

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

September 10, 2007

CALL TO ORDER

President Telford called the meeting of September 10, 2007, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners McGregor and Van Schoorl were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Airport Director Rudy Rudolph, Harbor Director Bruce Marshall, Engineering Director Jeff Lincoln, Marine Terminal Director Jim Amador, Marketing Director Kari Qvigstad, Communications Manager Patti Grant, Sr. Manager of Property Development Heber Kennedy and Marketing Program Assistant Maureen Malahovsky. Carolyn Lake, Port's Legal Counsel, was also in attendance.

Public in attendance were as follows: Representing *The Olympian* was Jim Szymanski. Others in attendance who filled in the sign-in sheet included: Meryl Bernstein, Tom Fell, Don Melnick, Stanley Stahl, Arthur West, Marissa Caccioni, Tim Knittle, Harold Clark, Keith Bausch, Bill Pilkey, Jim Rose, Rita Rose, Brent McKinley, Linda Johnson, Mark Williams, Alexandra Smith, Lori Rose, Robert Rose, Sherri McDonald, and Art Starry.

APPROVAL OF AGENDA

The agenda was approved as presented.

COMMISSIONERS REPORTS

Commissioner Van Schoorl reported he attended the CLAMP meeting last week. The group is trying to bring to conclusion the feasibility study and have developed a work plan for next 22 months. He commented that the proposed completion date is May 2009, which he felt was a very ambitious schedule.

Commissioner McGregor noted he attended the Lacey Chamber Forum where there was a guest speaker from Cabellas. He commented that the store would bring a huge influx of visitors to the area.

President Telford commented that this Friday is Mayors Forum and he will be out of state. He commented that it is at noon at the Tumwater Fire hall. Commissioner Van Schoorl indicated he could cover that for him.

EXECUTIVE DIRECTOR REPORT

Mr. Ed Galligan commented that at the last meeting there were some questions presented by the public. One of the questions was "When will year-end financial estimates be available?" Mr. Galligan reported that year-end projections were covered in the update in July; new projections will be available during discussions of the 2008 budget. Another question was "How much did the communications consultant cost?" Mr. Galligan responded \$7500. The third question was "What is going on at the Maytown site?" Mr. Galligan reported that as noted at the last meeting, a local Thurston County company has installed a fence around the property. Some adjustments will be made to the gate this week. The fence was paid for by the Port of Tacoma, which owns the property. The purpose is to ensure public safety and protect the site from vandalism. He also reported that most of the activities scheduled to occur on the site are part of the Agreed Order with the Department of Ecology. These activities were requirements when the property was sold to the Port of Tacoma. It is important to these activities are intended to clean up the site to "unrestricted use" standards, not just industrial standards.

Mr. Galligan reported that repairs have been completed on B & C docks at Swantown. These repairs will extend the life of these docks that were originally constructed in the early 1980s by 10-15 years.

He noted that permanent moorage at the Marina is full with the exception of 24' slips. He announced that the Head of the Inlet Rowing Race would be held at Swantown on September 15. This is the largest South Sound rowing race; there will be one start – 50-60 boats expected. Olympia Area Rowing sponsors this event.

Mr. Galligan indicated that we would like to acknowledge the column in the Thurston County Chamber Newsletter. Chair Lowell Gordon who wrote for the Chamber September newsletter highlighted the value the port provides for the community - both as a whole and specifically the Marine Terminal. Mr. Galligan noted that copies of Lowell's articles are available at the sign-in table.

In addition, Mr. Galligan reported that the full Commission agendas and cover memos are now being posted on the website. There is also an electronic form for people to provide comments to the Commission about items on the agenda.

PUBLIC COMMENT

Keith Bausch, president of the local longshore union, commented about two meetings ago the appearance of fairness doctrine was discussed. Mr. Bausch cited the RCW regarding the ethics of campaign contributions, members of local decision-making bodies making land use actions, and quasi-judicial actions. He noted that the comments made at that meeting are bogus. He also made comments on the dioxin issue in Budd Inlet.

Bill Pilkey commented that all questions asked at a public hearing should be answered at the meeting, not at a later meeting by staff. He also commented about the dioxin issue and the fact that the commission knew it years in advance. He commented on the City of Olympia site on Port property and why hasn't the Port reported on the cleanup required there. He said that there was little public notice on the Planning and Advisory Committee public hearing.

Linda Johnson invited the candidates for the Port of Olympia to a forum hosted by the Black Hills Audubon Society.

Stanley Stahl commented on the gate on the Maytown site and asked Mr. Galligan to confirm the reason for the fence. He asked if there was clean up involved. Mr. Galligan responded that the purpose of the fence is to ensure public safety and protect the site from vandalism. He also reported that most of the activities scheduled to occur on the site are part of the Agreed Order with the Department of Ecology. Activities were requirements when the property was sold to the Port of Tacoma. It is important to these activities are intended to clean up the site to "unrestricted use" standards, not just industrial standards. Mr. Stahl also commented that the Port should put up a gate at the Port Peninsula where there are also contaminants.

Meryl Bernstein indicated that she was speaking on behalf of Friends of Rocky Prairie and indicated that she has shared her concerns with the Port of Tacoma and since then, some of the points are mute, but she wanted to share what was discussed with the Port of Tacoma.

Arthur West commented about the Port withholding records on the Weyerhaeuser project and now they are withholding records on the SSLC.

Patricia Di Francesca commented on the appearance of fairness doctrine.

Marissa Caccioni commented on that she does not know what the pollution level is on East Bay development and an EIS needs to be done before we develop on this site.

ACTION CALENDAR

Vine Street Option Agreement

Mr. Heber Kennedy reported to the Commission that the Port and Vine Street Investors have identified a parcel of land for lease totaling approximately 9.378 acres at the NE corner of Tumwater Boulevard and NewMarket Street. This parcel adjoins and is directly due south of a ten-acre parcel owned by Vine Street Investors. Vine Street's intent is to develop the two properties for use as a campus containing office buildings for lease to the State of Washington. This will be the fourth lease between the Port and Vine Street and represents a major accomplishment of a 2007 Port Priority Initiative focused on targeted marketing of the Tumwater properties.

Mr. Kennedy noted that Vine Street currently has approximately 850,000 square feet of office buildings in Tumwater under lease to the State of Washington. As part of the Tumwater Town Center zoning for the Port site, Vine Street will have to meet City of Tumwater development standards for ground floor retail. As such, the lease contains a percentage rent clause to cover this use.

Mr. Kennedy reported that when the Port site is developed, it is estimated it will support 450,000 square feet of office space, which will house approximately 1,800 workers. These improvements will add approximately \$90,000,000 - \$120,000,000 to the Thurston County tax base and feature integrated structured parking serving each building. This lease reflects multiple benefits for the Port, as well as enhancing retail trade along Tumwater Boulevard and improving the entrance to the Tumwater Town Center via NewMarket Street.

Mr. Kennedy invited Mr. Brent McKinley, owner of Vine Street to address the Commission. Commissioner Van Schoorl welcomed Mr. McKinley and asked how much of the site would be retail? Mr. McKinley responded that the requirement is loose, but contained in the town center zone of the City of Tumwater and this will be a further negotiated item. President Telford asked about the City putting a road through. Mr. McKinley commented that he understood that they would be. Commissioner McGregor asked how he came up with the option agreement amount. Heber indicated it was 10% of lease amount.

Commissioner Van Schoorl moved approval of the Option Agreement with Vine Street Investors. Commissioner McGregor seconded the motion. The Commission unanimously ratified the Option Agreement with Vine Street Investors.

Cargo Yard Improvements Bid Award

President Telford stated that at the August 27, 2007 Commission meeting staff provided a presentation on the Cargo Yard Improvements Project with a recommendation to increase the budget authorization for this project and approve award of the contract #298. He stated that the Commission heard public comments on the matter at that time and that a motion was made by Commissioner McGregor, the motion was tabled or postponed until this meeting since Commissioner Van Schoorl was not in attendance.

Commissioner McGregor restated his motion to increase the Capital Expense Authorization for the Cargo Yard Improvements and associated projects by \$688,835 to a total of \$5,100,000, and authorize the Executive Director to enter into a Public Works contract with SCI Infrastructure LLC of Pacific, Washington, for Contract No. 298, Cargo Yard Improvements Project, in the amount of \$2,778,675.19. Commissioner Van Schoorl seconded the motion. Commissioner Van Schoorl commented that he did watch the video from the last meeting and has the benefit of the public comment from the last meeting. The motion passed unanimously.

ADVISORY CALENDAR

Department of Health Update on Signage on Budd Inlet

Ms. Andrea Fontenot introduced Thurston County Public Health Director Sherri McDonald and Environmental Health Director Art Starry who briefed the Commission on the recent public health program signage on Budd Inlet. Ms. Fontenot commented that this deserves some clarification and communication about the contamination in Budd Inlet. The signage has been up around the bay for many years. The signage was recently updated a few weeks ago; therefore the signage was replaced with the new signage. The data from that area shows pollution below average upland soil levels. Ms. Fontenot noted that we invited the County here to provide the public information on.

Sherri McDonald commented that the role is to provide the public with health concerns. She commented that the department met with concerned citizens, that meeting led them to re-look at the signage and the health advisory. She reported that from that reassessment, they did not find any reason to change the advice from years ago, which is: don't eat the fish, shellfish, dirt or sand, and wash your hands or body with clean water after exposure. The new signs are designed to make the message clearer. Ms. McDonald noted that the County has had cooperation from the Port and the City to get the new signs up. The health advisory is not different than the health advisory that was issued in 2000.

President Telford asked if the signage that was put up was a replacement. Ms. McDonald responded that it was. She noted that the message was consolidated message and replaced old signage. She also noted that there were some new sign locations cited where it was likely the public would have access to the beach area. She indicated that the county suggested where the signs were to be posted and the Port staff complied.

Commissioner Van Schoorl commented that he had noted that the signage faces towards the beach and it is hard to see looking at the beach.

Stanley Stahl indicated that he is objecting to the signs because there is nothing on the signs about dioxins and he did not think that children could understand the sign. He took photographs of the signs from a distance and you cannot read the sign from a distance.

Bill Pilkey commented he was a former researcher from the department of health and he knows about health issues. He asked when the county first learned of the pollution at the Port and when did they take action? He commented that just because the signs are posted, doesn't mean that the county is responsible for the pollutions to the public. President Telford indicated that the question he is asking should be addressed to the county.

Patricia Di Francesca commented that only one sample was done to come up with the contaminant level. President Telford confirmed that is the site that DOE sampled. Ms. Fontenot indicated that sample was from the 2007 Ecology study and that the samples were taken Bay Wide.

Arthur West commented that it is time that the Port and the County are letting the public know about the contaminants in the bay. He commented that he was glad that there are signs there to alert the public. He asked if the county is saying that this level of dioxin is safe?

Ms. McDonald reiterated the county advisory is: don't eat fish, shellfish, sand, do not play in the sand, swim in the water. She indicated that the County couldn't guarantee that there is not a risk ever! She noted that they want to advise people that play in and around this area that you wash off after exposure. She noted that there were symbols developed for the new signage, the symbols were tested these with children and people with English as a second language.

Harold Clark asked why there is so much concern about dioxin when he has not heard about anything or anyone being affected by it. Ms. McDonald commented that we know there are dioxins and other containments and we know that there are bacteria in the area. Again, there has been no change to the advisory for health protections to this area because of dioxins.

Commissioner Van Schoorl commented that the source of industry pollutions is not just from the Port property. This is not just the Port's problem. He commented that there is a history of industry throughout Budd Inlet, especially at West Bay and others are also liable for the pollutions to the Bay. He commented that he is proud that the Port is taking the lead in this community problem by cleaning up the Bay. Ms. Fontenot commented that the testing in Budd Inlet is the most extensive testing that has been done, in time, other urban bay areas will be tested and will have similar problems.

Port Commission Communication & Meeting Advisory

Ms. Kari Qvigstad reported that as a Port Priority Initiative for 2007, the Port Commission identified the need for an updated Communications Framework, and within that framework, the specific need to review and enhance Port Commission Communications and Meeting elements.

She noted that with Commission concurrence, Port staff retained Jason Robertson, Barney & Worth, in May to assess Commission meetings, confirm objectives and identify concerns with each Port Commissioner, as well as to meet with selected local officials to review their meeting formats and solicit input on meeting enhancements. Mr. Robertson's research led to a recommended framework for discussion with the Commission at a public work session on August 15, 2007. The contract for consulting work amounted to \$7,500. The Commission approved a total of \$25,000 for communications in the Commission operating budget for 2007.

Ms. Qvigstad provided the following highlights Port Commission Communications and Meetings elements discussed at the August 15 Commission work session and identifies the status and lead for implementation of each element. Several of the elements are a continuation of existing Port practices or were introduced at the August 27 Commission meeting.

PLAN AHEAD, START EARLY

1. Meeting Agenda Coordination. The Port Commission President may highlight topics for the next meeting agenda at the prior meeting. Status: Immediate implementation. Lead: Commission President
2. Communication Frequency and Timing (listed below). Status: Immediate implementation. Lead: Port Staff
 - a. Commission Meeting Packets. Include more background on advisory or decision items in meeting packet one week in advance of Commission Meeting.
 - b. Present action items in context of entire process.
 - c. Commission Briefs. Prepare memos early in decision-making process on complex issues. Provide executive summary briefing format on topics and

- provide summary in meeting packet one week in advance of Commission meeting.
- d. Individual briefings. Where appropriate, provide Commissioners additional information during individual meetings scheduled with Executive Director.
- 3. Staff to hold informal listening or discussion meetings for selected issues with public in advance of Commission meetings. Status: Immediate implementation. Lead: Port Staff.
- 4. Continue to hold Commission work sessions with management team on selected issues. Status: Immediate implementation. Lead: Port Staff

MEETING STRUCTURE ENHANCEMENTS

1. Managing public inquiries, whether relating to topics on or off the meeting agenda. Status: Immediate implementation. Lead: Commission President
2. Parliamentary Rules refresher. Status: Near Term. Lead: Commission President with assistance from Port legal counsel.
3. Establish clear, fair ground rules for public testimony and comment. Consider a “civility” and/or “fairness” policy. Status: Near Term. Lead: Commission President.
4. Invite meeting attendees or interested parties to submit written comments on agenda topic via letter, email and web-based tools that direct public input to the Port Commission. Status: Immediate implementation. Lead: Port Staff
5. Change meeting agenda to improve Commission decision sequence. Staff will include recommended motion on cover sheet in meeting packet. Status: Immediate implementation. Lead: Port Staff
6. Acquire a larger meeting room to accommodate high public turnout. Further Commission discussion required. Status: Near term. Lead: Commission President.
7. Continue with Executive Director’s Report at each meeting to include updates on Port activities not on meeting agenda. Status: Immediate implementation. Lead: Port Staff

RESPONDING TO THE PUBLIC

1. Acknowledging public interest and comment. (Listed below). Status: Immediate implementation. Lead: Commission President
 - a. Expand Public Comment to 3 minutes.
 - b. Summarize public comments, concerns and questions with clarification, response and/or additional information provided at the next Commission meeting.
 - c. Consider more listening or discussion sessions.
 - d. Develop ground rules – Commissioner Telford has developed draft document for Commission discussion.
2. Enforcing rules of engagement for public testimony and comment. Hold to the 3-minute limited on public comment and add a general statement about public comment and ground rules to meeting agenda. Status: Immediate implementation. Lead: Commission President.

President Telford indicated he had plagiarized Thurston County’s public comment guidelines and had this draft included in the packet for this Port Commission meeting. He suggested adoption now unless there are reservations. He asked if there were any suggested changes from the other Commissioners. Commissioners McGregor and Van Schoorl indicated that this was good starting point may tinker with it at a later date.

Bill Pilkey commented that are a couple of typos in the ground rules. He also recommended that the Commissioners treat the public with respect and answer questions when the public asks questions of them.

Commissioner McGregor indicated that he thought we talked about announcing the next topics for the meetings in advance. Ms. Qvigstad indicated that we would have the President highlight topics for the next meeting.

President Telford commented that putting everything out there a week in advance might be hard to meet. We should allow ourselves options in case we cannot meet that timeline. Ms. Qvigstad indicated that staff has moved the schedule out so we can meet the goal of issuing the packet one week in advance.

Commissioner Van Schoorl noted that in 1990’s there was a Commission resolution on orderly conduct at meetings. He commented that we are more informal than Roberts Rules. He asked Ms. Sevier to look for that resolution for reference.

ADJOURNMENT

President Telford adjourned the meeting of September 10, 2007 at 7:00 p.m.

PORT OF OLYMPIA COMMISSION

President

Vice President

Secretary-Treasurer