

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

December 13, 2004

CALL TO ORDER

President Telford called the meeting of December 13, 2004, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners Pottle and Van Schoorl were also in attendance.

President Telford announced the Commission held an executive session on November 9, 2004 at 6:30 p.m. at the Port offices to determine the performance review for the executive director.

Staff in attendance were: Executive Director John Wolfe, Administrative Manager Jeri Sevier, Finance Director George Fox, Public Works Director Andrea Fontenot, Airport Director Rudy Rudolph, Marketing Director Kari Qvigstad, Marketing Program Assistant Maureen Malahovsky, Property Development Director Heber Kennedy, Property Administrator Sally Alhadeff, Marine Terminal Director Jim Amador, and Harbormaster Bruce Marshall. Also in attendance was the Port's Legal Counsel, Bob Goodstein.

Public in attendance were as follows. Representing *The Olympian* was Jim Szymanski. Others in attendance include: Earl Pearson, Tom Howdeshell, and Keith Bausch.

APPROVAL OF AGENDA

The agenda was approved as amended. Mr. Wolfe asked the Commission to move the action item: NorthPoint Road Completion Capital Project Approval from the Action Calendar to the Advisory Calendar.

PUBLIC COMMENT

Harold Chambers, resident of Yelm, commended the Commission for defending the Port and holding to the decision to continue military shipments.

Tom Howdeshell, resident of Olympia, requested the minutes be in the public packets.

COMMISSIONERS REPORTS

Commissioner Pottle noted he attended the WPPA Annual Meeting and the EDC Board meeting.

Commissioner Van Schoorl indicated he also attended the WPPA Annual Meeting and has been actively meeting with the Public Facilities District regarding the Museum's proposal.

Commissioner Van Schoorl briefed the other Commissioners on the many opportunities that might come from this project. He commented that if the project is successful, he indicated that he would hope the Port would partner with the City and participate with a contribution to the project.

Commissioner Van Schoorl also addressed published reports that the Port would provide \$505,000 participation in the Children's Museum project and indicated that no specific commitment had been made. Commissioner Telford stated that he saw no need for the port to put any funds in this project given that the majority of the funding is public funds already. He stated that the only reason he would support any Port funds associated with this project is if the building served a multiple purpose and occupancy. There was a consensus that a single story building was not an effective use of the property on State Street.

Commissioner Telford announced he attended the last TRPC meeting and suggested we offer to participate on an associate based member, which is \$ 1,000, and be on the subcommittee to look at the Operational Review and Membership Agreement for TRPC. Commissioner Van Schoorl suggested that we also continue to be involved on the freight mobility study. The Commission asked staff to send a letter indicating our interest in staying engaged and becoming an associate member. Staff needs to continue to be engaged and participate when appropriate for interests relating to the Port. Mr. John Wolfe indicated that he is meeting with Lon Wyrick, Executive Director of the TRPC and he will have the discussion with him on how we can continue to remain engaged.

EXECUTIVE DIRECTOR REPORT

Mr. John Wolfe provided the Commission with an update on recent events at the Port of Olympia. At the Airport, Mr. Wolfe reported that thanks to the efforts of Senator Patty Murray, this years federal Transportation Bill contained a little over \$510,000 for infrastructure improvements to the Olympia Airport Control Tower. Senator Murray is on the Senate's Transportation, Treasury and General Government Appropriations Subcommittee. The original FY 2003 FAA Project Request identified over 40 items that needed repair or replacement. Mr. Wolfe noted that there were a total of 6613 Airport Operations in November 2004, up from 6209 in November 2003. Total year to date operations through November 2004 were 88,000.

Reporting on the Marine Terminal, Mr. Wolfe indicated that the aluminum vessel Vasilij Burkhanov departed early Sunday morning. This was the vessel's 5th visit to the Port. Total volume includes over 12,000 MT of t-bars and ingots. In addition, he noted that the last log vessel for the year was the Santa Francisca. This vessel was in over Thanksgiving and loaded 1.4mmbf of logs from PLS and Merrill and Ring. The next log vessel is anticipated for January. Mr. Wolfe also reported that the Aluminum, garnet, glass and limestone continue to be loaded out to truck and railcar. We anticipate that the last of the limestone will be shipped out this week.

Mr. Wolfe provided the Commission with an update on the responses to the Brokerage Services RFQ. He noted that staff will be reviewing responses and scheduling interviews in early January. Mr. Wolfe noted that the Property staff is working on a number of expansion projects with existing tenants in the Tumwater area. We will provide the Commissioners with updates as these projects become clearer.

Mr. Wolfe indicated that we would be holding our annual employee appreciation event this Friday for all staff. Commissioners are encouraged to attend. In addition, Mr. Wolfe reported that staff just delivered our donation to the Salvation Army for the annual adopt a family program. Staff donated over \$850 in personal funds to the family in gifts and money donations.

And Finally, Mr. Wolfe reported on the annual customer appreciation event held on December 8 that was a well attended with over 80 guests ranging from Seattle to Portland markets. We even had a guest from Japan. The expanded audience was well received and will be planned again for 2005. Commission participation was appreciated and staff welcomes feedback for planning purposes in the coming year.

Consent Calendar

Tom Howdeshell, resident of Olympia, commented on leases for Old Town Plaza and DJ Auto Sales. He indicted he did not see a penalty for vacating the lease prior to the end of the lease period. Mr. Heber Kennedy indicated that if they vacated prior to the lease, they would fall within the default of a lease. They also have a surety bond that could be used for this purpose.

The Consent Calendar was approved as follows.

Minutes. The Commission unanimously approved the minutes from the November 22, 2004 Commission Meeting.

Bills and Vouchers. The Commission unanimously approved the bills and vouchers in the amount of \$978,838.40. General Fund Checks Issued: 035684-035730, 035731-035740, 035741-035769, 035778-035785, 035786-035789, 035792-035847, 035848-035878, and 035879-035900. Voided Checks: 035501, 035764, 035770-035777, and 035790-035791.

Capital Expenditures. The capital expenditures were unanimously approved by the commission in the amount of \$\$571,698.47.

Lease Amendment: Pearson Air Service. The Lease Amendment No. 5 provides Pearson Air with an extension of the lease effective August 1, 2004 through July 31, 2005. This is the Tenant's second option of five one-year options to extend, which are to be mutually agreeable. The rent will remain at the rate of \$975.26/mo plus LET.

President Telford commented that he has researched the Pearson lease and he feels that the Port should give both Mr. Pearson and DNR a long term lease on the building and move past this one year at a time leasing situation we are in. He indicated that this is not for a decision tonight, but at the next meeting, he would like to discuss this at the next meeting.

Option Agreement: Vine Street Investors, LLC. The Option Agreement provides Vine Street Investors, LLC a 2-year option for approximately .48 acres of land to be developed in the future as a parking lot to support Tenant's buildings. If this Option is not exercised by Tenant, the Option provides that the Lease will automatically transfer to Old Towne Center, LLC, and Old Town Center will execute the lease and will automatically become the Tenant for a term of 30 years with a 20-year option. The Option fee is \$6,651.36 for the two years, expiring December 31, 2006.

Lease Agreement: Old Towne Plaza, LLC. The Lease provides a 35-year plus a 15-year Option to OLD TOWNE PLAZA, LLC for construction and use of a roadway for ingress and egress to Tenant's owned land, construction of utilities, some parking and installation of a monument identification sign built to City of Tumwater's sign codes. Rent rate will be \$4,468/year.

Lease Agreement: DJ Auto Sales. The lease provides a 6-month lease to DJ Auto Sales effective November 22, 2004 with an option to extend for additional 6 months plus three 3-month options, the latter 3 being subject to approval by the Port. The monthly rent is \$968.00 plus LET.

ACTION CALENDAR

Executive Director Salary Review

President Telford indicated the Commission held an executive session for the purpose of performing an evaluation of the executive director. The commission discussed his evaluation and the salary increase.

Commissioner Van Schoorl moved approval of a salary increase for the executive director for 2005 in the amount of \$3000. The motion was seconded by Commissioner Pottle. The motion passed unanimously.

ADVISORY CALENDAR

Tumwater Towne Center Land Use Plan Advisory

Ms. Sally Alhadeff provided the Commission with a powerpoint presentation on the Tumwater Towne Center land use plan. She indicated that the Port of Olympia's Comprehensive Plan, originally written in 1995, does not currently reflect our land use goals for Port properties in the City of Tumwater in the Mixed Use and Commercial Core districts of what was formerly known as "Airdustrial Park".

She reported that the Port hired LMN Architects to assist us in long-range planning for properties along

and near Tumwater Boulevard. About 60 acres of the planning area is located in the new Tumwater Town Center, and the balance is located south of the Town Center.

Ms. Alhadeff noted that the objectives of the land use plan include: developing a distinct identity for the area, establishing sub districts that correspond to intended patterns of growth, to maximize urban intensity to achieve more concentrated, and a pedestrian friendly and transit supportive area. In addition the objectives are to facilitate economic development and marketability, to implement environmentally sustainable principles, and to provide necessary infrastructure, public facilities and services for the area, including continued accommodation of truck traffic. Ms. Alhadeff indicated that we have not amended the Comp Plan for Tumwater Properties since it was written in 1995. She commented when this Plan is approved, the Comp Plan would be amended accordingly.

Commissioner Van Schoorl asked what kind of reception we have received from the City of Tumwater. Ms. Alhadeff indicated they are very enthusiastic and exactly what they are looking for.

President Telford asked if this plan is consistent with the Tumwater Boulevard plan. Ms. Alhadeff indicated that it was, however, this plan is much more detailed. He indicated that the street standards do not look like they are vehicle and industrial friendly. Ms. Andrea Fontenot indicated that staff is working on this issue and are working on the design for the New Market road improvements. She noted that the design would incorporate consideration for large trucks.

President Telford commented that he would like to see one document that incorporates the Cities rules and the Port rules. There are too many rules and regulations to try and figure out what I need to do. Ms. Alhadeff indicated we would work with the developers as an advocate to assist them with their projects. President Telford indicated that the more simple you make it the easier for developers to build.

Tom Howdeshell, resident of Olympia, asked if there would be stormwater runoff ponds connected to LOTT, and will native plants be used to save water. The Commission indicated that the stormwater should never go to LOTT, that system is used for sewer usages.

Harold Clark, resident of Tumwater, indicated this all sounds like a big fairy tale. Who would have the money to do all of this? President Telford indicated that the assumption is that the cost would be born by the developer.

NorthPoint Road Completion Capital Project Approval

Mr. Heber Kennedy briefed the Commission on the NorthPoint development including the rebuild of the Genoas Restaurant. We are working on an agreement with Anthony's to rebuild the restaurant. Mr. Kennedy indicated that Anthony's is requesting additional parking for the site.

Mr. Kennedy also shared the vision for NorthPoint, that included a hotel, Viewpoint Park and a possible office building. Mr. Kennedy noted that regardless of what development goes out at NorthPoint will need an improvement in the sewer lines to service the future users.

He commented that staff would be bringing to the Commission in January the NorthPoint road completion contingent capital project back to the Commission for approval.

Ms. Andrea Fontenot indicated that since the Port is planning to demolish and reconstruct the restaurant parking lot in 2005, Port staff thought there would be cost savings to reconstruct this roadway at the same time. All necessary earthwork equipment will be mobilized for the restaurant site, and there will likely be material unit cost advantages for the road project to add it to the restaurant site work contract.

Portions of the roadway will be trenched to underground power for the restaurant site and to extend the 6" reclaimed water line. Instead of patching these trenches we recommend grinding the roadway when the restaurant parking lot is ground and do it all as one project.

Other Business

President Telford indicated he would like to have a discussion of the priorities for the executive director that the Commission can reach consensus on.

ADJOURNMENT

President Telford adjourned the meeting of December 13, 2004 at 7:00 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer