

PORT OF OLYMPIA COMMISSION  
MINUTES OF SPECIAL MEETING

**November 23, 1999**

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**CALL TO ORDER**

President Van Schoorl called the meeting of November 23, 1999, to order at 6:30 p.m. at the Department of General Administration Auditorium, 210 - 11<sup>th</sup> Avenue, Olympia, Washington. Commissioners Pottle and Dickison were in attendance.

Staff in attendance were: Executive Director Nick Handy, Deputy Director Wendy Holden, Director of Finance George Fox, Swantown Marina and Boatworks Manager Bruce Marshall, Swantown Marina Supervisor Cheryl Maynard, Property Development Manager Heber Kennedy, Cascade Pole Site Manager Don Bache, Director of Marketing Kari Qvigstad, Program Assistant Teresa Olson, Office Assistant Cathy Johnson, and Marine Services Coordinator Heidi Perry.

**INTRODUCTION**

Commissioner Bob Van Schoorl opened the meeting by giving a brief history of the rates charged at Swantown Marina. He stated that several public hearings have been held to date which have helped set the philosophical groundwork for rates. He said the Commission's goal is to keep the rates reasonable and not suppress rates so much that it hurts the private sector. Commissioner Van Schoorl emphasized that it is important to strike a balance in determining the marina rates.

Regarding the Airport Hangar Rates, Commissioner Van Schoorl explained that the rates were last enacted five years ago with the CPI inflator. At that time, the Commission set a time frame of five years to once again review the rates. Tonight's meeting presentation by staff is a review of that process.

Commissioner Van Schoorl referred to the recently passed Initiative 695. He stated that the Port industry believes the intent of the law was to challenge taxes, not fees imposed. Commissioner Van Schoorl explained that the Commission will discuss raising fees at its December 13, 1999 meeting; he explained that there is no rush to adopt any fee package tonight. He said the Commission will look at all fees at the December 13 meeting and will enter into the record all written comments, letters, e-mails, etc. which address this issue.

Commissioner Van Schoorl introduced the other members of the Port Commission and provided an overview of the agenda for the evening. Commissioner Van Schoorl advised the Commission would be hearing public comment on marina, hangar, property and other user fees for the Port.

Commissioner Van Schoorl advised that although the Port does not regard these user fees as falling within the scope of Initiative 695, Port Counsel has advised that the Port should adopt a uniform rate schedule before the end of the year to clearly establish the port's rate structure before the initiative takes effect.

**MARINA RATES**

Deputy Director Wendy Holden opened the hearing with a brief description of how and why Port staff decided to recommend raising marina and hangar rates. This was followed by public testimony.

Mr. Jim Vollmer stated his displeasure to the Commission regarding the marina rate increase and how the Port of Olympia proposal "does not pass the smell test."

Ms. Alyne Goodhart supplied the Commission with a written response to the marina rate issue. Her main concern was the "tactic used by the staff to pit tenants .....against each other - to divide and conquer - so some of the real issues might be overlooked."

Mr. Rich Goodhart supplied the Commission with a written response to the marina rate increase issue, and advised the Commission of his unhappiness with the way in which Port "staff met with other marina owners and magically the staff modified the reported Olympia rates."

Mr. Matt Herinkx spoke in opposition to the proposed live-aboard fee.

Mr. Tim Schlosser also spoke in opposition to the proposed live-aboard fee. He expressed to the Commission his feeling that the "live-aboard fee is onerous, there is no justification for it, and he would like the environmental fee costs identified."

Mr. Dell Berg, owner of Tree Island Marina, spoke in favor of the Port of Olympia's proposed marina rate increase. He told the Commission "it has been difficult competing with an entity that gets moneys from other areas of government." "1) Let's not set moorage rates below market; 2) Using the Olympia market is not correct. The Port of Olympia has dictated the Olympia market for the last 15 years. Use Tacoma market for rates. Live-aboard fees should be added to rates."

Mr. John DeMeyer first of all wanted to thank "some of the staff of the Port, Cheryl and Heidi, Tony and Rob - good people meeting the public." Mr. DeMeyer feels that there should be a correlation between upland values and marina rates.

Mr. Steve Luengen is a marina owner and spoke in favor of raising marina rates. Swantown Marina "rates have artificially dictated lower rates."

Mr. Bob Tindell is a live-aboard and spoke in opposition to raising marina rates.

Mr. Jerry Baruffi, one of the owners of West Bay Marina, spoke in favor of raising marina rates. "After going to two meetings and talking to George Fox, felt staff did a great job gathering marina rates data, but the proposed rate increase will still bring the Port of Olympia up to below market rates. The Port is definitely headed in the right direction."

Ms. Tana Stensing is a live-aboard, was very angry and spoke in opposition to the marina rate increase.

Mr. Al Ericksen spoke in opposition to live-aboard fees. He "thinks live-aboards are discounted by owners and the Port of Olympia. Less than ten percent of revenue is derived from live-aboards. The live-aboards watch out for the other boat owners at the Marina and are an asset."

Mr. Chris Lane spoke in opposition to live-aboard fees. "It's a lifestyle that we choose."

Mr. Frank Dare "can't understand this nonsense. Overall scheme is to operate in the black. No more Sunmars! Have reliable rates, have an attorney for the Port, not Mr. Mackie! Cut out the nonsense! Do not charge live-aboards!"

## **HANGAR RATES**

Mr. Earl Pearson, an airport tenant, spoke in opposition to hangar rate increases. "For the past several years he has seen a general decline in general aviation, customer base is going away. The rate increase and taxes are making it hard for FBO's to make a living."

Mr. Bob Brooks, an airport tenant, spoke in opposition to hangar rate increases. "Government is too big. The airport is being run by beauracrats. Three airlines came and failed, the terminal failed. Bureaucracy is running the airport. No more increases! This is a nice airport with a shrinking customer base."

Mr. Al Hastings spoke in opposition to increased hangar rates and CPI plus 3 percent increase. "Hangars are old and in bad shape. Not a good investment!"

Mr. Allin owned three aircraft at the airport and spoke in opposition to increased hangar rates. "The liability is too expensive."

Commissioner Van Schoorl gave a brief description of how the airport operates and answered questions from the audience.

Mr. Pearson stated that the airport runway should be extended to bring in more business, and also put in a sea-lane.

**PROPERTY LEASE RATES**

Ms. Wendy Holden briefed the Commission on the process Port staff went through regarding user fees.

Mr. Heber Kennedy started to address the Commission concerning property lease rates, but was asked by Commissioner Van Schoorl to end his discussion as members of the public were no longer present and the Port Commissioners were planning to take Mr. Kennedy's materials and read them for the next meeting.

Mr. John DeMeyer expressed to the Commission his position on long-term storage rates. Serious damage had been done to his boat and he ended up paying \$40 per day for storage, and using a contractor from the yard. The contractor worked at his own pace, which meant sometimes not being able to work on Mr. DeMeyer's boat. He recommends the Port have a winter overtime rate.

Commissioner Van Schoorl asked Mr. DeMeyer to negotiate with staff for a more helpful long-term storage rate.

**ADJOURNMENT**

President Van Schoorl adjourned the meeting of November 23, 1999 at 9:00 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer