

PORT OF OLYMPIA COMMISSION
MINUTES OF REGULAR MEETING

December 14, 1998

CALL TO ORDER

President Pottle called the meeting of December 14, 1998, to order at 6:35 p.m. at the Port of Olympia in the large conference room. Commissioner Van Schoorl was in attendance.

Staff in attendance were: Executive Director Nick Handy, Deputy Director Wendy Holden, Director of Marketing and Trade Development Kari Qvigstad, Director of Finance and Administration George Fox, Executive Assistant Jeri Sevier, Swantown Manager Bruce Marshall, and Property Development Manager Heber Kennedy.

Members of the public in attendance were Trisha Collopy of *The Olympian*; Sandy Mackie, legal counsel for the Port of Olympia; Tom Foster, Elma; John Oetken, Olympia; Tom Fell, Olympia; Thurston Regional Planning Council Representative Steve Morrison; 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 four issues involving (1) review of the terms and conditions relating to price for a proposed lease with Simon Johnson for the Swantown Boatworks, (2) review of the terms and conditions affecting price of the Port's option to purchase property in Grand Mound from the Miller Land Trust, (3) matter relating to leasehold tax litigation, and (4) a one other issue involving potential litigation.

APPROVAL OF AGENDA

The agenda was approved as presented.

PUBLIC COMMENT

No public comment was presented for items not on the agenda.

COMMISSIONERS REPORTS

Commissioner Van Schoorl indicated he attended the Behavioral Health Resources Appreciation Dinner on December 10 and was presented an award on behalf of the Port for the sponsorship of the Head of the Sound races. Commissioner Van School presented the award to President Pottle.

CONSENT CALENDAR

Minutes. The minutes of November 23, 1998 were unanimously approved as published.

Bills and Vouchers. The bills and vouchers for the period ending December 14, 1998 in the amount of \$1,319,122.10 were unanimously approved.

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

ACTION CALENDAR

Resolution 98-23 – Rail Service to the Port of Olympia

Ms. Kari Qvigstad presented Resolution 98-23 to the Commission for consideration and approval. The Port of Olympia is served by Burlington Northern and Santa Fe Railway (BNSF) and the Union Pacific Railroad (UP). The switching service to the Port is currently provided by the BNSF at a service level only once or twice a week, even then volumes

have warranted service that is more frequent. The need for regular service is critical to an aggressive marketing strategy at the marine terminal both to meet existing shipping needs and to promote new services. The service needs are not limited to the existing and prospective marine terminal customers. We have a new tenant at Warehouse 2, Western Intermodal, which regularly delivers steel coil railcars to the facility for storage and distribution in the Pacific Northwest.

The resolution would request BNSF and UP railroads to improve rail service to the Port of Olympia. This resolution would indicate the respective railways that the Port of Olympia needs a higher level of service to aggressively market its marine terminal. Ms. Qvigstad also indicated the resolution positions the Port to enter serious discussions with the respective railways for improved service or short-line operator alternatives in order to improve the rails service needs.

President Pottle asked Ms. Qvigstad if the rail has been receptive to the discussion of improved service. Ms. Qvigstad responded they have not been very receptive. There are no incentives for the rail; this resolution sends a message that it is needed.

Commissioner Van Schoorl requested the Resolution be re-written to emphasize the prospects for a new tenant with rail demands. Commissioner Van Schoorl also indicated he would like the resolution to be accompanied by a letter from the President of the Commission.

President Pottle asked Ms. Qvigstad to redraft the resolution and a letter for consideration at the January 11, 1999 meeting.

Tom Foster, representing Puget Sound and Pacific Railway, indicated the Port has a dual access that allows customers to utilize UP and BSNF and gives them a choice. He indicated that PSAP delivers everyday, six days a week and have grown the business. They believe the same opportunities are here at the Port of Olympia. Mr. Foster indicated to the Commission that he applauds their efforts to bring this to the attention of the rail carriers. Mr. Foster also offered any assistance he could.

Resolution 98-24 – Foreign Trade Zone Boundary Modification

Ms. Qvigstad presented Resolution 98-24 to the Commission which authorizes application to the U.S. Department of Commerce's Foreign Trade Zones Board for a major boundary modification of Foreign Trade Zone #216 expanding the designated area in Lacey, Washington.

Ms. Qvigstad indicated that Meridian Campus, a Weyerhaeuser Vicwood Partnership wishes to provide FTZ benefits to its industrial landowners and to businesses locating in Commerce Place at Meridian Campus in Lacey. The parcel size under consideration is approximately 184 acres would be added to the existing 3,244 acre designated FTZ area.

The Commission unanimously approved Resolution 98-24.

Resolution 98-25 – Establishing Terms and Conditions for Operations and Licenses at the Swantown Boatyard

Ms. Wendy Holden presented the Commission with Resolution 98-25, which establishes the terms and conditions for operations and licenses at the Swantown Boatyard. The terms and conditions for Operations and licenses allow for an open yard where any business can come in and do work, boatowners will not be charged a fee. Any marine related activity is restricted. The terms and conditions also set forth insurance and other requirements and establishes a fee for labor performed in the yard, and indicates agreement with the environmental rules.

Ms. Holden indicated staff has held two workshops to allow for public input and comments. Between the two sessions, twenty-five people attended. Most of the conversation at the workshops revolved around fees and reluctance to pay.

Commissioner Van Schoorl indicated that it would be either the taxpayers or the business owners that will have to pay. Commissioner Van Schoorl also indicated the Planning and Advisory Committee held public sessions a few years ago and at that time the public was supportive of fees.

Mr. Nick Handy commented that the resolution deals with those who would not be leasing space, but those who come in to do work.

Commissioner Van Schoorl asked staff to revise the resolution to include the impact on neighbors regarding work hours, noise, lights, and other factors. He further indicated that the hours of operations should be published and adopted.

Signage Design Concepts and Names Adoption

Mr. Nick Handy indicated to the Commission that staff has brought the signage design concepts to the Commission on several previous occasions. The Commission has not yet adopted the design concepts. The project has been put on hold for the 1999 budget, although there is some funding in the budget to complete some small signs for health and safety issues. Staff would like the Commission to adopt the design concept so the signs developed are in conformity with the design concept adopted.

Ms. Qvigstad indicated the signs are consistent with the general look and the overall project will be implemented at a future time when we have capital funding. The design aspects include a unique character of each district. The plan is to make the design of the signs contemporary, not trendy, practicable, buildable, paintable, and repairable.

The Commission unanimously adopted the signage design concepts and standards as recommended by staff, adoption of the NorthPoint at Swantown as the new name for the "northern district" and corresponding graphics as recommended by staff, and adoption of the Port Plaza as the name for the festival plaza with corresponding graphics. The market district icon would be used for signage purposes, with additional use of other icons for banners. The Port of Olympia icon and graphics would also be incorporated.

Lease Amendment – Trajen, Inc.

Mr. Handy indicated to the Commission that this was the first lease under the new policy that allows the Commission to ratify the approval of a lease. Mr. Heber Kennedy presented the Commission with the amendment to the Trajen lease indicating the amendment reduces the size of the lease parcel from .83 acres to .77 acres which will help in the anticipated new hangar project for ProAir adjacent to this parcel. No other changes occurred in the amendment.

The Commission ratified the approval of the lease amendment with Trajen, Inc.

ADVISORY CALENDAR

Capital Lake Management Plan

Mr. Steve Morrison, a representative from Thurston Regional Planning Council, presented a briefing to the Commission on the Capital Lake Management Plan. The plan is being developed by an interagency/jurisdictional steering committee to provide guidance on how Capital Lake will be managed and operated in the future.

The essential question is whether Capital Lake should continue as a fresh water lake or be restored to a tidal estuary. Other issues relate to land shoreline use and human use, fish and wildlife, water resources, and sediment management.

Andrea Fontenot has been representing the Port on this steering committee and advises that the committee would like a recommendation from the Port of Olympia regarding the preferred alternative under consideration.

A full copy of the draft Environmental Impact Statement on Capital Lake Adaptive Management Plan has been provided. There are five alternatives under consideration: 1) Lake/River Wetland Without Trap Alternative, 2) Lake/River Wetland With Trap Alternative, 3) Lake Alternative, 4) Estuary Alternative, and 5) Combined Lake Estuary Alternative. There is also the No-Action Alternative.

Mr. Handy indicated that staff recommends any of the lake alternatives that would retain the tidal gate. Maintaining the tidal gate minimizes the maintenance dredging needs in the future in Budd Inlet and best protects the Port's interests in maritime shipping and recreational boat use.

Commissioner Dickison also serves as a representative on the steering committee for the Squaxin Tribe and advises that he will not be participating in the commissioner discussion or decision on this issue.

Commissioner Van School indicated the graphics being shown only focus on the lake and do not show what will happen to Budd Inlet, Percival Landing, the yacht club, and the marinas. They will all end up under mud and silt.

The Commission asked Nick Handy to attend the next steering committee meeting to represent the Port and indicate the concerns of the Port. The Commission also asked staff to prepare a letter stating the position of the Port. The Commission would like the steering committee to fully represent this issue by including a visual impact to Budd Inlet.

ADJOURNMENT

President Pottle adjourned the regular Commission meeting of December 14, 1998 at 8:15 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer