

PORT OF OLYMPIA COMMISSION  
MINUTES OF REGULAR MEETING

**November 9, 1998**

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**CALL TO ORDER**

President Pottle called the meeting of November 9, 1998, to order at 6:35 p.m. at the Port of Olympia in the large conference room. Commissioners Dickison and Van Schoorl were in attendance.

Staff in attendance were: Executive Director Nick Handy, Deputy Director Wendy Holding, Director of Engineering and Planning Andrea Fontenot, Director of Marketing and Trade Development Kari Qvigstad, Director of Finance and Administration George Fox, Executive Assistant Jeri Sevier, Airport Manager Doug Sandau; Swantown Manager Bruce Marshall; and Property Development Manager Heber Kennedy.

Members of the public in attendance were Vicky Kilgore and Trisha Callopy of *The Olympian*; Sandy Mackie, legal counsel for the Port of Olympia; Neil Falkenburg, Olympia; Doug DeForest, Olympia; Jerry Baraff, Tukwila; Shawn Newman, Olympia; John Nelson, Olympia; Jeff Doyle, Olympia; Stanley Stahl, Olympia; R.R. Laues, Olympia; Kathy Overhauser, Olympia; Mary Ellen McKarin, Olympia; Bernie Freedman, Olympia; Svein Waalen, Olympia; Chris Lane, Olympia; Harold Robertson and Judy Wilson, representing Thurston Regional Planning Council; and International Longshoremen's Workers Union Representative Keith Bausch

Commissioner Pottle reported the Commissioners just completed an executive session held immediately before the Commission meeting to address two issues involving (1) review of the proposed lease with Simon Johnson for the Swantown Boatworks regarding terms affecting price and (2) discussion with counsel over litigation at the Olympia Regional Airport involving a lease tenant.

**APPROVAL OF AGENDA**

Executive Director Nick Handy asked the Commission allow Mr. Harold Robertson and Ms. Judy Wilson representing the Thurston Regional Planning Council to present the annual update following the consent calendar.

**PUBLIC COMMENT**

Mr. Shawn Newman asked questions regarding tax increases and time allowed for review of property leases. President Pottle indicated both of those issues were included on the agenda. This public comment is a time for items not on the agenda. He requested Mr. Newman address those questions when public comment is open following discussion by the Commission at the appropriate time.

Mr. Jerry Barrifi, co-owner of West Bay Marina inquired regarding the possibility of the Commissioners choosing to resign after what happened with Sunmar. The Commissioners indicated they were not considering resignation.

Svien Waalen spoke in support of the Port indicating the Sunmar deal was a good thing. The Port now has the equipment to handle cargo and the marketing department should be given the opportunity to find other uses for the Marine Terminal. He also indicated he feels that international trade is what the Port will survive on and the \$6.5 million is not wasted, opportunity is just around the corner. Mr. Waalen said people cannot criticize the Port for what they have done, who could have predicted the economic downfall.

**COMMISSIONERS REPORTS**

No Commissioner reports were reported.

**CONSENT CALENDAR**

Minutes. The minutes of October 23, 1998 were unanimously approved as published with one correction to the staff in attendance. Sandy Mackie, legal counsel for the Port was also in attendance.

Capital Project Expenditures. The capital project expenditures were unanimously approved as submitted.

## **ACTION CALENDAR**

### **Thurston Regional Planning Council – Annual Update**

Thurston County Commissioner Judy Wilson distributed the approved 1999 TRPC program and budget, a copy of the Economic Assessment of Thurston County; and a financing report for Region-wide Infrastructures 1997-2002. Commissioner Wilson indicated the TRCP has held early morning meetings to discuss the Economic Assessment report and to help participants more fully understand the implications. The TRCP will determine the next steps after the group sessions are completed. Ms. Wilson indicated they might hold community forums later.

Mr. Harold Robertson discussed the Regional Transportation Plan and the continued interest by the Port in freight. Mr. Robertson announced the Transportation Policy Board approved the Yelm Burlington Northern-Santa Fee line for a grant of \$340,000. He distributed a FAR Corridor brochure discussing freight access by rail and noted with the passage of T-21, there may be funding attached to look at freight commuter rail and adding to Yelm's improved freight rail.

Mr. Robertson and Ms. Wilson indicated their appreciation and cooperative effort of the Commission and Port staff. Commissioner Dickison serves on the Transportation Policy Board and Commissioner Van Schoorl serves on the Thurston Regional Planning Council. Both Commissioners stay actively involved.

Commissioner Dickison expressed his observation of the number of transportation needs far exceeds any local ability to fund the needs. He indicated for years the TRPC has been planning for what needs to happen. What if we were to attack the problem from the opposite direction? What would happen if we do not do anything?

Ms. Wilson responded to Commissioner Dickison indicating the TRCP does not have enough funding to pay for maintenance of what we have, not including the funding needed for new projects.

### **Resolution 98-18 – Port Lease Approval Policy**

Mr. Nick Handy presented the Commission with a recommendation to approve Resolution 98-18 adopting a lease approval policy. The resolution would provide for final approval for Port leases in public session at a Commission meeting.

Port staff would provide advance public notice of leases proposed for Port Commission approval. The notice would be provided in advance of the meeting with the agenda for the Port Commission meeting at which the lease will be presented for approval. The notice would include general information regarding the lessee, land use, rent, and special provisions that deviate from the standard lease issues the Thursday before the Monday night meeting.

The meeting was opened for public comment regarding the lease approval policy.

Mr. Bernie Freedman felt the time for public comment on the proposed leases was not enough. He suggested the Commission amend the resolution to give the public at least two weeks before action was to be taken.

Mr. Shawn Newman expressed the same concern as Mr. Freedman. Mr. Newman would also like the resolution to include the term of the lease. He indicated if this policy was in place, it would not have changed how the Sunmar lease was signed.

Mr. Freedman asked the Commission if the rent formula was public record? Commissioner Van Schoorl indicated the rent formula was public information and was approved at public session earlier this year.

Commissioner Pottle indicated the proposed resolution satisfied his needs and felt it provided a balance of the Port and the public interest. Commissioner Pottle asked Mr. Newman how much advance notice he felt he needed to analyze the lease. Mr. Newman indicated he would like to have at least two weeks.

Mr. Keith Bausch responded that the Port's competitors would love to have leases out two weeks in advance, and therefore, the Port would have no business here if they were to do so.

Commissioner Van Schoorl asked staff to include the term of the lease in the advance notice.

Mr. Stanley Stohl asked if there was a security deposit required. Commissioner Van Schoorl responded that the security deposit is covered under special provisions in the lease document.

Mr. Handy indicated there is a competitive concern by all Ports in respect to advance public notification for leases, but the Port also recognizes the public interest involved in Port leases of public property. Handy said the current policy is an attempt to balance the proprietary interest in maintaining a competitive lease program with the public interest in advising the public of leases of public property.

Commissioner Dickison expressed his concern with trying to balance government and business sides of the Port and the responsibility of each. If the Port is to be run as a business, not subsidized, freely financed, and no consideration to public activities then the requirement as a public agency puts us under more scrutiny than any other business in the state. The proposed resolution will approve leases in the normal course of action. This does not restrict longer review of a lease when warranted.

Resolution 98-18 was unanimously approved by the Commission as amended.

### **1999 Operating and Capital Budget**

Mr. Handy indicated the proposed budget was presented to the Commission at the October 23 Special Meeting, at the Commission Meeting held on October 26, and again tonight. The November 23 Commission meeting will provide for the official public hearing on the budget and will allow the public a series of three opportunities to comment.

Mr. Handy reviewed a memo directed to the Commission highlighting the policy issues involved with approving the proposed draft budget. The operating budget is a budget that is balanced without any need to increase the tax levy rate. The current budget assumes a two percent increase in revenue from the levy due to appreciation in land values and new construction in the county. The budget also includes a staffing reduction that would eliminate 10 positions. The proposed budget proposes a fifty-percent reduction in maintenance, which are non-personnel-related reductions that would need to be addressed in 2000 and beyond.

The Events program is dramatically reduced providing limited support for the Air Show, Harbor Days, Swantown Regatta, and the Chowder Challenge to be held in conjunction with the opening of Swantown Boatworks. There would be no funding for a boatswap. The proposed budget also includes memberships or contracted services for the following organizations: American Association of Port Authorities, Washington Public Ports Association, Economic Development Council, Thurston Regional Planning Council, and Thurston County Chambers of Commerce. Sponsorships are reduced by fifty percent in the proposed budget.

The capital budget proposes the completion of Berth 3 repair project, the completion of the Swantown Boatworks project, and continuation of an orderly and cost effective remediation of Cascade Pole site. The proposed budget would, however, defer completion of the Port Plaza or complete when matching funds become available for the remainder of the project and recommends completing the design and permitting for DEF project, but not proceeding to construction until specifically authorized.

The proposal also includes proceeding with plans to develop the Grand Mound Industrial Park by participating in the LID in 1999. Improvements to Warehouse II would be completed upon signed leases from prospective tenants with positive returns on investments from those leases.

Commissioner's Dickison and Van Schoorl indicated their concern with the elimination or reduction of community activities and both indicated they would be looking for ways to minimize the impact to events throughout the budget.

### **ADJOURNMENT**

President Pottle adjourned the regular Commission meeting of November 9, 1998 at 8:15 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer