

PORT OF OLYMPIA COMMISSION  
MINUTES OF REGULAR MEETING

December 13, 1999

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**CALL TO ORDER**

President Van Schoorl called the meeting of December 13, 1999, to order at 6:30 p.m. at the Port of Olympia Large Conference Room. 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, Property Development Manager Heber Kennedy, Director of Marketing Kari Qvigstad, Airport Manager Doug Sandau, Facilities Maintenance Supervisor Paul Wallace, Engineering and Planning Director Andrea Fontenot, and Office Assistant Cathy Johnson.

Members of the public in attendance were: Don Ohmsted of Olympia, Larry Smith of Olympia, Neil Patrick and Lori Hungerford of Olympia, Matt Herinckx of Olympia, Craig McClelland of Olympia, Scott Wall of Lacey, Pat Rants of Olympia, Mike Kardas of Olympia, Fred Roe of Olympia, Jerry Baruffi with Westbay Marina, Joel Coffidis representing *The Olympian*; and Port's legal counsel Sandy Mackie.

**APPROVAL OF AGENDA**

The agenda was approved as submitted.

**CONSENT CALENDAR**

The Commission approved the minutes of October 25, 1999 and November 8, 1999.

Bills and vouchers were approved by the Commission as submitted.

The Commission unanimously approved the capital expenditures as submitted.

**COMMISSIONERS REPORTS**

Commissioner Dickison reported on work of the Transportation Policy Board.

Commissioner Dickison made the following statement regarding the recent WTO meeting in Seattle.

"We must look at the WTO in perspective. It is part of a long term trend some two decades old that has shifted economic power away from governments and toward multi-national business.

"What the WTO hasn't addressed is that there is a growing, and global voice of opposition rising to their deregulation of the markets for goods, services, labor and capital.

"These dissenters are questioning the political economy in which the primary purpose of government has become the protection of freedom and property rights of corporate investors.

"Was the ugly response in Seattle a knee jerk reaction? I think not. The WTO should have seen it coming. Recall the following series of events - President Clinton's repeated requests to put trade agreements under his fast track authority have been defeated not once, but twice in 1997 and 1998. This was largely brought about by the results of NAFTA which has increased out sourcing to Mexico. Not exactly a giant sucking sound, but a job migration none the less with its attendant water and air pollution problems of the maquiladora firms along the border.

"Then last year the Multilateral Agreement on Investment (the MAI) was also shelved. The MAI would have given private corporations legal rights to overturn national laws that inhibit free flow of capital like for example the broad based investment boycott of South Africa.

"So now the powers of the economic class have come to Seattle. Having not acknowledged the increasing threats to the free trade economic order, they excluded the dissenting voices from the debate. The opposition were banished to the streets where political theater often overwhelms political discussion.

"As a result, the WTO in Seattle can only be viewed as a lost opportunity. Despite the abhorrent behavior of a small group of anarchists and the fact that the police rose to the bait and used weapons against our citizens, the WTO in Seattle will be most remembered for doing nothing to address the increasingly loud voices in opposition to their agenda. If they maintain their posture of doing nothing about the moderate economic proposals that value the dignity of labor, ecological balance, and democratic decision making, they will increasingly be drawn to defend their positions against the cry of economic nationalism gaining favor in some political circles.

I want to thank those longshoremen who went to Seattle to add their voice to the debate. I wish I had the time to join them. It is Ports like Olympia who must make our voices heard in the name of fair trade. Trade carries with it vast responsibilities to meet economic and political needs around the globe. We can meet those responsibilities through fair trade, but it remains unlikely we shall meet the demands of leadership and a global economic future through free trade."

Commission Van Schoorl reported on attending the Thurston Regional Planning Council meeting.

## **ADVISORY CALENDAR**

**Design Review - Market District Building.** Mr. Heber Kennedy reported to the Commission that the Port of Olympia Office Building Team (OBT) issued an integrated Request for Qualifications (RFQ) and Request for Proposals (RFP) for a site owned by the Port across Market Street from the Farmers Market. A consultant hired by the Port recommended development of a building on the site containing approximately 10,000 - 12,000 square feet of retail space and approximately 40,000 - 50,000 square feet of office.

The Rants Group Team was selected as meeting the requirements of the RFQ portion of the request. As they were the only qualified candidate, the proposal phase of the request has been slightly modified by the OBT to allow the Rants Group Team to submit, for Commission review and comments, the design component of the request. Additional components will be reviewed by the OBT, and a recommendation which includes all components of the proposal process will be forthcoming to the Commission.

Mr. Ron Rants addressed the Commission providing a brief description of the three story building itself. He introduced the Entranco Engineers who will also be working on the project, and Berschauer-Phillips, who will be the contractors, and mentioned how happy they are to be doing this project .

The first floor of the new building will be used for retail businesses and the second and third floors will be used for office space. The building will be slightly smaller than the Market Place building, but more colorful. There will be 12,000 square feet of retail space, and 32,000 square feet of office space. The plans include a pedestrian plaza, and gateway for pedestrian flow. The first floor will include shops, stores, and eight to ten retail tenants. The second and third floors will have views of Budd Bay and the Olympics, the top floor will have a view of Mount Rainier.

The group looked at several different locations to get some ideas for the new building. These locations included University Village, Redmond Towne Center, and Granville Island in Vancouver, British Columbia. The challenge was to build a new cannery row building, a simple warehouse type building, in corrugated metal with a smooth concrete block face. The name of the new building is "Olympia Towne Center." The hope is to have the new building open by late spring of 2001. Olympia Design Review will be the next step. Commissioner Dickison is pleased about the new building and feels that it is a good addition to the area.

Mr. Nick Handy mentioned the possible future acquisition of the Fish and Wildlife building for more retail and office building space. The frontage property on Market Street is designated as retail property.

Commissioner Pottle asked Mr. Rants about potential tenants, and to expand on who they feel will lease the available space. Mr. Rants' gut feeling is that the retail space will go faster than the office space, because there is not an abundance

of comparably priced market space available. Mr. Rants feels that most of the professional office space will be committed by the time the building goes up.

Mr. Heber Kennedy advised the Commission that the Office Building Team (OBT) would meet and come back at the next Commission meeting to discuss their findings and recommendations.

Staff requests no action at this time, however, Commission comments regarding the design of the development would be helpful to the OBT and the Rants Group Team.

## **ACTION CALENDAR**

### **New Port User Rate Fees.**

Mr. Nick Handy's opening statement to the Commission briefly addressed marina rates, hangar rates, property rates, other rates and user fees, the adoption of an omnibus user fee levy, and the process by which staff assembled the current rates.

Commissioner Bob Van Schoorl made a general comment regarding marina and hangar rates and thanked everyone for testifying and writing letters to the Commission relating their views on the rate increases. It was a difficult situation and he received numerous comments. The Port of Olympia began the rate increase process last June, well before the filing of I-695. If approved, the rates will go into effect by the end of this month. Commissioner Van Schoorl expressed his view that the rates are not subject to I-695.

Commissioner Dickison made a comprehensive proposal for marina rates. He proposed the Port of Olympia adopt rate charges as proposed, a \$5.25 increment rate for larger slips, eliminate prepaid discounts, a live-aboard charge and environment charge, adopt a guest moorage fee, and set rates accordingly. Commissioner Dickison said he does not support a live-aboard charge.

Commissioner Pottle provided a different perspective. He expressed support for a live-aboard charge, and said that any additional services that are provided by the Port of Olympia should receive value for those services.

Commissioner Van Schoorl said he is not "overly enamored" with the \$5.25 rate and five-step increase. He agrees with Port staff and Commissioner Pottle that there should be a live-aboard charge to be applied as follows: a zero charge for the first year, with a \$25 charge the second year and \$50 charge the third year. An environmental plan should be put in place and discounts given to each marina tenant who takes advantage of that plan. Commissioner Van Schoorl feels that a \$1 per month per boat environmental enhancement fee could be charged, but thinks a guest moorage fee is too much, however, he can live with it. Those tenants who participate in a live-aboard fee should pay a flat fee. For those tenants who do not participate, the savings to tenants would be what? Commissioner Van Schoorl would like to see a plan developed over the next year with input from live-aboards.

The Commission opened the floor for public comment.

Jerry Baruffi, with West Bay Marina, suggested the Port consider charging more as the boats get larger. and increase in radius and diameter. West Bay Marina has live-aboard fees and suggested that the Port use Shilshole Marina as a guide.

Scott Wallin, a marina tenant, asked what will happen to the tenants who have spaces that are the least desirable? Will they be charged more? Will longer boats pay an additional amount for a facility that is not suitable?

No other comments were made. Motion to approve a \$5.25 graduated rate as proposed by staff was seconded and passed.

Commissioner Pottle made a motion to adopt a \$0 live-aboard fee for the year 2000, a \$25 per year fee for the year 2001, and a \$50 fee per year for the year 2002. New marina tenants would pay \$50 starting January 1, 2000. The motion was seconded and passed, with Commissioner Dickison voting against.

A motion to approve the annual adjusted factor, CPI plus three percent, not to exceed ten percent was made. Commissioner Dickison is not convinced that any particular formula would help, different businesses have different rates of demand. Any rate we choose will help the Port reach its objective. Commissioner Van Schoorl did not support ten percent, but could support a lower amount. Commissioner Pottle feels our responsibility is to the Port of Olympia. Commissioner Van Schoorl replied that we also have a responsibility to the taxpayers. Port Counsel, Sandy Mackie, wants to amend statement to read "the

executive officer would go to Commission for approval before putting rate increases in place.

A motion to approve CPI plus three percent with a maximum of 7-1/2 percent was made and adopted by the Commission.

The Commission proceeded through a proposed Resolution 99-22 to adopt various rates for the marina, airport, and properties. A summary of rates adopted are as follows and as set forth in Resolution 99-22.

**Marina Rates**

**LENGTHS SHOWN IN APPENDIX A ARE THE BOAT LENGTH OR THE SLIP SIZE WHICHEVER IS LONGER.**

“Long-Term” Moorage – amounts include leasehold excise tax

<b>Base Rate</b>	\$5.25 per foot per month
Rate for 32-39 Ft. Slip	\$5.50 per foot per month
Rate for 40-49 Ft. Slip	\$5.75 per foot per month
Rate for 50 Ft. Slip	\$6.00 per foot per month
Rate for over 50 Ft. Slip	\$6.25 per foot per month

**Prepaid Discount** None

**LIVEABOARD CHARGE & LIMITS**

Live-Aboard Rate for Tenants Permitted as of Dec. 13, 1999	\$0 for year beginning 1-1-2000 \$25 per vessel per month for year beginning 1-1-2001 \$50 per vessel per month for year beginning 1-1-2002
New Live-Aboard Rate	\$50 per vessel per month

**UTILITIES CHARGES**

As metered or allocated, *not subject to leasehold excise tax*  
Cable TV fee is eliminated

**GUEST MOORAGE**

Rate	\$8.00 per day for all vessels up to 20 ft. in length \$0.40 per foot in excess of 20 ft. per day
Extended Guest Moorage	None

**PLAZA MOORAGE**

Rate	\$6.00 per day for all vessels up to 20 ft. in length \$0.30 per foot in excess of 20 ft. per day
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**LAUNCH RAMP CHARGE**

Rate – General Public (recreational)	\$5.00 per launch, haul is free
Rate – Annual (recreational)	\$50.00 unlimited launches for one year
Rate – Commercial Operator	\$25.00 per launch, haul is free (unless required to use the Boatworks facility by Port)

**DRY STORAGE**

Rate	\$45.00 per month per vessel or space, <i>leasehold excise tax included</i>
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**PARKING**

Rate	\$3.00 per day for non-marina tenants
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**Labor, Maintenance & Other Service**

Rate	\$50.00 per labor-hour
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OTHER CHARGES

Tent rental charge - \$75.00 per tent per three day period

Boatworks Charges

HAULOUT & LAUNCH

Up to 39 ft. vessel - \$5.25 per ft. per haul & launch  
40 – 49 ft. vessel \$5.75 per ft. per haul & launch  
50 – 59 ft. vessel \$6.25 per ft. per haul & launch  
over 60 ft. vessel \$7.00 per ft. per haul & launch

Above includes hauling, blocking & launching. No laytime charge on the day of haulout. Includes electricity, compressed air, on-site parking, garbage & recycling services while in the yard.

ONE-WAY HAUL & LAUNCH

Up to 39 ft. vessel - \$3.50 per ft. per haul  
40 – 49 ft. vessel \$4.00 per ft. per haul  
50 – 59 ft. vessel \$4.50 per ft. per haul  
over 60 ft. vessel \$5.25 per ft. per haul

Above includes up to two hours in the slings.

Additional Time in Slings \$100.00 per hour or part thereof

**Pressure Wash Bottom**

Rate \$1.75 per foot  
Additional Charge \$50.00 per hour for time spent removing excessive growth or for special bottom preparation

HAZARDOUS WASTE FEE

Rate - \$25.00 per vessel per time in the yard

LAYTIME

First Seven Days - \$0.75 per foot per day  
Additional Days \$1.00 per foot per day

LONG TERM STORAGE

Trailer Boats - \$50.00 per month  
Vessels hauled over 30 ft \$5.25 per foot per month  
Above on an as-available basis only

MAST STORAGE

Daily Rate - \$3.00 per day  
Monthly Rate \$50.00 per month

LABOR RATES

General Labor - \$50.00 per hour  
Forklift \$75.00 per hour, ½ hour minimum  
Crane/Travelift \$100.00 per hour, ½ hour minimum

Port Plaza Rental Charges

(Annual adjustment: Round to nearest 25¢)

<b>General Rate &amp; conditions</b>	\$100.00 per four-hour block of time plus \$25.00 per hour thereafter. Minimum use is four hours
<b>Utility and water use</b>	\$15.00 per four-hour block of time plus \$3.00 per hour thereafter. Minimum use is four hours
<b>Damage and cleaning deposit</b>	\$250.00 per reservation due at time of reservation acceptance
<b>Labor, Maintenance &amp; Other Services</b>	\$50.00 per labor-hour
<b><u>Airport Charges</u></b>	-

**“LONG-TERM” SPACE RENTAL – AMOUNTS INCLUDE LEASEHOLD EXCISE TAX**

T-Hangars 40-41 ft.	\$149.90 per hangar per month
T-Hangars 45-46 ft.	\$216.90 per hangar per month
T-Hangars 49+ ft.	\$371.80 per hangar per month
Open Hangar	\$116.70 per hangar per month
Tie – Downs, Small	\$31.30 per tie – down per month
Tie – Downs, Large	\$45.00 per tie – down per month

**FUEL FLOWAGE**

**RATE \$0.07 PER GALLON (ANNUAL ADJUSTMENT: ROUND TO NEAREST ½ ¢)**  
**APPLIES ONLY TO AUTHORIZED FUEL SELLERS WHILE ON AIRPORT**

**APRON FEES - COMMERCIAL AVIATION/ITINERANT**

<u>Gross Weight</u>	<u>Daily</u>	<u>Monthly</u>
0 to 12,000 lbs.	\$3.00	\$ 31.30
12,001 to 26,000 lbs.	\$4.50	\$ 45.00
26,001 to 54,000 lbs.	\$6.50	\$ 65.00
54,001 to 117,000 lbs.	\$9.00	\$ 90.00

**Key Deposit**

Rate \$20.00 (refundable when key returned)

***HANGAR WAITING LIST***

Rate \$100.00 (applicable towards deposit)

**Marine Terminal Charges**

Rate - See Port of Olympia Marine Terminal Tariff as published and in effect on the 31<sup>st</sup> of December, 1999

***OTHER RATES***

***AS NEGOTIATED WITH TERMINAL CUSTOMERS***

**Surety Requirements**

Ground lease over one year	One year’s rent
Month-to-month ground lease	Three month’s rent
Space lease month-to-month	Three month’s rent
Space lease over one year	Six month’s rent
Public agency as lessee	None

<b>Option Payments</b>	10% of initial ground rent determined as above
<b>Service &amp; Other Charges</b>	
CAM Charge	15% of charges
Pro-Rata Charges	100% of eligible utility-type charges as allocated
Late charges	18% per annum or 2% over prime rate, whichever is more
Holding Over	Four times rent in lease
Lease reinstatement	\$50.00 for leases restored after default
Insurance Premiums	100% of allocated premiums as negotiated, plus 100% of any increase in the Port's direct insurance costs caused by tenant's activities on leased property
Fees and Taxes	100% of all fees and taxes imposed by another jurisdiction
Audit Costs	100% of cost of auditing tenant's books as required by lease
Tenant Improvements	100% of cost of all Tenant improvements paid for by Port, plus 12% ROI, depending on the term of the lease
Maintenance & Costs	100% of actual costs incurred by the Port plus 18% per annum interest
Payments by Port	100% of all money paid on tenant's behalf, plus 18% per annum interest
Interest Charges	For late payments and any other money owed the Port by a tenant – 18% per annum or 2% over prime rate, whichever is more

At the conclusion of these actions, the Commission unanimously adopted Resolution 99-22 in its entirety.

The effective dates for the new rate increases will be when they are adopted. Port Counsel Sandy Mackie mentioned that the risk factor goes up for each day the Commission delays. The rates should be made effective immediately.

Resolution 99-22, page 3-2C, third line, should read, "requirements of 2A instead of 4A. Approved.

**ADJOURNMENT**

President Van Schoorl adjourned the meeting of December 13, 1999 at 9:30 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer