

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

November 27, 2000

CALL TO ORDER

President Dickison called the meeting of November 27, 2000, to order at 5:32 p.m. at the Port of Olympia, Large Conference room. Commissioners Van Schoorl was in attendance. Commissioner Pottle participated via telephone.

Staff in attendance were: Executive Director Nick Handy, Administrative Manager Jeri Sevier, Property Development Manager Heber Kennedy, Olympia Regional Airport Manager Doug Sandau, Deputy Director Wendy Holden, Marketing Director Kari Qvigstad, Marine Terminal Maintenance Supervisor Mike Crawford, Marine Terminal Manager John Wolfe and Finance and Information Services Director George Fox.

Members of the public in attendance included Sandy Mackie, the Port's legal counsel, Keith Bausch representing the ILWU, John Destito representing Crystal Waters, and Gina and Gary Panuzzi from Lacey.

APPROVAL OF AGENDA

The agenda was approved as presented.

PUBLIC COMMENT

No public comment was given.

COMMISSIONERS REPORTS

Commissioner Van Schoorl reported he recently participated in a meeting with the WPPA relative to legal action regarding I-722. He indicated that other cities and jurisdictions, as well as other Port's are considering litigation regarding I-722 to address Port levy banking authority. President Dickison responded that this is a very important issue for the Port of Olympia since we acted for a number of years reducing the levy on the basis of an ability to retain levy capacity. It would now be counter intuitive to take away the discretion and force new restrictions on Ports. He indicated he is supportive of developing a strategy to make sure that provision does not get stranded out. Commissioner Pottle agreed and asked Commissioner Van Schoorl to pursue steps to protect the Port's interests.

President Dickison announced the Port Commission will have a joint meeting with the City of Olympia on December 12, 2000 at 7:30 p.m. at the Olympia City Council Chambers to discuss the West Bay Report.

CONSENT CALENDAR

Minutes. The minutes from November 13, 2000 were unanimously approved as presented.

Lease Amendment – Guest Tumwater, LLC. The lease amendment for Guest Tumwater, LLC was unanimously ratified as presented.

Lease Amendment – Plum Creek Modular. The lease amendment for Plum Creek Timber to establish rent for space at the Port of Olympia was unanimously ratified as presented.

ACTION CALENDAR

New Option Agreement – Crystal Waters, Inc.

Mr. Heber Kennedy presented the Commission with a new option agreement with Crystal Waters, Inc. that covers 113 acres located in the Southwest portion of the Airport. The option is unlike other options at the Port. Mr. Kennedy

indicated that the first difference is that the Option Agreement is conditional in that it does not give the Optionee the unfettered right to exercise the option, it permits the Port to retain an independent consultant to investigate the company's feasibility and financial capacity. Crystal may not exercise the option until the Port approves the due diligence studies. Secondly, the Port has required a large initial option payment which will help defer the costs of the independent consultant. And third, the option is performance based in that the company must complete planning and obtain permits for a portion of the project and exercise the option for no less than 47 acres within six months.

Mr. John Destito, CEO of Crystal Waters Inc., described the process that will be used in the greenhouses. He indicated the water used in the greenhouses, which are three acres in length, create condensation that will be used for the irrigation system, along with capturing rain and snow melt. The ponds are all lined and covered. This system will make the water source self sustaining. Mr. Destito said the water will be trucked in from Mt. Rainier, the minerals from Mt. Rainier water will be used as the nutrients for fertilization of the plants.

Commissioner Pottle asked if there is something unique about Mt. Rainier water. Mr. Destito responded that it is the only glacier water source in the U.S. that is extremely pure.

Commissioner Van Schoorl asked how many jobs this project would create in Thurston County and what was the timeline for completion. Mr. Destito responded at full build-out there will be approximately 300 high tech, high wage jobs created and they hope to have a showroom and some green houses built within six months. The entire buildout will take between one and three years.

The Commission unanimously ratified the lease option agreement with Crystal Waters, Inc.

2001 Operating, Environmental Remediation, and Capital Budget

Mr. Nick Handy reported this was the fourth presentation of the 2001 budget, including a work session in late September and versions of the budget were presented at the October 9, 2000 and the November 13, 2000 commission meetings.

Mr. Handy indicated the 2001 budget is the year of maintenance. We have developed this budget to focus on maintenance and move from a break and fix mode to a stronger program with preventative practices and more internal coordination. He said this budget proposes adding two maintenance positions at the Marina, one maintenance position at the Marine Terminal, and a fourth construction position that will be funded by the capital program. In addition, the Port plans to retain an all purpose contractor for the year through a public bid process. Mr. Handy said the construction position will be evaluated throughout the year and if successful, may be proposed in the next budget process as a permanent position.

President Dickison noted that he hopes we are in a position next year to look at other programs to back the growing revenues throughout other programs at the Port.

Commissioner Van Schoorl thanked staff for their work on the budget using prudence and hard work to get us on track. Commissioner Pottle agreed with Van Schoorl and expressed his appreciation for the efforts staff has made to be fiscally prudent. He indicated the Port is financially healthier and doing more with less. He said he has never seen a better team and very proud of the staff at the Port of Olympia.

President Dickison said the process was very productive and functional and he also appreciates the work done behind the scenes before it ever comes to the Commission. He indicated the Commission sees constant improvements from the efforts to accompany that. But he said beyond the budget event, the horizon continues a growth path for the foreseeable future to bring more service and business development to the community and we can all be proud of that success.

Resolution 2000-06-B – Affirmation of Resolution 99-21; Certifying 1999 Levy for 2000 Collection

Mr. George Fox presented the Commission with Resolution 2000-06-B indicating this resolution is affirmation of Resolution 99-21 that certifies the 1999 Levy for 2000 Collection. Legal Counsel, Sandy Mackie proposed an addition to the resolution. The Commission unanimously approved Resolution 2000-06-B with changes as presented by legal counsel.

Resolution 2000-07 – Authorizing Adoption of the Final Operating and Maintenance, Environmental Remediation, and Capital Budget for 2001

Mr. George Fox presented the Commission with Resolution 2000-07 indicating this resolution adopts the final operating and maintenance, environmental remediation, and capital budget for 2001. The Commission unanimously approved

Resolution 2000-07 as presented.

Resolution 2000-08 – Authorizing an Increase in Limit Factor

Mr. George Fox presented the Commission with Resolution 2000-08 indicating this resolution authorizes an increase in the limit factor. The Commission unanimously approved Resolution 2000-08 as presented.

Resolution 2000-09 – Authorizing an Increase in Tax Levy Capacity

Mr. George Fox presented the Commission with Resolution 2000-09 indicating this resolution authorizes an increase in the tax levy capacity. The Commission unanimously approved Resolution 2000-09 as presented.

Resolution 2000-10 – Certifying the Port’s 2000 Levy for 2001 Collection

Mr. George Fox presented the Commission with Resolution 2000-07 indicating this resolution certifies the Port’s 2000 levy for 2001 collection. The Commission unanimously approved Resolution 2000-010 as presented.

Resolution 2000-11 – Authorizing Proprietary-Type User Charges For Port Goods and Services

Mr. George Fox presented the Commission with Resolution 2000-11 indicating this resolution adopts the rates and charges set forth in the Executive Order of November 22, 2000, which includes automatic periodic adjustments of the rates and charges for use of Port property and services pursuant to Commission Resolution 99-22. The Commission unanimously approved Resolution 2000-11 as presented.

ADVISORY CALENDAR

Mr. Nick Handy advised the Commission of a capital campaign sponsored by the Hands On Children’s Museum to expand the museum. He indicated one proposed new exhibit would be called the “Working Waterfront” and would contain “hand’s on” exhibits designed to introduce children and families to the working waterfront environment.

Mr. Handy indicated The Children’s Museum had asked if the Port would be willing to assist in developing sponsors for this exhibit from Olympia’s working waterfront. Mr. Handy said he has already discussed this with Plum Creek, Citifor, and the longshore union which have given him preliminary indications of support on the project. Mr. Handy is also proposing discussing this with Dunlop Towing, stevedoring companies, and other partners on the waterfront.

President Dickison and Commissioner Van Schoorl indicated they were supportive of a working waterfront exhibit at the Children’s Museum and of the Port taking the lead in gathering support for this project.

ADJOURNMENT

President Dickison continued the meeting of November 27, 2000 at 6:50 p.m to an Executive Session on Friday, December 8th at 3:00 p.m. at the Port Offices to conduct the annual performance review of the Executive Director.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer