004

CALL TO ORDER

President Telford called the meeting of September 27, 2004, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners Pottle and Van Schoorl were also in attendance.

Staff in attendance were: Executive Director John Wolfe, Administrative Manager Jeri Sevier, Finance Director George Fox, Property Development Director Heber Kennedy, Airport Director Rudy Rudolph, Communications Manager Patti Grant, and Harbormaster Bruce Marshall.

Public in attendance were as follows. Representing Goodstein Law Group was Bob Goodstein. Others in attendance include: Harold Clark, Harold Chambers, Meta Heller, Earl Pearson, Keith Bausch, and Frank Dare.

APPROVAL OF AGENDA

The agenda was approved as amended. Mr. John Wolfe suggested the Commission discuss the Public Facilities District proposals and process under other business.

PUBLIC COMMENT

Harold Chambers, resident of Yelm, commented on the subsidy of the taxpayers for Big Sky and commented that even after the subsidy, they still ended up leaving. He asked what benefit did Big Sky give to the taxpayers. He read some quotes from The Olympian by Commissioners on Big Sky.

Meta Heller, resident of Thurston County, indicated she has been a long time Port watcher. She commented on ethics in general. She noted that she knows each of the commissioners and knows them to be ethical. She also indicated she would like an arts and cultural center built with the PFD funds.

Earl Pearson, resident of Lacey and Tenant at the Airport, commented that he figured out how much his payroll has brought in over the past 25 years and figures it to average over \$4 million and asked the Commission to think about that number next time they would like to support a business.

COMMISSIONERS REPORTS

Commissioner Telford noted we are looking for input on the executive director evaluation for end of year evaluation.

EXECUTIVE DIRECTOR REPORT

Mr. John Wolfe announced that this coming weekend, the Olympic Flight Museum would hold their annual "Classic Wings over Olympia" fly-in at the Olympia Airport. Vintage and antique aircraft will be on display, both in the air and on the ground. If the weather cooperates, this two-day event is expected to draw up to 3,000 visitors to the Airport.

Mr. Wolfe reported that the Marina occupancy is currently at 91 percent. This is encouraging, since we are entering the fall season and the occupancy rate remains above 90 percent. He noted that on Saturday, the Head of the Inlet long-range human powered race was held at Swantown. A total of 66 people

showed up to compete making this the largest event yet for a human powered race in Olympia. The event was followed by an awards ceremony and BBQ at the marina.

At the Marine Terminal, Mr. Wolfe noted that the next log vessel would be coming in around mid-October. The vessel Sun Suma will come in around 10/17 to discharge 2,500 MT of bagged garnet. The vessel will be in port for approximately two days. In addition, we will be discharging a barge load of bulk limestone around 10/19.

Mr. Wolfe indicated that staff has scheduled a workshop with the Commissioners on Northpoint for November 4th. In addition, he announced the PAC would be meeting on Wednesday, September 29th at 7:00 p.m. to discuss the status of Port development opportunities. He also mentioned that the Commission would hold a budget retreat on October 8, 2004 at the Port offices.

Consent Calendar

The Consent Calendar was approved as follows.

Minutes. The Commission unanimously approved the minutes from the September 13, 2004 Commission Meeting. Commissioner Telford abstained from voting since he was not in attendance.

Bills and Vouchers. The Commission unanimously approved the bills and vouchers in the amount of \$1,804,019.02. General Fund Checks Issued: 034897-034965, 034966-034977, 034978, 034980-035011, 035012-035020, 035021-0352022, 035023-035080, 035081-035082, 035083-035113, 035114-035119, 035123-035159, and 035160-035178. Voided Checks: 034859, 034863, 034907, 034960, 034979, and 035120-035122.

Capital Expenditure. The capital expenditures were unanimously approved by the commission in the amount of \$476,722.09 to Harlow Construction for the Cascade Pole Site/Marine Drive N. project, to Looker & Assoc. for the Marine Drive S. project, and to Wagner Development for the Airport Safety project.

ACTION CALENDAR

Resolution 2004-05 – Ethical Standards

President Telford indicated that before the Commission is three drafts. The first draft is the carryover from the December 2003 meeting, the second draft is a re-write of that resolution by Commissioner Telford, and the third draft prepared by Commissioner Van Schoorl. Commissioner Pottle and Van Schoorl indicated that they are sworn to uphold the law and this resolution is just a re-write of the current law.

Commissioner Van Schoorl indicated that we did adopt an ethics policy for staff and at that time found several items that was not applicable for the Commissioners or additional issues not applicable to staff and therefore, recommended and an additional resolution be passed for the Commission. He commented that this resolution indicates that current statute clearly governs the Commissioners, however there are a couple areas that need clarification.

Commissioner Van Schoorl moved approval of draft C, Commissioner Pottle seconded the motion. President Telford indicated that he has reviewed draft C prepared by Commissioner Van Schoorl and finds the first two pages acceptable, however he would like to discuss the other sections.

The Commission reviewed Draft C and discussed areas of gifts, conflicts of interest, and organization participation.

President Telford indicated he would also like included in the resolution an area on nepotism, accepting

campaign contributions from employees of the Port, and a mechanism for enforcement.

Commissioner Van Schoorl indicated that we have debated this issue for years now and he would like for the Commission to adopt one tonight. He indicated that they could use it as a start, and revise it later if we find an issue that needs to be covered.

Commissioner Pottle indicated that the current law provides guidelines we have an ethics policy for staff, and he is willing to pass a resolution that recognizes the importance of ethics.

Harold Chamber, resident of Yelm, indicated that he is amazed that people rely upon state law. Ports are non-partisan and should not rely upon a partisan law. Mr. Chambers gave the definition of ethics. He commented that this is an issue of ethical conduct. Accepting a gift of any amount is a gift of influence no matter what. He commented that he would like an ethics policy that covers areas that are not clear or indicated in the state law. The commission should have a separate ethics code from employees.

Harold Clark, resident of Olympia, indicated the law is a minimum standard; you can do more than the law if you want.

Frank Dare, resident of Thurston County, commented that the issue is the appearance of what is ethical. Public officials cannot put themselves in the position of appearing unethical. The Commission should have at least the same ethical guidelines as their employees.

Commissioner Van Schoorl moved to adopt Resolution 2005-04 Draft C as amended to include meals and beverages in the gifts section. Commissioner Pottle seconded the motion. Commissioner Telford voted against the motion. Resolution 2005-04 (version C) was approved with a 2-1 vote.

ADVISORY CALENDAR

Olympia Regional Airport Advisory

Mr. Rudy Rudolph provided the Commission with an overview of the Olympia Regional Airport. He addressed the airport infrastructure, current and future projects, as well as updates on airport operations, financial performance, economic impact, and strategic initiatives.

Ms. Kari Qvigstad presented an overview of the marketing and business development initiatives for the Olympia Regional Airport.

Commissioner Telford indicated that he is expecting a hangar development plan that makes all participants happy.

Other Business

Public Facilities District Proposals

Mr. John Wolfe reported on the Public Facilities District proposals that have interest in the Port's development on East Bay. Since the process has not yet been developed, it is hard for the project proposal sponsors to fully define the financial model of the projects. It is very likely that the City would become a partner in any one of the projects approved. The Port would then have a relationship via lease with the proposal sponsor and possibly the City. Once the PFD committee selects a project, then the project sponsor will be able to better define the project and the financial data.

Mr. Wolfe indicated that the staff is working with Civic Partners on the 17-acre parcel. We currently have two proposals for the property. One proposal is for the Hands on Children's Museum and a cultural center. The other proposal is for a sports and events center that would include a museum component.

Mr. Wolfe asked the Commission to consider what the Port wants on this parcel, since these projects are very different; we need to identify what the best fit is for the Port. The City has set a date of October 14th for a public meeting on all six proposals. In the mean time we have an agreement with Civic Partners that has expired and we have not yet renewed the agreement and they have indicated they would like to remain active in the process.

Commissioner Van Schoorl indicated that he thinks we have an obligation as a Port to first identify if any of the projects are unacceptable. We also have an obligation to remind the PFD board of the legislative intent to make sure that when they are evaluating these projects and really look at the community wide economic impact of these projects. He indicated that he is hopeful that this community can come together to get several of the projects approved.

Commissioner Pottle commented that it would help the City of Olympia if they had some indication from the Port if we are interested in one or several of the projects. We have talked about the museum and cultural arts center being a good fit for the property. However, in the mean time a regional complex also meets the criteria and the project is dependant on the location. He commented that he believes this opportunity deserves serious consideration. Commissioner Pottle indicated he could see a partnership with the Port for a parking garage and some infrastructure.

President Telford noted that he put his comments in writing to the Executive Director. He commented that this is an opportunity for the Port and that he felt that we owe the PFD Committee our preference of the projects. He commented that we held a public process and at that time a sports center was not considered at that time. If we decide to support this project we should at least get feedback from the PAC.

Commissioner Van Schoorl indicated that the events center incorporates the museum concept and that gives us the best of both worlds. He recommended that the Commission send a letter to the PFD Committee that both projects are acceptable, however, the Port would like more information on the economic viability of both projects.

Mr. Wolfe summarized that the Port Commission would like to send a letter to the PFD Committee and to the City Counsel indicating that the Port Commission supports both projects proposed for the Port property on East Bay.

ADJOURNMENT

President Telford adjourned the meeting of September 27, 2004 at 7:30 p.m. to Executive Session to discuss the Executive Director mid-year review no action expected to follow. The Executive Session adjourned at 8:45 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer